

**CHENG UEI PRECISION INDUSTRY CO.,  
LTD. AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
SEPTEMBER 30, 2021 AND 2020**

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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.

CHENG UEI PRECISION INDUSTRY CO., LTD.  
SEPTEMBER 30, 2021 AND 2020 CONSOLIDATED FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REVIEW REPORT  
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## INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

PWCR 21000150

To the Board of Directors and Stockholders of Cheng Uei Precision Industry Co., Ltd.

### ***Introduction***

We have reviewed the accompanying consolidated balance sheets of Cheng Uei Precision Industry Co., Ltd. and subsidiaries (the "Group") as at September 30, 2021 and 2020, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the consolidated statement of changes in equity and of cash flows for the nine months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these 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. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### ***Scope of review***

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65, "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Basis for qualified conclusion***

As explained in Notes 4(3) and 6(8), the financial statements of certain insignificant consolidated subsidiaries and information disclosed in Note 13 were not reviewed by independent auditors. Those statements reflect total assets of NT\$17,561,695 thousand and NT\$21,823,019 thousand, constituting 21.6% and 25.54% of the consolidated total assets, and total liabilities of NT\$3,509,652 thousand and NT\$6,647,116 thousand, constituting 6.89% and 11.8% of the consolidated total liabilities as at September 30, 2021 and 2020, and total comprehensive income (loss) of NT\$788,450 thousand, NT(\$109,321) thousand, NT\$1,485,262 thousand and NT(\$156,756) thousand, constituting 191.19%, (7.53%), 479.3% and (13.42%) of the consolidated total comprehensive income (loss) for the nine months then ended. As explained in Note 6(8), certain investments accounted for using equity method were assessed and shares of profit or loss of associates and joint ventures accounted for using equity

method as of September 30, 2021 and 2020 were disclosed based on the financial statements which were not reviewed by independent auditors. The balance of investment accounted for under equity method was NT\$3,498,946 thousand and NT\$3,605,875 thousand, constituting 4.3% and 4.22% of consolidated total assets as of September 30, 2021 and 2020, respectively, and the share of profit of associates and joint ventures accounted for under equity method was NT(\$119,375) thousand, NT\$23,889 thousand, NT(\$69,069) thousand and NT\$103,355 thousand, constituting (28.95%), 1.65%, (22.29%) and 8.85% of consolidated total comprehensive (loss) income for the three months and nine months then ended, respectively.

### ***Qualified conclusion***

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using the equity method been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2021 and 2020, and of its consolidated financial performance and its consolidated cash flows for the three months and nine months then ended 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.

Lin, Se-Kai

Liang, Yi-Chang

For and on behalf of PricewaterhouseCoopers, Taiwan

November 12, 2021

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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 review 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 independent auditors’ review report 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.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

**CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**SEPTEMBER 30, 2021, DECEMBER 31, 2020 AND SEPTEMBER 30, 2020**  
(Expressed in thousands of New Taiwan dollars)  
(The balance sheets as of September 30, 2021 and 2020 are reviewed, not audited)

ASSETS	Notes	September 30, 2021		December 31, 2020		September 30, 2020		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
<b>CURRENT ASSETS</b>								
1100	Cash and cash equivalents	6(1)	\$ 7,661,781	9	\$ 10,993,540	13	\$ 12,679,244	15
1136	Current financial assets at amortised cost	6(4) and 8	4,076,995	5	6,407,553	8	263,410	-
1140	Current contract assets	6(24)	1,166,461	2	104,591	-	90,479	-
1150	Notes receivable, net		31,765	-	35,124	-	27,726	-
1170	Accounts receivable, net	6(5)	14,291,221	18	16,310,230	20	17,616,899	21
1180	Accounts receivable, net - related parties	7	294,834	-	603,705	1	310,470	-
1200	Other receivables	6(6)	262,969	-	203,599	-	499,703	1
1210	Other receivables - related parties	7	61,198	-	55,868	-	55,887	-
1220	Current income tax assets	6(31)	18,870	-	5,024	-	9,151	-
130X	Inventories	6(7)	16,766,999	21	13,276,324	16	12,337,723	14
1410	Prepayments		3,232,480	4	1,167,099	2	1,404,346	2
1460	Non-current assets or disposal groups classified as held for sale, net	6(13)	15,599	-	-	-	1,383,751	2
1470	Other current assets	8	63,499	-	127,649	-	5,434,388	6
11XX	<b>TOTAL CURRENT ASSETS</b>		<u>47,944,671</u>	<u>59</u>	<u>49,290,306</u>	<u>60</u>	<u>52,113,177</u>	<u>61</u>
1517	Financial assets at fair value through other comprehensive income-non-current	6(3) and 12(3)	1,374,559	2	986,704	1	1,013,743	1
1535	Non-current financial assets at amortised cost	6(4) and 8	144,319	-	146,394	-	143,253	-
1550	Investments accounted for under the equity method	6(8)	4,641,990	6	4,975,620	6	4,937,387	6
1600	Property, plant and equipment, net	6(9)	21,166,744	26	20,850,423	25	20,860,345	24
1755	Right-of-use assets	6(10) and 7	1,560,566	2	1,638,691	2	1,661,286	2
1760	Investment property, net	6(11)	569,289	1	584,072	1	579,545	1
1780	Intangible assets	6(12)	1,598,396	2	1,653,998	2	2,222,104	3
1840	Deferred income tax assets	6(31)	656,694	1	537,988	1	532,000	1
1915	Prepayments for business facilities		1,161,488	1	1,153,711	1	1,030,116	1
1990	Other non-current assets, others	8	497,695	-	444,195	1	361,791	-
15XX	<b>TOTAL NON-CURRENT ASSETS</b>		<u>33,371,740</u>	<u>41</u>	<u>32,971,796</u>	<u>40</u>	<u>33,341,570</u>	<u>39</u>
1XXX	<b>TOTAL ASSETS</b>		<u>\$ 81,316,411</u>	<u>100</u>	<u>\$ 82,262,102</u>	<u>100</u>	<u>\$ 85,454,747</u>	<u>100</u>

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**CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**SEPTEMBER 30, 2021, DECEMBER 31, 2020 AND SEPTEMBER 30, 2020**  
(Expressed in thousands of New Taiwan dollars)  
(The balance sheets as of September 30, 2021 and 2020 are reviewed, not audited)

	Notes	September 30, 2021		December 31, 2020		September 30, 2020		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
<b>LIABILITIES AND EQUITY</b>								
<b>CURRENT LIABILITIES</b>								
2100	Short-term borrowings	6(14)	\$ 7,909,967	10	\$ 4,341,582	5	\$ 6,294,206	7
2110	Short-term notes and bills payable	6(15)	1,123,274	2	387,222	1	438,617	1
2130	Current contract liabilities	6(24)	814,427	1	896,775	1	929,171	1
2150	Notes payable		151	-	155	-	1,146	-
2170	Accounts payable		14,175,881	18	17,521,270	21	17,336,999	20
2180	Accounts payable - related parties	7	211,971	-	160,726	-	196,003	-
2200	Other payables	6(16) and 7	4,376,915	5	4,778,465	6	5,239,931	6
2230	Current income tax liabilities	6(31)	477,510	1	660,933	1	570,333	1
2260	Liabilities related to non-current assets or disposal groups classified as held for sale		-	-	-	-	981,785	1
2280	Current lease liabilities	7	158,744	-	199,445	-	201,221	-
2365	Current refund liabilities		229,638	-	234,170	-	241,682	-
2399	Other current liabilities, others	6(18)	891,361	1	1,082,022	2	1,258,913	2
21XX	<b>TOTAL CURRENT LIABILITIES</b>		<u>30,369,839</u>	<u>38</u>	<u>30,262,765</u>	<u>37</u>	<u>33,690,007</u>	<u>39</u>
<b>NON-CURRENT LIABILITIES</b>								
2530	Corporate bonds payable	6(17)	6,577,628	8	6,574,982	8	6,573,891	8
2540	Long-term borrowings	6(18)	11,020,850	14	12,323,297	15	13,202,717	16
2570	Deferred income tax liabilities	6(31)	914,414	1	868,521	1	816,317	1
2580	Non-current lease liabilities	7	249,780	-	218,089	-	286,316	-
2600	Other non-current liabilities	6(8)(19)	1,791,029	2	1,930,560	2	1,739,318	2
25XX	<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>20,553,701</u>	<u>25</u>	<u>21,915,449</u>	<u>26</u>	<u>22,618,559</u>	<u>27</u>
2XXX	<b>TOTAL LIABILITIES</b>		<u>50,923,540</u>	<u>63</u>	<u>52,178,214</u>	<u>63</u>	<u>56,308,566</u>	<u>66</u>
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>								
Capital stock								
3110	Common stock	6(20)	5,123,269	6	5,123,269	6	5,123,269	6
Capital reserve								
3200	Capital surplus	6(21)	9,878,948	11	9,828,746	11	9,808,820	11
Retained earnings								
3310	Legal reserve	6(22)	3,197,654	4	3,002,026	4	3,002,026	4
3320	Special reserve		2,036,346	3	2,334,534	3	2,334,534	3
3350	Unappropriated earnings		5,318,670	7	5,782,390	7	5,311,300	6
Other equity								
3400	Other equity interest	6(23)	( 2,646,845)	( 3)	( 2,036,346)	( 2)	( 2,516,509)	( 3)
Treasury shares								
3500	Treasury shares	6(20)	( 272,066)	-	( 272,066)	-	( 272,066)	-
31XX	<b>Equity attributable to owners of the parent</b>		<u>22,635,976</u>	<u>28</u>	<u>23,762,553</u>	<u>29</u>	<u>22,791,374</u>	<u>27</u>
36XX	<b>Non-controlling interests</b>		<u>7,756,895</u>	<u>9</u>	<u>6,321,335</u>	<u>8</u>	<u>6,354,807</u>	<u>7</u>
3XXX	<b>TOTAL EQUITY</b>		<u>30,392,871</u>	<u>37</u>	<u>30,083,888</u>	<u>37</u>	<u>29,146,181</u>	<u>34</u>
Significant contingent liabilities and unrecognised contract commitments								
Significant events after the balance sheet date								
3X2X	<b>TOTAL LIABILITIES AND EQUITY</b>		<u>\$ 81,316,411</u>	<u>100</u>	<u>\$ 82,262,102</u>	<u>100</u>	<u>\$ 85,454,747</u>	<u>100</u>

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

CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars, except earnings per share)  
(UNAUDITED)

Items	Notes	Three months ended September 30,				Nine months ended September 30,				
		2021		2020		2021		2020		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(24) and 7	\$ 21,177,318	100	\$ 25,830,589	100	\$ 58,484,913	100	\$ 62,342,308	100
5000	Operating costs	6(7)(29)(30) and 7	( 18,766,888)	( 89)	( 22,953,674)	( 89)	( 51,790,150)	( 89)	( 55,856,697)	( 90)
5900	Gross profit		<u>2,410,430</u>	<u>11</u>	<u>2,876,915</u>	<u>11</u>	<u>6,694,763</u>	<u>11</u>	<u>6,485,611</u>	<u>10</u>
	Operating expenses	6(29)(30)								
6100	Sales and marketing expenses		( 431,480)	( 2)	( 408,060)	( 2)	( 1,332,082)	( 2)	( 1,166,226)	( 2)
6200	General and administrative expenses		( 820,677)	( 4)	( 643,491)	( 2)	( 2,522,234)	( 4)	( 2,138,346)	( 3)
6300	Research and development expenses		( 514,997)	( 2)	( 684,236)	( 3)	( 1,626,583)	( 3)	( 1,766,139)	( 3)
6450	Expected credit gain	12(2)	<u>7,485</u>	-	<u>416</u>	-	<u>28,296</u>	-	( <u>15,262</u> )	-
6000	Total operating expenses		( <u>1,759,669</u> )	( <u>8</u> )	( <u>1,735,371</u> )	( <u>7</u> )	( <u>5,452,603</u> )	( <u>9</u> )	( <u>5,085,973</u> )	( <u>8</u> )
6900	Operating income		<u>650,761</u>	<u>3</u>	<u>1,141,544</u>	<u>4</u>	<u>1,242,160</u>	<u>2</u>	<u>1,399,638</u>	<u>2</u>
	Non-operating income and expenses									
7100	Interest income	6(25)	17,439	-	27,552	-	60,395	-	87,659	-
7010	Other income	6(26) and 7	163,197	1	191,834	1	410,834	1	406,212	1
7020	Other gains and losses	6(27)	21,563	-	( 16,711)	-	71,660	-	105,732	-
7050	Finance costs	6(28)	( 81,629)	-	( 93,731)	-	( 255,138)	-	( 251,939)	-
7060	Share of profit of associates and joint ventures accounted for under equity method	6(8)	( <u>96,595</u> )	( <u>1</u> )	<u>67,860</u>	-	( <u>13,032</u> )	-	<u>195,376</u>	-
7000	Total non-operating income and expenses		<u>23,975</u>	-	<u>176,804</u>	<u>1</u>	<u>274,719</u>	<u>1</u>	<u>543,040</u>	<u>1</u>
7900	<b>Income before income tax</b>		<u>674,736</u>	<u>3</u>	<u>1,318,348</u>	<u>5</u>	<u>1,516,879</u>	<u>3</u>	<u>1,942,678</u>	<u>3</u>
7950	Income tax expense	6(31)	( <u>194,670</u> )	( <u>1</u> )	( <u>246,753</u> )	( <u>1</u> )	( <u>526,989</u> )	( <u>1</u> )	( <u>526,567</u> )	( <u>1</u> )
8200	<b>Net income</b>		<u>\$ 480,066</u>	<u>2</u>	<u>\$ 1,071,595</u>	<u>4</u>	<u>\$ 989,890</u>	<u>2</u>	<u>\$ 1,416,111</u>	<u>2</u>

(Continued)



CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars, except earnings per share)  
(UNAUDITED)

Items	Notes	Three months ended September 30,				Nine months ended September 30,					
		2021		2020		2021		2020			
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%		
<b>Other comprehensive (loss) income, net</b>											
<b>Components of other comprehensive (loss) income that will not be reclassified to profit or loss</b>											
8316	Unrealized gain on equity instrument at fair value through other comprehensive income	6(3)									
				(\$ 1,984)	-	\$ 7,000	-	\$ 5,457	-	(\$ 29,000)	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss			( 767)	-	6,486	-	2,099	-	1,056	-
8310	Total components of other comprehensive (loss) income that will not be reclassified to profit or loss			( 2,751)	-	13,486	-	7,556	-	( 27,944)	-
<b>Components of other comprehensive (loss) income that will be reclassified to profit or loss</b>											
8361	Exchange differences arising on translation of foreign operations			( 79,969)	-	453,960	2	( 833,520)	( 1)	( 228,275)	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss			969	-	( 30)	-	( 6,784)	-	( 34,997)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(31)		14,085	-	( 88,038)	-	152,742	-	42,989	-
8360	Total components of other comprehensive (loss) income that will be reclassified to profit or loss			( 64,915)	-	365,892	2	( 687,562)	( 1)	( 220,283)	-
8300	<b>Other comprehensive (loss) income, net</b>			(\$ 67,666)	-	\$ 379,378	2	(\$ 680,006)	( 1)	(\$ 248,227)	-
8500	<b>Total comprehensive income for the period</b>			\$ 412,400	2	\$ 1,450,973	6	\$ 309,884	1	\$ 1,167,884	2
Net (loss) income attributable to:											
8610	Shareholders of the parent			\$ 397,434	2	\$ 1,047,554	4	\$ 721,556	1	\$ 1,485,211	2
8620	Non-controlling interests			82,632	-	24,041	-	268,334	1	( 69,100)	-
	Total			\$ 480,066	2	\$ 1,071,595	4	\$ 989,890	2	\$ 1,416,111	2
Total comprehensive (loss) income attributable to:											
8710	Shareholders of the parent			\$ 339,291	2	\$ 1,408,867	6	\$ 111,057	1	\$ 1,303,237	2
8720	Non-controlling interests			73,109	-	42,106	-	198,827	-	( 135,353)	-
	Total			\$ 412,400	2	\$ 1,450,973	6	\$ 309,884	1	\$ 1,167,884	2
Basic earnings per share (in dollars)											
9750	Total basic earnings per share	6(32)		\$ 0.82		\$ 2.16		\$ 1.49		\$ 3.06	
Diluted earnings per share (in dollars)											
9850	Total diluted earnings per share	6(32)		\$ 0.82		\$ 2.15		\$ 1.48		\$ 3.04	

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

**CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars)  
(UNAUDITED)

Equity attributable to owners of the parent											
Notes	Retained earnings					Other equity interest			Total equity attributable to shareholders of the parent	Non-controlling interest	Total equity
	Common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares			
<b>Nine months ended September 30, 2020</b>											
	\$ 5,123,269	\$ 9,471,717	\$ 2,803,290	\$ 1,609,901	\$ 6,030,302	(\$ 2,079,456)	(\$ 255,079)	(\$ 272,066)	\$ 22,431,878	\$ 5,810,641	\$ 28,242,519
	-	-	-	-	1,485,211	-	-	-	1,485,211	( 69,100 )	1,416,111
6(23)	-	-	-	-	-	( 171,954 )	( 10,020 )	-	( 181,974 )	( 66,253 )	( 248,227 )
	-	-	-	-	1,485,211	( 171,954 )	( 10,020 )	-	1,303,237	( 135,353 )	1,167,884
Appropriation of 2019 earnings											
	-	-	198,736	-	( 198,736 )	-	-	-	-	-	-
	-	-	-	724,633	( 724,633 )	-	-	-	-	-	-
	-	-	-	-	( 1,280,818 )	-	-	( 1,280,818 )	-	-	( 1,280,818 )
6(21)	-	140,612	-	-	( 26 )	-	-	-	140,586	( 58,840 )	81,746
6(21)	-	170,233	-	-	-	-	-	-	170,233	-	170,233
6(21)	-	26,258	-	-	-	-	-	-	26,258	-	26,258
	-	-	-	-	-	-	-	-	-	738,359	738,359
	\$ 5,123,269	\$ 9,808,820	\$ 3,002,026	\$ 2,334,534	\$ 5,311,300	(\$ 2,251,410)	(\$ 265,099)	(\$ 272,066)	\$ 22,791,374	\$ 6,354,807	\$ 29,146,181
<b>Nine months ended September 30, 2021</b>											
	\$ 5,123,269	\$ 9,828,746	\$ 3,002,026	\$ 2,334,534	\$ 5,782,390	(\$ 1,730,123)	(\$ 306,223)	(\$ 272,066)	\$ 23,762,553	\$ 6,321,335	\$ 30,083,888
	-	-	-	-	721,556	-	-	-	721,556	268,334	989,890
6(23)	-	-	-	-	-	( 610,968 )	469	-	( 610,499 )	( 69,507 )	( 680,006 )
	-	-	-	-	721,556	( 610,968 )	469	-	111,057	198,827	309,884
Appropriation of 2020 earnings											
	-	-	195,628	-	( 195,628 )	-	-	-	-	-	-
	-	-	-	( 298,188 )	298,188	-	-	-	-	-	-
	-	-	-	-	( 1,280,818 )	-	-	( 1,280,818 )	-	-	( 1,280,818 )
6(21)	-	21,164	-	-	-	-	-	-	21,164	( 51,610 )	( 30,446 )
6(21)	-	237	-	-	-	-	-	-	237	( 378 )	( 141 )
6(21)	-	2,543	-	-	( 7,018 )	-	-	-	( 4,475 )	1,964	( 2,511 )
6(21)	-	26,258	-	-	-	-	-	-	26,258	-	26,258
	-	-	-	-	-	-	-	-	-	1,286,757	1,286,757
	\$ 5,123,269	\$ 9,878,948	\$ 3,197,654	\$ 2,036,346	\$ 5,318,670	(\$ 2,341,091)	(\$ 305,754)	(\$ 272,066)	\$ 22,635,976	\$ 7,756,895	\$ 30,392,871

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

CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)  
(UNAUDITED)

	Notes	Nine months ended September 30,	
		2021	2020
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 1,516,879	\$ 1,942,678
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on financial assets or liabilities at fair value through profit or loss		-	( 8,427 )
Depreciation (including investment property)	6(9)(10)(11)(27)(29)	2,416,200	2,426,666
Amortisation	6(12)(29)	77,813	89,728
Expected credit (gain) loss	12(2)	( 28,296 )	15,262
Interest expense	6(28)	255,138	251,939
Interest income	6(25)	( 60,395 )	( 87,659 )
Share of profit of associates accounted for using the equity method	6(8)	13,032	( 195,376 )
Gain on disposal of property, plant and equipment	6(27)	( 2,099 )	( 20,003 )
Gain on disposal of investments	6(27)	( 166,209 )	( 15,643 )
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets measured at fair value through profit or loss		-	137,577
Contract assets		( 1,061,870 )	79,513
Notes receivable		3,359	( 3,179 )
Accounts receivable		2,047,973	( 2,183,059 )
Accounts receivable from related parties		308,871	120,509
Other receivables		( 33,325 )	( 141,420 )
Other receivables from related parties		( 5,330 )	39,938
Inventories		( 3,505,375 )	( 1,227,108 )
Prepayments		( 2,065,381 )	3,482
Other current assets		64,150	( 11,948 )
Other non-current assets		( 53,500 )	( 46,281 )
Changes in operating liabilities			
Contract liabilities		( 82,348 )	141,949
Notes payable		( 4 )	( 2,127 )
Accounts payable		( 3,345,389 )	2,652,989
Accounts payables to related parties		51,245	( 34,088 )
Other payables		( 555,821 )	( 257,496 )
Refund liabilities		( 4,532 )	2,497
Other current liabilities		( 146,917 )	( 32,004 )
Other non-current liabilities		( 139,532 )	( 69,599 )
Cash (outflow) inflow generated from operations		( 4,501,663 )	3,569,310
Interest received		60,395	87,659
Dividends received		71,138	82,280
Interest paid		( 254,356 )	( 241,874 )
Income tax paid		( 630,483 )	( 244,836 )
Net cash flows (used in) from operating activities		( 5,254,969 )	3,252,539

(Continued)

**CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars)  
(UNAUDITED)

	Notes	Nine months ended September 30,	
		2021	2020
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of financial assets at fair value through other comprehensive income	12(3)	(\$ 173,760 )	(\$ 41,910 )
Proceeds from disposal of investments accounted for under the equity method		138,721	-
Financial assets at amortised cost		2,332,633	1,364,099
Acquisition of investments accounted for using equity method		( 180,000 )	-
Proceeds from capital reduction of investments accounted for using equity method		-	122,461
Acquisition of property, plant and equipment	6(34)	( 2,317,512 )	( 1,744,247 )
Proceeds from disposal of property, plant and equipment		52,608	162,972
Acquisition of intangible assets	6(12)	( 34,621 )	( 59,070 )
Proceeds from disposal of intangible assets	6(12)	1,049	8,261
Increase in prepayments for business facilities		( 593,887 )	( 366,817 )
Increase in refundable deposits		-	( 5,406,119 )
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		37,469	3,638
Increase in prepayments for investments	6(8)	-	( 283,672 )
Cash charged due to disposal of subsidiaries		( 29,246 )	( 132,267 )
Net cash flows used in investing activities		( 766,546 )	( 6,372,671 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from short-term borrowings	6(35)	29,988,816	17,767,186
Repayments of short-term borrowings	6(35)	( 26,418,459 )	( 13,511,724 )
Short-term notes and bills payable	6(35)	736,052	63,675
Proceeds from issuance of bonds		-	3,600,000
Proceeds from long-term borrowings	6(35)	13,263,727	7,638,736
Repayment of long - term borrowings	6(35)	( 14,609,917 )	( 5,639,379 )
Repayment of lease liabilities	6(10)(35)	( 170,891 )	( 189,620 )
Cash dividends paid	6(22)	( 1,280,818 )	( 1,280,818 )
Proceeds from disposal of ownership investments in subsidiaries	6(32)	690,000	-
Changes in non-controlling interest		663,034	738,359
Net cash flows from financing activities		2,861,544	9,186,415
Effect of change in exchange rates		( 171,788 )	317,563
Net (decrease) increase in cash and cash equivalents		( 3,331,759 )	6,383,846
Cash and cash equivalents at beginning of period		10,993,540	6,296,729
Cash and cash equivalents at end of period		<u>\$ 7,661,781</u>	<u>\$ 12,680,575</u>
The components of cash and cash equivalents			
Cash and cash equivalents reported in the balance sheet		\$ 7,661,781	\$ 12,679,244
Cash and cash equivalents classified as (non-current) assets (or disposal group) held for sale		-	1,331
Cash and cash equivalents at end of reporting period		<u>\$ 7,661,781</u>	<u>\$ 12,680,575</u>

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

CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

(Reviewed, not audited)

1. HISTORY AND ORGANIZATION

Cheng Uei Precision Industry Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C.) on July 14, 1986 and has begun operations on July 31, 1986. The Company and its subsidiaries (collectively referred herein as the “Group”) are engaged in the manufacture of cable assemblies, connectors, battery packs, and power modules. Effective September 1999, the shares of the Company were listed on the Taiwan Stock Exchange.

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

These consolidated financial statements were reported to the Board of Directors on November 12, 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 (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by FSC effective from 2021 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform-Phase 2’	January 1, 2021
Amendment to IFRS 16, ‘Covid-19-related rent concessions beyond 30 June 2021’	April 1, 2021(Note)

Note: Earlier application from January 1, 2021 is allowed by FSC.

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

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

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts-cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018-2020	January 1, 2022

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

(3) IFRSs issued by 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 Standards, Interpretations and Amendments	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 International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments 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 Group continues to evaluate the impact of the above standards and interpretations on its financial condition and financial performance. The quantitative impact will be disclosed when the assessment is complete.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the compliance statement, basis of preparation, basis of consolidation and additional descriptions that are set out below, the rest of the principal accounting policies applied in the preparation of these consolidated financial statements are the same as those disclosed in Note 4 to the consolidated financial statements as of and for the year ended December 31, 2020. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. 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

International Financial Reporting Standards, International Accounting Standards 34, “Interim Financial Reporting”.

- B. The consolidated financial statements as of and for the nine months ended September 30, 2021 should be read together with the consolidated financial statements as of and for the year ended December 31, 2020.

(2) Basis of preparation

- A. Except for the following items, the 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 less present value of defined benefit obligations.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “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 areas involving a higher degree of judgement or complexity, or areas 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:  
Basis for preparation of the current period financial statements and the 2020 consolidated financial statements is the same.

## B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Description
			September 30, 2021	December 31, 2020	September 30, 2020	
The Company	CU International Ltd. (CU)	Manufacture of electronic telecommunication components and reinvestment business	100	100	100	Note 19, 20
The Company	Culink International Ltd. (CULINK)	Reinvestment business	100	100	100	
The Company	Foxlink International Investment Ltd. (FII)	General investments holding	100	100	100	Note 19, 20
The Company	Fu Uei International Investment Ltd. (FUII)	General investments holding	100	100	100	Note 19, 20
The Company	Darts Technologies Corporation (Darts)	Manufacture of electronic telecommunication and wireless components	97	97	97	
The Company	Foxlink (Vietnam) Inc.	Manufacture of electronic telecommunication components	-	-	100	Note 4
The Company	DU Precision Industry Co., Ltd. (DU Precision)	Manufacture of electronic telecommunication components	100	100	100	
The Company	Foxlink Technology Ltd. (FOXLINK TECH)	Reinvestment business	100	100	100	
The Company	Solteras Inc. (SOLTERAS)	Manufacture of electronic telecommunication components	-	-	-	Note 4
The Company	Suntain Co., Ltd. (Suntain)	Electroplating processing services	100	100	100	
The Company	SINOBEST BROTHERS LIMITED (SINOBEST)	Reinvestment business	91.19	91.19	95.39	Note 17
CU	Fugang Electronic (Dongguan) Co., Ltd. (FGEDG)	Manufacture of electronic telecommunication components	100	100	100	Note 19, 20
CU	New Start Industries Ltd. (NEW START)	Reinvestment business	100	100	100	
CU	Fugang Electric (Kunshan) Co., Ltd. (FGEKS)	Manufacture of electronic telecommunication components	100	100	100	Note 19, 20
CU	Dong Guan Fu Shi Chang Co., Ltd. (FSC)	Manufacture of electronic telecommunication components	100	100	100	
CU	Culink Tianjin Co., Ltd. (CTJ)	Manufacture of electronic telecommunication components	25	25	25	
CU	Dongguan Fuqiang Electronics Co., Ltd. (DGFQ)	Manufacture of electronic telecommunication components	83.17	83.17	83.17	Note 19, 20
CU	Foxlink Energy (Tianjin) Ltd. (FETJ)	Manufacture of electronic telecommunication components	100	100	100	
CU	Foxlink Automotive Technology (Kunshan) Co., Ltd. (KAFF)	Manufacture of electronic telecommunication components	49.98	49.98	49.98	
CU	Solteras Limited	General investments holding	100	100	100	
CU	Fushineng Electronics (Kunshan) Co., Ltd.	Manufacture of electronic telecommunication components	100	100	100	
CU	Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd.	Manufacture of electronic telecommunication components	100	100	100	
CU	Fu Gang Electronic (Nan Chang) Co., Ltd. (FENC)	Manufacture of electronic telecommunication components	72	72	72	



Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Description
			September 30, 2021	December 31, 2020	September 30, 2020	
CU	Fugang Electric (YANCHENG) Co., Ltd. (FG YANCHENG)	Manufacture of electronic telecommunication components	80	80	80	
CU	Fuqiang Electric (YANCHENG) Co., Ltd. (FQ YANCHENG)	Manufacture of electronic telecommunication components	100	100	100	
CU	Fugang Electric (MAANSHAN) Co., Ltd. (FG MAANSHAN)	Manufacture of electronic telecommunication components	32.86	32.86	32.86	
CU	Kunshan Fugang Investment Co., Ltd. (Kunshan Fugang Investment)	General investments holding	100	100	100	
CU	FOXLINK TECHNICAL INDIA PRIVATE LIMITED (FOXLINK INDIA)	Manufacture of electronic telecommunication components	37.27	32.27	42.13	Note 6
CU	Fugang Electric (XuZhou) Co., Ltd. (FG XuZhou)	Manufacture of electronic telecommunication components	21.62	29.63	47.06	Note 9, 19, 20
NEW START	Foxlink Tianjin Co., Ltd. (FTJ)	Manufacture of electronic telecommunication components	100	100	100	
NEW START	Culink Tianjin Co., Ltd. (CTJ)	Manufacture of electronic telecommunication components	75	75	75	
NEW START	Solteras Inc. (SOLTERAS)	Manufacture of electronic telecommunication components	-	-	-	Note 4
NEW START	Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd. (Xinwei)	General investments holding	50	50	50	
NEW START	FUGANG ELECTRIC (XUZHOU) CO., LTD. (FG XUZHOU)	Manufacture of electronic telecommunication components	27.03	-	-	Note 9, 19, 20
FTJ	Fuzhan Electronics (Shanghai) Co., Ltd. (FESH)	Manufacture of electronic telecommunication components	46.93	46.93	46.93	
FTJ	Foxlink Automotive Technology (Kunshan) Co., Ltd. (KAFE)	Manufacture of electronic telecommunication components	50.02	50.02	50.02	
FTJ	Fu Gang Electronic (Nan Chang) Co., Ltd. (FENC)	Manufacture of electronic telecommunication components	28	28	28	
FTJ	Fugang Electric (MAANSHAN) Co., Ltd. (FG MAANSHAN)	Manufacture of electronic telecommunication components	50.71	50.71	50.71	
FTJ	Change Fubo Intelligent Technology Co., Ltd. (CDFB)	Manufacture and sale of automated equipment	9.50	70	70	Note 7
KAFE	Suzhou Keyu Rui Automobile Technology Co., Ltd. (Keyu Rui)	Manufacture	55.56	55.56	55.56	
KAFE	Foxlink Automotive Technology Co., Ltd. (FAT)	Manufacture of electronic telecommunication components	100	100	100	
CULINK	Pacific Wealth Limited (PACIFIC WEALTH)	Holding company and reinvestment business	100	100	100	
CULINK	FOXLINK TECHNICAL INDIA PRIVATE LIMITED (FOXLINK INDIA)	Manufacture of electronic telecommunication components	62.73	62.73	57.87	Note 6

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Description
			September 30, 2021	December 31, 2020	September 30, 2020	
CULINK	FOXLINK POWERBANK INTERNATIONAL TECHNOLOGY PRIVATE LIMITED (FOXLINK POWERBANK)	Manufacture of electronic telecommunication components	0.73	0.73	0.73	
CULINK	GLORYTEK SCIENCE INDIA PRIVATE LIMITED (GLORY SCIENCE INDIA)	Manufacture and sale of the components of communication and consumer electronics	0.73	0.73	0.73	
CULINK	FUGANG ELECTRIC (XUZHOU) CO., LTD. (FG XUZHOU)	Manufacture of electronic telecommunication components	51.35	70.37	52.94	Note 9, 19, 20
PACIFIC WEALTH	Foxlink International Inc. (FOXLINK)	Sales agent	100	100	100	Note 19, 20
Kunshan Fugang Investment	Dongguan Fuqiang Electronics Co., Ltd. (DGFQ)	Manufacture of electronic telecommunication components	16.83	16.83	16.83	Note 19, 20
Kunshan Fugang Investment	Fuqiang Electric (MAANSHAN) Co., Ltd. (FQ MAANSHAN)	Manufacture of electronic telecommunication components	100	100	100	
Kunshan Fugang Investment	Fugang Electric (MAANSHAN) Co., Ltd. (FG MAANSHAN)	Manufacture of electronic telecommunication components	16.43	16.43	16.43	
FII	Linkmedia Co., Ltd. (LM)	Manufacture of electronic telecommunication components	-	100	100	Note 3
FII	World Circuit Technology Co., Ltd. (WCT)	Manufacture of electronic telecommunication components and flexible printed circuit	69.56	69.56	69.56	
FII	Proconn Technology Co., Ltd. (Proconn)	Manufacture of electronic telecommunication components	-	50.03	50.03	Note 3
FII	FIT Holding Co., Ltd. (FIT Holding)	General investments holding	23.67	23.67	23.67	Note 19, 20
FII	FOXLINK INDIA ELECTRIC PRIVATE LIMITED (FIE)	Manufacture of electronic telecommunication components	14.43	31.35	1	Note 2, 11
FII	FOXLINK VIETNAM CO., LTD. (FV)	Manufacture of electronic telecommunication components	100	-	-	Note 1
WCT	Value Success Limited (VALUE SUCCESS)	Holding company and reinvestment business	100	100	100	
VALUE SUCCESS	Capital Guardian Limited (CAPITAL)	Holding company and reinvestment business	100	100	100	
CAPITAL	World Circuit Technology (Hong Kong) Limited (WCTHK)	Holding company and reinvestment business	100	100	100	
WCTHK	Fuzhan Electronics (Shanghai) Co., Ltd. (FESH)	Manufacture of electronic telecommunication components	53.07	53.07	53.07	
Darts	Benefit Right Ltd. (BENEFIT)	Reinvestment business	100	100	100	
BENEFIT	Power Channel Limited (POWER)	Reinvestment business	64.25	64.25	64.25	
DU Precision	CE Link International Ltd. (CELINK)	Manufacture of electronic telecommunication components	100	100	100	
FOXLINK TECH	Sinobest Brothers Limited (SINOBEST)	Manufacture of electronic telecommunication components	8.81	8.81	4.61	Note 2, 17

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Description
			September 30, 2021	December 31, 2020	September 30, 2020	
SINOBEST	Foxlink Myanmar Company Limited (FOXLINK MYANMAR)	Manufacture of electronic telecommunication components	100	100	100	Note 5
SOLTERAS LIMITED	Solteras Inc. (SOLTERAS)	Manufacture of electronic telecommunication components	-	-	-	Note 4
FUII	Studio A Inc. (Studio A)	Sale of electronic telecommunication components	51	51	51	
FUII	VA Product Inc. (VA)	Sale of electronic telecommunication components	100	100	100	
FUII	Proconn Technology Co., Ltd. (Proconn)	Manufacture of electronic telecommunication components	-	1.30	1.30	Note 3
FUII	Zhi De Investment Co., Ltd. (Zhi De Investment)	General investments holding	100	100	100	Note 19, 20
FUII	Shinfox Energy Co., Ltd. (Shinfox)	Mechanical installation and piping engineering	10.26	10.50	10.50	Note 15, 19
FUII	FIT Holding Co., Ltd. (FIT Holding)	General investments holding	5.97	5.97	5.97	Note 19, 20
FUII	FOXLINK INDIA ELECTRIC PRIVATE LIMITED (FIE)	Manufacture of electronic telecommunication components	85.57	68.65	99.00	Note 2, 11
Zhi De Investment	FIT Holding Co., Ltd. (FIT Holding)	General investments holding	8.55	8.55	8.55	Note 19, 20
Proconn	Advance Electronic Ltd. (Advance Electronic)	General investments holding	-	-	100	Note 4
ADVANCE ELECTRONIC	Smart Technology International Ltd. (SMART)	General investments holding	-	-	100	Note 4
SMART	Suzhou Yuhang Electronic Technology Co., Ltd.	Manufacture of electronic telecommunication components	-	-	100	Note 4
Studio A	Straight A Inc. (Straight A)	Sale of electronic telecommunication components	100	100	100	
Studio A	Studio A Technology Limited (Studio A Hong Kong)	Sale of electronic telecommunication components	51	51	51	
Studio A	Ashop Co., Ltd. (ASHOP)	Sale of electronic telecommunication components	-	100	100	Note 12
Studio A	Jing Jing Technology Co., Ltd. (Jing Jing)	Sale of electronic telecommunication components	100	100	100	
Studio A	Junezhe Co., Ltd (Junezhe)	Dredging industry	25	-	-	Note 1, 18
Studio A Hong Kong	Studio A Macau Limited (Studio A Macau)	Sale of electronic telecommunication components	100	100	100	
Studio A Hong Kong	ASHOP CO., LTD. (ASHOP)	Sale of electronic telecommunication components	100	-	-	Note 12
FGEKS	Kunshan Fugang Electric Trading Co., Ltd. (KFET)	Sale of electronic telecommunication components	51	51	51	
KFET	Shanghai Fugang Electric Trading Co., Ltd. (SFET)	Sale of electronic telecommunication components	100	100	100	
KFET	Kunshan Fu Shi You Trading Co., Ltd. (KFSY)	Sale of electronic telecommunication components	100	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Description
			September 30, 2021	December 31, 2020	September 30, 2020	
KFET	Shanghai Standard Information Technology Co., Ltd. (Shanghai Standard)	Sale of electronic telecommunication components	100	100	100	
FIT Holding	Power Quotient International Co., Ltd. (PQI)	Manufacture of electronic telecommunication components	100	100	100	Note 19, 20
FIT Holding	Foxlink Image Technology Co., Ltd. (Foxlink Image)	Manufacture and sale of image scanners and multifunction printers	100	100	100	Note 19, 20
FIT Holding	Glory Science Co., Ltd. (Glory Science)	Manufacture and sale of optical lens components and other products	100	100	100	Note 19, 20
FIT Holding	Shih Fong Power Co., Ltd. (Shih Fong)	Energy service management	16.30	41.30	41.30	Note 16
PQI	Power Quotient International (H.K.) Co., Ltd. (PQI H.K.)	Sale of electronic telecommunication components	100	100	100	
PQI	PQI Japan Co., Ltd. (PQI JAPAN)	Sale of electronic telecommunication components	100	100	100	
PQI	Syscom Development Co., Ltd. (SYSCOM)	Specialized investments holding	100	100	100	
PQI	Apix Limited (APIX)	Specialized investments holding	100	100	100	
PQI	PQI Mobility Inc. (PQI MOBILITY)	Specialized investments holding	100	100	100	
PQI	Power Sufficient International Co., Ltd. (PSI)	Sale of medical instruments	100	100	100	
PQI	Shinfox Energy Co. Ltd. (Shinfox)	Energy service management	57.39	58.74	60.64	Note 10, 15, 19
SYSCOM	PQI Corporation (PQI USA)	Sale of electronic telecommunication components	-	100	100	Note 3
SYSCOM	FOXLINK POWERBANK INTERNATIONAL TECHNOLOGY PRIVATE LIMITED (FOXLINK POWERBANK)	Manufacture of electronic telecommunication components	99.27	99.27	99.27	
PQI MOBILITY	Power Quotient Technology (YANCHENG) Co., Ltd. (PQI YANCHENG)	Manufacture of electronic telecommunication components	100	100	100	Note 19, 20
APIX	Sinocity Industries Limited (Sinocity)	Sale of 3C products	100	100	100	Note 5, 19, 20
APIX	Perennial Ace Limited (Perennial)	Specialized investments holding	100	100	100	
Shinfox	Foxwell Energy Corporation Ltd. (Foxwell Energy)	Energy service management	100	100	100	Note 19
Shinfox	SHINFOX ENERGY INTERNATIONAL INC. (SHINFOX ENERGY)	Energy service management	-	-	-	Note 4
Shinfox	Shinfox Natural Gas Co., Ltd. (Shinfox Natural Gas)	Energy service management	80	80	100	
Shinfox	Kunshan Jiuwei Info Tech Co., Ltd. (Kunshan Jiuwei)	Supply chain finance energy service management	100	100	100	
Shinfox	Foxwell Power Co., Ltd. (Foxwell Power)	Energy service management	99	99	95	Note 13

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Description
			September 30, 2021	December 31, 2020	September 30, 2020	
Shinfox	Shinfox Power Co., Ltd.	Energy service management	-	-	100	Note 2, 10
Shinfox	Junezhe Co., Ltd.(Junezhe)	Dredging industry	33.50	-	-	Note 1, 18
Foxwell Energy	Changyuan Wind Power Ltd. (Changyuan)	Wind energy and wholesale of machinery	-	-	100	Note 8
Foxwell Energy	Beiyuan Wind Power Ltd. (Beiyuan)	Wind energy and wholesale of machinery	-	-	100	Note 8
Sinocity Industries	DG LIFESTYLE STORE LIMITED (DG)	Sale of 3C products	100	100	100	Note 5, 19, 20
Perennial	Studio A Technology Limited (Studio A Hong Kong)	Sale of 3C products	24.50	24.50	24.50	
PQI YANCHENG	Jiangsu Foxlink New Energy Technology Co., Ltd. (Jiangsu Foxlink)	Manufacture of electronic telecommunication components	12.90	12.90	12.90	Note 14
PQI YANCHENG	PQI (Xuzhou) New Energy Co., Ltd.	Manufacture of electronic telecommunication components	100	100	-	Note 2, 19
Foxlink Image	ACCU-IMAGE TECHNOLOGY LIMITED (AITL)	Manufacture and sale of image scanners and multifunction printers	100	100	100	Note 19, 20
Foxlink Image	Shih Fong Power Co., Ltd. (Shih Fong)	Energy service management	34.70	34.70	34.70	Note 2, 16
AITL	POWER CHANNEL LIMITED (POWER)	Holding company and reinvestment business	35.75	35.75	35.75	
AITL	Dongguan Fu Wei Electronics Co., Ltd. (Dongguan Fu Wei)	Manufacture and sale of image scanners and multifunction printers	100	100	100	Note 19, 20
AITL	Dong Guan Fu Zhang Precision Industry Co., Ltd. (DGFZ)	Mould development and moulding tool manufacture	100	100	100	
AITL	Wei Hai Fu Kang Electric Co., Ltd. (WHFK)	Manufacture and sale of parts and moulds of photocopiers and scanners	100	100	100	
AITL	Dong Guan HanYang Computer Co., Ltd. (DGHY)	Manufacture of image scanners and multifunction printers and investment of real estate	100	100	100	
Glory Science	GLORY TEK (BVI) CO., LTD. (GLORY TEK)	General investments holding	100	100	100	Note 19, 20
GLORY TEK	GLORY OPTICS (BVI) CO., LTD. (GLORY OPTICS)	Sales agent	100	100	100	Note 19, 20
GLORY TEK	GLORY TEK (SAMOA) CO., LTD. (GLORY TEK (SAMOA))	General investments holding	100	100	100	Note 19, 20
GLORY TEK	GLORYTEK SCIENCE INDIA PRIVATE LIMITED (GLORYTEK SCIENCE INDIA)	Manufacture and sale of the components of communication and consumer electronics	99.27	99.27	99.27	Note 19, 20
GLORY TEK (SAMOA)	Glorytek (Suzhou) Co., Ltd. (Glorytek Suzhou)	Production and processing and sale of optical lens components and other products	100	100	100	Note 19, 20

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Description
			September 30, 2021	December 31, 2020	September 30, 2020	
GLORY TEK (SAMOA)	Glory Optics (Yancheng) Co., Ltd. (GOYC)	Production and processing and sale of optical lens components and other products	34.88	34.88	34.88	Note 19, 20
GLORY OPTICS	Glorytek (Yancheng) Co., Ltd. (Glorytek Yancheng)	Production and processing and sale of optical lens components and other products	100	100	100	Note 19, 20
Glorytek Yancheng	Yancheng Yaowei Technology Co., Ltd. (YYWT)	Production and processing and sale of optical lens components and other products	100	100	100	Note 19, 20
GLORY Suzhou	Glory Optics (Yancheng) Co., Ltd. (GOYC)	Production and processing and sale of optical lens components and other products	65.12	65.12	65.12	Note 19, 20

Note 1: Investment or incorporation began in 2021.

Note 2: Investment or incorporation began in 2020.

Note 3: Dissolved or liquidated in 2021.

Note 4: Dissolved or liquidated in 2020.

Note 5: With balance sheet date of March 31. For the preparation of consolidated financial statements, the Company had required FOXLINK MYANMAR, and PQI had required Sinocity and DG as consolidated entities to prepare financial statements with balance sheet date on December 31 to conform to the balance sheet date of the consolidated financial statements.

Note 6: CULINK has participated in Foxlink India's capital increase in 2020. After the capital increment, Foxlink India became a wholly owned subsidiary of CULINK and CU with 62.73% and 37.27% ownership, respectively.

Note 7: Foxlink Tianjin Co., Ltd. sold 60.5% equity interests of Changde Fubo Intelligent Technology Co., Ltd. in May 2021 and as a result, the Group decreased its share interest down to 9.5%. After the assessment, the Group lost its control and significant influence over Changde Fubo Intelligent Technology Co., Ltd. which was reclassified as financial assets at fair value through other comprehensive income. Please refer to Note 6(3) for details.

Note 8: In November 2020, the Group lost its control over the subsidiaries, Changyuan and Bei yuan, as a result of the 100% stock disposal in the amount of \$559,337. The Group recognised profit of \$239,850 under 'other gains and losses' in the statement of comprehensive income.

Note 9: CULINK and NEW START increased its investments in FG Xuzhou in December 2020 and May 2021. After the capital increment, CULINK, NEW START and CU hold 51.35%, 27.03% and 21.62% ownership in FG Xuzhou, respectively, at a total shareholding ratio of 100% in FG Xuzhou.

- Note 10: Shinfox Energy Co., Ltd. invested and established Shinfox Power Co., Ltd. in 2020, in November 2020. The Group lost its control over the subsidiary, Shinfox Power Co., Ltd., since a 100% equity interest was disposed in the amount of \$45,000 in November 2020. The Group recognised profit of \$52 under ‘other gains and losses’ in the statement of comprehensive income.
- Note 11: FII and FUII jointly established FIE on June 23, 2020 and jointly holds 100% ownership in FIE. FII and FUII subsequently invested in FIE in 2020 and 2021. After the capital increment, FIE became a wholly-owned subsidiary of FII and FUII with 14.43% and 85.57% ownership, respectively.
- Note 12: Studio A sold 100% of its shares in ASHOP to Studio A Hong Kong on January 12, 2021, which was classified as a reorganization of entities under common control.
- Note 13: Foxwell Power increased its capital on April 28, 2020 and November 30, 2020, respectively. Shinfox did not acquire shares proportionally to its interest. As a result, Shinfox decreased its share interest from 100% to 99%.
- Note 14: Jiangsu Foxlink increased its capital in April 2020. The Group did not acquire shares proportionally to its interest. As a result, the Group lost control over it and recognised it as investment accounted for using equity method. In September 2020, the Group lost significant influence over Jiangsu Foxlink and reclassified it as financial assets at fair value through other comprehensive income after the disposal which decreased the share interest down to 12.9%. Please refer to Note 6(3).
- Note 15: Shinfox increased its capital on September 1, 2020 and April 27, 2021. FUII and PQI did not acquire shares proportionally to its interest. As a result, FUII and PQI decreased their share interest from 13.40% to 10.26% and 76.56% to 57.39%, respectively.
- Note 16: Shih Fong increased its capital in July 2020. After the capital increment, the ownership of Shih Fong held by FIT Holding and Foxlink Image amounted to 41.3% and 34.7%, respectively. Subsequently, FIT Holding sold 25% of ownership in Shih Fong in March 2021. As a result, the total ownership of Shih Fong jointly held by FIT Holding and Foxlink Image amounted to 51% with 16.3% and 34.7% ownership, respectively. FIT Holding and Foxlink Image still have control over Shih Fong.
- Note 17: FOXLINK TECH invested in SINOBEST in September 4, 2020 and November 27, 2020. After the capital increment, SINOBEST became a wholly-owned subsidiary of FOXLINK TECH and the Company with 8.81% and 91.19% ownership, respectively.
- Note 18: Studio A had participated in Junezhe’s capital increase in June 2021. Junezhe subsequently increased its capital in August 2021, however, Studio A and Shinfox did not acquire shares proportionally to its interest. After the capital increment, Studio A and Shinfox hold 25% and 33.5% ownership in Junezhe, respectively, for a total shareholding ratio of 58.5% in Junezhe.

Note 19: The financial statements for the nine months ended September 30, 2021 were reviewed by the independent auditors of the Company.

Note 20: The financial statements for the nine months ended September 30, 2020 were reviewed by the independent auditors of the Company.

C. Subsidiaries not included in the consolidated financial statements:

Investor	Subsidiary	Main activity	Ownership(%)			Description
			September 30, 2021	December 31, 2020	September 30, 2020	
FII	Yixin Precision Industry Co., Ltd. (YX)	Manufacture of electronic telecommunication components and electronic machinery equipment	75	75	75	Note 1
Studio A	Tayih Digital Technology Co., Ltd. (TAYIH)	Manufacture of electronic telecommunication components	60	60	60	Note 2

Note 1: The ratio of total assets to the Company's total assets was insignificant, and it was approved by the Ministry of Economic Affairs on October 5, 2004 to be dissolved and is currently undergoing liquidation procedures. Thus, this subsidiary was not included in the consolidated financial statements.

Note 2: The ratio of total assets to the Company's total assets was insignificant, and it was approved by the Ministry of Economic Affairs on July 7, 2010 to be dissolved and is currently undergoing liquidation procedures. Thus, this subsidiary was not included in the consolidated financial statements.

D. Adjustments for subsidiaries with different balance sheet dates:

Sinocity and DG are subsidiaries of PQI in Hong Kong and Macau, respectively, with balance sheet date of March 31. For the preparation of consolidated financial statements, PQI had required Sinocity and DG as consolidated entities to prepare financial statements with balance sheet date of December 31 to conform with the balance sheet date of the Group.

FOXLINK MYANMAR is a subsidiary of SINOBEST in Myanmar with balance sheet date of March 31. For the preparation of consolidated financial statements, SINOBEST had required FOXLINK MYANMAR as consolidated entities to prepare financial statements with balance sheet date of December 31 to conform to the balance sheet date of the consolidated financial statements.

E. Significant restrictions: None.

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

As of September 30, 2021, December 31, 2020 and September 30, 2020, the non-controlling interest amounted to \$7,756,895, \$6,321,335 and \$6,354,807, respectively. The information of non-controlling interest and respective subsidiaries is as follows:



Name of subsidiary	Principal place of business	Non-controlling interest					
		September 30, 2021		December 31, 2020		September 30, 2020	
		Amount	Ownership (%)	Amount	Ownership (%)	Amount	Ownership (%)
FIT Holding	Taiwan	\$ 4,226,235	61.81%	\$ 4,462,003	61.81%	\$ 4,541,007	61.81%

Summarised financial information of the subsidiaries:

Balance sheets

	FIT Holding		
	September 30, 2021	December 31, 2020	September 30, 2020
Current assets	\$ 14,031,273	\$ 13,443,029	\$ 15,013,187
Non-current assets	9,108,035	9,363,980	9,121,359
Current liabilities	( 10,011,056)	( 10,542,565)	( 13,061,900)
Non-current liabilities	( 3,057,501)	( 4,087,189)	( 3,594,446)
Total net assets	\$ 10,070,751	\$ 8,177,255	\$ 7,478,200

Statements of comprehensive income

	FIT Holding	
	Three months ended September 30,	
	2021	2020
Revenue	\$ 2,297,690	\$ 1,525,222
Profit before income tax	147,807	15,260
Income tax expense	( 25,543)	( 15,504)
Profit (loss) for the period from continuing operations	105,513	( 11,186)
Profit from non-controlling interest	18,751	10,942
Profit (loss) for the period	122,264	( 244)
Other comprehensive (loss) income (net of tax)	( 134,345)	52,516
Total comprehensive (loss) income for the period	(\$ 12,081)	\$ 52,272
Comprehensive income attributable to non-controlling interest	\$ 17,663	\$ 11,242
Dividends paid to non-controlling interest	\$ 154,314	\$ -

	FIT Holding	
	Nine months ended September 30,	
	2021	2020
Revenue	\$ 6,259,013	\$ 4,565,877
Profit (loss) before income tax	481,444	( 82,821)
Income tax expense	( 127,786)	( 78,263)
Profit (loss) for the period from continuing operations	230,279	( 168,459)
Profit from non-controlling interest	123,379	7,375
Profit (loss) for the period	353,658	( 161,084)
Other comprehensive loss (net of tax)	( 337,523)	( 218,498)
Total comprehensive income (loss) for the period	<u>\$ 16,135</u>	<u>(\$ 379,582)</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 128,002</u>	<u>\$ 8,204</u>
Dividends paid to non-controlling interest	<u>\$ 154,314</u>	<u>\$ -</u>

#### Statements of cash flows

	FIT Holding	
	Nine months ended September 30,	
	2021	2020
Net cash (used in) provided by operating activities	(\$ 2,350,968)	\$ 369,023
Net cash provided by (used in) investing activities	1,668,690	( 5,015,832)
Net cash provided by financing activities	52,459	8,119,412
Effect of exchange rates on cash and cash equivalents	( 1,314)	( 2,925)
(Decrease) increase in cash and cash equivalents	( 631,133)	3,469,678
Cash and cash equivalents, beginning of period	5,148,889	1,820,304
Cash and cash equivalents, end of period	<u>\$ 4,517,756</u>	<u>\$ 5,289,982</u>

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

No significant changes during the period, please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2020.

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Cash on hand and revolving funds	\$ 31,225	\$ 82,405	\$ 161,948
Checking accounts and demand deposits	4,771,275	6,591,747	8,728,432
Cash equivalents			
Time deposits	2,859,281	4,224,418	3,693,986
Short-term notes and bills	-	94,970	94,878
Total	<u>\$ 7,661,781</u>	<u>\$ 10,993,540</u>	<u>\$ 12,679,244</u>

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

B. Details of the Group's cash and cash equivalents pledged to others as collateral are provided in Note 8.

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

<u>Assets items</u>	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Current items:			
Financial assets mandatorily measured at fair value through profits or loss			
Non-capital guaranteed floating profit financial instruments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

A. Amounts recognised in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Derivative instruments	<u>\$ -</u>	<u>\$ 853</u>
	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Derivative instruments	<u>\$ -</u>	<u>\$ 8,427</u>

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

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

<u>Items</u>	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Non-current items:			
Equity instruments			
Unlisted stocks	\$ 1,806,461	\$ 1,429,099	\$ 1,429,906
Valuation adjustment	( 431,902)	( 442,395)	( 416,163)
	<u>\$ 1,374,559</u>	<u>\$ 986,704</u>	<u>\$ 1,013,743</u>

- A. The Group has elected to classify equity instruments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. As of September 30, 2021, December 31, 2020 and September 30, 2020, the fair value of such investments amounted to \$1,374,559, \$986,704 and \$1,013,743, respectively.
- B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ <u>1,984</u> )	<u>\$ 7,000</u>
	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	<u>\$ 5,457</u>	<u>(\$ 29,000)</u>

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

(4) Financial assets at amortised cost

<u>Items</u>	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Current items:			
Repatriation of capital from Taiwan's offshore companies	\$ 76,571	\$ 178,162	\$ -
Time deposits maturing over three months	411,365	665,432	99,628
Restricted deposits	2,729,303	1,204,408	4,473
Pledged time deposits	859,756	4,359,551	159,309
	<u>\$ 4,076,995</u>	<u>\$ 6,407,553</u>	<u>\$ 263,410</u>
Non-current items:			
Restricted deposits	\$ 13,992	\$ 14,591	\$ 1,149
Pledged time deposits	130,327	131,803	142,104
	<u>\$ 144,319</u>	<u>\$ 146,394</u>	<u>\$ 143,253</u>

Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

(5) Accounts receivable

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Accounts receivable	\$ 14,380,630	\$ 16,428,603	\$ 17,789,818
Less: Loss allowance	( 89,409)	( 118,373)	( 172,919)
	<u>\$ 14,291,221</u>	<u>\$ 16,310,230</u>	<u>\$ 17,616,899</u>

- A. The information on the Group's ageing analysis of accounts receivable is provided in Note 12(2).
- B. As of September 30, 2021, December 31, 2020 and September 30, 2020, accounts receivable were all from contracts with customers. And as of January 1, 2020, the balance of receivables from contracts with customers amounted to \$15,632,770.
- C. The quality information of accounts receivable is based on customers' credit ranking and recoverable period of receivables in order to calculate the accrual of impairment. The Group's internal credit ranking policy is that the Group's business and management segment assesses periodically whether the credit ranking of existing customers is appropriate and adjusts to obtain the latest information when necessary. Customers' credit ranking assessment is based on industrial operating scale, profitability and ranking assessed by financial insurance institutions.
- The Group has insured accounts receivable of certain customers and the Group will receive 80%~90% compensation if bad debts occur.
- D. The Group does not hold any collateral as security.
- E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(6) Transfer of financial assets

A. The Group entered into a factoring agreement with the banks to sell its accounts receivable. Under the agreement, the Group is not obligated to bear the default risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, the Group derecognised the transferred accounts receivable, and the related information is as follows:

September 30, 2021								
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount advanced for advance	Interest rate of amount advanced	Collateral Provided	
Bank of Taiwan	\$ 448,856	\$ 448,856	\$ 4,177,500	\$ 403,970	\$ 44,886	0.43%	None	
Citibank	364,697	364,697	364,697	364,697	-	1.05%~1.09%	None	
Mega International Commercial Bank	704,191	704,191	1,392,500	633,772	70,419	0.82%	None	

December 31, 2020								
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount advanced for advance	Interest rate of amount advanced	Collateral Provided	
Bank of Taiwan	\$ 663,757	\$ 663,757	\$ 4,272,000	\$ 597,380	\$ 66,377	0.74%	None	
Citibank	686,806	686,806	686,806	686,806	-	1.11%~1.22%	None	
Mega International Commercial Bank	456,848	456,848	1,424,000	411,163	45,685	0.9%~1.12%	None	

September 30, 2020								
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount advanced for advance	Interest rate of amount advanced	Collateral Provided	
Bank of Taiwan	\$ 569,701	\$ 569,701	\$ 4,365,000	\$ 567,257	\$ 2,444	0.49%	None	
Citibank	794,193	794,193	794,193	794,193	-	1.14%~1.19%	None	
Mega International Commercial Bank	910,722	910,722	1,455,000	885,113	25,609	0.90%	None	

B. As of September 30, 2021, December 31, 2020 and September 30, 2020, the Group issued promissory notes to some banks for the factoring agreements signed.

(7) Inventories

	September 30, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 8,992,862	(\$ 448,728)	\$ 8,544,134
Work in progress and semi-finished goods	2,920,546	( 100,797)	2,819,749
Finished goods (including merchandise)	5,478,736	( 144,552)	5,334,184
Inventory in transit	68,932	-	68,932
	<u>\$ 17,461,076</u>	<u>(\$ 694,077)</u>	<u>\$ 16,766,999</u>

	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 5,940,927	(\$ 291,242)	\$ 5,649,685
Work in progress and semi-finished goods	2,309,385	( 35,913)	2,273,472
Finished goods (including merchandise)	5,532,121	( 224,213)	5,307,908
Inventory in transit	45,259	-	45,259
	<u>\$ 13,827,692</u>	<u>(\$ 551,368)</u>	<u>\$ 13,276,324</u>

	September 30, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 5,974,988	(\$ 281,390)	\$ 5,693,598
Work in progress and semi-finished goods	2,382,631	( 141,783)	2,240,848
Finished goods (including merchandise)	4,566,370	( 176,576)	4,389,794
Inventory in transit	13,483	-	13,483
	<u>\$ 12,937,472</u>	<u>(\$ 599,749)</u>	<u>\$ 12,337,723</u>

The cost of inventories recognised as expense for the period:

	Three months ended September 30,	
	2021	2020
Cost of inventories sold	\$ 18,795,748	\$ 23,017,539
Loss on (gain on reversal of) decline in market value	24,830	( 3,409)
Others (revenue from sale of scraps)	( 53,690)	( 60,456)
	<u>\$ 18,766,888</u>	<u>\$ 22,953,674</u>

	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Cost of inventories sold	\$ 51,996,375	\$ 55,811,012
Loss on decline in market value	142,709	117,988
Others (revenue from sale of scraps)	( 348,934)	( 72,303)
	<u>\$ 51,790,150</u>	<u>\$ 55,856,697</u>

The Group reversed from a previous inventory write-down because obsolete and slow-moving inventories and inventories with decline in market value were partially sold by the Group for the three months ended September 30, 2020.

(8) Investments accounted for under the equity method

<u>Investee</u>	<u>September 30, 2021</u>		<u>December 31, 2020</u>	
	<u>Amount</u>	<u>Ownership percentage (%)</u>	<u>Amount</u>	<u>Ownership percentage (%)</u>
Central Motion Picture Corporation	\$ 1,794,277	17.49%	\$ 1,959,717	17.49%
Well Shin Technology Co., Ltd.	1,143,044	18.84%	1,154,245	18.84%
Sharetronic Data Technology Co., Ltd.	1,086,723	19.94%	1,020,750	19.94%
Foxwell Energy Co., Ltd.	-	-	209,077	14.00%
Castles Technology Co., Ltd.	-	-	182,751	12.48%
CMPC Cultural & Creative Co., Ltd.	117,668	42.86%	124,242	42.86%
Dongguan Banrin Robot Technology Co., Ltd.	121,653	31.03%	123,930	31.03%
Tegna Electronics Private Limited	38,457	30.00%	39,010	30.00%
CYNC Design Co., Ltd. (CYNC)	9,992	15.38%	9,991	15.38%
Chung Chia Power Co., Ltd.	178,269	20.00%	-	-
Microlink Communications Inc.	( 21,287)	21.43%	( 21,705)	21.43%
	4,468,796		4,802,008	
Add : Current prepayments for investments				
-JOURN TA BROTHERS LIMITED	151,907		151,907	
Credit balance of long-term equity investments reclassified to other non-current liabilities				
-others	21,287		21,705	
Total	<u>\$ 4,641,990</u>		<u>\$ 4,975,620</u>	



Investee	September 30, 2020	
	Amount	Ownership percentage (%)
Central Motion Picture Corporation	\$ 1,968,885	17.49%
Well Shin Technology Co., Ltd.	1,130,800	18.84%
Sharetronic Data Technology Co., Ltd.	981,793	19.94%
Castles Technology Co., Ltd.	200,712	14.28%
Dongguan Banrin Robot Technology Co., Ltd.	121,824	31.03%
CMPC Cultural & Creative Co., Ltd.	124,112	42.86%
TEGNA ELECTRONICS PRIVATE LIMITED	37,354	30.00%
CYNC Design Co., Ltd. (CYNC)	10,000	15.38%
Microlink Communications Inc.	( 21,624)	21.43%
	4,553,856	
Add: Current prepayments for investments-JOURN		
TA BROTHERS LIMITED	151,907	
Current prepayments for investment-		
Foxwell Energy Co., Ltd.	210,000	
Credit balance of long-term equity investments		
reclassified to other non-current liabilities		
-others	21,624	
Total	\$ 4,937,387	

A. For the three months and nine months ended September 30, 2021 and 2020, except for Well Shin Technology Co., Ltd. and Castles Technology Co., Ltd., which were recognised based on their financial statements that were reviewed by independent auditors, the share of the profit or loss of other associates and joint ventures amounting to \$22,780, \$43,971, \$56,037 and \$92,021 respectively, were not reviewed by independent auditors.

#### B. Associates

(a) The basic information of the associates that are material to the Group is summarised below:

Company name	Principal place of business	Shareholding ratio			Nature of relationship	Methods of measurement
		September 30, 2021	December 31, 2020	September 30, 2020		
Central Motion Picture Corporation	Taiwan	17.49%	17.49%	17.49%	Note	Equity method
Well Shin Technology Co., Ltd.	Taiwan	18.84%	18.84%	18.84%	Note	Equity method

Note : As the Group's management holds several seats in the Board of Directors of Central Motion Picture Corporation and Well Shin Technology Co., Ltd., the Group is assessed to have significant influence.

(b) Summarised financial information of the associates that are material to the Group is as follows:

#### Balance sheet

Central Motion Picture Corporation			
	September 30, 2021	December 31, 2020	September 30, 2020
Current assets	\$ 456,798	\$ 381,945	\$ 388,195
Non-current assets	17,582,540	17,655,825	17,713,370
Current liabilities	( 1,105,920)	( 4,154,459)	( 132,517)
Non-current liabilities	( 5,274,290)	( 1,266,275)	( 5,306,589)
Total net assets	<u>\$ 11,659,128</u>	<u>\$ 12,617,036</u>	<u>\$ 12,662,459</u>
Share in associate's net assets	\$ 1,794,277	\$ 1,959,717	\$ 1,968,885
Goodwill	-	-	-
Carrying amount of the associates	<u>\$ 1,794,277</u>	<u>\$ 1,959,717</u>	<u>\$ 1,968,885</u>

Well Shin Technology Co., Ltd.			
	September 30, 2021	December 31, 2020	September 30, 2020
Current assets	\$ 5,720,272	\$ 5,186,584	\$ 4,854,662
Non-current assets	2,492,600	2,655,642	2,630,130
Current liabilities	( 1,780,505)	( 1,390,752)	( 1,197,197)
Non-current liabilities	( 560,155)	( 519,819)	( 480,365)
Total net assets	<u>\$ 5,872,212</u>	<u>\$ 5,931,655</u>	<u>\$ 5,807,230</u>
Share in associate's net assets	\$ 1,106,455	\$ 1,117,656	\$ 1,094,211
Goodwill	36,589	36,589	36,589
Carrying amount of the associates	<u>\$ 1,143,044</u>	<u>\$ 1,154,245</u>	<u>\$ 1,130,800</u>

#### Statement of comprehensive income

	Central Motion Picture Corporation	
	Three months ended September 30,	
	2021	2020
Revenue	\$ 102,219	\$ 122,138
(Loss) profit for the period from continuing operations	(\$ 864,953)	\$ 109,224
Other comprehensive income, net of tax	-	-
Total comprehensive (loss) income	<u>(\$ 864,953)</u>	<u>\$ 109,224</u>
Dividends received from associates	<u>\$ 15,432</u>	<u>\$ 15,432</u>

	Central Motion Picture Corporation	
	Nine months ended September 30,	
	2021	2020
Revenue	\$ 304,405	\$ 334,988
(Loss) profit for the period from continuing operations	(\$ 869,773)	\$ 108,427
Other comprehensive income, net of tax	-	-
Total comprehensive (loss) income	<u>(\$ 869,773)</u>	<u>\$ 108,427</u>
Dividends received from associates	<u>\$ 15,432</u>	<u>\$ 15,432</u>

		<u>Well Shin Technology Co., Ltd.</u>	
		<u>Three months ended September 30,</u>	
		<u>2021</u>	<u>2020</u>
Revenue		\$ 1,540,272	\$ 1,416,482
Profit for the period from continuing operations		\$ 120,898	\$ 190,663
Other comprehensive (loss) income, net of tax		( 6,529)	68,464
Total comprehensive income		\$ 114,369	\$ 259,127
Dividends received from associates		\$ 55,706	\$ 66,847

		<u>Well Shin Technology Co., Ltd.</u>	
		<u>Nine months ended September 30,</u>	
		<u>2021</u>	<u>2020</u>
Revenue		\$ 4,074,770	\$ 3,410,334
Profit for the period from continuing operations		\$ 297,997	\$ 371,228
Other comprehensive loss, net of tax		( 61,802)	( 42,283)
Total comprehensive income		\$ 236,195	\$ 328,945
Dividends received from associates		\$ 55,706	\$ 66,847

(c) The carrying amount of the Group's interests in all individually immaterial associates (Note) and the Group's share of the operating results are summarised below:

As of September 30, 2021, December 31, 2020 and September 30, 2020, the carrying amount of the Group's individually immaterial associates amounted to \$1,531,475, \$1,688,046 and \$1,454,171, respectively.

		<u>Three months ended September 30,</u>	
		<u>2021</u>	<u>2020</u>
Profit for the period from continuing operations		\$ 141,661	\$ 158,120
Total comprehensive income		\$ 141,661	\$ 158,120

  

		<u>Nine months ended September 30,</u>	
		<u>2021</u>	<u>2020</u>
Profit for the period from continuing operations		\$ 424,672	\$ 481,975
Total comprehensive income		\$ 424,672	\$ 481,975

Note: Sharetronic Data, Castles, CMPC Cultural & Creative, Microlink, CYNC, Jiangsu Foxlink, Chung Chia Power, Banrin, TEGNA and Foxwell Energy.

(d) The fair value of the Group's material associates with quoted market prices is as follows:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Well Shin Technology Co., Ltd.	\$ 1,051,730	\$ 1,129,719	\$ 1,016,079

C. The Group is the single largest shareholder of Well Shin Technology Co., Ltd. with an 18.84% equity interest. Given that it was a strategic investment, and the Group had no involvement in its

substantial operations and the active participation at the last shareholders' meeting by other shareholders, which indicates that the Group has no current ability to direct the relevant activities of Well Shin Technology Co., Ltd., the Group has no control, but only has significant influence, over the investee.

- D. The Group has signed a stock purchase agreement with an individual on May 15, 2014 to purchase all the Company's shares in CMPC amounting to \$150,000 thousand. As of September 30, 2021, uncollected amount was \$141,000 thousand (shown as 'notes receivable') and accrued impairment loss was \$141,000 thousand.
- E. Central Motion Picture Corporation is a litigating party contesting the decision No. 107007 rendered by Ill-gotten Party Assets Settlement Committee on October 9, 2018. Please refer to Note 9(6) for details on the lawsuit.
- F. Deepwaters Digital Support Inc. and YD Entertainment has participated in CYNC's capital increase on March 10, 2020. After the capital increment, the equity shares of CYNC held by FII decreased to 15.38% from 100%. As a result, the Group lost its control over CYNC. However, as the Group's management holds several seats in the Board of Directors of CYNC, the Group has significant influence over it.
- G. Jiangsu Foxlink, formerly the subsidiary of the Group, increased its capital in April 2020. The Group did not acquire shares proportionally to its interest. As a result, the Group lost control over it and recognised it as investment accounted for using equity method. In September 2020, the Group lost significant influence over Jiangsu Foxlink and reclassified it as financial assets at fair value through other comprehensive income after the disposal which decreased the share interest down to 12.9%.
- H. The Group gradually sold its equity interests in Castles Technology Co., Ltd. in 2021. As a result, it assessed that it has lost significant influence over the investee after the disposals and subsequently recognised it as financial assets at fair value through other comprehensive income. A gain on disposal of investments amounting to \$110,320 was recognised due to the above transactions.
- I. FIT Holding resigned from the Board of Directors of Foxwell Energy Co., Ltd. on May 20, 2021. As a result, it assessed that it has lost significant influence over the investee and subsequently recognised it as financial assets at fair value through other comprehensive income.

(9) Property, plant and equipment

	2021						
	Land	Buildings and structures	Machinery and equipment	Office equipment	Others	Construction-in-progress	Total
At January 1							
Cost	\$ 412,428	\$ 15,907,527	\$ 12,450,964	\$ 475,377	\$ 5,178,599	\$ 946,162	\$ 35,371,057
Accumulated depreciation and impairment	-	( 3,406,798)	( 7,358,879)	( 334,007)	( 3,420,950)	-	( 14,520,634)
	<u>\$ 412,428</u>	<u>\$ 12,500,729</u>	<u>\$ 5,092,085</u>	<u>\$ 141,370</u>	<u>\$ 1,757,649</u>	<u>\$ 946,162</u>	<u>\$ 20,850,423</u>
Opening net book amount	\$ 412,428	\$ 12,500,729	\$ 5,092,085	\$ 141,370	\$ 1,757,649	\$ 946,162	\$ 20,850,423
Additions	-	21,954	2,059,561	53,015	294,797	46,776	2,476,103
Disposals	-	-	( 14,670)	( 10,806)	( 25,033)	-	( 50,509)
Disposal of subsidiaries	-	-	-	-	( 44,094)	-	( 44,094)
Reclassifications	-	8,091	522,803	21,085	70,928	( 22,098)	600,809
Reclassified as non-current assets held for sale	-	-	( 15,599)	-	-	-	( 15,599)
Depreciation charge	-	( 290,765)	( 1,416,298)	( 60,570)	( 456,712)	-	( 2,224,345)
Net exchange differences	-	( 259,162)	( 96,885)	( 1,025)	( 35,596)	( 33,376)	( 426,044)
Closing net book amount	<u>\$ 412,428</u>	<u>\$ 11,980,847</u>	<u>\$ 6,130,997</u>	<u>\$ 143,069</u>	<u>\$ 1,561,939</u>	<u>\$ 937,464</u>	<u>\$ 21,166,744</u>
At September 30							
Cost	\$ 412,428	\$ 15,781,139	\$ 14,117,975	\$ 477,969	\$ 5,683,929	\$ 937,464	\$ 37,410,904
Accumulated depreciation and impairment	-	( 3,800,292)	( 7,986,978)	( 334,900)	( 4,121,990)	-	( 16,244,160)
	<u>\$ 412,428</u>	<u>\$ 11,980,847</u>	<u>\$ 6,130,997</u>	<u>\$ 143,069</u>	<u>\$ 1,561,939</u>	<u>\$ 937,464</u>	<u>\$ 21,166,744</u>

	2020						
	Land	Buildings and structures	Machinery and equipment	Office equipment	Others	Construction-in-progress	Total
At January 1							
Cost	\$ 412,428	\$ 16,258,559	\$ 11,169,824	\$ 479,338	\$ 6,822,800	\$ 2,438,672	\$ 37,581,621
Accumulated depreciation and impairment	-	( 3,201,107)	( 5,946,266)	( 308,210)	( 4,728,055)	-	( 14,183,638)
	<u>\$ 412,428</u>	<u>\$ 13,057,452</u>	<u>\$ 5,223,558</u>	<u>\$ 171,128</u>	<u>\$ 2,094,745</u>	<u>\$ 2,438,672</u>	<u>\$ 23,397,983</u>
Opening net book amount	\$ 412,428	\$ 13,057,452	\$ 5,223,558	\$ 171,128	\$ 2,094,745	\$ 2,438,672	\$ 23,397,983
Additions	-	26,555	946,346	26,860	300,603	495,895	1,796,259
Disposals	-	( 52,791)	( 56,111)	( 6,361)	( 27,706)	-	( 142,969)
Disposal of subsidiaries	-	( 923,712)	( 8,707)	( 24,135)	( 1,687)	( 300,584)	( 1,258,825)
Reclassifications	-	( 31,963)	279,582	19,999	112,546	271,639	651,803
Depreciation charge	-	( 284,706)	( 1,248,124)	( 54,853)	( 615,629)	-	( 2,203,312)
Net exchange differences	-	( 69,841)	( 37,132)	( 724)	( 1,468)	955	( 108,210)
Reclassified as non-current assets held for sale	-	-	-	-	-	( 1,272,384)	( 1,272,384)
Closing net book amount	<u>\$ 412,428</u>	<u>\$ 11,720,994</u>	<u>\$ 5,099,412</u>	<u>\$ 131,914</u>	<u>\$ 1,861,404</u>	<u>\$ 1,634,193</u>	<u>\$ 20,860,345</u>
At September 30							
Cost	\$ 412,428	\$ 15,146,988	\$ 11,694,213	\$ 436,678	\$ 5,206,551	\$ 1,634,193	\$ 34,531,051
Accumulated depreciation and impairment	-	( 3,425,994)	( 6,594,801)	( 304,764)	( 3,345,147)	-	( 13,670,706)
	<u>\$ 412,428</u>	<u>\$ 11,720,994</u>	<u>\$ 5,099,412</u>	<u>\$ 131,914</u>	<u>\$ 1,861,404</u>	<u>\$ 1,634,193</u>	<u>\$ 20,860,345</u>

The Group's property, plant and equipment were pledged to others as collateral, please refer to Note 8 for detailed information.

(10) Leasing arrangements-lessee

- A. The Group leases various assets including land, buildings, and transportation equipment. Rental contracts are typically made for periods of 2 to 70 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 1,248,490	\$ 1,322,870	\$ 1,319,500
Buildings	307,753	312,625	340,503
Transportation equipment (Business vehicles)	4,224	3,045	1,075
Office equipment (Photocopiers)	99	151	208
	<u>\$ 1,560,566</u>	<u>\$ 1,638,691</u>	<u>\$ 1,661,286</u>

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 10,720	\$ 10,960
Buildings	46,463	52,786
Transportation equipment (Business vehicles)	600	384
Office equipment (Photocopiers)	18	27
	<u>\$ 57,801</u>	<u>\$ 64,157</u>

	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 36,639	\$ 37,543
Buildings	143,677	175,007
Transportation equipment (Business vehicles)	1,799	1,154
Office equipment (Photocopiers)	52	85
	<u>\$ 182,167</u>	<u>\$ 213,789</u>

- C. For the three months and nine months ended September 30, 2021 and 2020, the additions to right-of-use assets amounted to \$26,238, \$84,413, \$151,553, and \$132,308, respectively.
- D. The information on income and expense accounts relating to lease contracts is as follows:

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,621	\$ 1,195
Expense on short-term lease contracts	2,412	12,584
Expense on leases of low-value assets	166	167
Expense on variable lease payments	11,285	7,116

	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 5,102	\$ 5,415
Expense on short-term lease contracts	34,427	48,314
Expense on leases of low-value assets	1,233	452
Expense on variable lease payments	36,759	24,298

E. For the three months and nine months ended September 30, 2021 and 2020, the Group's total cash outflow for leases amounted to \$64,654, \$74,687, \$243,310, and \$262,684, respectively.

F. Variable lease payments

(a) Some of the Group's lease contracts contain variable lease payment terms that are linked to sales generated from a store or a counter in a department store and sales generated from electricity sold. For aforementioned contracts, up to 15.11% of lease payments are on the basis of variable payment terms and are accrued based on the sales amount. Variable payment terms are used for a variety of reasons and various lease payments that depend on sales are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

(b) A 1% increase in the aggregate sales amount of all stores with such variable lease contracts would increase total lease payments by approximately \$368.



(11) Investment property

	2021		
	Land	Buildings and structures	Total
At January 1			
Cost	\$ 183,076	\$ 518,891	\$ 701,967
Accumulated depreciation and impairment	-	( 117,895)	( 117,895)
	<u>\$ 183,076</u>	<u>\$ 400,996</u>	<u>\$ 584,072</u>
Opening net book amount	\$ 183,076	\$ 400,996	\$ 584,072
Depreciation charge	-	( 9,688)	( 9,688)
Net exchange differences	-	( 5,095)	( 5,095)
Closing net book amount	<u>\$ 183,076</u>	<u>\$ 386,213</u>	<u>\$ 569,289</u>
At September 30			
Cost	\$ 183,076	\$ 513,504	\$ 696,580
Accumulated depreciation and impairment	-	( 127,291)	( 127,291)
	<u>\$ 183,076</u>	<u>\$ 386,213</u>	<u>\$ 569,289</u>
	2020		
	Land	Buildings and structures	Total
At January 1			
Cost	\$ 183,076	\$ 519,293	\$ 702,369
Accumulated depreciation and impairment	-	( 110,595)	( 110,595)
	<u>\$ 183,076</u>	<u>\$ 408,698</u>	<u>\$ 591,774</u>
Opening net book amount	\$ 183,076	\$ 408,698	\$ 591,774
Depreciation charge	-	( 9,565)	( 9,565)
Net exchange differences	-	( 2,664)	( 2,664)
Closing net book amount	<u>\$ 183,076</u>	<u>\$ 396,469</u>	<u>\$ 579,545</u>
At September 30			
Cost	\$ 183,076	\$ 510,812	\$ 693,888
Accumulated depreciation and impairment	-	( 114,343)	( 114,343)
	<u>\$ 183,076</u>	<u>\$ 396,469</u>	<u>\$ 579,545</u>

A. Rental income from the lease of the investment property and direct operating expenses arising from the investment property are shown below:

	Three months ended September 30,	
	2021	2020
Rental income from the lease of the investment property	<u>\$ 4,293</u>	<u>\$ 4,351</u>
Direct operating expenses arising from the investment property that generated rental income in the period	<u>\$ 3,703</u>	<u>\$ 3,187</u>

	Nine months ended September 30,	
	2021	2020
Rental income from the lease of the investment property	\$ 12,886	\$ 13,028
Direct operating expenses arising from the investment property that generated rental income in the period	\$ 9,688	\$ 9,565

B. Investment property is stated initially at its cost and is depreciated on a straight-line basis over its estimated useful life. The fair value of the investment property held by the Group as at September 30, 2021, December 31, 2020 and September 30, 2020 was \$1,108,598, \$1,038,221 and \$1,023,251, respectively, which was evaluated based on the market prices of similar real estate in the areas nearby, as Level 2 fair value, market prices did not change significantly.

C. There was no impairment loss on investment property.

D. The investment property was not pledged to others as collateral.

## (12) Intangible assets

	2021				
	Trademark Rights	Patent	Goodwill	Others	Total
At January 1					
Cost	\$ 47,588	\$ 451,126	\$ 3,885,756	\$ 395,751	\$ 4,780,221
Accumulated amortisation and impairment	( 247)	( 195,914)	( 2,652,518)	( 277,544)	( 3,126,223)
	<u>\$ 47,341</u>	<u>\$ 255,212</u>	<u>\$ 1,233,238</u>	<u>\$ 118,207</u>	<u>\$ 1,653,998</u>
Opening net book amount	\$ 47,341	\$ 255,212	\$ 1,233,238	\$ 118,207	\$ 1,653,998
Additions	-	-	-	34,621	34,621
Disposals	-	-	-	( 1,049)	( 1,049)
Disposal of subsidiaries	-	-	-	( 881)	( 881)
Amortisation charge	( 33)	( 18,345)	-	( 59,435)	( 77,813)
Net exchange differences	( 1,041)	-	( 8,587)	( 852)	( 10,480)
Closing net book amount	<u>\$ 46,267</u>	<u>\$ 236,867</u>	<u>\$ 1,224,651</u>	<u>\$ 90,611</u>	<u>\$ 1,598,396</u>
At September 30					
Cost	\$ 46,547	\$ 451,126	\$ 3,877,169	\$ 416,249	\$ 4,791,091
Accumulated amortisation and impairment	( 280)	( 214,259)	( 2,652,518)	( 325,638)	( 3,192,695)
	<u>\$ 46,267</u>	<u>\$ 236,867</u>	<u>\$ 1,224,651</u>	<u>\$ 90,611</u>	<u>\$ 1,598,396</u>

	2020				
	Trademark				Total
	Rights	Patent	Goodwill	Others	
At January 1					
Cost	\$ 50,068	\$ 451,126	\$ 3,882,120	\$ 303,904	\$ 4,687,218
Accumulated amortisation and impairment	( 95)	( 44,120)	( 2,229,754)	( 161,301)	( 2,435,270)
	<u>\$ 49,973</u>	<u>\$ 407,006</u>	<u>\$ 1,652,366</u>	<u>\$ 142,603</u>	<u>\$ 2,251,948</u>
Opening net book amount	\$ 49,973	\$ 407,006	\$ 1,652,366	\$ 142,603	\$ 2,251,948
Additions	-	-	-	59,070	59,070
Disposals	-	-	-	( 6,598)	( 6,598)
Reclassifications	-	-	-	( 1,663)	( 1,663)
Amortisation charge	( 57)	( 26,472)	-	( 63,199)	( 89,728)
Net exchange differences	( 1,455)	-	12,086	( 1,556)	9,075
Closing net book amount	<u>\$ 48,461</u>	<u>\$ 380,534</u>	<u>\$ 1,664,452</u>	<u>\$ 128,657</u>	<u>\$ 2,222,104</u>
At September 30					
Cost	\$ 48,613	\$ 451,126	\$ 3,894,206	\$ 390,346	\$ 4,784,291
Accumulated amortisation and impairment	( 152)	( 70,592)	( 2,229,754)	( 261,689)	( 2,562,187)
	<u>\$ 48,461</u>	<u>\$ 380,534</u>	<u>\$ 1,664,452</u>	<u>\$ 128,657</u>	<u>\$ 2,222,104</u>

A. Goodwill is allocated to the Group's cash-generating units identified according to operating segments as follows:

	September 30, 2021					
	3C component	System and peripheral products	3C product retail	Memory module	Others	Total
Taiwan	\$ -	\$ 715,197	\$ -	\$ 118,258	\$ -	\$ 833,455
Hong Kong	-	-	379,589	-	-	379,589
All other segments	-	-	-	-	11,607	11,607
	<u>\$ -</u>	<u>\$ 715,197</u>	<u>\$ 379,589</u>	<u>\$ 118,258</u>	<u>\$ 11,607</u>	<u>\$ 1,224,651</u>
	December 31, 2020					
	3C component	System and peripheral products	3C product retail	Memory module	Others	Total
Taiwan	\$ -	\$ 715,197	\$ -	\$ 118,258	\$ -	\$ 833,455
Hong Kong	-	-	388,176	-	-	388,176
All other segments	-	-	-	-	11,607	11,607
	<u>\$ -</u>	<u>\$ 715,197</u>	<u>\$ 388,176</u>	<u>\$ 118,258</u>	<u>\$ 11,607</u>	<u>\$ 1,233,238</u>
	September 30, 2020					
	3C component	System and peripheral products	3C product retail	Memory module	Others	Total
Taiwan	\$ 422,764	\$ 715,197	\$ -	\$ 118,258	\$ -	\$ 1,256,219
Hong Kong	-	-	396,626	-	-	396,626
All other segments	-	-	-	-	11,607	11,607
	<u>\$ 422,764</u>	<u>\$ 715,197</u>	<u>\$ 396,626</u>	<u>\$ 118,258</u>	<u>\$ 11,607</u>	<u>\$ 1,664,452</u>

B. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections and decisions assisted by independent valuation institutions based on financial budgets approved by the management covering a five-year period. For the nine months ended September 30, 2021 and 2020, goodwill was not impaired.

C. The intangible assets were not pledged to others as collateral.

(13) Non-current assets held for sale

A. The assets and liabilities related to solar photovoltaic equipment have been reclassified as disposal group held for sale following the approval on July 31, 2021 to sell solar photovoltaic equipment. The assets and liabilities of the disposal group held for sale as at September 30, 2021 amounted to \$15,599 and \$0, respectively.

B. The assets and liabilities related to Changyuan Wind Power Co., Ltd. and Beiyuan Wind Power Co., Ltd. have been reclassified as disposal group held for sale following the approval of the Group's Board of Directors on September 30, 2020 to sell Changyuan Wind Power Co., Ltd. and Beiyuan Wind Power Co., Ltd. The assets and liabilities of the disposal group held for sale as at September 30, 2020 amounted to \$1,383,751 and \$981,785, respectively.

(a) Assets of disposal group held for sale:

	<u>September 30, 2021</u>	<u>September 30, 2020</u>
Property, plant and equipment	\$ 15,599	\$ 1,272,384
Cash	-	1,331
Prepayments	-	64,125
Guarantee deposits paid	-	45,539
Others	-	372
Total	<u>\$ 15,599</u>	<u>\$ 1,383,751</u>

(b) Liabilities directly relating to non-current assets held for sale:

	<u>September 30, 2020</u>
Other payables	\$ 17,153
Long-term borrowings (including current portion)	964,632
Total	<u>\$ 981,785</u>

(c) The Group had no impairment loss recognised as a result of the remeasurement of the disposal group held for sale at the lower of its carrying amount or fair value less costs to sell.

(14) Short-term borrowings

<u>Type of borrowings</u>	<u>September 30, 2021</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Credit borrowings	\$ 7,859,967	0.51%~4%	-
Secured borrowings	50,000	1.50%	Buildings and structures
	<u>\$ 7,909,967</u>		

Type of borrowings	December 31, 2020	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	\$ 4,311,582	0.51%~1.29%	-
Secured borrowings	30,000	1.01%	Buildings and structures
	<u>\$ 4,341,582</u>		
Type of borrowings	September 30, 2020	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	\$ 6,264,206	0.51%~2.23%	-
Secured borrowings	30,000	1.01%	Buildings and structures
	<u>\$ 6,294,206</u>		

(15) Short-term notes and bills payable

	September 30, 2021	December 31, 2020	September 30, 2020
Commercial paper	\$ 1,124,400	\$ 387,400	\$ 438,900
Discount amortisation	( 1,126)	( 178)	( 283)
	<u>\$ 1,123,274</u>	<u>\$ 387,222</u>	<u>\$ 438,617</u>
Annual interest rate range	<u>1.22%~1.788%</u>	<u>0.87%~1.57%</u>	<u>0.87%~1.638%</u>

(16) Other payables

	September 30, 2021	December 31, 2020	September 30, 2020
Payables on salary and bonus	\$ 1,362,523	\$ 1,636,146	\$ 1,556,119
Employees' compensation and remuneration for supervisors and directors	236,765	358,312	242,080
Payables on equipment	742,038	583,447	600,775
Others	2,035,589	2,200,560	2,840,957
	<u>\$ 4,376,915</u>	<u>\$ 4,778,465</u>	<u>\$ 5,239,931</u>

(17) Bonds payable

	September 30, 2021	December 31, 2020	September 30, 2020
Secured corporate bonds	\$ 6,600,000	\$ 6,600,000	\$ 6,600,000
Less: Discount on bonds payable	( 22,372)	( 25,018)	( 26,109)
	<u>\$ 6,577,628</u>	<u>\$ 6,574,982</u>	<u>\$ 6,573,891</u>

A. The main terms of the \$3,600,000 2nd secured corporate bonds issued by the Company on July 29, 2020 are as follows:

- (a) Total initial issue amount: \$3,600,000.
- (b) Issue price: Issue at par value, \$1,000 each.
- (c) Issue period: 5 years, from July 29, 2020 to July 27, 2025.
- (d) Coupon rate: 0.65% fixed per annum.

- (e) Interest payment method: Interest is calculated from the date of issuance at the coupon rate, is a simple interest and is paid yearly.
  - (f) Principal repayment method: Pay entire amount at the maturity date.
  - (g) Guarantee method:

The joint guarantor banks including CTBC Bank Co., Ltd., Taiwan Cooperative Bank Co., Ltd., Hua Nan Commercial Bank Ltd., Agricultural Bank of Taiwan Corporation and Mega International Commercial Bank Co., Ltd. provide guarantees based on a joint engagement guarantee contract and bond-fulfilling guarantee obligation contract.
  - (h) Commitment:

The company should maintain the following financial ratios during the contract duration for semi-annual consolidated and annual consolidated financial statements:

    - i. Current assets to current liabilities ratio of at least 1:1;
    - ii. Liabilities not exceeding 200% of tangible net equity;
    - iii. Interest coverage of at least 400%; and
    - iv. Tangible net equity of at least NT\$15,000,000 thousand.
- B. The main terms of the \$3,000,000 1st secured corporate bonds issued by the Company on June 26, 2019 are as follows:
- (a) Total initial issue amount: \$3,000,000.
  - (b) Issue price: Issue at par value, \$1,000 each.
  - (c) Issue period: 5 years, from June 26, 2019 to June 26, 2024.
  - (d) Coupon rate: 0.80% fixed per annum.
  - (e) Interest payment method: Interest is calculated from the date of issuance at the coupon rate, is a simple interest and is paid yearly.
  - (f) Principal repayment method: Pay entire amount at the maturity date.
  - (g) Guarantee method:

The joint guarantor banks including CTBC Bank Co., Ltd., Taiwan Cooperative Bank Co., Ltd., Mega International Commercial Bank Co., Ltd. and Chang Hwa Commercial Bank, Ltd. provide guarantees based on a joint engagement guarantee contract and bond-fulfilling guarantee obligation contract.
  - (h) Commitment:

The company should maintain the following financial ratios during the contract duration for semi-annual consolidated and annual consolidated financial statements:

    - i. Current assets to current liabilities ratio of at least 1:1;
    - ii. Liabilities not exceeding 200% of tangible net equity;
    - iii. Interest coverage of at least 400%; and
    - iv. Tangible net equity of at least NT\$15,000,000 thousand.

(18) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Unused credit line</u>	<u>September 30, 2021</u>
Long-term loan borrowings				
Bank's unsecured borrowings				
Cheng Uei				
- including covenants	Borrowing period is from March 2021 to May 2023; pay entire amount when due	0.85%~0.9%	\$ 1,800,000	\$ 2,200,000
- without covenants	Borrowing period is from March 2021 to July 2024; pay entire amount when due	0.83%~1.4%	2,580,750	3,052,500
FIT Holding	Borrowing period is from October 2020 to March 2023; pay entire amount of principal when due, interest is repayable monthly	1.17%~1.2%	400,000	400,000
Foxlink Image	Borrowing period is from November 2020 to September 2023; pay entire amount of principal when due, interest is repayable monthly	0.94%~0.98%	3,038,500	1,590,000
PQI	Borrowing period is from December 2019 to December 2022; pay entire amount of principal when due, interest is repayable monthly	1.23%	150,000	250,000
Glory Science	Borrowing period is from July 2019 to July 2024; pay principal and interest based on each bank's regulations	1.04%~1.5%	-	347,000
Shinfox	Borrowing period is from February 2019 to February 2023; pay entire amount in installments	1.71%	-	10,876
Foxwell Energy	Borrowing period is from January 2019 to December 2035; pay entire amount in installments	1.49%	35,751	40,014
Bank's secured borrowings				
Foxwell Energy	Borrowing period is from May 2018 to December 2034; pay entire amount in installments	1.49%~1.68%	90,063	324,188
Glory Science	Borrowing period is from December 2019 to December 2024; pay principal in installments quarterly, interest is calculated monthly	1.36%	-	65,000
Medium-term and long-term syndicated loans				
Cheng Uei	Borrowing period is from November 2020 to November 2025. The Company may issue a drawing application before the maturity date of borrowing to directly repay the loan principal that was originally expired.	1.01%	4,800,000	<u>3,200,000</u>
				11,479,578
Less: Current portion				( <u>458,728</u> )
				<u>\$ 11,020,850</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Unused credit line	December 31, 2020
Long-term loan borrowings				
Bank's unsecured borrowings				
Cheng Uei				
- including covenants	Borrowing period is from September 2017 to March 2023; pay entire amount when due	0.99%~1%	\$ 1,400,000	\$ 2,600,000
- without covenants	Borrowing period is from December 2017 to November 2023; pay entire amount when due	0.87%~1.4%	2,235,550	2,981,250
FIT Holding	Borrowing period is from October 2020 to August 2022; pay entire amount of principal when due, interest is repayable monthly	1.1%~1.22%	-	400,000
Foxlink Image	Borrowing period is from February 2020 to August 2023; pay entire amount of principal when due, interest is repayable monthly	0.94%~1.1%	544,800	2,440,000
PQI	Borrowing period is from December 2019 to December 2022; pay principal based on each bank's regulations, interest is repayable monthly	1.23%~1.35%	4,200	365,800
Glory Science	Borrowing period is from April 2019 to July 2024; pay principal and interest based on each bank's regulations	1.04%~1.5%	-	387,000
Shinfox	Borrowing period is from February 2019 to February 2023; pay entire amount in installments	1.71%~1.76%	-	18,870
Foxwell Energy	Borrowing period is from January 2019 to September 2033; pay entire amount in installments	1.49%	292,755	38,451
Bank's secured borrowings				
Foxwell Energy	Borrowing period is from May 2018 to December 2034; pay entire amount in installments	1.53%~1.80%	294,832	314,397
Glory Science	Borrowing period is from December 2019 to December 2024; pay principal in installments quarterly, interest is calculated monthly	1.26%	-	80,000
Medium-term and long-term syndicated loans				
Cheng Uei	Borrowing period is from November 2020 to November 2025. The Company may issue a drawing application before the maturity date of borrowing to directly repay the loan principal that was originally expired.	1.01%	4,800,000	3,200,000
				12,825,768
Less: Current portion				( 502,471)
				<u>\$ 12,323,297</u>



Type of borrowings	Borrowing period and repayment term	Interest rate range	Unused credit line	September 30, 2020
Long-term loan borrowings				
Bank's unsecured borrowings				
Cheng Uei				
- including covenants	Borrowing period is from September 2017 to March 2023; pay entire amount when due	1.01%~1.15%	\$ 1,300,000	\$ 3,200,000
- without covenants	Borrowing period is from December 2017 to November 2023; pay entire amount when due	0.87%~1.15%	2,728,500	2,510,000
FIT Holding	Borrowing period is from October 2019 to August 2022; pay entire amount of principal when due, interest is repayable monthly	1.05%	400,000	300,000
Foxlink Image	Borrowing period is from September 2019 to September 2022; pay entire amount of principal when due, interest is repayable monthly	0.99%~1.10%	195,000	1,935,000
PQI	Borrowing period is from November 2018 to December 2021; pay principal based on each bank's regulations, interest is repayable monthly	1.23%~1.35%	-	310,417
Glory Science	Borrowing period is from December 2018 to July 2024; pay principal and interest based on each bank's regulations	1.04%~1.36%	-	422,000
Shinfox	Borrowing period is from February 2019 to February 2023; pay entire amount in installments	1.71%~1.76%	20,000	21,638
Foxwell Energy	Borrowing period is from January 2019 to September 2033; pay entire amount in installments	1.75%	-	39,210
Bank's secured borrowings				
Foxwell Energy	Borrowing period is from May 2018 to December 2034; pay entire amount in installments	1.53%~1.78%	-	321,307
Glory Science	Borrowing period is from December 2019 to December 2024; pay principal in installments quarterly, interest is calculated monthly	1.36%	-	85,000
Medium-term and long-term syndicated loans				
Cheng Uei	Borrowing period is from March 2017 to March 2022. The Company may issue a drawing application before the maturity date of borrowing to directly repay the loan principal that was originally expired.	1.79%	3,200,000	<u>4,800,000</u>
				13,944,572
Less: Current portion				( <u>741,855</u> )
				<u>\$ 13,202,717</u>

A. In November 2020, the Group signed a medium-term syndicated revolving NTD credit facility agreement with the Bank of Taiwan as the lead bank. The terms of agreement are summarised below:

- (a) Duration of loan: The loan period of the agreement was 5 years from the agreement signing date.
- (b) Credit line and draw-down: The credit line was NT\$8,000,000 thousand, which can be drawn down in installments of at least NT\$100,000 thousand per draw-down.

- (c) Principal repayment: The duration of each loan drawn down is either 90 days or 180 days at the Company's option. The Company, if without any default, may submit an application to the banks to draw down a new loan with principal equal to the original loan before its maturity, and the new loan is directly used to repay the original loan. The banks and the Company are not required to make remittances for such draw-down and repayment, which is viewed that the Company has received the new loan on the maturity of original loan.
  - (d) Commitment: The Company should maintain the following financial ratios during the contract duration for semi-annual consolidated and annual consolidated financial statements:
    - i. Current assets to current liabilities ratio of at least 1:1;
    - ii. Liabilities not exceeding 200% of tangible net equity;
    - iii. Interest coverage of at least 400%; and
    - iv. Total equity of at least NT\$15,000,000 thousand.
  - (e) The loan period is decided by the borrower. The borrower may choose to early repay the loans during the contract period according to the syndicated loan contract.
- B. The Company entered into the borrowing contracts with Bank SinoPac, Taipei Fubon and Far Eastern International Bank, and the total credit line is \$4,000,000. As of September 30, 2021, the borrowings that have been used amounted to \$2,200,000. In the duration period of these contracts, the financial ratios in the semi-annual consolidated and annual consolidated financial statements shall be as follows:
- (a) Current assets to current liabilities ratio of at least 1:1;
  - (b) Liabilities not exceeding 200% of tangible net equity;
  - (c) Interest coverage of at least 400%; and
  - (d) Tangible net equity of at least NT\$15,000,000 thousand.
- C. The Company entered into the borrowing contracts with Bank SinoPac, Entie Commercial Bank, TSBank and Yuanta Commercial Bank, and the total credit line is \$2,200,000. As of September 30, 2021, the borrowings that have been used amounted to \$780,000. In the duration period of these contracts, the financial ratios in the semi-annual consolidated and annual consolidated financial statements shall be as follows:
- (a) Current assets to current liabilities ratio of at least 1:1;
  - (b) Liabilities not exceeding 200% of tangible net equity;
  - (c) Interest coverage of more than 400%;
  - (d) Tangible net equity of at least NT\$1,500,000 thousand to NT\$5,000,000 thousand; and
  - (e) Net asset value of at least NT\$1,800,000 thousand.
- D. As of September 30, 2021, the borrowings that have been used amounted to as follows:

Company	Bank	Credit line	Amount of borrowings used
The Company	Mizuho Bank	\$ 900,000	\$ 900,000
The Company	E. Sun Bank	300,000	-
The Company	First Bank	600,000	600,000
The Company	Jih Sun International Bank	300,000	-
The Company	DBS Bank	USD 35,000,000	900,000
The Company	Export-Import Bank of Republic of China	480,000	352,500
The Company	Cathay Bank	500,000	300,000
The Company	Yuanta Commercial Bank	300,000	-
The Company	Entie Commercial Bank	500,000	-
The Company	United Overseas Bank	USD 10,000,000	-
The Company	Taiwan Cooperative Bank	500,000	-
FIT Holding, Foxlink Image, PQI and Glory Science	Jih Sun International Bank (Note)	500,000	300,000
FIT Holding, PQI	Hua Nan Commercial Bank (Note)	200,000	-
FIT Holding	Mega Commercial Bank	300,000	-
Foxlink Image	Hua Nan Commercial Bank	200,000	150,000
Foxlink Image	Taiwan Cooperative Bank	500,000	310,000
Foxlink Image	First Bank	250,000	-
Foxlink Image	Bank of Taiwan	300,000	300,000
Foxlink Image	E. Sun Bank (Note)	400,000	-
Foxlink Image	Cathay Bank (Note)	USD 10,000	-
Foxlink Image	KGI Bank (Note)	400,000	400,000
Foxlink Image	Mega Commercial Bank (Note)	300,000	-
Glory Science	Hua Nan Commercial Bank	95,000	95,000
Glory Science	Chang Hwa Commercial Bank	125,000	125,000
Glory Science	Export-Import Bank of Republic of China	192,000	192,000
Shinfox	Shanghai Commercial & Savings Bank, Ltd.	10,876	10,876
Foxwell Energy	TSBank (Note)	129,865	68,146
Foxwell Energy	Mega Commercial Bank	224,320	224,320
Foxwell Energy	Bank SinoPac	135,831	71,736

Note: The credit line was shared by short-term and long-term borrowings.

#### (19) Pensions

A.(a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labour Standards Act, covering all regular employees' service years prior to the enforcement of the Labour 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 Labour 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 and its domestic subsidiaries contribute 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 retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labour pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company and its domestic subsidiaries will make contributions to cover the deficit by next March.

- (b) The pension costs under the abovementioned defined contribution plan for the three months and nine months ended September 30, 2021 and 2020 were \$645, \$1,133, \$1,933 and \$3,401, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2022 amount to \$160,000.

B.(a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a funded defined contribution pension plan (the "New Plan") under the Labour Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labour Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

- (b) The Company's Mainland China subsidiaries have a funded defined contribution plan. Monthly contributions are based on the employees' monthly salaries (the contribution ratio for the three months and nine months ended September 30, 2021 and 2020 is between 10.2%~21%) and wages to an independent fund administered by the government in accordance with the pension regulations. Other than the monthly contributions, the Group has no further obligations.
- (c) The pension costs under the abovementioned defined contribution pension plan for the three months and nine months ended September 30, 2021 and 2020 were \$213,900, \$177,714, \$601,660 and \$386,651 respectively.

(20) Share capital

A. As of September 30, 2021, the Company's authorised common stock was \$7,000,000 (including 50,000,000 shares reserved for the issuance of employees' warrants), and the issued and outstanding shares were both 484,823,940 shares.

B. Treasury shares

Before becoming a subsidiary, Foxlink Image Technology Co., Ltd. held the parent's capital stock for general investment purpose. The company did not purchase more equity instruments after acquiring control over Foxlink Image on October 1, 2018. As of September 30, 2021, December 31, 2020 and September 30, 2020, the detailed information of Foxlink Image's parent equity shares is as follows:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Thousand shares	27,503	27,503	27,503
Book value	\$ 272,066	\$ 272,066	\$ 272,066

(21) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital reserve to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital reserve should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2021					
	<u>Share premium</u>	<u>Treasury share transactions</u>	<u>Difference between proceeds from acquisition or disposal of subsidiary and book value</u>	<u>Changes in interests in subsidiaries</u>	<u>Change in net equity of associates accounted for under the equity method</u>	<u>Total</u>
At January 1	\$ 9,337,850	\$ 45,078	\$ 196,481	\$ 3,336	\$ 246,001	\$ 9,828,746
Cash dividends distributed to subsidiaries	-	26,258	-	-	-	26,258
Adjustments due to not participating in the capital increase of investees proportionately	-	-	21,164	237	2,543	23,944
At September 30	<u>\$ 9,337,850</u>	<u>\$ 71,336</u>	<u>\$ 217,645</u>	<u>\$ 3,573</u>	<u>\$ 248,544</u>	<u>\$ 9,878,948</u>

	2020					
	Share premium	Treasury share transactions	Difference between proceeds from acquisition or disposal of subsidiary and book value	Changes in ownership interests in subsidiaries	Change in net equity of associates accounted for under the equity method	Total
At January 1	\$ 9,337,850	\$ 18,820	\$ 32,813	\$ 3,374	\$ 78,860	\$ 9,471,717
Cash dividends distributed to subsidiaries	-	26,258	-	-	-	26,258
Adjustments due to not participating in the capital increase of investees proportionately	-	-	140,612	-	170,233	310,845
At September 30	<u>\$ 9,337,850</u>	<u>\$ 45,078</u>	<u>\$ 173,425</u>	<u>\$ 3,374</u>	<u>\$ 249,093</u>	<u>\$ 9,808,820</u>

(22) Retained earnings

- A. Based on the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. The appropriation of remainder shall be proposed by the Board of Directors and be resolved by the shareholders.
- B. According to the Company's Articles of Incorporation, no more than 90% of the distributable retained earnings shall be distributed as stockholders' bonus and cash dividend distributed in any calendar year shall be at least 20% of the total distributable earnings in that year based on future capital expenditures budget and capital requirements.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.
- (c) As of January 1, 2018, the amounts previously set aside by the Company as special reserve for the initial application of IFRSs amounted to \$665,206. Furthermore, the Company did not reverse special reserve to retained earnings for the three months and nine months ended September 30, 2021 and 2020 as a result of the use, disposal or reclassification of related assets.

As of September 30, 2021, December 31, 2020 and September 30, 2020, the amount of special reserve set aside for the initial application of IFRSs all amounted to \$665,206.

E. The Company recognised dividends distributed to owners amounting to \$1,280,818 and \$1,280,818 for the years ended December 31, 2021 and 2020, respectively. Details of the appropriation of 2020's and 2019's net income which was resolved at the stockholders' meeting on July 15, 2021 and June 19, 2020 are as follows:

	<u>Year ended December 31, 2020</u>		<u>Year ended December 31, 2019</u>	
	<u>Amount</u>	<u>Dividend per share (NTD)</u>	<u>Amount</u>	<u>Dividend per share (NTD)</u>
Legal reserve	\$ 195,628	\$ -	\$ 198,736	\$ -
Special reserve	( 298,188)	-	724,633	-
Cash dividends	<u>1,280,818</u>	<u>2.5</u>	<u>1,280,818</u>	<u>2.5</u>
Total	<u>\$ 1,178,258</u>	<u>\$ 2.5</u>	<u>\$ 2,204,187</u>	<u>\$ 2.5</u>

(23) Other equity items

	<u>2021</u>		
	<u>Financial assets at fair value through other comprehensive income</u>	<u>Translation of foreign financial statements</u>	<u>Total</u>
At January 1	(\$ 306,223)	(\$ 1,730,123)	(\$ 2,036,346)
Valuation adjustment			
- Group	( 1,630)	-	( 1,630)
- Associates	2,099	-	2,099
Currency translation differences:			
- Group	-	( 605,541)	( 605,541)
- Associates	-	( 5,427)	( 5,427)
At September 30	<u>(\$ 305,754)</u>	<u>(\$ 2,341,091)</u>	<u>(\$ 2,646,845)</u>

	2020		
	Financial assets at fair value through other comprehensive income	Translation of foreign financial statements	Total
At January 1	(\$ 255,079)	(\$ 2,079,456)	(\$ 2,334,535)
Valuation adjustment			
- Group	( 10,020)	-	( 10,020)
- Associates	-	-	-
Currency translation differences:			
- Group	-	( 143,957)	( 143,957)
- Associates	-	( 27,997)	( 27,997)
At September 30	<u>(\$ 265,099)</u>	<u>(\$ 2,251,410)</u>	<u>(\$ 2,516,509)</u>

(24) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods over time and at a point in time in the following major product lines and generates related revenue in each reportable segment:

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Systems and peripheral products	\$ 9,916,799	\$ 13,093,802
3C component	7,959,431	10,774,789
3C product retail	2,546,662	1,860,585
Others	754,426	101,413
Total	<u>\$ 21,177,318</u>	<u>\$ 25,830,589</u>
	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Systems and peripheral products	\$ 25,977,858	\$ 29,906,562
3C component	21,815,138	26,122,724
3C product retail	8,917,717	6,136,447
Others	1,774,200	176,575
Total	<u>\$ 58,484,913</u>	<u>\$ 62,342,308</u>

B. Unfulfilled construction contracts

Aggregate amount of the transaction price allocated to and the year expected to recognise revenue for the unsatisfied performance obligations in relation to the contracted significant construction contracts as of September 30, 2021 and 2020 are as follows:



<u>Year</u>	<u>Year expected to recognise revenue</u>	<u>Contracted amount</u>
September 30, 2021	2021~2025	\$ 56,657,104
September 30, 2020	2020~2021	214,030

C. Contract assets and contract liabilities

(a) The Group has recognised the following revenue-related contract assets and contract liabilities:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Contract assets:			
Contract assets-construction contracts	<u>\$ 1,166,461</u>	<u>\$ 104,591</u>	<u>\$ 90,479</u>
Contract liabilities:			
Contract liabilities-advance sales receipts	\$ 809,720	\$ 630,690	\$ 929,171
Contract liabilities-construction contracts	<u>4,707</u>	<u>266,085</u>	<u>-</u>
Total	<u>\$ 814,427</u>	<u>\$ 896,775</u>	<u>\$ 929,171</u>

(b) Contract assets and liabilities recognised for the aforementioned construction contracts as at September 30, 2021, December 31, 2020 and September 30, 2020 are as follows:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Aggregate costs incurred plus recognised profits	\$ 2,204,290	\$ 977,551	\$ 1,005,429
Less: Progress billings	( 1,042,536)	( 1,139,045)	( 914,950)
Net balance sheet position for construction in progress	<u>\$ 1,161,754</u>	<u>(\$ 161,494)</u>	<u>\$ 90,479</u>
Presented as:			
Current contract assets	\$ 1,166,461	\$ 104,951	\$ 90,479
Current contract liabilities	( 4,707)	( 266,085)	-
Total	<u>\$ 1,161,754</u>	<u>(\$ 161,134)</u>	<u>\$ 90,479</u>

(c) Revenue recognised that was included in the contract liability balance at the beginning of the period:

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Sales revenue received in advance	<u>\$ 176,470</u>	<u>\$ 20,307</u>
	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Sales revenue received in advance	<u>\$ 528,016</u>	<u>\$ 423,411</u>

D. Please refer to Note 9 for the information of significant construction contracts of the Group.

(25) Interest income

	Three months ended September 30,	
	2021	2020
Interest income from bank deposits	\$ 17,439	\$ 27,552
	Nine months ended September 30,	
	2021	2020
Interest income from bank deposits	\$ 60,395	\$ 87,659

(26) Other income

	Three months ended September 30,	
	2021	2020
Rental revenue	\$ 4,293	\$ 4,351
Other revenue- other	158,904	187,483
	\$ 163,197	\$ 191,834
	Nine months ended September 30,	
	2021	2020
Rental revenue	\$ 12,886	\$ 13,028
Other revenue- other	397,948	393,184
	\$ 410,834	\$ 406,212

(27) Other gains and losses

	Three months ended September 30,	
	2021	2020
Gain on disposal of property, plant and equipment	(\$ 370)	(\$ 1,158)
Gain on disposal of investments	32,603	12,066
Net currency exchange gains (losses)	2,227	( 31,039)
Depreciation charge on investment property	( 3,703)	( 3,187)
Other gains and losses	( 9,194)	6,607
	\$ 21,563	(\$ 16,711)
	Nine months ended September 30,	
	2021	2020
Gain on disposal of property, plant and equipment	\$ 2,099	\$ 20,003
Gain on disposal of investments	166,209	15,643
Net currency exchange (losses) gains	( 51,563)	56,644
Depreciation charge on investment property	( 9,688)	( 9,565)
Other gains and losses	( 35,397)	23,007
	\$ 71,660	\$ 105,732

(28) Finance costs

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Interest expense:		
Bank borrowings	\$ 56,343	\$ 81,163
Corporate bonds	23,665	11,373
Lease liabilities	1,621	1,195
	<u>\$ 81,629</u>	<u>\$ 93,731</u>
	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Interest expense:		
Bank borrowings	\$ 179,050	\$ 212,246
Corporate bonds	70,986	34,278
Lease liabilities	5,102	5,415
	<u>\$ 255,138</u>	<u>\$ 251,939</u>

(29) Expenses by nature

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Employee benefit expense	\$ 3,068,569	\$ 3,404,565
Depreciation expense	817,295	8,058,783
Amortisation charges on intangible assets	25,261	29,416
Transportation expense	151,934	137,806
Advertising costs	13,949	14,020
Operating lease payments	13,863	19,867
	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Employee benefit expense	\$ 8,884,234	\$ 8,740,890
Depreciation expense	2,406,512	2,417,101
Amortisation charges on intangible assets	77,813	89,728
Transportation expense	481,043	513,667
Advertising costs	60,412	48,292
Operating lease payments	72,419	73,064

(30) Employee benefit expense

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Wages and salaries	\$ 2,609,112	\$ 2,993,535
Labour and health insurance fees	125,660	120,939
Pension costs	214,545	178,847
Other personnel expenses	119,252	111,244
	<u>\$ 3,068,569</u>	<u>\$ 3,404,565</u>

  

	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Wages and salaries	\$ 7,598,358	\$ 7,772,070
Labour and health insurance fees	369,734	304,287
Pension costs	603,593	390,052
Other personnel expenses	312,549	274,481
	<u>\$ 8,884,234</u>	<u>\$ 8,740,890</u>

- A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 6% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration.
- B. For the three months and nine months ended September 30, 2021 and 2020, employees' compensation was accrued at \$35,937, \$123,513, \$52,102 and \$163,938, respectively; directors' and supervisors' remuneration was accrued at \$2,878, (\$3,799), \$4,342 and \$10,245. The aforementioned amounts were recognised in salary expenses.
- C. The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on the distributable profit of current period for the nine months ended September 30, 2021 and percentage as prescribed by the Company's Articles of Incorporation.
- D. Employees' compensation and directors' and supervisors' remuneration of 2020 as resolved at the Board of Directors were in agreement with those amounts recognised in the profit or loss of 2020.
- E. Information about employees' compensation and directors' and supervisors' remuneration of the Company as approved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(31) Income tax

A. Income tax expense

- (a) Components of income tax expense:

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Current tax:		
Tax payable incurred in current period	\$ 105,355	\$ 327,905
Tax on undistributed surplus earnings	1,584	-
Prior year income tax underestimation (overestimation)	<u>925</u>	<u>( 110,484)</u>
Total current tax	<u>107,864</u>	<u>217,421</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>86,806</u>	<u>29,332</u>
Total deferred tax	<u>86,806</u>	<u>29,332</u>
Income tax expense	<u>\$ 194,670</u>	<u>\$ 246,753</u>

	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Current tax:		
Tax payable incurred in current period	\$ 421,156	\$ 559,819
Tax on undistributed surplus earnings	43,385	3,863
Prior year income tax overestimation	<u>( 17,481)</u>	<u>( 121,337)</u>
Total current tax	<u>447,060</u>	<u>442,345</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>79,929</u>	<u>84,222</u>
Total deferred tax	<u>79,929</u>	<u>84,222</u>
Income tax expense	<u>\$ 526,989</u>	<u>\$ 526,567</u>

(b) The income tax relating to components of other comprehensive income is as follows:

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Currency translation differences	(\$ 14,085)	\$ 88,038
Remeasurement of defined benefit obligations	<u>-</u>	<u>-</u>
	<u>(\$ 14,085)</u>	<u>\$ 88,038</u>
	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Currency translation differences	(\$ 152,742)	(\$ 42,989)
Remeasurement of defined benefit obligations	<u>-</u>	<u>-</u>
	<u>(\$ 152,742)</u>	<u>(\$ 42,989)</u>

B. The latest year of the Company's and its domestic subsidiaries' income tax returns that have been assessed and approved by the Tax Authority is as follows:

	<u>Status of Assessment</u>
LM and Proconn	Assessed and approved up to 2020
DU Precision, WCT, FAT, Jing Jing, Zhi De Investment, FII, Darts, PSI (Note), Shinfox, Foxwell Energy, Shinfox Natural Gas, Foxwell Power and FUII	Assessed and approved up to 2019
The Company, Straight A, Studio A, VA, Suntain, Foxlink Image, PQI and Glory Science	Assessed and approved up to 2018

Note: The PSI's income tax returns through 2018 have not yet been assessed and approved by the Tax Authority.

(32) Earnings per share

	<u>Three months ended September 30, 2021</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 397,434	484,824	\$ 0.82
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 397,434	484,824	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	963	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 397,434	485,787	\$ 0.82

Three months ended September 30, 2020			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,047,554	484,824	\$ 2.16
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,047,554	484,824	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2,927	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,047,554	487,751	\$ 2.15
Nine months ended September 30, 2021			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 721,556	484,824	\$ 1.49
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 721,556	484,824	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,369	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 721,556	486,193	\$ 1.48

	Nine months ended September 30, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,485,211	484,824	\$ 3.06
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,485,211	484,824	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	4,008	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,485,211	488,832	\$ 3.04

(33) Transactions with non-controlling interest

A. Disposal of equity interest in a subsidiary (that did not result in a loss of control)

In March 2021, the Group disposed of 25% of shares of its subsidiary - Shih Fong Power Co., Ltd. for a total cash consideration of \$690,000. The carrying amount of non-controlling interest in Shih Fong Power Co., Ltd. was \$588,281 at the disposal date. This transaction resulted in an increase in the non-controlling interest by \$660,512 and an increase in the equity attributable to owners of the parent by \$29,488.

In November 2020, the Group disposed of 1.9% of shares of its subsidiary - Shinfox Energy Co., Ltd. for a total cash consideration of \$81,497. The carrying amount of non-controlling interest in Shinfox Energy Co., Ltd. was \$499,185 at the disposal date. This transaction resulted in an increase in the non-controlling interest by \$24,097 and an increase in the equity attributable to owners of the parent by \$57,400.

B. The Group did not participate in the capital increase raised by the second-tier subsidiary proportionally to its interest to the subsidiary

The second-tier subsidiaries, Shinfox Energy Co., Ltd. and Junezhe Co., Ltd. increased its capital by issuing new shares in 2021. The Group did not acquire shares proportionally to its interest. As a result, the Group decreased its share interest by 1.59% and 41.5%, respectively. The transaction increased non-controlling interest by \$1,087,752 and increased the equity attributable to owners of parent by \$53,823.

The subsidiary, Shih Fong Power Co., Ltd. and the second-tier subsidiaries, Shinfox Energy Co., Ltd., Shinfox Natural Gas Co., Ltd. and Foxwell Power Co., Ltd. increased its capital by issuing new shares in 2020. The Group did not acquire shares proportionally to its interest. As a result, the Group decreased its share interest by 34%, 16%, 20% and 1%, respectively. The transaction



decreased non-controlling interest by \$125,447 and increased the equity attributable to owners of parent by \$125,447.

(34) Supplemental cash flow information

	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Purchase of property, plant and equipment	\$ 2,476,103	\$ 1,796,259
Add: Opening balance of payable on equipment	583,447	548,763
Less: Ending balance of payable on equipment	( 742,038)	( 600,775)
Cash paid during the period	<u>\$ 2,317,512</u>	<u>\$ 1,744,247</u>

(35) Changes in liabilities from financing activities

	<u>2021</u>					
	<u>Short-term borrowings</u>	<u>Short-term notes and bills payable</u>	<u>Corporate bonds payable</u>	<u>Long-term borrowings</u>	<u>Lease liabilities</u>	<u>Liabilities from financing activities - gross</u>
At January 1	\$ 4,341,582	\$ 387,222	\$ 6,574,982	\$ 12,825,768	\$ 417,534	\$ 24,547,088
Changes in cash flow from financing activities	3,570,357	736,052	-	( 1,346,190)	( 170,891)	2,789,328
Impact of changes in foreign exchange rate	( 1,972)	-	-	-	5,226	3,254
Interest expense	-	-	-	-	5,102	5,102
Changes in other non-cash items	-	-	2,646	-	151,553	154,199
At September 30	<u>\$ 7,909,967</u>	<u>\$ 1,123,274</u>	<u>\$ 6,577,628</u>	<u>\$ 11,479,578</u>	<u>\$ 408,524</u>	<u>\$ 27,498,971</u>
	<u>2020</u>					
	<u>Short-term borrowings</u>	<u>Short-term notes and bills payable</u>	<u>Corporate bonds payable</u>	<u>Long-term borrowings</u>	<u>Lease liabilities</u>	<u>Liabilities from financing activities - gross</u>
At January 1	\$ 2,038,744	\$ 374,942	\$ 2,987,655	\$ 12,907,993	\$ 520,737	\$ 18,830,071
Changes in cash flow from financing activities	4,255,462	63,675	3,600,000	1,999,357	( 189,620)	9,728,874
Impact of changes in foreign exchange rate	-	-	-	1,854	18,830	20,684
Interest expense	-	-	-	-	5,415	5,415
Changes in other non-cash items	-	-	( 13,764)	( 964,632)	132,175	( 846,221)
At September 30	<u>\$ 6,294,206</u>	<u>\$ 438,617</u>	<u>\$ 6,573,891</u>	<u>\$ 13,944,572</u>	<u>\$ 487,537</u>	<u>\$ 27,738,823</u>

## 7. RELATED PARTY TRANSACTIONS

### (1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Well Shin Technology Co., Ltd. (Well Shin)	Associate
Sharetronic Data Technology Co., Ltd. (Sharetronic)	Associate
Microlink Communications Inc. (Microlink)	Associate
Central Motion Picture Corporation (Central Motion Picture)	Associate
Deepwaters Digital Support Inc. (Deepwaters)	Associate
Dongguan Banrin Robot Technology Co., Ltd. (Banrin)	Associate
Hsin Hung International Investment Co., Ltd. (HSIN HUNG)	Other related party
Hon Hai Precision Industry Co., Ltd. (Hon Hai)	Other related party
Changde Kingplus Electronic Technology CO., LTD. (Changde Kingplus)	Other related party (Note 1)
Foxwell Energy Co., Ltd.	Other related party (Note 2)
Changyuan Wind Power Ltd.	Other related party (Note 2)
Beiyuan Wind Power Ltd.	Other related party (Note 2)
Shinfox Power Co., Ltd.	Other related party (Note 2)

Note 1: On May 13, 2021, FTJ sold its equity interests in the subsidiary, CDFB, and lost its control and significant influence over CDFB. Consequently, the joint investor, Changde Kingplus, was no longer a related party since May 13, 2021.

Note2: Changyuan Wind Power Ltd., Beiyuan Wind Power Ltd. and Shinfox Power Co., Ltd. were sold to Foxwell Energy Co., Ltd and became other related parties since November 30, 2020. FIT Holding resigned its directorship from Foxwell Energy Co., Ltd. on May 20, 2021, therefore, Foxwell Energy Co., Ltd. and its subsidiaries were non-related parties since May 20, 2021.

### (2) Significant related party transactions

#### A. Operating revenue

	Three months ended September30,	
	2021	2020
Sales of goods:		
- Associates	\$ 990	\$ -
- Other related parties	332,394	434,773
	\$ 333,384	\$ 434,773

	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Sales of goods:		
- Associates	\$ 1,129	\$ 3,256
- Other related parties	<u>763,181</u>	<u>1,179,685</u>
	<u>\$ 764,310</u>	<u>\$ 1,182,941</u>

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Sales of services:		
- Associates	\$ -	\$ -
- Other related parties	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>

	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Sales of services:		
- Associates	\$ 237	\$ -
- Other related parties	<u>399,190</u>	<u>-</u>
	<u>\$ 399,427</u>	<u>\$ -</u>

(a) All the credit terms on sales to related parties were 120 to 180 days after monthly billings. The credit terms on sales to third parties were 30 to 120 days after monthly billing or upon shipment of goods, except for receivables arising from the sales of tooling that are collectible upon acceptance by customers.

(b) The Group's sales of services to the abovementioned related parties refer to construction revenue and service revenue from contracts such as electricity sales revenue charged from the contracted construction agreements, contracted agreements for development, design, manufacture and supervision of construction and the operation and maintenance contract for wind turbine generator system (WTGS) entered with other related parties, and the transaction price and credit terms are the same with the market situation or the general customers.

#### B. Operating costs

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Purchases of goods:		
- Associates	\$ 45,458	\$ 109,730
- Other related parties	<u>304,682</u>	<u>259,971</u>
	<u>\$ 350,140</u>	<u>\$ 369,701</u>

	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Purchases of goods:		
- Associates	\$ 138,707	\$ 292,833
- Other related parties	<u>677,532</u>	<u>632,798</u>
	<u>\$ 816,239</u>	<u>\$ 925,631</u>

The purchase price in relation to the transaction made with related parties is based on mutual agreement. All purchases from related parties are at arm's-length. Payment period was 60 to 120 days after receipt of goods from suppliers.

C. Research and development expense - Technical Service Compensation

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Technical service compensation:		
- Associates	<u>\$ -</u>	<u>\$ -</u>

	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Technical service compensation:		
- Associates	<u>\$ -</u>	<u>\$ 1,153</u>

The Group entered into technical service contracts with related parties for providing the Company with research and development services. The payment terms are based on mutual agreement.

D. Receivables from related parties

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Accounts receivable:			
- Other related parties	\$ 227,140	\$ 522,791	\$ 70,739
- Associates	<u>67,694</u>	<u>80,914</u>	<u>239,731</u>
	<u>\$ 294,834</u>	<u>\$ 603,705</u>	<u>\$ 310,470</u>
Other receivables (Financing):			
- Associates			
Microlink	\$ 55,000	\$ 55,000	\$ 55,000
- Other related parties	<u>6,198</u>	<u>868</u>	<u>887</u>
	<u>\$ 61,198</u>	<u>\$ 55,868</u>	<u>\$ 55,887</u>

Other receivables mainly refer to the rental income received from related parties, and the collection terms are based on mutual agreement.

E. Payables to related parties

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Accounts payable:			
- Associates	\$ 49,106	\$ 50,184	\$ 90,117
- Other related parties	<u>162,865</u>	<u>110,542</u>	<u>105,886</u>
	<u>\$ 211,971</u>	<u>\$ 160,726</u>	<u>\$ 196,003</u>
Other payables-Receipts under custody:			
- Associates	\$ 14,262	\$ 15,612	\$ 15,588
- Other related parties	<u>17,713</u>	<u>-</u>	<u>-</u>
	<u>\$ 31,975</u>	<u>\$ 15,612</u>	<u>\$ 15,588</u>

F. Lease transactions - lessee

(a) The Group leases buildings from related parties. Rental contracts are typically made for periods of 3 years. Rents are paid at the end of the month.

(b) Acquisition of right-of-use assets

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties	<u>\$ -</u>	<u>\$ -</u>

	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties	<u>\$ 26,762</u>	<u>\$ -</u>

(c) Lease liability

i. Outstanding balance:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Associates	\$ 13,548	\$ 17,962	\$ 1,070
Other related parties	<u>24,581</u>	<u>-</u>	<u>2,357</u>
	<u>\$ 38,129</u>	<u>\$ 17,962</u>	<u>\$ 3,427</u>

ii. Interest expense

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Associates	\$ 56	\$ 8
Other related parties	<u>104</u>	<u>17</u>
	<u>\$ 160</u>	<u>\$ 25</u>

	Nine months ended September 30,	
	2021	2020
Associates	\$ 183	\$ 34
Other related parties	104	83
	<u>\$ 287</u>	<u>\$ 117</u>

(3) Key management compensation

	Three months ended September 30,	
	2021	2020
Salaries and other short-term employee benefits	\$ 21,905	\$ 40,576
Post-employment benefits	507	451
Total	<u>\$ 22,412</u>	<u>\$ 41,027</u>

	Nine months ended September 30,	
	2021	2020
Salaries and other short-term employee benefits	\$ 58,920	\$ 79,802
Post-employment benefits	1,542	1,372
Total	<u>\$ 60,462</u>	<u>\$ 81,174</u>

8. PLEGDED ASSETS

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

Pledged asset	Book value			Purpose
	September 30, 2021	December 31, 2020	September 30, 2020	
Property, plant and equipment	\$ 922,614	\$ 951,953	\$ 854,697	Short-term notes and bills, short- and long-term borrowings
Repatriation of capital from Taiwan's offshore companies (shown as financial assets at amortised cost-current)	76,571	178,162	-	- Repatriation of capital from Taiwan's offshore companies
Restricted deposits and time deposits-current (shown as financial assets at amortised cost-current)	3,589,059	5,563,959	163,782	Customs deposit, guarantee for L/C issued for purchases of materials, government grants coupon trust, collateral for letter of construction performance guarantee and guaranteed bill
Refundable deposits (shown as other current assets)	4,171	3,107	5,400,000	Construction performance security deposit
Restricted deposits and time deposits-non-current (shown as financial assets at amortised cost-non-current)	144,319	146,394	143,253	Litigation deposit and collateral for long-term borrowings
Refundable deposits (shown as other non-current assets)	283,194	227,033	140,111	Customs deposit, plant deposit and rental performance security deposit
	<u>\$ 5,019,928</u>	<u>\$ 7,070,608</u>	<u>\$ 6,701,843</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Equipment purchase contract			
Contract price	\$ 507,240	\$ 1,740,201	\$ 2,719,714
Outstanding amount	<u>\$ 409,524</u>	<u>\$ 622,708</u>	<u>\$ 620,988</u>
	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Construction contract			
Contract price	\$ 33,557,894	\$ 14,041,934	\$ 869,537
Outstanding amount	<u>\$ 29,997,141</u>	<u>\$ 13,191,348</u>	<u>\$ 271,559</u>

- (2) As of September 30, 2021, December 31, 2020 and September 30, 2020, the letters of guarantee to be issued by the bank, which are required for contracting the Phase II of Taipower's Offshore Wind Power Project, the "Wind Farm Property Procurement and Installation Project", amounted to \$5,400,000, \$5,400,000 and \$0, respectively, of which the amounts of collateral pledged by the Group to the banks (shown as financial assets at amortised cost) were \$2,700,000, \$5,400,000 and \$0, respectively, and the amounts of collateral pledged by using the letters of guarantee issued by the subcontractor were \$2,531,170, \$0 and \$0, respectively.
- (3) As of September 30, 2021, December 31, 2020 and September 30, 2020, the letters of guarantee to be issued by the bank, which are required for contracting the Solar System Integration Project, amounted to \$911,469, \$282,681 and \$284,421, respectively.
- (4) On August 13, 2020, the Group entered into an equipment procurement contract and an operation and maintenance contract with Taiwan Power Company for the Phase II of Taipower's Offshore Wind Power Project, and the "Wind Farm Property Procurement and Installation Project" amounted to \$56,588,000 and \$6,300,000, respectively. The terms of the equipment procurement contract specifies that the Company shall complete the foundation construction for wind turbine generator system and offshore substation as of September 30, 2024, shall complete all wind turbine generator system which shall be under the security constrained dispatch process as of September 30, 2025, shall complete the whole construction as of December 31, 2025 and shall provide 2 years warranties from the date of completion and acceptance of the whole construction. In addition, the equipment shall provide guaranteed generating capacity. The performance term of this project is divided into stages progress and the final completion deadline. The default penalty shall be computed until the termination date of the contract according to each stage of the project. The operation and maintenance contract specifies the terms such as the guaranteed annual availability and default penalty of all wind turbine generator system as well as the relevant rights and obligations of both parties. The contract period is 5 years from the time when all wind turbine generator system are under the security constrained dispatch process.

- (5) The Group entered into an operation and maintenance contract with Changyuan Wind Power Ltd., Beiyuan Wind Power Ltd. and Shinfox Power Co., Ltd. for wind turbine generator system and solar energy equipment. The contract specifies the terms such as the bonus and penalty of operation and maintenance which are calculated based on ceiling and floor guaranteed generating capacity as well as the relevant rights and obligations of both parties. The contract period is for 20 years from the parallel connection date. Please refer to Note 7 for the payment charged.
- (6) Central Motion Picture Corporation (the “Central Motion Picture”), an equity method investment of the Group, was determined to be an affiliate organisation of the Kuomintang by the Ill-gotten Party Assets Settlement Committee (the “Ill-gotten Party”) in its written disposition, Dang-Chan-Chu-Zi No. 107007, issued on October 9, 2018. Under paragraph 1, Articles 5 and 9 of the Act Governing the Settlement of Ill-gotten Properties by Political Parties and Their Affiliate Organisations (the “Act”), properties were held by the Central Motion Picture when the Act was released on August 10, 2016 are considered as unjustly received properties. The presumed ill-gotten party assets as prescribed in the preceding paragraph 1 of Article 5 are prohibited from being transferred or disposed since from the date of promulgation of this Act. However, this limit is not applicable if it is necessary to perform its legal duties or other justifiable reasons. The properties held by the Central Motion Picture are considered as unjustly received properties; however, their existing rights in leases, superficies, mortgage or pawnage are not affected if the Ill-gotten Party considers such assets as unjustly received assets and then orders the bona fide third party to transfer such assets to the State, local self-governing bodies, or original owners. Under Article 16, the Central Motion Picture may file an administrative litigation (an action for revocation) in the Taipei High Administrative Court within two months after the aforementioned written disposition was served. In addition, the Central Motion Picture may file for a suspension of execution under Paragraph 2, Article 116 of the Administrative Litigation Act. On December 12, 2018, the Central Motion Picture Corporation submitted cause of action to the Taipei High Administrative Court, which ruled to approve the suspension of execution in January 2020. However, the Ill-gotten Party subsequently filed an appeal against the ruling, and it was dismissed by the High Administrative Court in February 2020. Meanwhile, the Central Motion Picture filed a revocation action with the Taipei High Court, and it was pending approval as of January 14, 2020. The Central Motion Picture and the Ill-gotten Party entered into an administrative contract on August 24, 2021 and settled at the Taipei High Court on September 17, 2021. The original copy of the written disposition will be cancelled if the Central Motion Picture remits \$950 million to an account designated by the Ill-gotten Party by October 23, 2021. The Central Motion Picture remitted the payment on September 24, 2021, and the litigation procedure was terminated.

#### 10. SIGNIFICANT DISASTER LOSS

None.



## 11. SIGNIFICANT SUBSEQUENT EVENTS

None.

## 12. OTHERS

### (1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to 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, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the actual financial condition.

### (2) Financial instruments

#### A. Financial instruments by category

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
<u>Financial assets</u>			
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	\$ 1,374,559	\$ 986,704	\$ 1,013,743
Financial assets at amortised cost/loans and receivables			
Cash and cash equivalents	7,661,781	10,993,540	12,679,244
Financial assets at amortised cost	4,221,314	6,553,947	406,663
Notes receivable	31,765	35,124	27,726
Accounts receivable	14,586,055	16,913,935	17,927,369
Other receivables	324,167	259,467	555,590
Guarantee deposits paid	287,365	230,140	5,540,111
	<u>\$ 28,487,006</u>	<u>\$ 35,972,857</u>	<u>\$ 38,150,446</u>

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 7,909,967	\$ 4,341,582	\$ 6,294,206
Short-term notes and bills payable	1,123,274	387,222	438,617
Notes payable	151	155	1,146
Accounts payable	14,387,852	17,681,996	17,533,002
Other accounts payable	4,376,915	4,778,465	5,239,931
Corporate bonds payables	6,577,628	6,574,982	6,573,891
Lease liability	408,524	417,534	487,537
Long-term borrowings (including current portion)	11,479,578	12,825,768	13,944,572
Guarantee deposits received	25,071	25,370	23,752
	<u>\$ 46,288,960</u>	<u>\$ 47,033,074</u>	<u>\$ 50,536,654</u>

## B. Risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates, and hedges financial risks in close co-operation with the Group's operating units. The Board 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, and 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

#### Foreign exchange risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Forward foreign exchange contracts are adopted to minimise the volatility of the exchange rate

affecting cost of forecast inventory purchases.

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

	September 30, 2021		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 441,392	27.86	\$ 12,297,181
RMB : NTD	123,242	4.31	531,173
HKD : NTD	28,696	3.59	103,019
EUR : NTD	532	33.15	17,636
JPY : NTD	489,636	0.25	122,409
USD : RMB	4,831	6.46	134,592
USD : HKD	84	7.77	2,340
RMB : HKD	48	1.20	207
<u>Non-monetary items</u>			
RMB : USD	\$ 787,000	0.15	\$ 121,653
RMB : HKD	252,140	1.20	1,086,723
INR : USD	103,938	0.01	38,457
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 521,707	27.86	\$ 14,534,757
RMB : NTD	563	4.31	2,427
HKD : NTD	23,704	3.59	85,097
EUR : NTD	223	33.15	7,392
JPY : NTD	16,073	0.25	4,018
USD : RMB	36,548	6.46	1,018,227
USD : HKD	1,228	7.77	34,212
RMB : HKD	3,514	1.20	15,145
HKD : RMB	61	0.83	219

December 31, 2020			
	Foreign currency amount		Book value
	(In thousands)	Exchange rate	(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 463,814	28.48	\$ 13,209,423
RMB : NTD	3,671	4.38	16,079
HKD : NTD	50,761	3.67	186,293
EUR : NTD	352	35.02	12,327
JPY : NTD	44,194	0.28	12,374
USD : RMB	4,387	6.52	124,942
EUR : RMB	41	8.00	1,436
<u>Non-monetary items</u>			
RMB : HKD	\$ 960,569	1.19	\$ 1,144,680
INR : NTD	100,064	0.39	39,010
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 360,412	28.48	\$ 10,264,534
RMB : NTD	556	4.38	2,435
HKD : NTD	4,465	3.67	16,387
EUR : NTD	101	35.02	3,537
JPY : NTD	8,124	0.28	2,275
USD : RMB	836	6.52	23,809
September 30, 2020			
	Foreign currency amount		Book value
	(In thousands)	Exchange rate	(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 670,418	29.10	\$ 19,509,164
RMB : NTD	8,901	4.27	38,007
HKD : NTD	1,215	3.75	4,556
EUR : NTD	246	34.15	8,401
JPY : NTD	63,107	0.28	17,670
USD : RMB	4,925	6.81	143,318
<u>Non-monetary items</u>			
RMB : HKD	\$ 863,352	1.14	\$ 981,793
INR : USD	2,748,117	0.01	37,354
RMB:USD	830,424	0.15	121,824
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 728,031	29.10	\$ 21,185,702
RMB : NTD	41,015	4.27	175,134
HKD : NTD	11,657	3.75	43,714
EUR : NTD	1,912	34.15	65,295
JPY : NTD	19,589	0.28	5,485
USD : RMB	4,925	6.81	143,318
HKD : RMB	1,392	0.88	5,220

iv. The total exchange gain (loss), including realised and unrealised, arising from significant

foreign exchange variation on the monetary items held by the Group for the three months and nine months ended September 30, 2021 and 2020 amounted to \$2,227, (\$31,039), (\$51,563) and \$56,644, respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Nine months ended September 30, 2021		
	Sensitivity Analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 122,972	\$ -
RMB : NTD	1%	5,312	-
HKD : NTD	1%	1,030	-
EUR : NTD	1%	176	-
JPY : NTD	1%	1,224	-
USD : RMB	1%	1,346	-
USD : HKD	1%	23	-
RMB : HKD	1%	2	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 145,348	\$ -
RMB : NTD	1%	24	-
HKD : NTD	1%	851	-
EUR : NTD	1%	74	-
JPY : NTD	1%	40	-
USD : RMB	1%	10,182	-
USD : HKD	1%	342	-
RMB : HKD	1%	151	-
HKD : RMB	1%	2	-

Nine months ended September 30, 2020

Sensitivity Analysis

	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 195,092	\$ -
RMB : NTD	1%	380	-
HKD : NTD	1%	46	-
EUR : NTD	1%	84	-
JPY : NTD	1%	177	-
USD : RMB	1%	1,433	-
<u>Financial liabilities</u>	1%		
<u>Monetary items</u>			
USD : NTD	1%	\$ 211,857	\$ -
RMB : NTD	1%	1,751	-
HKD : NTD	1%	437	-
EUR : NTD	1%	653	-
JPY : NTD	1%	55	-
USD : RMB	1%	1,433	-
HKD : RMB	1%	52	-

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise domestic or foreign listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant. Other components of equity for the nine months ended September 30, 2021 and 2020 would have increased (decreased) by \$10,996 and \$8,110, respectively, as a result of gains/losses on equity securities other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group's interest rates of borrowings are fixed and floating rate. For the nine months ended September 30, 2021 and 2020, the Group's borrowings issued by floating rate are priced in New Taiwan dollars, Euro Renminbi and US dollar.
- ii. As of September 30, 2021, December 31, 2020 and September 30, 2020, if interest rates on

borrowings at that date had been 1% lower/higher with all other variables held constant, post-tax profit for the nine months ended September 30, 2021 and 2020 would have been \$91,837, \$102,606 and \$111,557 lower/higher, respectively, mainly as a result of higher interest expense on floating rate borrowings.

(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 on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. 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.
- iii. Group treasury manages credit risk of cash in banks and other financial instruments based on the Group's credit policy. Because the Group's counterparties are determined based on the Group's internal control, only rated banks with an optimal rating and financial institutions with investment grade are accepted.
- iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.  
The Group adopts the assumptions under IFRS 9 and considers the industry characteristics, the default occurs when the contract payments are past due over 120 days.
- v. 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) A breach of contract.
- vi. The Group classifies customers' accounts receivable in accordance with customer types. The Group applies the simplified approach using provision matrix to estimate expected credit loss under the provision matrix basis.
- vii. The Group used the forecastability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of accounts receivable. As of September 30, 2021, December 31, 2020 and September 30, 2020, the provision matrix is as follows:

	Not past due	Up to 30 days past due	31~120 days past due	Over 120 days	Total
<u>At September 30, 2021</u>					
Expected loss rate	0.07%	4.44%	11.87%	100%	
Total book value	\$ 13,573,464	\$ 555,684	\$ 223,121	\$ 28,361	\$ 14,380,630
Loss allowance	\$ 9,896	\$ 24,676	\$ 26,476	\$ 28,361	\$ 89,409

	Not past due	Up to 30 days past due	31~120 days past due	Over 120 days	Total
<u>At December 31, 2020</u>					
Expected loss rate	0.04%	4.71%	16.18%	100%	
Total book value	\$ 15,576,349	\$ 681,975	\$ 106,863	\$ 63,416	\$ 16,428,603
Loss allowance	\$ 5,518	\$ 32,147	\$ 17,292	\$ 63,416	\$ 118,373

	Not past due	Up to 30 days past due	31~120 days past due	Over 120 days	Total
<u>At September 30, 2020</u>					
Expected loss rate	0.04%	4.88%	11.01%	100%	
Total book value	\$ 16,864,853	\$ 536,834	\$ 277,251	\$ 110,880	\$ 17,789,818
Loss allowance	\$ 5,968	\$ 26,193	\$ 29,878	\$ 110,880	\$ 172,919

viii. Movements in relation to the group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2021	2020
	Accounts receivable	Accounts receivable
At January 1	\$ 118,373	\$ 158,659
(Reversal of) provision for impairment loss	( 28,296)	15,262
Effect of foreign exchange	( 668)	( 1,002)
At September 30	<u>\$ 89,409</u>	<u>\$ 172,919</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. The table below 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. Except that the carrying amounts of notes payable, accounts payable and other payables are approximate to the amounts of contractual undiscounted cash flows and those accounts will expire within a year, the amounts of financial liabilities disclosed in the table are the contractual undiscounted cash flows:



Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years
September 30, 2021					
Short-term borrowings	\$ 8,088,480	\$ -	\$ -	\$ -	\$ -
Short-term notes and bills payable	1,140,043	-	-	-	-
Lease liabilities	160,233	103,634	44,364	23,336	100,925
Long-term borrowings (including current portion)	473,763	6,498,783	1,139,463	3,310,378	206,850

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years
December 31, 2020					
Short-term borrowings	\$ 4,380,730	\$ -	\$ -	\$ -	\$ -
Short-term notes and bills payable	392,489	-	-	-	-
Lease liabilities	183,850	92,877	75,552	29,751	127,403
Long-term borrowings (including current portion)	511,435	6,323,798	2,199,349	3,713,471	207,793

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years
September 30, 2020					
Short-term borrowings	\$ 6,380,550	\$ -	\$ -	\$ -	\$ -
Short-term notes and bills payable	444,775	-	-	-	-
Lease liabilities	183,037	74,486	49,597	30,245	109,991
Long-term borrowings (including current portion)	752,334	8,363,806	4,589,077	520,387	216,435

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

(3) Fair value information

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: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. 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 or indirectly. The fair value of the Group's investment in non-hedging derivatives is included in Level 2.

Level 3: Unobservable inputs for the asset or liability.

B. Fair value information of investment property at cost is provided in Note 6(11).

C. Financial instruments not measured at fair value

Except for those listed in the table below, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable, other payables and long-term borrowings are approximate to their fair values.

		September 30, 2021		
		Fair value		
Book value	Level 1	Level 2	Level 3	
Financial liabilities:				
Bonds payable	\$ 6,600,000	\$ -	\$ 6,577,628	\$ -
		December 31, 2020		
		Fair value		
Book value	Level 1	Level 2	Level 3	
Financial liabilities:				
Bonds payable	\$ 6,600,000	\$ -	\$ 6,574,982	\$ -
		September 30, 2020		
		Fair value		
Book value	Level 1	Level 2	Level 3	
Financial liabilities:				
Bonds payable	\$ 6,600,000	\$ -	\$ 6,573,891	\$ -

D. 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 is as follows:

September 30, 2021	Level 1	Level 2	Level 3	Total
Assets :				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ -	\$ -	\$ 1,374,559	\$ 1,374,559
December 31, 2020	Level 1	Level 2	Level 3	Total
Assets :				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ -	\$ -	\$ 986,704	\$ 986,704
September 30, 2020	Level 1	Level 2	Level 3	Total
Assets :				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ -	\$ -	\$ 1,013,743	\$ 1,013,743

E. The methods and assumptions the Group used to measure fair value are as follows:

- (a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

- |                     | Listed shares |  |
|---------------------|---------------|--|
| Market quoted price | Closing price |  |
- (b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.
- (c) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, 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.
- (d) 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.
- (e) 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. 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.
- (f) 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.
- F. For the nine months ended September 30, 2021 and 2020, there was no transfer between Level 1 and Level 2.
- G. The following chart is the movement of Level 3 for the nine months ended September 30, 2021 and 2020:

	2021	2020
	<u>Equity securities</u>	<u>Equity securities</u>
At January 1	\$ 986,704	\$ 936,755
Recorded as unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	5,457 (	29,000)
Acquired in the period	173,760	41,910
Decreased in the period	( 37,469) (	3,638)
Transfers into level 3	252,088	72,170
Effect of exchange rate changes	( 5,981) (	4,454)
At September 30	\$ 1,374,559	\$ 1,013,743

H. For the nine months ended September 30, 2021 and 2020, information on transfers into Level 3 is provided in Note 6(8).

I. Group treasury 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 line 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.

J. 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 at September 30, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 1,374,559	Market comparable companies	Discount for lack of marketability	20%~30%	The higher the discount for lack of marketability, the lower the fair value

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 986,704	Market comparable companies	Discount for lack of marketability	20%~30%	The higher the discount for lack of marketability, the lower the fair value

	Fair value at September 30, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 1,013,743	Market comparable companies	Discount for lack of marketability	20%~30%	The higher the discount for lack of marketability, the lower the fair value

K. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. For financial assets and liabilities categorised within Level 3, there is no significant impact to other comprehensive income on September 30, 2021, December 31, 2020 and September 30, 2020 if the net asset value increase or decrease by 1%.

#### (4) Other matters

The Group's financial condition and financial performance were not affected by the Covid-19 outbreak and various preventive measures which were imposed by the government in the third quarter of 2021.

### 13. SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

For the nine months ended September 30, 2021, except for financial statements of CU, FII, FUII, Zhi De Investment, FGEDG, FGEKS, DGFQ, FG XuZhou, FOXLINK, FIT Holding, PQI, Foxlink Image, Glory Science, APIX, AITL, Shinfox, Foxwell Energy, Sinocity, DG, PQI YANCEHENG, PQI (Xuzhou), Dongguan Fu Wei, GLORY TEK, GLORY OPTICS, GLORY TEK (SAMOA), GLORY TEK SCIENSE INDIA, Glorytek Suzhou, GOYC, Glorytek Yancheng and YYWT which were reviewed by independent auditors, the financial statements of other subsidiaries were not reviewed by independent auditors.

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 (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.

E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.

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

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

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

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

#### (2) Information on investees

For the information on investees, except for current profit (loss) for the nine months ended September 30, 2021 that is translated using the monthly average exchange rate in 2021, others are translated using the spot rate at September 30, 2021.

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 8.

#### (3) Information on investments in Mainland China

A. Processing on order plants invested in Mainland China:

In 1997, the Company rented plants located in Shenzhen and Dongguan, Guangdong Province, Mainland China, respectively, through the investee, CU International Ltd. and operated the plants through processing on order. The plants were primarily engaged in the manufacture of electronic telecommunication components and electric wire, under CU International Ltd. without their own corporate entity for the operating period ended December 2017. As of November 12, 2021, the plants are still under the cancellation process.

- B. Investees in Mainland China, main business activities, paid-in capital, investment method, amount remitted from Taiwan to Mainland China / amount remitted back to Taiwan, ownership, investment income (loss), investments in Mainland China as of December 31, 2020, book value, investment income remitted back and ceiling on investments in Mainland China: Please refer to table 9.
- C. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland China, and price, payment terms, unreleased income/loss and other related information relating to investments in Mainland China:
- (a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period:

Company name	General ledger account	Nine months ended September 30, 2021	
		Amount	Percentage of total amount
Dongguan Fuqiang Electronics Co., Ltd.	Purchases of goods	\$ 15,776,021	48%
Fugang Electronic (Dongguan) Co., Ltd.	Purchases of goods	\$ 8,188,896	25%
Fugang Electric (Xuzhou) Co., Ltd.	Purchases of goods	\$ 4,467,776	13%
Fushineng Electronics (Kunshan) Co., Ltd.	Purchases of goods	\$ 2,405,576	7%
Fugang Electric (Kunshan) Co., Ltd.	Purchases of goods	\$ 1,198,270	4%
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Purchases of goods	\$ 128,409	-
Fugang Electric (Maanshan) Co., Ltd.	Purchases of goods	\$ 160,410	-

Company name	General ledger account	September 30, 2021	
		Amount	Percentage of total amount
Fugang Electronic (Dongguan) Co., Ltd.	Accounts payable	\$ 2,791,655	12%
Fugang Electric (Xuzhou) Co., Ltd.	Accounts payable	\$ 1,967,953	8%
Fushineng Electronics (Kunshan) Co., Ltd.	Accounts payable	\$ 1,269,922	5%
Fu Gang Electronic (Nan Chang) Co., Ltd.	Accounts payable	\$ 1,145,476	5%
Fugang Electric (Maanshan) Co., Ltd.	Accounts payable	\$ 236,075	1%
Fuqiang Electric (Yancheng) Co., Ltd.	Accounts payable	\$ 115	-

- (b) Balance and purpose of provision of endorsements/guarantees or collateral at the end of the period: Please refer to table 2.
- (c) Maximum balance, ending balance, interest rate range and interest for financing during the nine months and at September 30, 2021: Please refer to table 1.
- (d) Other transactions that have a significant impact on the profit/loss of current period or on the financial condition, such as the rendering or receiving of service:

Company name	General ledger account	Nine months ended September 30, 2021	
		Amount	Percentage of total amount
Dongguan Fuqiang Electronics Co., Ltd.	Raw materials purchased on behalf of others	\$ 10,713,965	43%
Fugang Electronic (Dongguan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 6,461,401	26%
Fugang Electric (Xuzhou) Co., Ltd.	Raw materials purchased on behalf of others	\$ 4,179,760	17%
Fushineng Electronics (Kunshan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 1,780,761	7%
Fugang Electric (Kunshan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 1,115,097	4%
Fugang Electric (Maanshan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 205,562	1%
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 12,770	-

		Nine months ended September 30, 2021	
Company name	General ledger account	Amount	Percentage of total amount
Dongguan Fuqiang Electronics Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 44,880	12%
Fushineng Electronics (Kunshan) Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 32,786	9%
Fugang Electric (Xuzhou) Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 15,702	4%
Fugang Electronic (Dongguan) Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 4,699	1%
Fugang Electric (Kunshan) Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 36	-
		September 30, 2021	
Company name	General ledger account	Amount	Percentage of total amount
Dongguan Fuqiang Electronics Co., Ltd.	Other receivables	\$ 2,584,068	31%
Fugang Electric (Xuzhou) Co., Ltd.	Other receivables	\$ 2,302,733	28%
Fushineng Electronics (Kunshan) Co., Ltd.	Other receivables	\$ 1,552,530	19%
Fugang Electric (Maanshan) Co., Ltd.	Other receivables	\$ 304,777	4%
Fugang Electric (Kunshan) Co., Ltd.	Other receivables	\$ 272,965	3%
Fu Gang Electronic (Nan Chang) Co., Ltd.	Other receivables	\$ 58,031	1%
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Other receivables	\$ 20,504	-
Fuqiang Electric (Yancheng) Co., Ltd.	Other receivables	\$ 11,840	-
Fugang Electric (Yancheng) Co., Ltd.	Other receivables	\$ 434	-

(4) Major shareholders information

Major shareholders information: Please refer to table 10.

14. SEGMENT INFORMATION

(1) General information

The Group has classified the reportable operating segments based on product types. The Company's operations and segmentation are both developed according to the product types. The current main product types are: 3C component, systems and peripheral products, 3C product retail and others.

(2) Measurement of segment information

The Board of Directors of the Group uses operating profit to measure the operating segments and as evaluation basis of the segments' performance.



(3) Segment information

The financial information of reportable segments provided to Chief Operating Decision-Maker is as follows:

Nine months ended September 30, 2021

	3C component department	Systems and peripheral products department	3C product retail department	Other operations	Adjustments	Total
External Revenue	\$ 21,815,138	\$ 25,977,858	\$ 8,917,717	\$ 1,774,200	\$ -	\$ 58,484,913
Revenue from Internal Customers	<u>1,057,236</u>	<u>74,527</u>	<u>-</u>	<u>-</u>	<u>( 1,131,763)</u>	<u>-</u>
Segment Revenue	<u>\$ 22,872,374</u>	<u>\$ 26,052,385</u>	<u>\$ 8,917,717</u>	<u>\$ 1,774,200</u>	<u>(\$ 1,131,763)</u>	<u>\$ 58,484,913</u>
Segment Profit (loss)	<u>(\$ 49,734)</u>	<u>\$ 735,148</u>	<u>\$ 139,903</u>	<u>\$ 416,843</u>	<u>\$ -</u>	<u>\$ 1,242,160</u>

Nine months ended September 30, 2020

	3C component department	Systems and peripheral products department	3C product retail department	Other operations	Adjustments	Total
External Revenue	\$ 26,122,724	\$ 29,906,562	\$ 6,136,447	\$ 176,575	\$ -	\$ 62,342,308
Revenue from Internal Customers	<u>1,257,634</u>	<u>620,966</u>	<u>-</u>	<u>59,008</u>	<u>( 1,937,608)</u>	<u>-</u>
Segment Revenue	<u>\$ 27,380,358</u>	<u>\$ 30,527,528</u>	<u>\$ 6,136,447</u>	<u>\$ 235,583</u>	<u>(\$ 1,937,608)</u>	<u>\$ 62,342,308</u>
Segment Profit (loss)	<u>\$ 370,931</u>	<u>\$ 982,067</u>	<u>\$ 66,323</u>	<u>(\$ 19,683)</u>	<u>\$ -</u>	<u>\$ 1,399,638</u>

(4) Reconciliation for segment profit (loss)

The external revenue and segment profit (loss) reported to the chief operating decision-maker are measured in manner consistent with revenue and profit (loss) before tax in the financial statements. Therefore, no reconciliation was needed.

Cheng Uei Precision Industry Co., Ltd.  
Loans to others  
Nine months ended September 30, 2021

Table 1

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the nine months ended September 30, 2021	Balance at September 30, 2021	Actual amount drawn down	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 3)	Footnote
													Item	Value			
0	Cheng Uei Precision Industry Co., Ltd.	Foxwell Energy Corporation Ltd.	Other receivables	Yes	\$ 4,000,000	\$ -	\$ -	1.5%	2	\$ -	Operations	\$ -	-	\$ -	\$ 4,527,196	\$ 9,054,391	
1	Fugang Electric (Kunshan) Co., Ltd.	FUQIANG ELECTRIC (YANCHENG) CO., LTD.	Other receivables-related parties	Yes	35,016	-	-	-	2	-	"	-	-	-	3,271,344	3,271,344	
1	Fugang Electric (Kunshan) Co., Ltd.	Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd.	"	Yes	26,058	25,830	25,830	-	2	-	"	-	-	-	3,271,344	3,271,344	
2	World Circuit Technology Co., Ltd.	Microlink Communications Inc.	Other receivables	Yes	55,000	-	-	-	2	-	"	-	-	-	260,561	260,561	
2	World Circuit Technology Co., Ltd.	Suntain Co., Ltd.	"	Yes	40,000	40,000	40,000	-	2	-	"	-	-	-	260,561	260,561	
3	Culink Tianjin Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Other receivables-related parties	Yes	216,100	215,250	215,250	-	2	-	"	-	-	-	231,333	231,333	
4	Foxlink Energy (Tianjin) Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	Yes	167,895	167,895	167,895	-	2	-	"	-	-	-	172,751	172,751	
5	Foxlink International Investment Ltd.	Microlink Communications Inc.	Other receivables	Yes	55,000	55,000	55,000	-	2	-	"	-	-	-	3,897,374	3,897,374	
5	Foxlink International Investment Ltd.	FOXLINK VIETNAM CO., LTD	"	Yes	55,860	55,700	8,355	1%	2	-	"	-	-	-	3,897,374	3,897,374	
6	Fu Uei International Investment Ltd.	Cheng Uei Precision Industry Co., Ltd.	"	Yes	95,000	-	-	-	2	-	"	-	-	-	2,486,176	2,486,176	
6	Fu Uei International Investment Ltd.	Foxlink International Investment Ltd.	"	Yes	30,000	30,000	30,000	-	2	-	"	-	-	-	2,486,176	2,486,176	
7	FOXLINK TECHNOLOGY LIMITED	Cheng Uei Precision Industry Co., Ltd.	"	Yes	111,400	111,400	111,400	-	2	-	"	-	-	-	810,179	810,179	
7	FOXLINK TECHNOLOGY LIMITED	CU INTERNATIONAL LTD.	"	Yes	102,860	-	-	-	2	-	"	-	-	-	810,179	810,179	
7	FOXLINK TECHNOLOGY LIMITED	CU INTERNATIONAL LTD.	"	Yes	624,917	609,915	609,915	-	2	-	"	-	-	-	810,179	810,179	
8	Foxlink Tianjin Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	Yes	388,980	387,450	387,450	-	2	-	"	-	-	-	1,947,703	1,947,703	
8	Foxlink Tianjin Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	"	Yes	129,150	129,150	129,150	-	2	-	"	-	-	-	1,947,703	1,947,703	
9	Zhi De Investment Co., Ltd.	Cheng Uei Precision Industry Co., Ltd.	"	Yes	100,000	-	-	-	2	-	Group's capital management	-	-	-	505,276	505,276	

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the nine months ended September 30, 2021	Balance at September 30, 2021	Actual amount drawn down	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 3)	Footnote
													Item	Value			
9	Zhi De Investment Co., Ltd.	CU INTERNATIONAL LTD.	Other receivables	Yes	\$ 100,000	\$ 100,000	\$ 100,000	1%	2	\$ -	Operations	\$ -	-	\$ -	\$ 505,276	\$ 505,276	
10	Foxlink Automotive Technology (Kunshan) Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	Yes	43,050	43,050	43,050	-	2	-	"	-	-	-	328,635	328,635	
11	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	"	Yes	590,895	581,175	581,175	-	2	-	"	-	-	-	8,461,525	8,461,525	
11	Dongguan Fuqiang Electronics Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	"	Yes	218,850	215,250	215,250	-	2	-	"	-	-	-	8,461,525	8,461,525	
12	Fugang Electronic (Dongguan) Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	"	Yes	253,866	249,690	249,690	-	2	-	"	-	-	-	5,851,283	5,851,283	
13	Fuzhan Electronics (Shanghai) Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	"	Yes	48,147	47,355	47,355	-	2	-	"	-	-	-	51,285	51,285	
14	Fushineng Electronics (Kunshan) Co., Ltd.	FUQIANG ELECTRIC (YANCHENG) CO., LTD.	"	Yes	34,744	34,440	34,440	-	2	-	"	-	-	-	1,166,431	1,166,431	
14	Fushineng Electronics (Kunshan) Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	Yes	21,525	21,525	21,525	-	2	-	"	-	-	-	1,166,431	1,166,431	
15	Studio A Technology Limited	Kunshan Fugang Electric Trading Co., Ltd.	"	Yes	110,190	107,280	107,280	2%	2	-	"	-	-	-	385,325	385,325	
15	Studio A Technology Limited	AShop Co., Ltd.	"	Yes	277,900	142,035	86,335	2%	2	-	"	-	-	-	385,325	385,325	
16	FIT Holding Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	Yes	131,520	-	-	0.98%~1.20%	2	-	"	-	-	-	2,063,144	2,750,859	
16	FIT Holding Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	"	Yes	289,344	-	-	0.98%~1.20%	2	-	"	-	-	-	2,063,144	2,750,859	
16	FIT Holding Co., Ltd.	Foxwell Energy Corporation Ltd.	"	Yes	600,000	-	-	1.56%	2	-	"	-	-	-	2,063,144	2,750,859	
17	Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	"	Yes	300,000	-	-	0.85-1.20%	2	-	"	-	-	-	1,048,359	1,048,359	
17	Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	Yes	216,450	215,250	129,150	1.5%	2	-	"	-	-	-	1,048,359	1,048,359	
17	Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	"	Yes	600,000	280,000	280,000	0.89-1.23%	2	-	"	-	-	-	1,048,359	1,048,359	
18	Glory Science Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	"	Yes	254,272	-	-	1.5%	2	-	"	-	-	-	179,796	179,796	
19	Glorytek (Suzhou) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	"	Yes	28,058	27,552	27,552	3%	2	-	"	-	-	-	384,150	384,150	
19	Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	Yes	219,200	215,250	172,200	5%	2	-	"	-	-	-	384,150	384,150	

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the nine months ended September 30, 2021	Balance at September 30, 2021	Actual amount drawn down	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 3)	Footnote
													Item	Value			
20	Shinfox Energy Co., Ltd.	Foxwell Energy Corporation Ltd.	Other receivables	Yes	\$ 50,000	\$ 50,000	\$ -	Average borrowing interest rate plus 0.1%	2	\$ -	Group's capital management	\$ -	-	\$ -	\$ 1,605,576	\$ 1,605,576	
20	Shinfox Energy Co., Ltd.	Foxwell Power Co., Ltd.	"	Yes	50,000	50,000	-	Average borrowing interest rate plus 0.1%	2	-	"	-	-	-	1,605,576	1,605,576	
20	Shinfox Energy Co., Ltd.	Shinfox Natural Gas Co., Ltd.	"	Yes	60,000	50,000	-	Average borrowing interest rate plus 0.1%	2	-	"	-	-	-	1,605,576	1,605,576	
21	Power Quotient Technology (Yancheng) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	"	Yes	521,400	516,600	516,600	1.5%	2	-	"	-	-	-	686,642	686,642	

Note 1: The numbers as follows represent the nature of loan:

- (1) Business transaction is labelled as "1".
- (2) Short-term financing is labelled as "2".

Note 2: (1) Limit on loans granted to a single party is 20% of the Company's net asset value.

- (2) Limit on loans granted to the domestic unlisted subsidiaries of the Company and FIT Holding Co., Ltd. is 40% of their net asset value.
- (3) Limit on loans granted to direct or indirect holding foreign subsidiaries is 100% of their net asset value.
- (4) Limit on loans granted between foreign companies whose voting shares are 100% held by the Company directly or indirectly, or on loans granted to the Company by such foreign companies is 100% of their net asset value.
- (5) Limit on loans granted by FIT Holding Co., Ltd. to its direct or indirect holding foreign subsidiaries is 30% of FIT Holding Co., Ltd.'s net asset value on recent financial report.

Note 3: (1) Ceiling on total loans granted to the company is 40% of the Company's net asset value.

- (2) Ceiling on total loans granted to the domestic unlisted subsidiaries of the Company and FIT Holding is 40% of their net asset value.
- (3) Ceiling on total loans granted to the direct or indirect holding subsidiaries is 100% of their net asset value.
- (4) Ceiling on total loans granted between foreign companies whose voting shares are 100% held by the Company directly or indirectly, or on loans granted to the Company by such foreign companies is 100% of their net asset value.
- (5) Ceiling on total loans granted by FIT Holding Co., Ltd. to its direct or indirect holding foreign subsidiaries is 40% of their net asset value on recent financial report.

Cheng Uei Precision Industry Co., Ltd.  
Provision of endorsements and guarantees to others  
Nine months ended September 30, 2021

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 1)	Maximum outstanding endorsement/ guarantee amount as of September 30, 2021	Outstanding endorsement/ guarantee amount at September 30, 2021	Actual amount drawn down	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 2)	Provision of endorsements /guarantees by parent company to subsidiary	Provision of endorsements /guarantees by subsidiary to parent company	Provision of endorsements /guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/guarantor											
0	Cheng Uei Precision Industry Co., Ltd.	FOXLINK INTERNATIONAL INCORPORATION	The Company's third-tier subsidiary	\$ 11,317,988	\$ 924,534	\$ 902,340	\$ 144,319	\$ -	3.99	\$ 22,635,976	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	The Company's second-tier subsidiary	11,317,988	1,313,100	1,291,500	1,291,500	-	5.71	22,635,976	Y	N	Y	
0	Cheng Uei Precision Industry Co., Ltd.	Straight A Inc.	The Company's third-tier subsidiary	9,054,391	428,025	417,750	99,660	-	1.85	22,635,976	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	ASHOP Co., Ltd.	The Company's fourth-tier subsidiary	9,054,391	557,000	557,000	68,233	-	2.46	22,635,976	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	Studio A Inc.	The Company's second-tier subsidiary	9,054,391	1,141,400	1,114,000	358,211	-	4.92	22,635,976	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	Studio A Technology Limited	The Company's third-tier subsidiary	9,054,391	1,227,005	1,197,550	259,562	-	5.29	22,635,976	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	Kunshan Fugang Electric Trading Co., Ltd.	"	9,054,391	1,055,795	891,200	159,302	-	3.94	22,635,976	Y	N	Y	
1	Fugang Electric (Kunshan) Co., Ltd.	Kunshan Fugang Electric Trading Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.'s subsidiary	9,054,391	73,848	73,185	43,050	-	0.32	22,635,976	Y	N	Y	
1	Fugang Electric (Kunshan) Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.'s subing company	11,317,988	1,201,268	1,181,507	1,181,507	-	5.22	22,635,976	N	N	Y	
2	Studio A Inc.	Studio A Technology Limited	Studio A Inc.'s subsidiary	9,054,391	265,335	264,575	-	-	1.17	22,635,976	Y	N	N	
3	FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	FIT Holding Co., Ltd.'s subsidiary	10,315,722	735,642	535,498	250,000	-	7.79	10,315,722	Y	N	N	
3	FIT Holding Co., Ltd.	Glory Science Co., Ltd.	"	10,315,722	1,419,270	1,319,150	845,000	-	19.18	10,315,722	Y	N	N	
3	FIT Holding Co., Ltd.	Foxwell Energy Corporation Ltd.	FIT Holding Co., Ltd.'s third-tier subsidiary	9,628,007	515,020	-	-	-	-	10,315,722	Y	N	N	
4	Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	Foxlink Image Technology Co., Ltd.'s sibling company	3,669,257	525,000	525,000	236,000	-	7.63	3,931,347	N	N	N	

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 1)	Maximum outstanding endorsement/ guarantee amount as of September 30, 2021	Outstanding endorsement/ guarantee amount at September 30, 2021	Actual amount drawn down	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 2)	Provision of endorsements /guarantees by parent company to subsidiary	Provision of endorsements /guarantees by subsidiary to parent company	Provision of endorsements /guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/guarantor											
4	Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	"	\$ 3,669,257	\$ 600,000	\$ 500,000	\$ 450,000	-	7.27	\$ 3,931,347	N	N	N	
5	Shinfox Energy Co., Ltd.	Foxwell Energy Corporation Ltd.	Shinfox Energy Co., Ltd.'s subsidiary	6,020,912	4,700,000	4,700,000	4,700,000	-	68.34	6,020,912	Y	N	N	

Note 1: Calculation for limit on endorsements/guarantees provided for a single party is as follows:

- (1) For subsidiaries whose shares are 90% or above held by the Company, ceiling on total amount of endorsements and guarantees provided by the Company is 50% of the Company's net asset value; limit on endorsements and guarantees provided by the Company for a single party is 40% of the Company's net asset value.
- (2) For FIT Holding Co.,Ltd., limit on endorsements and guarantees for a single party is 140% of FIT Holding Co.,Ltd.'s current net asset value and for subsidiary whose equity is no less than 90% held by FIT Holding Co.,Ltd., is 150% of FIT Holding Co.,Ltd.'s net asset value.
- (3) Endorsements and guarantees are available between companies whose voting shares are more than 90% held by FIT Holding Co., Ltd. directly or indirectly. And the limit on endorsements and guarantees is 10% of FIT Holding Co., Ltd.'s net asset value except that endorsements and guarantees are between companies whose voting shares are 100% held by FIT Holding Co., Ltd. directly or indirectly.

Note 2: Calculation for limit on endorsements/guarantees provided is as follows:

- (1) The Company's and subsidiaries' endorsements and guarantees to others should not exceed 100% of the Company's net asset value.
- (2) FIT Holding Co.,Ltd.'s endorsements and guarantees to others and subsidiaries should not exceed 150% of FIT Holding Co., Ltd.'s net asset value in the latest financial statements.
- (3) Endorsements and guarantees are available between companies whose voting shares are more than 90% held by FIT Holding Co., Ltd. directly or indirectly. And the limit on endorsements and guarantees is 10% of FIT Holding Co., Ltd.'s net asset value except that endorsements and guarantees are between companies whose voting shares are 100% held by FIT Holding Co., Ltd. directly or indirectly.

## Cheng Uei Precision Industry Co., Ltd.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

September 30, 2021

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of September 30, 2021				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Fu Uei International Investment Ltd.	Trinity Investment Corporation	An investee of the Company	Financial assets at fair value through other comprehensive income-non-current	3,000	\$ 30,000	10.00	\$ 30,000	
Fu Uei International Investment Ltd.	ADE TECHNOLOGY INC.	"	"	500	11,500	1.45	11,500	
CULINK INTERNATIONAL Ltd.	Gamma 2 Robotics, Inc.	"	"	862	-	9.00	-	
CULINK INTERNATIONAL Ltd.	Occipital, Inc.	"	"	389	-	2.50	-	
CULINK INTERNATIONAL Ltd.	V5 Systems, Inc.	"	"	1,460	-	4.63	-	
CULINK INTERNATIONAL Ltd.	Motiv Inc.	"	"	273	-	1.70	-	
CULINK INTERNATIONAL Ltd.	LeadSun WINION Limited	"	"	3,000	83,550	40.07	83,550	
CULINK INTERNATIONAL Ltd.	MedWand Solutions Inc.	"	"	63	-	3.18	-	
FOXLINK TECHNOLOGY LIMITED	LEADSUN NEW STAR CORP.	"	"	875	17,455	12.50	17,455	
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	Dongguan PowerWise Technology Co., Ltd.	"	"	1,250	43,050	4.00	43,050	
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	Hebei Gellec New Energy Science&technology Co.,Ltd.	"	"	20,000	86,100	6.33	86,100	
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	Changzhou Qitai No.1 Venture Capital Partnership (Limited Partnership)	"	"	3,333	86,100	1.71	86,100	
Foxlink Tianjin Co., Ltd.	Changde Fubo Intelligent Technology Co., Ltd.	"	"	-	4,090	9.50	4,090	
FIT Holding Co., Ltd.	Foxwell Energy Co., Ltd.	N/A	"	21,000	210,529	14.00	210,529	
Foxlink Image Technology Co., Ltd.	TAIWAN STAR TELECOM CORPORATION LIMITED	"	"	50,000	355,500	0.91	355,500	
Foxlink Image Technology Co., Ltd.	Wellgen Medical Co., Ltd.	"	"	1,500	18,375	15.19	18,375	
Power Quotient International Co., Ltd.	SAINT SONG CORP.	"	"	127	-	1.05	-	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of September 30, 2021				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Power Quotient International Co., Ltd.	OURS TECHNOLOGY INC.	N/A	Financial assets at fair value through other comprehensive income-non-current	13	\$ -	0.21	\$ -	
Power Quotient International Co., Ltd.	INNOPLUS Co., Ltd.	"	"	160	-	12.00	-	
Power Quotient International Co., Ltd.	TAIWAN STAR TELECOM CORPORATION LIMITED	"	"	50,000	355,500	0.91	355,500	
Power Quotient International Co., Ltd.	STACK DEVICES CORPORATION	"	"	70	-	0.11	-	
POWER QUOTIET TECHNOLOGY (YANCHENG) Co., Ltd.	Jiangsu Foxlink New Energy Technology Co.,Ltd.	"	"	-	72,810	12.90	72,810	
Shinfox Energy Co., Ltd.	Corvus Energy Ltd.	"	"	22	-	0.05	-	
Shinfox Energy Co., Ltd.	SEC INTERNATIONAL INC.	"	"	54	-	9.00	-	
Foxwell Energy Corporation Ltd.	Full Entertainment Marketing Co., Ltd.	"	"	300	-	3.00	-	



Cheng Uei Precision Industry Co., Ltd.  
 Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital  
 Nine months ended September 30, 2021

Table 4

Expressed in thousands of NTD  
 (Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2021		Addition		Disposal				Balance as at September 30, 2021	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
FIT Holding Co., Ltd.	Shih Fong Power Co., Ltd.	Investment accounted for using equity method	C&C INVESTMENT CORPORATION	Non-related party	95,000	\$ 1,000,903	-	\$ -	57,500	\$ 690,000	\$ 612,793	\$ -	37,500	\$ 387,505
power Quouient International Co, Ltd.	Shinfo Energy Co., Ltd.	Investment accounted for using equity method	Note 1	Subsidiary	58,743	740,111	15,861	1,364,012	-	-	-	-	74,604	2,303,601

Note 1 : Capital increase by cash.

## Cheng Uei Precision Industry Co., Ltd.

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

Nine months ended September 30, 2021

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
The Company	FOXLINK INTERNATIONAL INC.	The Company's third-tier subsidiary	Sales	(\$ 10,138,105)	( 25)	Note 1	Note 1	Note 1	\$ 3,500,343	9	
The Company	Hon Hai Precision Industry Co., Ltd..	This company's director is the second-degree relative of the Company's chairman	Sales	( 762,933)	( 2)	Note 1	Note 1	Note 1	227,086	1	
The Company	Dongguan Fuqiang Electronics Co., Ltd.	The Company's second-tier subsidiary	Purchases	15,776,021	48	Note 2	Note 2	Note 2	-	-	
The Company	Fugang Electronic (Dongguan) Co., Ltd.	"	Purchases	8,188,896	25	Note 2	Note 2	Note 2	( 2,791,655)	( 12)	
The Company	Fugang Electric (Kunshan) Co., Ltd.	"	Purchases	1,198,270	4	Note 2	Note 2	Note 2	-	-	
The Company	Fushineng Electronics (Kunshan) Co., Ltd.	"	Purchases	2,405,576	7	Note 2	Note 2	Note 2	( 1,269,922)	( 5)	
The Company	Fugang Electric (Maanshan) Co., Ltd.	"	Purchases	160,410	-	Note 2	Note 2	Note 2	( 236,075)	( 1)	
The Company	Well Shin Technology Co., Ltd.	The investee of the company's investment accounted for using equity method	Purchases	128,175	-	Note 2	Note 2	Note 2	( 45,647)	( 0)	
The Company	FUGANG ELECTRIC (XUZHOU) Co., Ltd.	The Company's second-tier subsidiary	Purchases	4,467,776	13	Note 2	Note 2	Note 2	( 1,967,953)	( 8)	
The Company	Hon Hai Precision Industry Co., Ltd..	This company's chairman is the second-degree relative of the Company's chairman	Purchases	522,294	2	Note 2	Note 2	Note 2	( 158,185)	( 1)	
The Company	Foxlink Automotive Technology (Kunshan) Co., Ltd.	The Company's second-tier subsidiary	Purchases	128,409	-	Note 2	Note 2	Note 2	-	-	
FOXLINK INTERNATIONAL INC.	The Company	This company is the ultimate parent company of the company	Purchases	10,138,105	100	Note 2	Note 2	Note 2	( 3,500,343)	( 87)	
Dongguan Fuqiang Electronics Co., Ltd.	The Company	"	Sales	( 15,776,021)	( 80)	Note 1	Note 1	Note 1	-	-	
Fugang Electronic (Dongguan) Co., Ltd.	The Company	"	Sales	( 8,188,896)	( 62)	Note 1	Note 1	Note 1	2,791,655	48	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Fugang Electric (Kunshan) Co., Ltd.	The Company	"	Sales	( 1,198,270)	( 54)	Note 1	Note 1	Note 1	-	-	
Fushineng Electronics (Kunshan) Co., Ltd.	The Company	This company is the ultimate parent company of the company	Sales	(\$ 2,405,576)	( 69)	Note 1	Note 1	Note 1	\$ 1,269,922	83	
Fugang Electric (Maanshan) Co., Ltd.	The Company	"	Sales	( 160,410)	( 54)	Note 1	Note 1	Note 1	236,075	90	
FUGANG ELECTRIC (XUZHOU) Co., Ltd.	The Company	"	Sales	( 4,467,776)	( 70)	Note 1	Note 1	Note 1	1,967,953	91	
Foxlink Automotive Technology (Kunshan) Co., Ltd.	The Company	"	Sales	( 128,409)	( 15)	Note 1	Note 1	Note 1	-	-	
Fugang Electronic (Dongguan) Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Affiliated company	Sales	( 1,735,556)	( 13)	Note 1	Note 1	Note 1	191,524	3	
Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	"	Purchases	1,735,556	13	Note 2	Note 2	Note 2	( 191,524)	( 3)	
Dongguan Fuqiang Electronics Co., Ltd.	DU Precision Industry Co., Ltd.	"	Sales	( 381,415)	( 2)	Note 1	Note 1	Note 1	-	-	
DU Precision Industry Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	Purchases	381,415	100	Note 2	Note 2	Note 2	-	100	
Suntain Co., Ltd.	Hon Hai Precision Industry Co., Ltd..	This company's director is the second-degree relative of the Company's chairman	Purchases	155,238	114	Note 2	Note 2	Note 2	( 4,418)	( 82)	
Kunshan Fugang Electric Trading Co., Ltd.	Shanghai Fugang Electric Trading Co., Ltd.	Affiliated company	Sales	( 680,782)	( 52)	Note 1	Note 1	Note 1	177,123	100	
Shanghai Fugang Electric Trading Co., Ltd.	Kunshan Fugang Electric Trading Co., Ltd.	"	Purchases	680,782	53	Note 2	Note 2	Note 2	( 177,123)	( 100)	
Wei Hai Fu Kang Electric Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	"	Sales	( 154,511)	( 62)	Note 1	Note 1	Note 1	46,494	58	
ACCU-IMAGE TECHNOLOGY	Wei Hai Fu Kang Electric Co., Ltd.	"	Purchases	154,511	100	Note 2	Note 2	Note 2	( 46,494)	( 100)	
Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	"	Sales	( 581,691)	( 94)	Note 1	Note 1	Note 1	245,801	48	
Foxlink Image Technology Co., Ltd.	Dongguan Fu Wei Electronics Co., Ltd.	"	Purchases	581,691	79	Note 2	Note 2	Note 2	( 245,801)	( 53)	
Dong Guan Fu Zhang Precision Industry Co., Ltd.	Foxlink Image Technology Co., Ltd.	"	Sales	( 137,661)	( 97)	Note 1	Note 1	Note 1	182,753	84	
Foxlink Image Technology Co., Ltd.	Dong Guan Fu Zhang Precision Industry Co., Ltd.	"	Purchases	137,661	19	Note 2	Note 2	Note 2	( 182,753)	( 40)	
Shinfox Energy Co. Ltd.	Shinfox Power Co., Ltd.	"	Sales	( 391,510)	( 22)	Note 1	Note 1	Note 1	-	-	Note 3
Shinfox Power Co., Ltd.	Shinfox Energy Co. Ltd.	"	Purchases	391,510	8	Note 1	Note 1	Note 1	-	-	Note 3

Note 1: Please refer to Note 7(2)A. for the details.

Note 2: Please refer to Note 7(2)B. for the details.

Note 3: Shinfox Power Co., Ltd. became a non-related party since May 20, 2021. Please refer to Note 7(1) for the details.

Cheng Uei Precision Industry Co., Ltd.

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more

September 30, 2021

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2021	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
The Company	FOXLINK INTERNATIONAL INC.	The Company's third-tier subsidiary	\$ 3,500,343	2.90	None	N/A	\$ 1,923,370	None
The Company	Fushineng Electronics (Kunshan) Co., Ltd.	The Company's second-tier subsidiary	1,552,530	Note 1	"	"	13,980	"
The Company	Hon Hai Precision Industry Co., Ltd.	The directors of the company are within the second degree relatives of the Chairman of the Company	227,086	3.36	"	"	-	"
The Company	Fugang Electric (Kunshan) Co., Ltd.	The Company's second-tier subsidiary	272,965	Note 1	"	"	43,580	"
The Company	FUGANG ELECTRIC (XUZHOU) CO., Ltd.	"	2,302,733	Note 1	"	"	-	"
The Company	Fugang Electronic (MAANSHAN) Co., Ltd.	"	304,777	Note 1	"	"	-	"
The Company	Dongguan Fuqiang Electronics Co., Ltd.	"	2,584,068	Note 1	"	"	785,880	"
The Company	Sinobest Brothers Limited	The Company's subsidiary	147,522	Note 1	"	"	-	"
The Company	FOXLINK INDIA ELECTRIC PRIVATE LIMITED	The Company's second-tier subsidiary	520,794	Note 1	"	"	-	"
Fushineng Electronics (Kunshan) Co., Ltd.	The Company	This company is the ultimate parent company of the company	1,269,922	1.89	"	"	-	"
Fu Gang Electronic (Nan Chang) Co., Ltd.	The Company	"	1,145,476	0.00	"	"	-	"
Fugang Electronic (Dongguan) Co., Ltd.	The Company	"	2,791,655	2.93	"	"	-	"
Fugang Electronic (MAANSHAN) Co., Ltd.	The Company	"	236,075	0.68	"	"	-	"
FUGANG ELECTRIC (XUZHOU) CO., Ltd.	The Company	"	1,967,953	2.27	"	"	-	"
Zhi De Investment Co., Ltd.	CU INTERNATIONAL Ltd.	Affiliated company	100,000	Note 1	100,000	Overdue receivable are expected to be gradually collected in 2021	-	"
CU INTERNATIONAL Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	130,702	Note 1	None	N/A	-	"
Fugang Electronic (Dongguan) Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	191,524	9.06	"	"	-	"

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2021	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Fugang Electronic (Dongguan) Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Affiliated company	\$ 270,187	Note 1	None	N/A	\$ -	None
Fugang Electronic (Dongguan) Co., Ltd.	Fugang Electronic (MAANSHAN) Co., Ltd.	"	251,541	Note 1	249,690	Overdue receivable are expected to be gradually collected in 2021	-	"
Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electronic (MAANSHAN) Co., Ltd.	"	326,062	Note 1	215,250	"	-	"
Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	"	584,429	Note 1	581,175	"	-	"
Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	"	1,792,797	0.00	None	N/A	-	"
Culink Tianjin Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	215,250	Note 1	215,250	Overdue receivable are expected to be gradually collected in 2021	-	"
Fugang Electric (Kunshan) Co., Ltd.	Foxlink Automotive Technology (Kunshan) Co., Ltd.	"	132,876	0.06	None	N/A	-	"
Fugang Electric (Kunshan) Co., Ltd.	Fugang Electronic (MAANSHAN) Co., Ltd.	"	314,328	Note 1	"	"	-	"
Foxlink Energy (Tianjin) Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	167,895	Note 1	167,895	Overdue receivable are expected to be gradually collected in 2021	-	"
Foxlink Tianjin Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	387,450	Note 1	387,450	"	-	"
Foxlink Tianjin Co., Ltd.	CU INTERNATIONAL Ltd.	"	\$ 352,276	Note 1	None	N/A	-	"
Foxlink Tianjin Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	"	155,739	Note 1	129,150	Overdue receivable are expected to be gradually collected in 2021	-	"
FUQIANG ELECTRIC (MAANSHAN) CO., LTD.	CU INTERNATIONAL Ltd.	"	623,519	Note 1	609,915	"	-	"
FUQIANG ELECTRIC (MAANSHAN) CO., LTD.	The Company	"	111,400	Note 1	111,400	"	-	"
Studio A Inc.	Dongguan Fuqiang Electronics Co., Ltd.	"	131,896	0.28	None	N/A	-	"
Kunshan Fugang Electric Triturating Co., Ltd.	VA Product Inc.	"	107,280	Note 1	107,280	Overdue receivable are expected to be gradually collected in 2021	-	"
VA Product Inc.	STUDIO A TECHNOLOGY LIMITED	"	177,123	3.84	None	N/A	-	"
Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	"	280,000	Note 1	"	"	-	"
Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	129,150	Note 1	"	"	-	"
Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	337,359	0.06	"	"	-	"

Table 6 Page 2

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2021	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliated company	\$ 128,524	Note 1	None	N/A	\$ -	None
Glory Science Co., Ltd.	Glorytek (Suzhou) Co., Ltd.	"	253,729	Note 1	"	"	-	"
Glorytek (Suzhou) Co., Ltd.	Dongguan Fu Wei Electronics Co., Ltd.	"	136,060	0.00	"	"	-	"
Dongguan Fu Wei Electronics Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	176,189	Note 1	"	"	-	"
Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	"	258,231	0.00	"	"	-	"
Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	"	245,801	3.65	"	"	60,270	"
Shinfox Energy Co., Ltd.	Foxlink Image Technology Co., Ltd.	"	182,753	1.28	"	"	15,068	"
Power Quotient Technology (Yancheng) Co.,	Glorytek (Suzhou) Co., Ltd.	"	516,600	Note 1	"	"	-	"

Note 1: The turnover rate was not applicable as the receivables were recorded as other receivables.

Cheng Uei Precision Industry Co., Ltd.  
 Significant inter-company transactions during the reporting periods  
 Nine months ended September 30, 2021

Table 7

Expressed in thousands of NTD  
 (Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Cheng Uei Precision Industry Co., Ltd.	FOXLINK INTERNATIONAL INC.	1	Sales	\$ 10,138,105	Sales prices are based on the mutual agreement	17
0	Cheng Uei Precision Industry Co., Ltd.	FOXLINK INTERNATIONAL INC.	1	Accounts receivable	3,500,343	The collections depend on the financial situation after offsetting the receivables against the payables	4
0	Cheng Uei Precision Industry Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	1	Purchases	15,776,021	Purchase prices are based on the mutual agreement	27
0	Cheng Uei Precision Industry Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	1	Other receivables	2,584,068	The collections depend on the financial situation after offsetting the receivables against the payables	3
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	1	Purchases	1,198,270	Purchase prices are based on the mutual agreement	2
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	1	Other receivables	272,965	The collections depend on the financial situation after offsetting the receivables against the payables	-
0	Cheng Uei Precision Industry Co., Ltd.	Fushineng Electronics (Kunshan) Co., Ltd.	1	Purchases	2,405,576	Purchase prices are based on the mutual agreement	4
0	Cheng Uei Precision Industry Co., Ltd.	Fushineng Electronics (Kunshan) Co., Ltd.	1	Other receivables	1,552,530	The collections depend on the financial situation after offsetting the receivables against the payables	2
0	Cheng Uei Precision Industry Co., Ltd.	Fushineng Electronics (Kunshan) Co., Ltd.	1	Accounts payable	1,269,922	"	2
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	1	Purchases	8,188,896	Purchase prices are based on the mutual agreement	14
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	1	Accounts payable	2,791,655	The collections depend on the financial situation after offsetting the receivables against the payables	3
0	Cheng Uei Precision Industry Co., Ltd.	Fu Gang Electronic (Nan Chang) Co., Ltd.	1	Accounts payable	1,145,476	"	1
0	Cheng Uei Precision Industry Co., Ltd.	FOXLINK TECHNOLOGY LIMITED	1	Other payables	111,400	"	-
0	Cheng Uei Precision Industry Co., Ltd.	CU INTERNATIONAL Ltd.	1	Prepaid expenses	346,876	"	-

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Cheng Uei Precision Industry Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	1	Purchases	\$ 160,410	Purchase prices are based on the mutual agreement	-
0	Cheng Uei Precision Industry Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	1	Other receivables	304,777	The collections depend on the financial situation after offsetting the receivables against the payables	-
0	Cheng Uei Precision Industry Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	1	Accounts payable	236,075	"	-
0	Cheng Uei Precision Industry Co., Ltd.	FUGANG ELECTRIC (XUZHOU) Co., Ltd.	1	Other receivables	2,302,733	"	3
0	Cheng Uei Precision Industry Co., Ltd.	FUGANG ELECTRIC (XUZHOU) Co., Ltd.	1	Purchases	4,467,776	Purchase prices are based on the mutual agreement	8
0	Cheng Uei Precision Industry Co., Ltd.	FUGANG ELECTRIC (XUZHOU) Co., Ltd.	1	Accounts payable	1,967,953	The collections depend on the financial situation after offsetting the receivables against the payables	2
0	Cheng Uei Precision Industry Co., Ltd.	Foxlink Automotive Technology (Kunshan) Co., Ltd.	1	Purchases	128,409	Purchase prices are based on the mutual agreement	-
0	Cheng Uei Precision Industry Co., Ltd.	SINOBEST BROTHERS LIMITED	1	Other receivables	147,522	The collections depend on the financial situation after offsetting the receivables against the payables	-
0	Cheng Uei Precision Industry Co., Ltd.	FOXLINK INDIA ELECTRIC PRIVATE LIMITED	1	Other receivables	520,794	"	1
1	CU INTERNATIONAL Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	3	Other receivables	130,702	"	-
1	CU INTERNATIONAL Ltd.	Foxlink Tianjin Co., Ltd.	3	Other payables	352,276	"	-
1	CU INTERNATIONAL Ltd.	FOXLINK TECHNOLOGY LIMITED	3	Other payables	623,519	"	1
1	CU INTERNATIONAL Ltd.	Zhi De Investment Co., Ltd.	3	Other payables	100,000	"	-
2	Fugang Electric (Kunshan) Co., Ltd.	Foxlink Automotive Technology (Kunshan) Co., Ltd.	3	Accounts receivable	132,876	"	-
2	Fugang Electric (Kunshan) Co., Ltd.	Foxlink Automotive Technology (Kunshan) Co., Ltd.	3	Prepaid expenses	203,036	"	-
2	Fugang Electric (Kunshan) Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	3	Other receivables	314,328	"	-
3	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	3	Purchases	1,735,556	Purchase prices are based on the mutual agreement	3



Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
3	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	3	Other payables	\$ 270,187	The collections depend on the financial situation after offsetting the receivables against the payables	-
3	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	3	Accounts payable	191,524	"	-
3	Dongguan Fuqiang Electronics Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	3	Other receivables	326,062	"	-
3	Dongguan Fuqiang Electronics Co., Ltd.	FUQIANG ELECTRIC (MAANSHAN) Co., Ltd.	3	Accounts payable	131,896	"	-
3	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	3	Other receivables	584,429	"	1
3	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	3	Accounts receivable	1,792,797	"	2
3	Dongguan Fuqiang Electronics Co., Ltd.	Foxlink Energy (Tianjin) Ltd.	3	Other payables	167,895	"	-
3	Dongguan Fuqiang Electronics Co., Ltd.	Culink Tianjin Co., Ltd.	3	Other payables	215,250	"	-
3	Dongguan Fuqiang Electronics Co., Ltd.	DU Precision Industry Co., Ltd.	3	Sales	381,415	Purchase prices are based on the mutual agreement	1
3	Dongguan Fuqiang Electronics Co., Ltd.	Foxlink Tianjin Co., Ltd.	3	Other payables	387,450	The collections depend on the financial situation after offsetting the receivables against the payables	-
4	Fugang Electronic (Dongguan) Co., Ltd.	Foxlink Tianjin Co., Ltd.	3	Other payables	155,739	"	-
4	Fugang Electronic (Dongguan) Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	3	Other receivables	251,541	"	-
5	Studio A Inc.	Kunshan Fugang Electric Trading Co., Ltd.	3	Other receivables	107,280	"	-
6	Kunshan Fugang Electric Trading Co., Ltd.	Shanghai Fugang Electric Trading Co., Ltd.	3	Sales	680,782	Sales prices are based on the mutual agreement	1
6	Kunshan Fugang Electric Trading Co., Ltd.	Shanghai Fugang Electric Trading Co., Ltd.	3	Accounts receivable	177,123	The collections depend on the financial situation after offsetting the receivables against the payables	-
7	Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	3	Other receivables	280,000	Based on the company's policy	-
7	Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	129,150	"	-

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
8	Glory Science Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	3	Other receivables	\$ 253,729	Based on the company's policy	-
8	Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Accounts receivable	337,359	"	-
8	Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	128,524	"	-
9	Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	176,189	The collections depend on the financial situation after offsetting the receivables against the payables	-
10	Yancheng Yaowei Technology Co., Ltd.	Glorytek (Suzhou) Co., Ltd.	3	Accounts receivable	136,060	Based on the company's policy	-
11	Dongguan Fu Wei Electronics Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	3	Accounts receivable	258,231	The flexible collection based on the financial situation	-
11	Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Sales	581,691	"	1
11	Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Accounts receivable	245,801	"	-
12	Dong Guan Fu Zhang Precision Industry Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Sales	137,661	"	-
12	Dong Guan Fu Zhang Precision Industry Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Accounts receivable	182,753	"	-
13	Wei Hai Fu Kang Electric Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	3	Sales	154,511	"	-
14	Power Quotient Technology (Yancheng) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	3	Other receivables	516,600	Based on the company's policy	1

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; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed 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.

Note 4: Disclosure of the transactions of related party over \$100 million only and the related party transactions for counterparty are not disclosed.

Note 5: Transaction prices and terms are determined based on mutual agreement as no similar transaction can be compared with.

Cheng Uei Precision Industry Co., Ltd.  
Information on investees  
Nine months ended September 30, 2021

Table 8

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2021			Net profit (loss) of the investee for the nine months ended September 30, 2021	Investment income (loss) recognised by the Company for the nine months ended September 30, 2021	Footnote
				Balance as at September 30, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
The Company	CU INTERNATIONAL LTD.	British Virgin IS.	Manufacture of electronic telecommunication components and reinvestment business	\$ 12,831,888	\$ 12,560,545	460,750	100	\$ 22,565,674	\$ 297,722	\$ 216,278	
The Company	CULINK INTERNATIONAL LTD.	British Virgin IS.	Reinvestment business	897,550	897,550	32,228	100	916,403	116,046	116,046	
The Company	Foxlink International Investment Ltd.	Taiwan	General investments holdings	3,350,000	2,950,000	408,750	100	3,625,309	( 98,294)	( 98,294)	
The Company	Fu Uei International Investment Ltd.	Taiwan	General investments holdings	3,550,000	2,850,000	355,000	100	2,473,894	( 39,734)	( 39,824)	
The Company	Well Shin Technology Co., Ltd.	Taiwan	Manufacture and sale of electric wire and cable as well as electronic telecommunication components	270,065	270,065	22,282	18.84	1,143,044	297,997	56,149	
The Company	Darts Technologies Corporation	Taiwan	Manufacture of electronic telecommunication and wireless components	762,566	762,566	42,086	97	754,659	51,173	49,638	
The Company	DU Precision Industry Co., Ltd.	Taiwan	Sale of raw materials and products of various connectors	600,000	600,000	60,000	100	50,446	2,163	2,163	
The Company	FOXLINK TECHNOLOGY LIMITED.	HONG KONG	Reinvestment business	310,039	310,039	86,700	100	821,785	3,202	3,202	
The Company	Suntain Co., Ltd.	Taiwan	Electroplating processing services	190,810	90,810	19,500	100	206,804	33,851	33,851	
The Company	SINOBEST BROTHERS LIMITED	HONG KONG	Reinvestment business	576,606	576,606	20,704	91.19	400,938	( 24,246)	( 22,111)	
FOXLINK TECHNOLOGY LIMITED.	SINOBEST BROTHERS LIMITED	HONG KONG	Reinvestment business	55,457	55,432	2,000	8.81	38,730	( 24,246)	( 2,135)	
SINOBEST BROTHERS LIMITED	FOXLINK MYANMAR COMPANY LIMITED	Myanmar	Manufacture of electronic	632,306	632,306	22,704	100	449,294	( 25,900)	( 25,900)	
DU Precision Industry Co., Ltd.	CELINK INTERNATIONAL LTD.	British Virgin IS.	Sale of raw materials and products of various connectors	460,528	460,528	16,536	100	-	-	-	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2021			Net profit (loss) of the investee for the nine months ended September 30, 2021	Investment income (loss) recognised by the Company for the nine months ended September 30, 2021	Footnote
				Balance as at September 30, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Darts Technologies Corporation	BENEFIT RIGHT LTD.	British Virgin IS.	General investments holdings	\$ 274,211	\$ 274,211	9,846	100	\$ 791,927	\$ 52,102	\$ 52,102	
BENEFIT RIGHT LTD.	POWER CHANNEL LIMITED	HONG KONG	General investments holdings	214,724	214,724	6	64.25	738,199	82,290	52,041	
CU INTERNATIONAL LTD.	NEW START INDUSTRIES LTD.	British Virgin IS.	Reinvestment business	239,510	239,510	8,600	100	2,973,846	( 5,369)	( 5,369)	
CU INTERNATIONAL LTD.	FOXLINK TECHNICAL INDIA PRIVATE LIMITED	INDIA	Manufacture of electronic	89,900	89,900	209,400	37.27	58,987	( 20,597)	( 7,703)	
CU INTERNATIONAL LTD.	SOLTERAS LIMITED	British Virgin IS.	Reinvestment business	55,700	55,700	1,960	-	-	-	-	
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Foxlink Automotive Technology Co., Ltd.	Taiwan	Manufacture of electronic	35,927	35,927	5,000	100	46,322	3,602	3,602	
CULINK INTERNATIONAL LTD.	PACIFIC WEALTH LIMITED	Cayman Islands	General investments holdings	27,850	27,850	1,000	100	( 87,785)	18,273	2,620	
CULINK INTERNATIONAL LTD.	Foxlink Technical India Private Ltd.	INDIA	Manufacture of electronic	151,329	151,329	21,546	62.73	99,282	( 20,597)	( 12,894)	
CULINK INTERNATIONAL LTD.	Foxlink Powerbank International Technology Private Ltd.	INDIA	Manufacture of electronic telecommunication components	600	600	160	0.73	607	280	2	
CULINK INTERNATIONAL LTD.	GLORYTEK SCIENCE INDIA PRIVATE LIMITED	INDIA	Manufacture	600	600	160	0.73	607	212	2	
PACIFIC WEALTH LIMITED	FOXLINK INTERNATIONAL, INC	USA	Sales of electronic telecommunication components	13,925	13,925	500	100	( 87,785)	18,273	2,620	
Foxlink Technical India Private Ltd.	Tegna Electronics Private Limited	INDIA	Manufacture	11,256	11,256	3,001	10	13,063	4,718	444	
Foxlink International Investment Ltd.	FIT Holding Co., Ltd.	Taiwan	General investments holdings	1,517,670	1,517,670	58,303	23.67	1,589,252	230,279	48,302	
Foxlink International Investment Ltd.	Yixin Precision Industry Co., Ltd.	Taiwan	Manufacture of electronic telecommunication components and electronic machinery equipment	60,000	60,000	6,000	75	-	-	-	
Foxlink International Investment Ltd.	Microlink Communications Inc.	Taiwan	Manufacture and sale of telecommunication equipment and apparatus	80,000	80,000	6,857	21.43	( 21,287)	1,955	419	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2021			Net profit (loss) of the investee for the nine months ended September 30, 2021	Investment income (loss) recognised by the Company for the nine months ended September 30, 2021	Footnote
				Balance as at September 30, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Foxlink International Investment Ltd.	World Circuit Technology Co., Ltd.	Taiwan	Manufacture and sale of electronic telecommunication components and flexible printed circuit	\$ 469,500	\$ 469,500	15,650	69.56	\$ 181,235	(\$ 3,802)	(\$ 2,644)	
Foxlink International Investment Ltd.	Linkmedia Co., Ltd.	Taiwan	Manufacture and sale of electronic telecommunication components	-	25,000	-	-	-	-	-	
Foxlink International Investment Ltd.	Proconn Technology Co., Ltd.	Taiwan	Manufacture and sale of electronic telecommunication components	-	227,952	-	-	-	( 471)	( 236)	
Foxlink International Investment Ltd.	Central Motion Picture Corporation	Taiwan	Motion picture production	900,000	900,000	15,000	13.60	1,588,130	( 869,773)	( 118,275)	
Foxlink International Investment Ltd.	FOXLINK INDIA ELECTRIC PRIVATE LIMITED	INDIA	Manufacture of electronic	160,662	60,662	31,439	14.43	87,976	( 189,220)	( 40,100)	
Foxlink International Investment Ltd.	CYNC Design Co., Ltd.	Taiwan	Sales of electronic telecommunication components	10,000	10,000	1,000	15.38	9,992	6	1	
Foxlink International Investment Ltd.	FOXLINK VIETNAM CO., LTD.	Vietnam	Manufacture of electronic	36,089	-	1,300	100	20,413	( 15,077)	( 15,077)	
Foxlink Image Technology Co., Ltd.	Central Motion Picture Corporation	Taiwan	Sales of electronic telecommunication components	257,656	257,656	4,294	3.89	206,147	( 869,773)	( 33,830)	
World Circuit Technology Co., Ltd.	VALUE SUCCESS LTD.	British Virgin IS.	Holding company and reinvestment business	178,240	178,240	5,000	100	30,548	( 97)	( 97)	
VALUE SUCCESS LTD.	CAPITAL GUARDIAN LIMITED	HONG KONG	Sales of electronic telecommunication components	178,240	178,240	3,005	100	30,485	( 97)	( 97)	
CAPITAL GUARDIAN LIMITED	World Circuit Technology (Hong Kong) Limited	HONG KONG	Sales of electronic telecommunication components	31,161	31,161	-	100	34,421	( 97)	( 97)	
Fu Uei International Investment Ltd.	FIT Holding Co., Ltd.	Taiwan	General investments holdings	557,248	557,248	14,690	5.97	347,433	230,279	11,978	
Fu Uei International Investment Ltd.	Studio A Inc.	Taiwan	Sales of electronic telecommunication components	96,200	96,200	13,196	51	332,064	85,572	43,642	
Fu Uei International Investment Ltd.	VA Product Inc.	Taiwan	Sales of electronic telecommunication components	16,642	16,642	2,400	100	15,488	4,582	4,582	
Fu Uei International Investment Ltd.	Proconn Technology Co., Ltd.	Taiwan	Manufacture and sale of electronic telecommunication components	-	4,050	-	-	-	( 471)	( 6)	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2021			Net profit (loss) of the investee for the nine months ended September 30, 2021	Investment income (loss) recognised by the Company for the nine months ended September 30, 2021	Footnote
				Balance as at September 30, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Fu Uei International Investment Ltd.	Zhi De Investment Co., Ltd.	Taiwan	General investments holdings	\$ 2,184,388	\$ 2,184,388	170,918	100	\$ 611,375	\$ 17,490	\$ 17,490	
Fu Uei International Investment Ltd.	CMPC Cultural & Creative Co., Ltd.	Taiwan	Venture capital industry	150,000	150,000	15,000	42.86	117,668	716	( 2,006)	
Fu Uei International Investment Ltd.	Shinfox Energy Co., Ltd.	Taiwan	Mechanical installation and piping engineering	373,810	130,000	13,335	10.26	411,738	309,017	31,680	
Fu Uei International Investment Ltd.	FOXLINK INDIA ELECTRIC PRIVATE LIMITED	INDIA	Manufacture of electronic	672,789	133,640	186,495	85.57	521,871	( 189,220)	( 149,120)	
Zhi De Investment Co., Ltd.	FIT Holding Co., Ltd.	Taiwan	General investments holdings	1,767,112	1,767,112	21,056	8.55	373,943	230,279	17,444	
Studio A Inc.	Tayih Digital Technology Co., Ltd.	Taiwan	Manufacture of electronic	3,000	3,000	300	60	-	-	-	
Studio A Inc.	Straight A Inc.	Taiwan	Sales of electronic telecommunication components	66,600	66,600	6,660	100	105,830	26,054	26,054	
Studio A Inc.	Studio A Technology Limited	HONG KONG	Sales of electronic telecommunication components	9,119	9,119	2,550	51	196,516	13,751	7,013	
Studio A Inc.	Jing Jing Technology Co., Ltd.	Taiwan	Sales of electronic telecommunication components	3,700	3,700	370	100	7,976	14	14	
Studio A Inc.	Junezhe Co., Ltd	Taiwan	Dredging industry	100,000	-	10,000	25	101,219	4,875	2,152	
Studio A Technology Limited	Studio A Macau Limited	MACAO	Sales of electronic telecommunication components	1,788	1,788	-	100	1,458	( 177)	( 176)	
Studio A Technology Limited	ASHOP CO., LTD	South Korea	Sales of electronic telecommunication components	4,178	4,178	10	100	7,061	1,497	1,497	
FIT Holding Co., Ltd.	Glory Science Co., Ltd.	Taiwan	Manufacture and sale of optical instruments	2,214,868	2,214,868	95,970	100	449,491	( 316,695)	( 316,695)	
FIT Holding Co., Ltd.	Foxlink Image Technology Co., Ltd.	Taiwan	Manufacture and sale of image scanners and multifunction printers	3,011,140	3,011,140	164,994	100	3,362,169	371,596	366,935	
FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	Taiwan	Manufacture of electronic	3,372,180	2,172,180	444,691	100	3,694,205	244,344	244,159	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2021			Net profit (loss) of the investee for the nine months ended September 30, 2021	Investment income (loss) recognised by the Company for the nine months ended September 30, 2021	Footnote
				Balance as at September 30, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
FIT Holding Co., Ltd.	Shih Fong Power Co., Ltd.	Taiwan	Hydroelectricity	\$ 299,952	\$ 760,000	37,500	16.3	\$ 387,505	(\$ 3,186)	(\$ 605)	
Foxlink Image Technology Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	British Virgin IS	Manufacture and sale of image scanners and multifunction printers	1,007,526	1,007,526	13,241	100	1,484,088	140,184	140,184	
Foxlink Image Technology Co., Ltd.	Shih Fong Power Co., Ltd.	Taiwan	Hydroelectricity	957,600	957,600	79,800	34.7	956,091	( 3,186)	( 1,106)	
ACCU-IMAGE TECHNOLOGY LIMITED	POWER CHANNEL LIMITED	HONG KONG	Holding company and reinvestment business	136,465	136,465	4	35.75	514,367	82,290	28,957	
Glory Science Co., Ltd.	GLORY TEK (BVI) CO., LTD.	British Virgin IS	General investments holdings	1,379,545	1,379,545	40,700	100	384,910	( 214,604)	( 214,604)	
GLORY TEK (BVI) CO., LTD.	GLORY TEK (SAMOA) CO., LTD.	Samoa	General investments holdings	780,074	780,074	25,051	100	549,951	( 132,499)	( 132,499)	
GLORY TEK (BVI) CO., LTD.	GLORY OPTICS (BVI) CO., LTD.	British Virgin IS	Sales agent	494,837	494,837	16,000	100	( 135,247)	( 81,873)	( 81,873)	
GLORY TEK (BVI) CO., LTD.	GLORYTEK SCIENCE INDIA PRIVATE LIMITED	INDIA	Manufacture	99,927	99,927	21,773	99.27	81,953	212	( 230)	
GLORYTEK SCIENCE INDIA PRIVATE LIMITED	Tegna Electronics Private Limited	INDIA	Manufacture	11,258	11,258	3,001	10	12,478	4,718	444	
Power Quotient International Co., Ltd.	Power Quotient International(H.K.) Co., Ltd.	HONG KONG	Sales of electronic telecommunication components	379,414	379,414	106,100	100	( 4,637)	( 50)	( 50)	
Power Quotient International Co., Ltd.	PQI JAPAN CO., LTD	Japan	Sales of electronic telecommunication components	23,129	23,129	24	100	( 155,780)	-	-	
Power Quotient International Co., Ltd.	SYSCOM DEVELOPMENT CO., LTD	British Virgin IS	Specialized investments holding	302,534	302,534	10,863	100	84,846	459,342	459,342	
Power Quotient International Co., Ltd.	Apix LIMITED	British Virgin IS	Specialized investments holding	2,881,617	2,881,617	13	100	1,036,043	6,766	6,766	
Power Quotient International Co., Ltd.	PQI Mobility Inc.	Samoa	Specialized investments holding	278,500	278,500	10,000	100	686,642	2,761	2,761	
Power Quotient International Co., Ltd.	Power Sufficient International Co., Ltd.	Taiwan	Sale of medical instruments	10,000	10,000	1,000	100	12,924	3,797	3,797	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2021			Net profit (loss) of the investee for the nine months ended September 30, 2021	Investment income (loss) recognised by the Company for the nine months ended September 30, 2021	Footnote
				Balance as at September 30, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Power Quotient International Co., Ltd.	Shinfox Energy Co., Ltd.	Taiwan	Energy service management	\$ 1,907,894	\$ 561,482	74,604	57.39	\$ 2,303,601	\$ 309,017	\$ 177,344	
Shinfox Energy Co., Ltd.	Foxwell Energy Corporation Ltd.	Taiwan	Energy service management	1,039,000	672,000	103,900	100	1,108,315	58,473	58,473	
Shinfox Energy Co., Ltd.	Shinfox Natural Gas Co., Ltd.	Taiwan	Energy service management	120,000	120,000	12,000	80	95,649	( 9,578)	( 7,662)	
Shinfox Energy Co., Ltd.	Foxwell Power Co., Ltd.	Taiwan	Energy service management	99,000	99,000	9,900	99	88,177	( 11,715)	( 11,598)	
Shinfox Energy Co., Ltd.	Junezhe Co., Ltd	Taiwan	Dredging industry	134,000	-	13,400	33.5	135,633	4,875	1,633	
Shinfox Energy Co., Ltd.	Chung Chia Power Co., Ltd.	Taiwan	Steam power cogeneration	180,000	-	12,000	20	178,269	( 12,319)	( 2,464)	
SYSCOM DEVELOPMENT CO., LTD	PQI CORPORATION	USA	Sales of electronic telecommunication components	-	199,360	-	-	-	456,728	-	
SYSCOM DEVELOPMENT CO., LTD	Foxlink Powerbank International Technology Private Limited	INDIA	Sales of electronic telecommunication components	93,659	93,659	21,790	99.27	82,473	280	278	
Apix LIMITED	Sinocity Industries Limited	HONG KONG	Sales of electronic telecommunication components	2,413,800	2,413,800	6,000	100	817,636	3,397	3,397	
Apix LIMITED	Perennial Ace Limited	British Virgin IS	Specialized investments holding	593,205	593,205	No shares were issued	100	218,278	3,369	3,369	
Sinocity Industries Limited	DG Lifestyle Store Limited	MACAO	Sales of electronic telecommunication components	347	347	100	100	( 7,585)	( 8,288)	( 8,288)	
Perennial Ace Limited	Studio A Technology Limited	HONG KONG	Sales of electronic telecommunication components	4,998	4,998	1,225	24.5	94,405	13,751	3,369	
Foxlink Powerbank International Technology Private Limited	Tegna Electronics Private Limited	INDIA	Manufacture	11,258	11,258	3,001	10	12,916	4,718	444	



Cheng Uei Precision Industry Co., Ltd.  
Information on investments in Mainland China  
Nine months ended September 30, 2021

Table 9

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	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 nine months ended September 30, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2021	Net income of investee as of September 30, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2021 (Note 2)	Book value of investments in Mainland China as of September 30, 2021	Accumulated amount of investment income remitted back to Taiwan as of nine months ended September 30, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Fugang Electronic (Dongguan) Co., Ltd.	Manufacture and sale of electronic telecommunication components	\$ 1,208,001	Investment through an existing company in the third area	\$ 1,208,001	\$ -	\$ -	\$ 1,208,001	\$ 229,710	100	\$ 229,710	\$ 5,851,283	\$ -	
Culink Tianjin Co., Ltd.	"	111,400	"	27,850	-	-	27,850	2,120	100	2,120	231,333	-	
Fugang Electric (Kunshan) Co., Ltd.	"	3,383,775	"	3,383,775	-	-	3,383,775	( 264,829)	100	( 264,829)	3,271,345	-	
Dong Guan Fu Shi Chang Co., Ltd.	"	3,347	"	3,347	-	-	3,347	-	100	-	2,414	-	
Dongguan Fuqiang Electronics Co., Ltd.	"	3,308,859	Investment through an existing company in the third area and the investee company in Mainland China	2,751,859	-	-	2,751,859	401,092	100	401,092	8,637,343	-	
Foxlink Automotive Technology (Kunshan) Co., Ltd.	"	187,630	"	83,550	-	-	83,550	31,057	100	31,057	328,636	-	
Foxlink Energy (Tianjin) Ltd.	"	111,400	Investment through an existing company in the third area	111,400	-	-	111,400	1,717	100	1,717	172,752	-	
Fushineng Electronics (Kunshan) Co., Ltd.	"	334,200	"	334,200	-	-	334,200	155,877	100	155,877	1,166,430	-	
Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd.	"	125,325	"	125,325	-	-	125,325	( 7,085)	100	( 7,085)	72,585	-	
Fu Gang Electronic (Nan Chang) Co., Ltd.	"	1,392,500	Investment through an existing company in the third area and the investee company in Mainland China	1,392,500	-	-	1,392,500	( 14,559)	100	( 14,559)	1,114,010	-	
Fugang Electric (YANCHENG) Co., Ltd.	"	83,550	Investment through an existing company in the third area	66,840	-	-	66,840	414	80	331	49,283	-	
FUQIANG ELECTRIC (YANCHENG) Co., Ltd.	"	278,500	"	278,500	-	-	278,500	( 4,471)	100	( 4,471)	( 23,396)	-	
Foxlink Tianjin Co., Ltd.	"	501,300	"	144,820	-	-	144,820	( 39,249)	100	( 39,249)	1,949,649	-	
Kunshan Fugang Investment Co., Ltd.	Reinvestment business	835,500	Investment through the investee company in Mainland China	835,500	-	-	835,500	35,271	100	35,271	1,589,114	-	
FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	Manufacture and sale of electronic telecommunication components	847,507	Investment through an existing company in the third area and the investee company in Mainland China	278,500	-	-	278,500	( 187,744)	100	( 187,744)	( 60,364)	-	
Fuzhan Electronics (Shanghai) Co., Ltd.	"	221,686	Investment through the investee company in Mainland China	221,686	-	-	221,686	( 182)	100	( 96)	30,478	-	
Kunshan Fugang Electric Trading Co., Ltd.	Sale of electronic telecommunication components	168,089	"	-	-	-	-	6,818	51	3,477	5,233	-	
Kunshan Fu Shi You Trading Co., Ltd.	"	60,270	"	-	-	-	( 6)	( 6)	51	( 6)	13,099	-	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	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 nine months ended September 30, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2021	Net income of investee as of September 30, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2021 (Note 2)	Book value of investments in Mainland China as of September 30, 2021	Accumulated amount of investment income remitted back to Taiwan as of nine months ended September 30, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Shanghai Fugang Electric Trading Co., Ltd.	Sale of electronic telecommunication components	\$ 8,610	Investment through the investee company in Mainland China	\$ -	\$ -	\$ -	\$ -	\$ 13,959	51	\$ 11,380	(\$ 83,883)	\$ -	
Shanghai Standard Information Technology Co., Ltd.	"	4,305	"	-	-	-	(5,926)	51	(5,926)	(5,899)	-		
Sharetronic Data Technology Co., Ltd.	Manufacture and sale of electronic telecommunication components	666,923	Investment through an existing company in the third area	214,724	-	-	214,724	358,450	19.94	82,292	1,086,723	-	
FUQIANG ELECTRIC (MAANSHAN) Co., Ltd.	"	139,250	Investment through the investee company in Mainland China	-	-	-	(1,372)	100	(1,372)	137,973	-		
FUGANG ELECTRIC (XUZHOU) Co., Ltd.	"	1,030,450	Investment through an existing company in the third area	751,950	278,500	-	1,030,450	213,572	100	183,975	1,156,121	-	
Dongguan Banrin Robot Technology Co., Ltd.	Manufacture and sale of automated equipment	129,150	Investment through the investee company in Mainland China	-	-	-	(709)	31.03	(220)	121,653	-		
Suzhou Keyu Rui Automobile Technology Co., Ltd.	Manufacture	10,763	"	-	-	-	(2,525)	55.56	(1,505)	23,622	-		
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	General investments holding	430,500	Investment through an existing company in the third area	-	-	-	(3,322)	50	(1,661)	422,289	-		
Changde Fubo Intelligent Technology Co., Ltd.	Manufacture and sale of automated equipment	30,135	Investment through the investee company in Mainland China	-	-	-	-	Note 3	-	-	-	-	
Dong Guan HanYang Computer Co., Ltd.	Manufacture of image scanners and multifunction printers and investment of real estate	170,211	Investment through an existing company in the third area	170,211	-	-	170,211	18,195	100	18,195	261,561	-	
Dong Guan Fu Zhang Precision Industry Co.,Ltd.	Mould development and moulding tool manufacture	225,926	"	166,139	-	-	166,139	(22,247)	100.00	(22,247)	234,645	-	
Wei Hai Fu Kang Electric Co., Ltd.	Manufacture and sale of parts and moulds of photocopiers and scanners	222,800	"	139,250	-	-	139,250	4,139	100	4,139	250,424	-	
Dongguan Fu Wei Electronics Co., Ltd.	Manufacture and sale of image scanners, multifunction and parts printers	167,100	"	147,837	-	-	147,837	93,158	100	93,158	597,684	-	
Glorytek (Suzhou) Co., Ltd.	Manufacture	389,900	"	399,490	-	-	399,490	(85,904)	100	(85,904)	384,150	-	
Glorytek (Yancheng) Co., Ltd.	"	250,650	"	256,815	-	-	256,815	(78,951)	100	(78,951)	(377,708)	-	
Yancheng Yaowei Technology Co., Ltd.	"	43,050	Investment through the investee company in Mainland China	-	-	-	(394)	100	(394)	140,671	-		
Glorytek (Yancheng) Co., Ltd.	"	928,877	Investment through an existing company in the third area and the investee company in Mainland China	326,960	-	-	326,960	(133,574)	100	(133,574)	488,125	-	
POWER QUOTIENT TECHNOLOGY (YANCHENG) Co., Ltd.	Manufacture and sale of electronic telecommunication components	557,000	Investment through an existing company in the third area	Note 1	-	-	-	2,761	100	2,761	686,642	-	
PQI (Xuzhou) New Energy Co., Ltd.	Manufacture and sale of electronic telecommunication components	43,050	"	Note 2	-	-	-	47	100	47	43,109	-	
Kunshan Jiuwei Info Tech Co., Ltd.	Supply chain finance energy service management	1,393	Direct investment	1,393	-	-	1,393	(1,159)	100	(1,159)	12,338	-	

Note 1: The financing amount remitted to PQI's indirect investment of POWER QUOTIET TECHNOLOGY (YANCHENG) Co., Ltd. was through an existing company in the third area.

Note 2: The financing amount remitted to PQI's indirect investment of PQI (Xuzhou) New Energy Co., Ltd. were through POWER QUOTIET TECHNOLOGY (YANCHENG) Co., Ltd.

Note 3: Changde Fubo Intelligent Technology Co., Ltd. was formerly the Group's subsidiary, as the Group sold its shares in May 2021 which decreased the share interest down to 9.5%. After the assessment, the Group lost control and significant influence over Changde Fubo Intelligent Technology Co., and reclassified it as financial assets at fair value through other comprehensive income.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2021	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Cheng Uei Precision Industry Co., Ltd.	\$ 12,492,827	\$ 13,183,102	The Company's investment in Mainland China is not subject to an upper limit as the Company obtained the certificate of scope of operations issued by Industrial Development Bureau, MOEA in accordance with the Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China amended on August 29, 2008.
Foxlink Image Technology Co., Ltd.	754,131	902,027	1,572,538
Glory Science Co., Ltd.	983,265	1,168,308	270,062
Power Quotient International Co., Ltd.	1,393	608,384	3,472,000

Note 1: The investment was approved by the Investment Commission of MOEA.

Note 2: Recognition of investment income (loss), except for Fugang Electronic (Dongguan) Co., Ltd., Dongguan Fuqiang Electronics Co., Ltd., Fugang Electric (Kunshan) Co., Ltd., Fugang Electric (Xuzhou) Co., Ltd., Dongguan Fu Wei Electronics Co., Ltd., Glorytek (Suzhou) Co., Ltd., Glory Optics(Yancheng) Co., Ltd., Glorytek (Yancheng) Co., Ltd. and Yancheng Yaowei Technology Co., Ltd. for the nine months ended September 30, 2021 were recognised based on the financial statements that were reviewed by independent auditors, remaining subsidiaries were recognised based on the financial statements that were not reviewed by the independent auditors.

Note 3: The Company's investment in Mainland China is not subject to an upper limit as the Company obtained the scope of operations certificate of being qualified for operating headquarters issued by Industrial Development Bureau, MOEA in accordance with the Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China amended on August 29, 2008.

Note 4: The investments through the investee company in Mainland China of the Company including: Dongguan Fuqiang Electronics Co., Ltd., Fugang Electric (MAANSHAN) Co., Ltd., Fuzhan Electronics (Shanghai) Co., Ltd., Fu Gang Electronic (Nan Chang) Co., Ltd., Foxlink Automotive Technology (Kunshan) Co., Ltd., Kunshan Fugang Electric Trading Co., Ltd., Kunshan Fu Shi You Trading Co., Ltd., Shanghai Fugang Electric Trading Co., Ltd., Fuqiang Electric (MAANSHAN) Co., Ltd., Dongguan Banrin Robot Technology Co., Ltd., Suzhou Keyu Rui Automobile Technology Co., Ltd., and Changde Fubo Intelligent Technology Co., Ltd., except for the investment via the holding companies in Mainland China, other investments shall not be approved by Investment Commission of MOEA.

Cheng Uei Precision Industry Co., Ltd.

Major shareholders information

September 30, 2021

Table 10

Number of major shareholders	Shares	
	Name of shares held	Ownership (%)
HSIN HUNG International Investment Co., Ltd.	100,535,228	19.62%
CENTRAL MOTION PICTURE CORPORATION	32,584,000	6.36%
Foxlink Image Technology Co., Ltd.	27,503,000	5.36%