

**MARKETECH INTERNATIONAL CORP.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
SEPTEMBER 30, 2021 AND 2020**

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



資誠

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Marketech International Corp.

Introduction

We have reviewed the accompanying consolidated balance sheets of Marketech International Corp. 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, and 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(6), we did not review the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using equity method, which statements reflect total assets (including investments accounted for using equity method) of NT\$1,266,690 thousand and NT\$1,077,985 thousand, constituting 5% and 5% of the consolidated total assets, and total liabilities of NT\$292,019 thousand and NT\$206,214 thousand, constituting 2% and 1% of the consolidated total liabilities as at September 30, 2021 and 2020, respectively, and total comprehensive loss of (NT\$73,236) thousand, (NT\$30,189) thousand, (NT\$235,376) thousand and (NT\$86,666) thousand, constituting (18%), (12%), (26%) and (13%) of the consolidated total comprehensive income for the three months

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and nine months then ended, respectively. These amounts were based solely on the unreviewed financial statements of these companies as of September 30, 2021 and 2020.

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 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 for the three months and nine months then ended and its consolidated cash flows for the 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, Chun-Yao

Weng, Shih-Jung

For and on behalf of PricewaterhouseCoopers, Taiwan

November 10, 2021

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' 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.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2021, DECEMBER 31, 2020 AND SEPTEMBER 30, 2020

(Expressed in thousands of New Taiwan dollars)

(The consolidated 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	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 2,804,010	11	\$ 2,992,379	15	\$ 3,029,481	15
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		257,683	1	140,684	1	98,231	-
1140	Current contract assets	6(18)	7,059,885	29	5,306,618	26	4,161,354	21
1150	Notes receivable, net	6(3)	156,248	1	50,671	-	38,544	-
1170	Accounts receivable, net	6(3)	4,268,305	17	3,679,707	18	4,542,301	23
1180	Accounts receivable - related	6(3) and 7						
	parties, net		112,491	1	150,311	1	155,379	1
1200	Other receivables		19,394	-	14,002	-	18,948	-
130X	Inventories, net	6(4)	3,836,220	16	2,852,312	14	2,986,738	15
1410	Prepayments	6(5)	1,246,566	5	574,914	3	436,582	2
1470	Other current assets	8	332,336	1	251,748	1	312,919	2
11XX	Total current assets		<u>20,093,138</u>	<u>82</u>	<u>16,013,346</u>	<u>79</u>	<u>15,780,477</u>	<u>79</u>
Non-current assets								
1510	Financial assets at fair value	6(2)						
	through profit or loss - non-							
	current		605,995	2	535,283	3	543,438	3
1550	Investments accounted for	6(6)						
	using equity method		89,528	-	98,570	-	98,161	-
1600	Property, plant and equipment,	6(7), 7 and 8						
	net		2,327,686	9	2,223,383	11	2,184,107	11
1755	Right-of-use assets	6(8) and 7	1,108,939	5	1,004,862	5	1,018,799	5
1780	Intangible assets	7	79,523	-	52,792	-	53,730	-
1840	Deferred tax assets		197,087	1	170,699	1	175,306	1
1900	Other non-current assets	6(6) and 8	139,076	1	162,488	1	150,659	1
15XX	Total non-current assets		<u>4,547,834</u>	<u>18</u>	<u>4,248,077</u>	<u>21</u>	<u>4,224,200</u>	<u>21</u>
1XXX	Total Assets		<u>\$ 24,640,972</u>	<u>100</u>	<u>\$ 20,261,423</u>	<u>100</u>	<u>\$ 20,004,677</u>	<u>100</u>

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MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2021, DECEMBER 31, 2020 AND SEPTEMBER 30, 2020

(Expressed in thousands of New Taiwan dollars)

(The consolidated balance sheets as of September 30, 2021 and 2020 are reviewed, not audited)

Liabilities and Equity	Notes	September 30, 2021		December 31, 2020		September 30, 2020		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(9) and 8	\$ 3,771,286	15	\$ 1,474,800	7	\$ 3,413,102	17
2130	Current contract liabilities	6(18)	3,902,356	16	3,244,815	16	3,446,448	17
2150	Notes payable		1,706,193	7	1,152,035	6	1,047,441	5
2160	Notes payable - related parties	7	5,904	-	3,897	-	4,044	-
2170	Accounts payable		4,611,341	19	4,098,314	20	3,758,066	19
2180	Accounts payable - related parties	7	9,190	-	5,532	-	6,362	-
2200	Other payables	6(10)	578,042	2	651,328	3	451,125	2
2230	Current tax liabilities		98,446	-	165,237	1	146,735	1
2280	Current lease liabilities	7	117,474	1	106,385	-	106,659	1
2310	Advance receipts		184,570	1	123,228	1	102,761	-
2399	Other current liabilities		109,756	-	107,082	1	129,128	1
21XX	Total current liabilities		<u>15,094,558</u>	<u>61</u>	<u>11,132,653</u>	<u>55</u>	<u>12,611,871</u>	<u>63</u>
Non-current liabilities								
2530	Bonds payable	6(11)	1,466,597	6	1,455,438	7	-	-
2540	Long-term borrowings	6(12)	200,000	1	200,000	1	200,000	1
2570	Deferred tax liabilities		81,184	-	51,303	-	38,345	-
2580	Non-current lease liabilities	7	985,971	4	874,040	5	883,817	5
2640	Net defined benefit liability - non-current		175,787	1	178,133	1	168,056	1
2670	Other non-current liabilities	6(6)	3,350	-	3,473	-	4,139	-
25XX	Total non-current liabilities		<u>2,912,889</u>	<u>12</u>	<u>2,762,387</u>	<u>14</u>	<u>1,294,357</u>	<u>7</u>
2XXX	Total Liabilities		<u>18,007,447</u>	<u>73</u>	<u>13,895,040</u>	<u>69</u>	<u>13,906,228</u>	<u>70</u>
Equity								
Share capital								
3110	Ordinary shares	6(15)	1,873,882	8	1,872,192	9	1,871,427	9
Capital surplus								
3200	Capital surplus	6(16)	1,029,527	4	1,029,109	5	996,122	5
Retained earnings								
3310	Legal reserve	6(17)	932,127	4	841,627	4	841,627	4
3320	Special reserve		167,098	1	170,247	1	170,247	1
3350	Unappropriated retained earnings		2,839,317	11	2,526,327	13	2,331,278	12
Other equity interest								
3400	Other equity interest		(276,661)	(1)	(167,098)	(1)	(165,445)	(1)
31XX	Total equity attributable to owners of parent		<u>6,565,290</u>	<u>27</u>	<u>6,272,404</u>	<u>31</u>	<u>6,045,256</u>	<u>30</u>
36XX	Non-controlling interests	4(3)	<u>68,235</u>	<u>-</u>	<u>93,979</u>	<u>-</u>	<u>53,193</u>	<u>-</u>
3XXX	Total Equity		<u>6,633,525</u>	<u>27</u>	<u>6,366,383</u>	<u>31</u>	<u>6,098,449</u>	<u>30</u>
Significant contingent liabilities and unrecognised contract commitments								
3X2X	Total Liabilities and Equity		<u>\$ 24,640,972</u>	<u>100</u>	<u>\$ 20,261,423</u>	<u>100</u>	<u>\$ 20,004,677</u>	<u>100</u>

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

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share)
(REVIEWED, NOT AUDITED)

Items	Notes	Three months ended September 30,				Nine months ended September 30,				
		2021		2020		2021		2020		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
4000	Operating Revenue	6(18) and 7	\$ 8,370,076	100	\$ 6,638,428	100	\$ 22,949,015	100	\$ 17,924,327	100
5000	Operating Costs	6(4)(20) and 7	(7,407,050)	(88)	(5,786,081)	(87)	(20,326,816)	(89)	(15,613,993)	(87)
5900	Gross Profit		<u>963,026</u>	<u>12</u>	<u>852,347</u>	<u>13</u>	<u>2,622,199</u>	<u>11</u>	<u>2,310,334</u>	<u>13</u>
	Operating Expenses	6(20)								
6100	Sales and marketing expenses		(177,113)	(2)	(153,701)	(2)	(503,312)	(2)	(451,241)	(2)
6200	General and administrative expenses		(260,802)	(3)	(228,183)	(4)	(720,200)	(3)	(651,185)	(4)
6300	Research and development expenses		(61,319)	(1)	(48,151)	(1)	(162,142)	(1)	(139,442)	(1)
6450	Expected credit loss	12(2)	<u>19,395</u>	<u>-</u>	<u>(83,111)</u>	<u>(1)</u>	<u>(12,888)</u>	<u>-</u>	<u>(161,939)</u>	<u>(1)</u>
6000	Total operating expenses		<u>(479,839)</u>	<u>(6)</u>	<u>(513,146)</u>	<u>(8)</u>	<u>(1,398,542)</u>	<u>(6)</u>	<u>(1,403,807)</u>	<u>(8)</u>
6900	Operating Profit		<u>483,187</u>	<u>6</u>	<u>339,201</u>	<u>5</u>	<u>1,223,657</u>	<u>5</u>	<u>906,527</u>	<u>5</u>
	Non-operating Income and Expenses									
7100	Interest income		4,073	-	2,852	-	9,086	-	6,995	-
7010	Other income		15,065	-	29,077	1	53,270	-	53,383	-
7020	Other gains and losses	6(2)(19)	59,665	-	(49,953)	(1)	80,983	1	(16,035)	-
7050	Finance costs	6(8) and 7	(14,954)	-	(16,459)	-	(41,642)	-	(53,321)	-
7060	Share of loss of associates and joint ventures accounted for using equity method		<u>(1,245)</u>	<u>-</u>	<u>(440)</u>	<u>-</u>	<u>(4,665)</u>	<u>-</u>	<u>(379)</u>	<u>-</u>
7000	Total non-operating income and expenses		<u>62,604</u>	<u>-</u>	<u>(34,923)</u>	<u>-</u>	<u>97,032</u>	<u>1</u>	<u>(9,357)</u>	<u>-</u>
7900	Profit before Income Tax		545,791	6	304,278	5	1,320,689	6	897,170	5
7950	Income tax expense	6(21)	(109,144)	(1)	(81,518)	(1)	(291,491)	(2)	(218,734)	(1)
8200	Net Income		<u>\$ 436,647</u>	<u>5</u>	<u>\$ 222,760</u>	<u>4</u>	<u>\$ 1,029,198</u>	<u>4</u>	<u>\$ 678,436</u>	<u>4</u>

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MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share)
(REVIEWED, NOT AUDITED)

Items	Notes	Three months ended September 30,				Nine months ended September 30,					
		2021		2020		2021		2020			
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%		
Other Comprehensive Income											
Components of other comprehensive income that will be reclassified to profit or loss											
8361		Exchange differences on translation of foreign operations		(\$ 33,744)	-	\$ 24,127	-	(\$ 136,820)	-	\$ 5,960	-
8370		Share of other comprehensive loss of associates and joint ventures accounted for using equity method		(1)	-	(112)	-	(149)	-	(227)	-
8399	6(21)	Income tax relating to components of other comprehensive income that will be reclassified to profit or loss		6,655	-	(4,706)	-	27,020	-	(1,200)	-
8360		Other comprehensive income (loss) that will be reclassified to profit or loss		(27,090)	-	19,309	-	(109,949)	-	4,533	-
8300		Other comprehensive income (loss), net of tax		(\$ 27,090)	-	\$ 19,309	-	(\$ 109,949)	-	\$ 4,533	-
8500		Total Comprehensive Income		\$ 409,557	5	\$ 242,069	4	\$ 919,249	4	\$ 682,969	4
Profit (loss) attributable to:											
8610		Owners of the parent		\$ 445,956	5	\$ 234,127	4	\$ 1,055,608	4	\$ 709,958	4
8620		Non-controlling interests		(9,309)	-	(11,367)	-	(26,410)	-	(31,522)	-
		Total		<u>\$ 436,647</u>	<u>5</u>	<u>\$ 222,760</u>	<u>4</u>	<u>\$ 1,029,198</u>	<u>4</u>	<u>\$ 678,436</u>	<u>4</u>
Comprehensive income (loss) attributable to:											
8710		Owners of the parent		\$ 418,882	5	\$ 252,953	4	\$ 946,045	4	\$ 714,760	4
8720		Non-controlling interests		(9,325)	-	(10,884)	-	(26,796)	-	(31,791)	-
		Total		<u>\$ 409,557</u>	<u>5</u>	<u>\$ 242,069</u>	<u>4</u>	<u>\$ 919,249</u>	<u>4</u>	<u>\$ 682,969</u>	<u>4</u>
9750	6(22)	Basic earnings per share (in dollars)		<u>\$ 2.38</u>		<u>\$ 1.26</u>		<u>\$ 5.63</u>		<u>\$ 3.80</u>	
9850	6(22)	Diluted earnings per share (in dollars)		<u>\$ 2.22</u>		<u>\$ 1.24</u>		<u>\$ 5.36</u>		<u>\$ 3.77</u>	

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

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

	Notes	Equity attributable to owners of the parent									Non-controlling interests	Total equity
		Capital Reserves			Retained Earnings			Other Equity				
		Share capital - ordinary shares	Capital Surplus - share premium	Capital Surplus - others	Legal reserve	Special reserve	Unappropriated retained earnings	differences of foreign operations	Total			
<u>Nine months ended September 30, 2020</u>												
Balance at January 1, 2020		\$ 1,868,400	\$ 976,688	\$ 6,194	\$ 771,326	\$ 92,239	\$ 2,255,413	(\$ 170,247)	\$ 5,800,013	\$ 37,955	\$ 5,837,968	
Profit (loss) for the period		-	-	-	-	-	709,958	-	709,958	(31,522)	678,436	
Other comprehensive income (loss) for the period		-	-	-	-	-	-	4,802	4,802	(269)	4,533	
Total comprehensive income (loss)		-	-	-	-	-	709,958	4,802	714,760	(31,791)	682,969	
Appropriations and distribution of 2019 retained earnings:	6(17)											
Legal reserve		-	-	-	70,301	-	(70,301)	-	-	-	-	
Special reserve		-	-	-	-	78,008	(78,008)	-	-	-	-	
Cash dividends		-	-	-	-	-	(485,784)	-	(485,784)	-	(485,784)	
Share-based payment	6(14)(15)(16)	3,027	3,608	(1,896)	-	-	-	-	4,739	1,183	5,922	
Changes in ownership interest in subsidiaries	6(16)	-	-	11,528	-	-	-	-	11,528	(11,528)	-	
Change in non-controlling interests		-	-	-	-	-	-	-	-	57,374	57,374	
Balance at September 30, 2020		\$ 1,871,427	\$ 980,296	\$ 15,826	\$ 841,627	\$ 170,247	\$ 2,331,278	(\$ 165,445)	\$ 6,045,256	\$ 53,193	\$ 6,098,449	
<u>Nine months ended September 30, 2021</u>												
Balance at January 1, 2021		\$ 1,872,192	\$ 981,167	\$ 47,942	\$ 841,627	\$ 170,247	\$ 2,526,327	(\$ 167,098)	\$ 6,272,404	\$ 93,979	\$ 6,366,383	
Profit (loss) for the period		-	-	-	-	-	1,055,608	-	1,055,608	(26,410)	1,029,198	
Other comprehensive loss for the period		-	-	-	-	-	-	(109,563)	(109,563)	(386)	(109,949)	
Total comprehensive income (loss)		-	-	-	-	-	1,055,608	(109,563)	946,045	(26,796)	919,249	
Appropriations and distribution of 2020 retained earnings:	6(17)											
Legal reserve		-	-	-	90,500	-	(90,500)	-	-	-	-	
Special reserve		-	-	-	-	(3,149)	3,149	-	-	-	-	
Cash dividends		-	-	-	-	-	(655,267)	-	(655,267)	-	(655,267)	
Share-based payment	6(14)(15)(16)	1,690	1,887	(1,023)	-	-	-	-	2,554	606	3,160	
Changes in ownership interest in subsidiaries	6(16)	-	-	(446)	-	-	-	-	(446)	446	-	
Balance at September 30, 2021		\$ 1,873,882	\$ 983,054	\$ 46,473	\$ 932,127	\$ 167,098	\$ 2,839,317	(\$ 276,661)	\$ 6,565,290	\$ 68,235	\$ 6,633,525	

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

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

	Notes	Nine months ended September 30,	
		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 1,320,689	\$ 897,170
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets at fair value through profit or loss	6(2)(19)	(160,463)	(21,127)
Expected credit loss	12(2)	12,888	161,939
Share of loss of associates and joint ventures accounted for using equity method		4,665	379
Depreciation	6(7)(8)(20)	257,417	227,125
Amortisation	6(20)	15,134	14,700
Loss on disposal of property, plant and equipment	6(7)	609	683
Compensation cost of share-based payments	6(14)(20)	606	1,183
Interest income		(9,086)	(6,995)
Interest expense		41,642	53,321
Dividend income		(9,094)	(16,546)
Gain recognised from bargain purchase		-	(309)
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets – current		(1,753,267)	(65,730)
Notes receivable, net		(105,577)	119,149
Accounts receivable, net		(614,477)	88,833
Accounts receivable – related parties, net		35,716	74,191
Other receivables		(7,525)	(13,262)
Inventories		(993,747)	125,626
Prepayments		(671,407)	(75,401)
Other current assets		(46,845)	(38,834)
Changes in operating liabilities			
Contract liabilities – current		657,541	(49,081)
Notes payable		554,158	96,239
Notes payable – related parties		2,006	772
Accounts payable		543,920	(454,547)
Accounts payable – related parties		3,658	(1,738)
Other payables		(72,388)	(51,663)
Advance receipts		61,342	63,668
Other current liabilities		2,674	30,765
Other non-current liabilities		(2,345)	(2,109)
Cash (outflow) inflow generated from operations		(931,556)	1,158,401
Interest received		9,105	7,011
Dividends received		9,094	16,546
Interest paid		(29,567)	(56,628)
Income tax paid		(326,738)	(171,085)
Net cash flows (used in) from operating activities		(1,269,662)	954,245

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MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

	Notes	Nine months ended September 30,	
		2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		(\$ 45,568)	(\$ 45,129)
Proceeds from disposal of financial assets at fair value through profit or loss		16,284	12,241
Proceeds from capital reduction of financial assets at fair value through profit or loss		1,957	2,812
Acquisition of financial assets at amortised cost		(3,946)	(46,488)
Acquisition of investments accounted for using equity method		-	(20,000)
Proceeds from capital reduction of investments accounted for using the equity method		-	1,471
Net cash flow from acquisition of subsidiaries	6(23)	-	(3,300)
Acquisition of property, plant and equipment	6(7)	(360,033)	(97,445)
Proceeds from disposal of property, plant and equipment	6(7)	1,816	2,346
Acquisition of right-of-use assets		(1,317)	(4,675)
Acquisition of intangible assets		(41,905)	(51,777)
Increase in refundable deposits		(27,661)	(45,209)
Increase in prepayments for business facilities		-	(9,037)
Increase in prepayments for investments (Recorded as 'other non-current assets')		-	(29,100)
Dividends received		4,103	-
Net cash flows used in investing activities		<u>(456,270)</u>	<u>(333,290)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(24)	2,304,437	372,954
Proceeds from exercise of employee stock options	6(14)	2,554	4,739
Repayments of lease principal	6(8)(24)	(72,855)	(68,527)
Increase (decrease) in guarantee deposits received		1	(11)
Cash dividends paid	6(17)	(655,267)	(485,784)
Changes in non-controlling interests		-	57,374
Net cash flows from (used in) financing activities		<u>1,578,870</u>	<u>(119,255)</u>
Effect of exchange rate changes on cash and cash equivalents		(41,307)	(33,162)
Net (decrease) increase in cash and cash equivalents		(188,369)	468,538
Cash and cash equivalents at beginning of period	6(1)	2,992,379	2,560,943
Cash and cash equivalents at end of period	6(1)	<u>\$ 2,804,010</u>	<u>\$ 3,029,481</u>

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

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

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

(REVIEWED, NOT AUDITED)

1. ORGANIZATION AND OPERATIONS

Marketch International Corp. (the “Company”) was incorporated in the Republic of China (R.O.C) on December 27, 1988. On October 17, 2002, the Company’s common shares were officially listed on the Taiwan Over-The-Counter Securities Exchange and on May 24, 2004, the shares were transferred to be listed on the Taiwan Stock Exchange. The Company and its subsidiaries (collectively referred herein as the “Group”) are mainly engaged in (i) import and trade of various integrated circuits, semiconductors, electrical and computer equipment and materials, chemicals, gas, components; (ii) factory affair and mechatronic system including clean room, automatic supply system of (specialty) gas and chemicals, monitoring system, Turn-key and Hook-up Project services and (iii) design and manufacturing of customized equipment. Ennoconn International Investment Co., Ltd. owns 44.54% of the shares of the Company. The ultimate parent company of the Company is Ennoconn Corporation.

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

The consolidated financial statements were approved and authorised for issuance by the Board of Directors on November 10, 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 the 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 the 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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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 above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2020, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Statement of compliance

- 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 IAS 34, ‘Interim Financial Reporting’ as endorsed by the FSC.
- B. These consolidated financial statements should be read along 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) Liabilities on cash-settled share-based payment arrangements measured at fair value.
- (c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with 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:

The basis for preparation of these consolidated financial statements is the same as that for the preparation of the consolidated financial statements as of and for the year ended December 31, 2020.

- B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%)			Note
			September 30, 2021	December 31, 2020	September 30, 2020	
Marketech International Corp.	Marketech Integrated Pte. Ltd.	Contracting for semiconductor automatic supply system	100	100	100	Note 1
Marketech International Corp.	Headquarter International Ltd.	Investment holdings and reinvestment	100	100	100	Note 1
Marketech International Corp.	Tiger United Finance Ltd.	Investment holdings and reinvestment	100	100	100	Note 1
Marketech International Corp.	Market Go Profits Ltd.	Investment holdings and reinvestment	100	100	100	-
Marketech International Corp.	MIC-Tech Global Corp.	International trade	100	100	100	Note 1

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%)			Note
			September 30, 2021	December 31, 2020	September 30, 2020	
Marketech International Corp.	MIC-Tech Viet Nam Co., Ltd.	Trading, installation and repair of various machinery equipment and its peripherals; consulting service and software execution service associated with computer hardware installation	100	100	100	Note 1
Marketech International Corp.	Marketech Engineering Pte. Ltd.	Contracting for electrical installation construction	100	100	100	Note 1
Marketech International Corp.	eZoom Information, Inc. (eZoom)	Research, trading and consulting of information system software and hardware appliance	100	100	100	Note 1
Marketech International Corp.	Marketech Co., Ltd.	Specialized contracting and related repair services; equipment sales and repair, sales of cosmetics and daily necessities; production, development and implementation of software and providing coding service; providing installation service of industrial machine and equipment	100	100	100	Note 1
Marketech International Corp.	Marketech Integrated Manufacturing Company Limited	Design, manufacturing, installation of automatic production equipment and its parts	100	100	100	Note 1
Marketech International Corp.	Marketech International Sdn. Bhd.	Specialized contracting and related repair services; sales of medical devices	100	100	100	Note 1
Marketech International Corp.	PT Marketech International Indonesia	Trading of machine equipment and parts	99.92	99.92	99.92	Note 1
Marketech International Corp.	Marketech Netherlands B.V.	International trade of machine and components and technical service	100	100	100	Note 1
Marketech International Corp.	ADAT Technology CO., LTD. (ADAT)	Research, development, application, and service of software; supply of electronic information and the buying and selling of equipment	26.74	26.74	20.43	Notes 1 and 2
Marketech International Corp.	Marketech International Corporation USA	Specialized contracting and related repair services	100	100	100	Note 1
Marketech International Corp.	Spiro Technology Systems Inc.	International trade	100	100	100	Note 1

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%)			Note
			September 30, 2021	December 31, 2020	September 30, 2020	
Marketech International Corp.	Taiwan Radisen HealthCare Co., Ltd. (Taiwan Radisen)	Smart medical consulting services and investment	100	100	100	Note 1
Market Go Profits Ltd.	MIC-Tech Ventures Asia Pacific Inc.	Investment holdings and reinvestment	100	100	100	-
MIC-Tech Ventures Asia Pacific Inc.	Ruscky H.K. Limited	Investment holdings and reinvestment	100	100	100	-
MIC-Tech Ventures Asia Pacific Inc.	MICT International Limited	Investment holdings and reinvestment	60	60	60	-
MIC-Tech Ventures Asia Pacific Inc.	Frontken MIC Co., Limited	Investment holdings and reinvestment	100	100	100	-
MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech (WuXi) Co., Ltd.	Design, manufacturing, installation and maintenance of semiconductor device, crystal dedicated device, electronic component device, environment pollution preventing equipment; assembly of wrapping device and cooling equipment; assembly of barbecue grill; producing, assembling and sale of LED illuminator and its components; wholesale, commission agency and import and export of the aforementioned products and their components, textile, commodities, chemical products and cosmetics; lease of self-owned plants; design, manufacturing, sales and installation of automatic warehousing equipment and accessories, automatic logistics transporting equipment and accessories; R&D, sales and installation of supplementary engineering in logistics dispatch system, manufacturing and sales of medical devices.	100	100	100	-

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%)			Note
			September 30, 2021	December 31, 2020	September 30, 2020	
MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech (Shanghai) Corp.	Wholesale, commission agency, maintenance, repair, manufacture, import and export of semiconductor production, inspection equipment and its consumables and boilers that generate electricity; storage and allocation of mainly chemical and boiler products; international and entrepot trade; trading and trading agency among enterprises in customs bonded area; consulting services in customs bonded area	100	100	100	-
MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech Electronics Engineering Corp.	Installation and construction of mechanical and electrical systems; construction of chemical and petroleum projects; construction of public municipal infrastructure projects; professional building renovation and decoration services; design and construction of smart buildings; construction of electronic projects and related technical services and consulting. Building equipment, building materials (excluding steel and cement), electronic products, chemical products (excluding hazardous products), metal products, electrical equipment, wholesale of communications equipment, commission-based agency (excluding auctions) and import-export business, and delivery of all related and supplementary services	100	100	100	-
MIC-Tech Ventures Asia Pacific Inc.	Fuzhou Jiwei System Integrated Co., Ltd.	Installation and complete services of clean room, mechanical system, street pipe system	100	100	100	-

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%)			Note
			September 30, 2021	December 31, 2020	September 30, 2020	
MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech China Trading (Shanghai) Co., Ltd.	Wholesale, commission agency and import and export of chemical products (except for hazardous chemicals, chemicals used in production of narcotic drugs and psychotropic substances and special chemicals), semiconductors, inspection equipment and its consumables, solar equipment consumables and boilers that generate electricity, International and entrepot trade, trading and trading agency among enterprises in customs bonded area, consulting service for trading, installation, repair, and maintenance of automation equipment, electronic equipment, and their parts	100	100	100	-
Rusky H.K. Limited	Shanghai Maohua Electronics Engineering Co., Ltd.	Production of scrubber bins for semiconductor manufacturers; design, installation, debugging and technology services of tunnel system; equipment repair for semiconductor manufacturers; consulting service for electrical and medical equipment wholesale, commissioned distribution, export, import and related services of electronic products, machinery equipment, chemical products, communication equipment, metal products, plastic products	87	87	87	-
Rusky H.K. Limited	PT Marketech International Indonesia	Trading of machine equipment and parts	0.08	0.08	0.08	Note 1

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%)			Note
			September 30, 2021	December 31, 2020	September 30, 2020	
MICT International Limited	Integrated Manufacturing & Services Co., Ltd.	Development of special equipment for solar cell production, manufacture of optical engine, lighting source, projection screen, high definition projection cathode-ray tube and micro-display module, and production, cleaning and regeneration of new electrical device; sells the products manufactured by itself; machinery equipment, research and development, transfer, consulting and service of semiconductor-related technology; processing of metal salvage and junk (except for hazardous chemicals and hazardous waste); metallic material (except for steels and noble metal), ceramic product, paper products and wholesale, retail and import and export of hardware products	60	60	60	-
Frontken MIC Co., Limited	Frontken-MIC (Wuxi) Co., Ltd.	Research of specialized cleaning equipment of semiconductor device and integrated circuit, cleaning of special components of semiconductor device, integrated circuit and micromodule and cleaning technology for semiconductors, assembling, installation and maintenance of cooling equipment; design, manufacture, sale and installation of automatic warehouse equipment and fittings, and automatic logistics transporting equipment and fittings; development, sale and installation of computer aided engineering; wholesale, commission, import and export of above products and parts	-	100	100	Note 3
Marketech Engineering Pte. Ltd.	Marketech Integrated Construction Co., Ltd.	Specialized contracting for electrical installation construction	97.69	97.69	97.69	Note 1

Note 1 : The financial statements of the entity as of and for the nine months ended September 30, 2021 and 2020 were not reviewed by independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 2 : The Company holds less than 50% share ownership in ADAT Technology CO., LTD. However, as the definition of control is met, the subsidiary is included in the consolidated entities.

Note 3 : Frontken-MIC (Wuxi) Co., Ltd. completed the liquidation procedure in July 2021.

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

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

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 interests amounted to \$68,235, \$93,979 and \$53,193, respectively. Subsidiaries that have non-controlling interests are not material to the Group.

(4) Income tax

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

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

There was no significant change in the reporting period. Please refer to Note 5 in the consolidated financial statements as of and 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	\$ 14,569	\$ 15,483	\$ 14,321
Checking accounts and demand deposits	2,789,078	2,976,563	3,011,423
Time deposits	<u>363</u>	<u>333</u>	<u>3,737</u>
Total	<u>\$ 2,804,010</u>	<u>\$ 2,992,379</u>	<u>\$ 3,029,481</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. Except for the cash and cash equivalents pledged to others as shown in Note 8 that was transferred to 'other current assets', the Group has no cash and cash equivalents pledged to others.

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

	<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 profit or loss			
Listed stocks	\$ 7,054	\$ 8,197	\$ 8,197
Hybrid instruments-call provision of convertible corporate bonds (Note 6(11))	3,000	3,000	-
	<u>10,054</u>	<u>11,197</u>	<u>8,197</u>
Valuation adjustment	247,629	129,487	90,034
Total	<u>\$ 257,683</u>	<u>\$ 140,684</u>	<u>\$ 98,231</u>
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 12,474	\$ 12,474	\$ 12,474
Unlisted stocks	448,057	429,048	417,042
Private funds	27,056	8,970	7,801
Hybrid instruments-convertible corporate bonds	52,748	52,748	52,748
	<u>540,335</u>	<u>503,240</u>	<u>490,065</u>
Valuation adjustment	65,660	32,043	53,373
Total	<u>\$ 605,995</u>	<u>\$ 535,283</u>	<u>\$ 543,438</u>

A. Amounts recognized in profit or loss in relation to financial assets 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 mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 70,909	(\$ 23,681)
Hybrid instruments	(450)	(21)
	<u>\$ 70,459</u>	<u>(\$ 23,702)</u>

	Nine months ended September 30,	
	2021	2020
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 167,430	\$ 41,749
Hybrid instruments	(6,967)	(20,622)
	<u>\$ 160,463</u>	<u>\$ 21,127</u>

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

(3) Notes and accounts receivable

	September 30, 2021	December 31, 2020	September 30, 2020	January 1, 2020
Notes receivable	\$ 156,248	\$ 50,671	\$ 38,544	\$ 157,693
	September 30, 2021	December 31, 2020	September 30, 2020	January 1, 2020
Accounts receivable	\$ 4,916,738	\$ 4,364,184	\$ 5,289,367	\$ 5,411,482
Less: Loss allowance	(648,433)	(684,477)	(747,066)	(605,845)
Total	<u>\$ 4,268,305</u>	<u>\$ 3,679,707</u>	<u>\$ 4,542,301</u>	<u>\$ 4,805,637</u>

The above accounts receivable and notes receivable were all from contracts with customers.

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

(a) Notes receivable

	September 30, 2021	December 31, 2020	September 30, 2020
Not past due	\$ 156,248	\$ 50,671	\$ 38,544

(b) Accounts receivable

	September 30, 2021	December 31, 2020	September 30, 2020
Not past due	\$ 3,582,092	\$ 2,967,744	\$ 3,701,950
Up to 90 days	373,020	422,476	421,184
91 to 180 days	184,247	143,148	108,329
181 to 365 days	186,494	168,689	277,564
Over 365 days	705,516	812,474	935,726
	<u>\$ 5,031,369</u>	<u>\$ 4,514,531</u>	<u>\$ 5,444,753</u>

The above ageing analysis was based on past due date.

B. As of September 30, 2021, December 31, 2020 and September 30, 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were \$156,248, \$50,671 and \$38,544, respectively. As of September 30, 2021, December 31, 2020 and September 30, 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable (including related parties) was \$4,380,796, \$3,830,018 and \$4,697,680, respectively.

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

D. Information relating to credit risk is provided in Note 12(2).

(4) Inventories

	September 30, 2021		
	Cost	Allowance for valuation loss and loss on obsolete and slow-moving inventories	Book value
Materials	\$ 971,182	(\$ 28,221)	\$ 942,961
Merchandise inventory	1,028,393	(73,015)	955,378
Raw materials	1,025,612	(37,036)	988,576
Supplies	64,856	(3,856)	61,000
Work in process	778,055	(42,618)	735,437
Semi-finished goods and finished goods	192,897	(40,029)	152,868
Total	<u>\$ 4,060,995</u>	<u>(\$ 224,775)</u>	<u>\$ 3,836,220</u>

	December 31, 2020		
	Cost	Allowance for valuation loss and loss on obsolete and slow-moving inventories	Book value
Materials	\$ 378,238	(\$ 26,880)	\$ 351,358
Merchandise inventory	726,395	(76,292)	650,103
Raw materials	719,097	(35,857)	683,240
Supplies	46,144	(3,546)	42,598
Work in process	948,152	(26,278)	921,874
Semi-finished goods and finished goods	244,508	(41,369)	203,139
Total	<u>\$ 3,062,534</u>	<u>(\$ 210,222)</u>	<u>\$ 2,852,312</u>

	September 30, 2020		
	Cost	Allowance for valuation loss and loss on obsolete and slow-moving inventories	Book value
Materials	\$ 343,192	(\$ 34,483)	\$ 308,709
Merchandise inventory	720,638	(50,571)	670,067
Raw materials	793,741	(32,170)	761,571
Supplies	49,649	(2,846)	46,803
Work in process	1,067,942	(23,378)	1,044,564
Semi-finished goods and finished goods	198,029	(43,005)	155,024
Total	<u>\$ 3,173,191</u>	<u>(\$ 186,453)</u>	<u>\$ 2,986,738</u>

A. Relevant expenses of inventories recognized as operating costs for the three months and nine months ended September 30, 2021 and 2020 are as follows:

	Three months ended September 30,	
	2021	2020
Construction cost	\$ 4,175,792	\$ 2,505,339
Cost of sales	2,902,952	3,041,903
Other operating cost	315,100	241,804
Loss on (gain on reversal of) market value decline and obsolete and slow-moving inventories (Note)	13,206	(2,965)
Total	<u>\$ 7,407,050</u>	<u>\$ 5,786,081</u>
	Nine months ended September 30,	
	2021	2020
Construction cost	\$ 10,889,757	\$ 6,986,917
Cost of sales	8,564,697	7,810,679
Other operating cost	856,037	759,125
Loss on market value decline and obsolete and slow-moving inventories	16,325	57,272
Total	<u>\$ 20,326,816</u>	<u>\$ 15,613,993</u>

Note: The Group reversed a previous inventory write-down which was accounted for as reduction of cost of goods sold because the Group sold inventories, which had been previously provided with inventory valuation loss.

B. The Group has no inventories pledged to others.

(5) Prepayments

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Prepayment for purchases	\$ 1,067,478	\$ 442,499	\$ 374,587
Others	179,088	132,415	61,995
Total	<u>\$ 1,246,566</u>	<u>\$ 574,914</u>	<u>\$ 436,582</u>

(6) Investments accounted for using equity method

A. Details of investments accounted for using equity method:

	<u>September 30, 2021</u>		<u>December 31, 2020</u>	
	<u>Carrying amount</u>	<u>% interest held</u>	<u>Carrying amount</u>	<u>% interest held</u>
Glory Technology Service Inc.	\$ 63,546	29.24%	\$ 67,579	29.24%
Vertex System Corporation	15,422	38.83%	18,046	38.83%
Fortune Blessing Co., Limited	8,744	27.78%	11,121	27.78%
MIC Techno Co., Ltd.	1,816	20%	1,824	20%
Leader Fortune Enterprise Co., Ltd.	(3,272)	31.43%	(3,395)	31.43%
	86,256		95,175	
Add: Credit balance of long-term equity investment transferred to 'other non-current liabilities'	<u>3,272</u>		<u>3,395</u>	
Total	<u>\$ 89,528</u>		<u>\$ 98,570</u>	
Prepayments for long-term investments (listed as 'other non-current assets')				
Unlisted stocks	<u>\$ 27,850</u>		<u>\$ 28,480</u>	

	<u>September 30, 2020</u>	
	<u>Carrying amount</u>	<u>% interest held</u>
Glory Technology Service Inc.	\$ 66,040	29.24%
Vertex System Corporation	18,976	38.83%
Fortune Blessing Co., Limited	11,318	27.78%
MIC Techno Co., Ltd.	1,827	20%
Leader Fortune Enterprise Co., Ltd.	(4,061)	31.43%
	94,100	
Add: Credit balance of long-term equity investment transferred to 'other non-current liabilities'	<u>4,061</u>	
Total	<u>\$ 98,161</u>	
Prepayments for long-term investments (listed as 'other non-current assets')		
Unlisted stocks	<u>\$ 29,100</u>	

B. Associates

Associates accounted for using equity method are all individually immaterial and the Group's share of the operating results are summarized below:

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Loss for the period from continuing operations	(\$ 3,796)	(\$ 1,474)
Other comprehensive loss - net of tax	(9)	(337)
Total comprehensive loss	<u>(\$ 3,805)</u>	<u>(\$ 1,811)</u>

	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Loss for the period from continuing operations	(\$ 14,162)	(\$ 873)
Other comprehensive loss - net of tax	(556)	(815)
Total comprehensive loss	<u>(\$ 14,718)</u>	<u>(\$ 1,688)</u>

C. The investments accounted for using equity method for the nine months ended September 30, 2021 and 2020 were evaluated based on the financial statements of the entity which were not reviewed by independent auditors. The investments accounted for using equity method for the year ended December 31, 2020 were evaluated based on the financial statements of the entity which were audited by independent auditors.

(7) Property, plant and equipment

	2021					
	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Office equipment</u>	<u>Others</u>	<u>Total</u>
<u>At January 1</u>						
Cost	\$ 183,542	\$ 2,873,152	\$ 636,594	\$ 262,570	\$ 119,830	\$ 4,075,688
Accumulated depreciation	-	(1,156,096)	(493,199)	(185,974)	(17,036)	(1,852,305)
Book value	<u>\$ 183,542</u>	<u>\$ 1,717,056</u>	<u>\$ 143,395</u>	<u>\$ 76,596</u>	<u>\$ 102,794</u>	<u>\$ 2,223,383</u>
 <u>Nine months ended September 30</u>						
Opening net book amount	\$ 183,542	\$ 1,717,056	\$ 143,395	\$ 76,596	\$ 102,794	\$ 2,223,383
Additions	9,962	233,303	46,636	33,302	36,830	360,033
Transfers (Note)	20,648	-	110,529	-	(110,909)	20,268
Disposals	-	-	(1,700)	(719)	-	(2,419)
Depreciation	-	(112,060)	(35,495)	(24,927)	(1,538)	(174,020)
Net exchange differences	(456)	(96,871)	(1,192)	(1,015)	(25)	(99,559)
Closing net book amount	<u>\$ 213,696</u>	<u>\$ 1,741,428</u>	<u>\$ 262,173</u>	<u>\$ 83,237</u>	<u>\$ 27,152</u>	<u>\$ 2,327,686</u>
 <u>At September 30</u>						
Cost	\$ 213,696	\$ 2,985,418	\$ 767,955	\$ 282,982	\$ 45,561	\$ 4,295,612
Accumulated depreciation	-	(1,243,990)	(505,782)	(199,745)	(18,409)	(1,967,926)
Book value	<u>\$ 213,696</u>	<u>\$ 1,741,428</u>	<u>\$ 262,173</u>	<u>\$ 83,237</u>	<u>\$ 27,152</u>	<u>\$ 2,327,686</u>

2020

	Land	Buildings	Machinery and equipment	Office equipment	Others	Total
<u>At January 1</u>						
Cost	\$ 183,542	\$ 2,789,288	\$ 623,216	\$ 240,160	\$ 31,075	\$ 3,867,281
Accumulated depreciation	-	(1,015,124)	(460,227)	(164,785)	(15,470)	(1,655,606)
Book value	<u>\$ 183,542</u>	<u>\$ 1,774,164</u>	<u>\$ 162,989</u>	<u>\$ 75,375</u>	<u>\$ 15,605</u>	<u>\$ 2,211,675</u>
<u>Nine months ended September 30</u>						
Opening net book amount	\$ 183,542	\$ 1,774,164	\$ 162,989	\$ 75,375	\$ 15,605	\$ 2,211,675
Additions	-	28,305	17,546	15,073	36,521	97,445
Acquired from business combination	-	-	-	2	-	2
Transfers (Note)	-	-	-	6,000	(6,000)	-
Disposals	-	(550)	(1,279)	(1,136)	(64)	(3,029)
Depreciation	-	(94,232)	(31,159)	(22,954)	(1,805)	(150,150)
Net exchange differences	-	27,717	(88)	158	377	28,164
Closing net book amount	<u>\$ 183,542</u>	<u>\$ 1,735,404</u>	<u>\$ 148,009</u>	<u>\$ 72,518</u>	<u>\$ 44,634</u>	<u>\$ 2,184,107</u>
<u>At September 30</u>						
Cost	\$ 183,542	\$ 2,843,891	\$ 629,885	\$ 252,175	\$ 61,187	\$ 3,970,680
Accumulated depreciation	-	(1,108,487)	(481,876)	(179,657)	(16,553)	(1,786,573)
Book value	<u>\$ 183,542</u>	<u>\$ 1,735,404</u>	<u>\$ 148,009</u>	<u>\$ 72,518</u>	<u>\$ 44,634</u>	<u>\$ 2,184,107</u>

Note: Transfers during the period pertain to certain previously unfinished constructions which had completed acceptance checked and transferred to land and machinery and equipment, as well as certain prepayments for business facilities.

A. The above property, plant and equipment are all owner-occupied.

B. The Group has no interest capitalised to property, plant and equipment.

C. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(8) Leasing arrangements – lessee

- A. The Group leases various assets including land, buildings, machinery and equipment, office equipment, and other equipment. Rental contracts are typically made for periods of 1 to 75 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. Short-term leases with a lease term of 12 months or less comprise buildings, machinery and equipment, office equipment, and other equipment. Consequently, those leases are not included in right-of-use assets.
- C. 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	\$ 847,765	\$ 751,666	\$ 755,067
Buildings	194,899	188,225	198,781
Office equipment	337	312	326
Other equipment	65,938	64,659	64,625
	<u>\$ 1,108,939</u>	<u>\$ 1,004,862</u>	<u>\$ 1,018,799</u>

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 5,888	\$ 4,789
Buildings	14,167	13,080
Office equipment	20	21
Other equipment	8,161	7,328
	<u>\$ 28,236</u>	<u>\$ 25,218</u>

	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 17,381	\$ 15,383
Buildings	42,038	39,796
Office equipment	57	96
Other equipment	23,921	21,700
	<u>\$ 83,397</u>	<u>\$ 76,975</u>

- D. For the nine months ended September 30, 2021 and 2020, the additions to right-of-use assets were \$208,822 and \$130,535, respectively.

E. The information on profit and loss 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	\$ 4,270	\$ 4,040
Expense on short-term lease contracts	\$ 25,438	\$ 23,478
	<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	\$ 13,103	\$ 12,571
Expense on short-term lease contracts	\$ 72,141	\$ 62,046
Gain on lease modification	\$ 380	\$ -

F. For the nine months ended September 30, 2021 and 2020, the Group's total cash outflow for leases were \$158,099 and \$143,144, respectively.

G. Extension options

(a) Extension options are included in approximately 40 % of the Group's lease contracts pertaining to land. These options are expected to be exercised for maximizing optional flexibility in terms of managing contracts.

(b) In determining the lease term, the Group takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(9) Short-term borrowings

	<u>September 30, 2021</u>	<u>Interest rate range</u>	<u>Collateral</u>
<u>Bank borrowings</u>			
Credit borrowings	\$ 3,720,111	0.73%~4.00%	None
Mortgage loan	51,175	2.17857%~2.18071%	Buildings
	<u>\$ 3,771,286</u>		
	<u>December 31, 2020</u>	<u>Interest rate range</u>	<u>Collateral</u>
<u>Bank borrowings</u>			
Credit borrowings	\$ 1,420,900	0.75%~4.15%	None
Mortgage loan	53,900	2.15482%~2.18675%	Buildings
	<u>\$ 1,474,800</u>		
	<u>September 30, 2020</u>	<u>Interest rate range</u>	<u>Collateral</u>
<u>Bank borrowings</u>			
Credit borrowings	\$ 3,362,078	0.75%~4.05%	None
Mortgage loan	51,024	2.1560%~2.18675%	Buildings
	<u>\$ 3,413,102</u>		

Details of mortgage loan are provided in Note 8.

(10) Other payables

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Salaries and bonus payable	\$ 372,228	\$ 459,500	\$ 276,375
Accrued employees' compensation and directors' remuneration	161,444	140,756	110,055
Others	44,370	51,072	64,695
Total	<u>\$ 578,042</u>	<u>\$ 651,328</u>	<u>\$ 451,125</u>

(11) Bonds Payable

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Bonds payable	\$ 1,500,000	\$ 1,500,000	\$ -
Less: Discount on bonds payable	(33,403)	(44,562)	-
	<u>\$ 1,466,597</u>	<u>\$ 1,455,438</u>	<u>\$ -</u>

A. The Company issued the 4th domestic unsecured convertible bonds, as approved by the regulatory authority on November 27, 2020. The terms and conditions are as follows:

- (a) Total issuance amount: NT\$1,500,000
- (b) Issuance period: 3 years, and a circulation period from December 15, 2020 to December 15, 2023.
- (c) Coupon rate: 0%
- (d) Conversion period: The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months of the bonds before the maturity date, except the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
- (e) The conversion price of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the conversion price before the reset, the conversion price will not be adjusted.
- (f) Redemption method:
 - i. Redemption on the maturity date: Redeemed in cash at face value at the maturity date.
 - ii. Redemption before the maturity date: The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after one month of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after one month of the bonds issue to 40 days before the maturity date.

iii. Under the terms of the bonds, all bonds redeemed, matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

(g) As of September 30, 2021, no convertible bonds were converted.

B. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$43,206 were separated from the liability component and were recognized in ‘capital surplus—stock warrants’ in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts and were recognized in ‘financial assets or liabilities at fair value through profit or loss’ in net amount in accordance with IAS 39 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rate of the bonds payable after such separation is 1.0255%.

(12) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>September 30, 2021</u>
Long-term bank borrowings				
Credit borrowings	Borrowing period is from September 27, 2021 to December 27, 2022; interest is payable monthly; principal is payable at maturity date	0.805%	None	<u>\$ 200,000</u>

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>December 31, 2020</u>
Long-term bank borrowings				
Credit borrowings	Borrowing period is from December 28, 2020 to March 27, 2022; interest is payable monthly; principal is payable at maturity date	0.830%	None	<u>\$ 200,000</u>

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>September 30, 2020</u>
Long-term bank borrowings				
Credit borrowings	Borrowing period is from September 24, 2020 to December 23, 2021; interest is payable monthly; principal is payable at maturity date	0.830%	None	<u>\$ 200,000</u>

(13) Pensions

- A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor 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 qualify for retirement in the following year, the Company will make contributions to cover the deficit by next March.
- (b) For the aforementioned pension plan, the Group recognized pension costs of \$344, \$564, \$1,034 and \$1,692 for the three months and nine months ended September 30, 2021 and 2020, respectively.
- (c) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2022 amount to \$5,084.
- B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

- (b) The Company's Mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on a certain percentage of the employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.
- (c) Certain overseas subsidiaries have a defined contribution plan. Contributions to an independent fund are based on a certain percentage of the employees' monthly salaries and wages and are recognized as pension cost. Other than the monthly contributions, the Group has no further obligations.
- (d) The pension costs under the defined contribution pension plan of the Group for the three months and nine months ended September 30, 2021 and 2020 were \$29,910, \$17,770, \$81,690 and \$55,436, respectively.

(14) Share-based payment

- A. For the nine months ended September 30, 2021 and 2020, the Company's share-based payment arrangements were as follows:

<u>Issuing Company</u>	<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted (in thousands)</u>	<u>Contract period</u>	<u>Vesting conditions</u>
The Company	Employee stock options	2015.9.11	3,956	6 years	2~4 years' service
Subsidiary-ADAT	"	2019.4.1	436	"	0~2 years' service
"	"	2019.9.1	314	"	"
"	"	2020.5.1	27	"	"
"	"	2020.9.1	137	"	"

The above share-based payment arrangements are all settled by equity.

B. Details of the share-based payment arrangements are as follows:

(a) The Company

	Nine months ended September 30,			
	2021		2020	
	No. of options	Weighted-average exercise price (in dollars)	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at beginning of the period	169	\$ 15.20	548	\$ 15.70
Options exercised	(169)	15.11	(303)	15.65
Options outstanding at end of the period	-	(Note)	245	15.20
Options exercisable at end of the period	-	(Note)	245	
Options approved but not yet issued at end of the period	-	(Note)	44	

Note: The above share-based payment arrangement of the Company expired on September 10, 2021.

(b) Subsidiary-ADAT

	Nine months ended September 30,			
	2021		2020	
	No. of options	Weighted-average exercise price (in dollars)	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at beginning of the period	446	\$ 10.00	549	\$ 10.00
Options granted	-	-	164	10.00
Options exercised	-	-	(237)	10.00
Options outstanding at end of the period	446	10.00	476	10.00
Options exercisable at end of the period	48		67	
Options approved but not yet issued at end of the period	40		40	

C. The expiry date and exercise price of stock options outstanding at balance sheet date are as follows:

			September 30, 2021	
Issuing Company	Issue date approved	Expiry date	No. of shares (in thousands)	Exercise price (in dollars)
Subsidiary-ADAT	2019.4.1	2025.3.31	174	\$ 10.00
"	2019.9.1	2025.8.31	229	10.00
"	2020.5.1	2026.4.30	19	10.00
"	2020.9.1	2026.8.31	24	10.00

			December 31, 2020	
Issuing Company	Issue date approved	Expiry date	No. of shares (in thousands)	Exercise price (in dollars)
The Company	2015.9.11	2021.9.10	169	\$ 15.20
Subsidiary-ADAT	2019.4.1	2025.3.31	174	10.00
"	2019.9.1	2025.8.31	229	10.00
"	2020.5.1	2026.4.30	19	10.00
"	2020.9.1	2026.8.31	24	10.00

			September 30, 2020	
Issuing Company	Issue date approved	Expiry date	No. of shares (in thousands)	Exercise price (in dollars)
The Company	2015.9.11	2021.9.10	245	\$ 15.20
Subsidiary-ADAT	2019.4.1	2025.3.31	204	10.00
"	2019.9.1	2025.8.31	229	10.00
"	2020.5.1	2026.4.30	19	10.00
"	2020.9.1	2026.8.31	24	10.00

D. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Issuing Company	Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
The Company	Employee stock options	2015.9.11	\$ 19.60	\$ 19.60	34.91%	4.375 years	0%	0.81%	\$ 5.8326
Subsidiary-ADAT	"	2019.4.1	10.00	10.00	47.77%	3.550 years	0%	0.61%	2.4727
"	"	2019.9.1	10.00	10.00	44.29%	3.550 years	0%	0.54%	2.7873
"	"	2020.5.1	10.00	10.00	38.58%	3.550 years	0%	0.38%	10.4014
"	"	2020.9.1	10.00	10.00	38.10%	3.550 years	0%	0.38%	9.9910

E. No expenses was incurred on share-based payment transactions for the three months and nine months ended September 30, 2021 and 2020.

F. The expenses incurred by the subsidiary - ADAT on share-based payment transactions amounted to \$202, \$676, \$606 and \$1,183 for the three months and nine months ended September 30, 2021 and 2020, respectively.

(15) Share capital

A. As of September 30, 2021, the Company's authorized capital was \$3,000,000, consisting of 300 million shares of ordinary stock (including 9,800 thousand shares reserved for employee stock options), and the paid-in capital was \$1,873,882 with a par value of \$10 (in dollars) per share amounting to 187,388,200 shares. All proceeds from shares issued have been collected.

B. Movements in the number of the Company's ordinary shares outstanding are as follows:

	<u>2021</u>	<u>2020</u>
At January 1	187,219,200	186,839,950
Exercise of employee stock options	<u>169,000</u>	<u>302,750</u>
At September 30	<u>187,388,200</u>	<u>187,142,700</u>

(16) 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 Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

Details of movements in capital surplus are as follows:

	<u>2021</u>				
	<u>Share premium</u>	<u>Employee stock options</u>	<u>Stock options</u>	<u>Others</u>	<u>Total</u>
At January 1	\$ 981,167	\$ 1,431	\$ 43,206	\$ 3,305	\$ 1,029,109
Exercise of employee stock options	1,887	(1,431)	-	-	456
Expired employee stock options	-	-	-	408	408
Changes in ownership interest in subsidiaries	-	-	-	(446)	(446)
At September 30	<u>\$ 983,054</u>	<u>\$ -</u>	<u>\$ 43,206</u>	<u>\$ 3,267</u>	<u>\$ 1,029,527</u>

	2020			
	Share premium	Employee stock options	Others	Total
At January 1	\$ 976,688	\$ 3,801	\$ 2,393	\$ 982,882
Exercise of employee stock options	3,608	(1,896)	-	1,712
Changes in ownership interest in subsidiaries	-	-	11,528	11,528
At September 30	<u>\$ 980,296</u>	<u>\$ 1,905</u>	<u>\$ 13,921</u>	<u>\$ 996,122</u>

(17) Retained earnings

- A. Under 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. Also, special reserve shall be set aside or reversed as required by regulations or the Competent Authority. The remaining amount along with the prior years' unappropriated earnings shall be proposed by the Board of Directors and resolved by the stockholders for appropriation or reserve.
- B. The Company's dividend policy is summarized below: in consideration of the overall environment development and industrial growth, fulfilling future operation development needs as priority and optimizing financial structure, distribution of stock dividends shall not exceed 50% of the dividends distributed.
- 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 distribution of the reserve is limited to the portion in excess of 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 the Financial-Supervisory-Securities-Firms No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

E. Details of 2020 and 2019 earnings appropriation resolved by the shareholders on July 26, 2021 and May 27, 2020 are as follows:

	Years ended December 31,			
	2020		2019	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 90,500	\$ -	\$ 70,301	\$ -
(Reversal of) special reserve	(3,149)	-	78,008	-
Cash dividends	655,267	3.5	485,784	2.6
Total	\$ 742,618		\$ 634,093	

The earnings appropriation for the years ended December 31, 2020 and 2019 listed above had no difference from that proposed by the Board of Directors on February 26, 2021 and March 5, 2020, respectively.

Information about the earnings distribution of 2020 and 2019 as approved by the Board of Directors and resolved by the shareholders will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchange.

(18) Operating revenue

	Three months ended September 30,	
	2021	2020
Construction contract revenue	\$ 4,531,067	\$ 2,714,323
Sales contract revenue	3,347,309	3,491,141
Other contract revenue	491,700	432,964
Total	\$ 8,370,076	\$ 6,638,428

	Nine months ended September 30,	
	2021	2020
Construction contract revenue	\$ 11,710,191	\$ 7,597,246
Sales contract revenue	9,833,898	9,010,554
Other contract revenue	1,404,926	1,316,527
Total	\$ 22,949,015	\$ 17,924,327

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

	Three months ended September 30,	
	2021	2020
Sales and service of high-tech equipment and materials	\$ 1,834,754	\$ 1,897,639
R&D and manufacturing of customized equipment	2,209,372	2,101,404
Automatic supplying system	2,406,454	1,490,426
Total Facility Engineering Turnkey Project	1,919,496	1,148,959
Total	\$ 8,370,076	\$ 6,638,428
Timing of revenue recognition		
At a point in time	\$ 3,499,632	\$ 3,638,152
Over time	4,870,444	3,000,276
Total	\$ 8,370,076	\$ 6,638,428
	Nine months ended September 30,	
	2021	2020
Sales and service of high-tech equipment and materials	\$ 5,485,584	\$ 5,136,660
R&D and manufacturing of customized equipment	6,332,007	5,500,588
Automatic supplying system	6,189,588	4,005,382
Total Facility Engineering Turnkey Project	4,941,836	3,281,697
Total	\$ 22,949,015	\$ 17,924,327
Timing of revenue recognition		
At a point in time	\$ 10,274,957	\$ 9,473,393
Over time	12,674,058	8,450,934
Total	\$ 22,949,015	\$ 17,924,327

B. Contract assets and liabilities

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

	September 30, 2021	December 31, 2020	September 30, 2020	January 1, 2020
Contract assets:				
Construction contracts	\$ 7,059,885	\$ 5,306,618	\$ 4,161,354	\$ 4,095,623
Contract liabilities:				
Construction contracts	\$ 3,204,061	\$ 2,478,159	\$ 2,575,522	\$ 2,440,230
Sales contracts	656,250	725,288	835,522	1,029,742
Service contracts	42,045	41,368	35,404	25,557
	\$ 3,902,356	\$ 3,244,815	\$ 3,446,448	\$ 3,495,529

(b) Revenue recognized 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 recognized that was included in the contract liability balance at the beginning of the period		
Construction contracts	\$ 254,540	\$ 265,040
Sales contracts	103,716	216,362
Service contracts	1,510	1,006
	<u>\$ 359,766</u>	<u>\$ 482,408</u>
	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Revenue recognized that was included in the contract liability balance at the beginning of the period		
Construction contracts	\$ 1,515,511	\$ 1,246,821
Sales contracts	529,122	425,116
Service contracts	38,894	32,733
	<u>\$ 2,083,527</u>	<u>\$ 1,704,670</u>

(c) All contracts of the Group are for periods of one year or less are billed based on time incurred. As permitted under IFRS 15, the transaction prices allocated to these unsatisfied contracts are not disclosed.

(19) Other gains and losses

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Net gains on financial assets at fair value through profit or loss	\$ 70,459	(\$ 23,702)
Foreign exchange losses	(8,773)	(25,581)
Other losses	(2,021)	(670)
Total	<u>\$ 59,665</u>	<u>(\$ 49,953)</u>
	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Net gains on financial assets at fair value through profit or loss	\$ 160,463	\$ 21,127
Foreign exchange losses	(66,938)	(31,535)
Other losses	(12,542)	(5,627)
Total	<u>\$ 80,983</u>	<u>(\$ 16,035)</u>

(20) Employee benefit expense, depreciation and amortisation

A. Employee benefit expense, depreciation and amortisation

	Three months ended September 30, 2021		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Employee benefit expense			
Wages and salaries	\$ 226,448	\$ 304,709	\$ 531,157
Compensation cost of employee stock options	-	202	202
Labour and health insurance fees	20,566	18,140	38,706
Pension costs	15,556	14,698	30,254
Other employee benefit expense	7,808	7,353	15,161
Depreciation	49,065	34,271	83,336
Amortisation	2,376	3,164	5,540
	Three months ended September 30, 2020		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Employee benefit expense			
Wages and salaries	\$ 203,538	\$ 248,438	\$ 451,976
Compensation cost of employee stock options	-	676	676
Labour and health insurance fees	12,203	12,638	24,841
Pension costs	9,025	9,309	18,334
Other employee benefit expense	7,361	6,768	14,129
Depreciation	47,773	29,795	77,568
Amortisation	2,524	2,704	5,228
	Nine months ended September 30, 2021		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Employee benefit expense			
Wages and salaries	\$ 624,018	\$ 841,540	\$ 1,465,558
Compensation cost of employee stock options	-	606	606
Labour and health insurance fees	60,201	54,187	114,388
Pension costs	44,112	38,612	82,724
Other employee benefit expense	21,661	22,566	44,227
Depreciation	156,140	101,277	257,417
Amortisation	6,689	8,445	15,134

	Nine months ended September 30, 2020		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 582,512	\$ 755,895	\$ 1,338,407
Compensation cost of employee stock options	-	1,183	1,183
Labour and health insurance fees	43,356	38,167	81,523
Pension costs	29,475	27,653	57,128
Other employee benefit expense	19,010	20,108	39,118
Depreciation	138,274	88,851	227,125
Amortisation	7,253	7,447	14,700

B. Employees' compensation and directors' remuneration

- (a) According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, shall not be higher than 3% for directors' remuneration and shall be 1~15% for employees' compensation. If the company has accumulated deficit, earnings should be reserved to cover losses.
- (b) For the three months and nine months ended September 30, 2021 and 2020, employees' compensation and directors' remuneration are accrued as follows:

	Three months ended September 30,	
	2021	2020
Employees' compensation	\$ 61,237	\$ 33,869
Directors' remuneration	6,124	3,387
	<u>\$ 67,361</u>	<u>\$ 37,256</u>
	Nine months ended September 30,	
	2021	2020
Employees' compensation	\$ 146,767	\$ 100,050
Directors' remuneration	14,677	10,005
	<u>\$ 161,444</u>	<u>\$ 110,055</u>

For the nine months ended September 30, 2021, employees' compensation and directors' remuneration were estimated and accrued based on 10% and 1% of distributable profit of current year as of the end of reporting period, respectively.

The employees' compensation and directors' remuneration for 2020 as resolved by the Board of Directors on February 26, 2021 were \$127,960 and \$12,796, respectively, and were in agreement with those amounts recognised in the 2020 financial statements.

Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(21) 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		
Current tax on profits for the period	\$ 94,801	\$ 83,532
Adjustments in respect of prior period	<u>400</u>	<u>(20)</u>
Total current tax	95,201	83,512
Deferred tax		
Origination and reversal of temporary differences	<u>13,943</u>	<u>(1,994)</u>
Income tax expense	<u>\$ 109,144</u>	<u>\$ 81,518</u>

	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Current tax		
Current tax on profits for the period	\$ 249,922	\$ 238,139
Tax on undistributed surplus earnings	-	3,014
Adjustments in respect of prior period	<u>11,056</u>	<u>(17,042)</u>
Total current tax	260,978	224,111
Deferred tax		
Origination and reversal of temporary differences	<u>30,513</u>	<u>(5,377)</u>
Income tax expense	<u>\$ 291,491</u>	<u>\$ 218,734</u>

(b) The income tax (charge)/credit 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 of foreign operations	<u>\$ 6,655</u>	<u>(\$ 4,706)</u>

	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Currency translation differences of foreign operations	<u>\$ 27,020</u>	<u>(\$ 1,200)</u>

B. Assessment of the Company's and domestic subsidiary's income tax returns is as follows:

	<u>Assessment</u>
The Company	Through 2019
eZoom, ADAT and Taiwan Radisen	"

(22) Earnings per share

	<u>Three months ended September 30, 2021</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 445,956	187,360	\$ <u>2.38</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	3,008	13,501	
Employees' compensation	<u>-</u>	<u>1,299</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ <u>448,964</u>	<u>202,160</u>	\$ <u>2.22</u>
	<u>Three months ended September 30, 2020</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 234,127	187,129	\$ <u>1.26</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	200	
Employees' compensation	<u>-</u>	<u>967</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ <u>234,127</u>	<u>188,296</u>	\$ <u>1.24</u>

	Nine months ended September 30, 2021		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,055,608	187,333	<u>\$ 5.63</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	8,926	9,824	
Employees' compensation	<u>-</u>	<u>1,534</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,064,534</u>	<u>198,691</u>	<u>\$ 5.36</u>

	Nine months ended September 30, 2020		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 709,958	187,048	<u>\$ 3.80</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	189	
Employees' compensation	<u>-</u>	<u>1,276</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 709,958</u>	<u>188,513</u>	<u>\$ 3.77</u>

(23) Business combinations

- A. On May 4, 2020, the Group acquired 100% of the share capital of Spiro Technology Systems Inc. for \$23,936 and obtained control over Spiro Technology Systems Inc., a component of a semi-conductor equipment dealer operating in the United States. The Group expects to reduce the future cost of material purchases after the acquisition.
- B. The following table summarises the consideration paid for Spiro Technology Systems Inc. and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	<u>May 4, 2020</u>
Purchase consideration	
Cash paid	\$ <u>23,936</u>
Fair value of the identifiable assets acquired and liabilities assumed	
Cash	20,636
Accounts receivable	2,901
Inventories	1,643
Property, plant and equipment	2
Accounts payable	(751)
Other payables	(<u>186</u>)
Total identifiable net assets	<u>24,245</u>
Gain recognised in bargain purchase transaction (recorded as 'other gains and losses')	(\$ <u>309</u>)

- C. The operating revenue included in the consolidated statement of comprehensive income since May 4, 2020 contributed by Spiro Technology Systems Inc. was \$10,781. Spiro Technology Systems Inc. also contributed loss before income tax of (\$984) over the same period. Had Spiro Technology Systems Inc. been consolidated from January 1, 2020, the consolidated statement of comprehensive income would show operating revenue of \$17,943,195 and profit before income tax of \$898,653.

(24) Changes in liabilities from financing activities

	<u>2021</u>				Liabilities from
	<u>Lease</u>	<u>Short-term</u>	<u>Long-term</u>	<u>Bonds</u>	<u>financing</u>
	<u>liabilities</u>	<u>borrowings</u>	<u>borrowings</u>	<u>payable</u>	<u>activities-gross</u>
At January 1	\$ 980,425	\$1,474,800	\$ 200,000	\$1,455,438	\$ 4,110,663
Changes in cash flow from financing activities	(72,855)	2,304,437	-	-	2,231,582
Impact of changes in foreign exchange rate	(925)	(7,951)	-	-	(8,876)
Changes in other non-cash items	<u>196,800</u>	<u>-</u>	<u>-</u>	<u>11,159</u>	<u>207,959</u>
At September 30	<u>\$ 1,103,445</u>	<u>\$3,771,286</u>	<u>\$ 200,000</u>	<u>\$1,466,597</u>	<u>\$ 6,541,328</u>

	2020			
	Lease liabilities	Short-term borrowings	Long-term borrowings	Liabilities from financing activities-gross
At January 1	\$ 941,324	\$ 3,048,408	\$ 200,000	\$ 4,189,732
Changes in cash flow from financing activities	(68,527)	372,954	-	304,427
Impact of changes in foreign exchange rate	(286)	(8,260)	-	(8,546)
Changes in other non-cash items	117,965	-	-	117,965
At September 30	<u>\$ 990,476</u>	<u>\$ 3,413,102</u>	<u>\$ 200,000</u>	<u>\$ 4,603,578</u>

7. RELATED PARTY TRANSACTIONS

(1) Parent company

The Company is controlled by Ennoconn International Investment Co., Ltd. (registered in the Republic of China), which owns 44.54% of the shares of the Company. The remaining 55.46% of the shares of the Company are held by the general public. The ultimate parent company of the Company is Ennoconn Corporation (registered in the Republic of China).

(2) Names of related parties and relationship

Names of related parties	Relationship with the Group
FIH Precision Component (Beijing) Co., Ltd.	Other related party
Chung-Hsin Precision Machinery Co., Ltd.	"
Hon Hai Precision Industry Co., Ltd.	"
Chung-Hsin Electric & Machinery Mfg. Corp.	"
Hong Kong Ennower Information Technology Co., Limited	"
PEROBOT CO., LTD.	"
Ennoconn (Kunshan) Technology Co., Ltd.	"
MIC Techno Co., Ltd.	Associate
Glory Technology Service Inc.	"
Fortune International Corporation	"
Macrotec Technology Corp.	Entity controlled by key management or entity with significant influence
Forward Science Corp.	"
Shenzhen Hyper Power Information Technology Co., Ltd.	"
WT Microelectronics Co., Ltd.	"
ProbeLeader Co., Ltd.	"

(3) Significant related party transactions and balances

A. Sales of goods and services

(a) Sales of goods

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties	(\$ 90)	\$ 99,285
Entities controlled by key management or entities with significant influence	<u>1,085</u>	<u>-</u>
	<u>\$ 995</u>	<u>\$ 99,285</u>
	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties	\$ 24,158	\$ 99,303
Entities controlled by key management or entities with significant influence	<u>3,029</u>	<u>154</u>
	<u>\$ 27,187</u>	<u>\$ 99,457</u>

Prices to related parties and third parties are based on normal sales transactions and sales are collected 2 to 3 months after the completion of transactions.

(b) Construction contract revenue

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Entities controlled by key management or entities with significant influence	\$ 2,093	\$ 1,241
Other related parties	<u>23,002</u>	<u>10,959</u>
Total	<u>\$ 25,095</u>	<u>\$ 12,200</u>
	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Entities controlled by key management or entities with significant influence	\$ 7,503	\$ 6,968
Other related parties	<u>24,400</u>	<u>10,961</u>
Total	<u>\$ 31,903</u>	<u>\$ 17,929</u>

- i. Construction contract revenue from related parties and non-related parties are collected based on the general construction contract or general agreement. In addition, construction contracts entered into with related parties are based on the price lists in force and terms that would be available to third parties while the collection periods for construction contracts are about 2 to 3 months after inspection of construction depending on the construction contracts or individual agreements.
- ii. As of September 30, 2021, December 31, 2020 and September 30, 2020, contract price and priced contract of unfinished construction are as follows:

	September 30, 2021		December 31, 2020	
	Total contract price (before tax) (Note)	Priced contract (Note)	Total contract price (before tax)	Priced contract
Other related parties	\$ 490,181	\$ 438,005	\$ 464,621	\$ 447,673
Entities controlled by key management or entities with significant influence	406,056	363,085	399,454	304,665
Total	\$ 896,237	\$ 801,090	\$ 864,075	\$ 752,338

	September 30, 2020	
	Total contract price (before tax)	Priced contract
Other related parties	\$ 464,621	\$ 447,673
Associates	19,516	10,316
Entities controlled by key management or entities with significant influence	397,938	303,607
Total	\$ 882,075	\$ 761,596

Note: The amounts were translated at the current rate as of September 30, 2021.

(c) Other contract revenue

	Three months ended September 30,	
	2021	2020
Associates	\$ -	\$ 1,366
Entities controlled by key management or entities with significant influence	106	-
Total	\$ 106	\$ 1,366
	Nine months ended September 30,	
	2021	2020
Associates	\$ -	\$ 2,177
Entities controlled by key management or entities with significant influence	106	120
Total	\$ 106	\$ 2,297

Other contract revenue from related parties and non-related parties are collected based on the general service contract or general agreement. In addition, service contracts entered into with related parties are based on the price lists in force and terms that would be available to third parties while the collection periods for service contracts are about 2 to 3 months after inspection

of service depending on the other contracts or individual agreements.

B. Acquisition of goods and services

(a) Purchase of goods

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Entities controlled by key management or entities with significant influence	\$ 3,342	\$ 1,547
Associate	109	-
Other related parties	<u>4,056</u>	<u>256</u>
Total	<u>\$ 7,507</u>	<u>\$ 1,803</u>

	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Entities controlled by key management or entities with significant influence	\$ 7,919	\$ 2,921
Associate	109	-
Other related parties	<u>4,379</u>	<u>343</u>
Total	<u>\$ 12,407</u>	<u>\$ 3,264</u>

Purchases from related parties and third parties are based on normal purchase prices and terms and are collectible about 2 to 3 months after inspection.

(b) Construction contract costs

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Entities controlled by key management or entities with significant influence	<u>\$ -</u>	<u>\$ 32</u>

	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Entities controlled by key management or entities with significant influence	\$ -	\$ 2,943
Other related parties	-	<u>125</u>
Total	<u>\$ -</u>	<u>\$ 3,068</u>

The outsourcing construction contract costs paid to related parties and third parties are based on normal construction contracts or individual agreements. Furthermore, the payment terms to related parties are approximately the same to third parties, which is about 2 months after inspection of construction depending on the construction contracts or individual agreements.

C. Receivables from related parties

Accounts receivable

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Other related parties	\$ 69,504	\$ 116,041	\$ 118,420
Entities controlled by key management or entities with significant influence	<u>45,127</u>	<u>34,306</u>	<u>36,966</u>
Subtotal	114,631	150,347	155,386
Less: Loss allowance	(2,140)	(36)	(7)
Total	<u>\$ 112,491</u>	<u>\$ 150,311</u>	<u>\$ 155,379</u>

The collection terms to related parties and third parties are about 2 to 3 months after the sale while terms for construction are about 2 to 3 months after inspection of construction depending on the construction contracts or individual agreements.

D. Payables to related parties

Notes payable

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Entities controlled by key management or entities with significant influence	\$ 5,789	\$ 3,897	\$ 3,802
Other related parties	-	-	242
Associate	<u>115</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 5,904</u>	<u>\$ 3,897</u>	<u>\$ 4,044</u>

Accounts payable

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Entities controlled by key management or entities with significant influence	\$ 4,844	\$ 5,453	\$ 3,749
Other related parties	<u>4,346</u>	<u>79</u>	<u>2,613</u>
Total	<u>\$ 9,190</u>	<u>\$ 5,532</u>	<u>\$ 6,362</u>

The payment terms to related parties and third parties are about 2 to 3 months after inspection of purchases. The payment terms for outsourcing construction costs are about 2 months after inspection of construction, depending on normal construction contracts or individual agreements.

E. Property transactions

For the three months and nine months ended September 30, 2021 and 2020, the Group has acquired computer equipment from entities controlled by key management and the acquisition price was \$9,178, \$2,611, \$14,885 and \$10,648 (recorded as ‘property, plant and equipment’ and ‘intangible assets’), respectively.

F. Lease transactions — lessee

(a) The Group leases plants and offices from Chung-Hsin Precision Machinery Co., Ltd. Rental contracts are typically made for periods from September 1, 2021 to August 31, 2024, and rents are paid quarterly. Leased assets are not allowed to be used illegally, store hazardous materials or be used in any purpose which may be harmful to the environment and public safety. Without obtaining approval from lessors, all or certain leased assets cannot be subleased, lent or granted in any different form to third parties or the lease right of all or certain leased assets can not be transferred to third parties.

(b) Acquisition of right-of-use assets:

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties	<u>\$ 9,039</u>	<u>\$ -</u>
	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties	<u>\$ 9,039</u>	<u>\$ -</u>

(d) Lease liabilities (including current and non-current)

(i) Outstanding balance:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Other related parties	<u>\$ 9,000</u>	<u>\$ -</u>	<u>\$ -</u>

(ii) Interest expense

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

(4) Key management compensation

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Salaries and other short-term employee benefits	<u>\$ 44,273</u>	<u>\$ 34,856</u>
	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Salaries and other short-term employee benefits	<u>\$ 123,941</u>	<u>\$ 98,362</u>

8. PLEGDED ASSETS

Details of the book value of the Group's assets pledged as collateral are as follows:

<u>Pledged asset</u>	<u>Book value</u>			<u>Purpose</u>
	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>	
Financial assets at amortised cost-restricted time deposits (recorded as 'other current assets' and 'other non-current assets')	\$ 87,488	\$ 83,542	\$ 93,165	Performance guarantee and other guarantee
Guarantee deposits paid (recorded as 'other current assets' and 'other non-current assets')	174,865	146,593	170,218	Bid bond, performance guarantee and warranty
Buildings and structures (recorded as 'property, plant and equipment')	12,014	12,963	12,884	Guarantee for bank's borrowing facility
	<u>\$ 274,367</u>	<u>\$ 243,098</u>	<u>\$ 276,267</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

As of September 30, 2021, the notes and letters of guarantee used for construction performance and custom security amounted to \$2,767,920.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

There was no significant change in the reporting period. Please refer to Note 12 in the consolidated financial statements as of and for the year ended December 31, 2020.

(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 measured at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 863,678	\$ 675,967	\$ 641,669
Financial assets at amortised cost			
/ Loans and receivables			
Cash and cash equivalents	2,804,010	2,992,379	3,029,481
Notes receivable	156,248	50,671	38,544
Accounts receivable (including related parties)	4,380,796	3,830,018	4,697,680
Other accounts receivable	19,394	14,002	18,948
Restricted time deposits (recorded as 'other current assets' and 'other non-current assets')	87,488	83,542	93,165
Guarantee deposits paid (recorded as 'other current assets' and 'other non-current assets')	212,011	184,351	227,852
	<u>\$ 8,523,625</u>	<u>\$ 7,830,930</u>	<u>\$ 8,747,339</u>
<u>Financial liabilities</u>			
Financial liabilities measured at fair value through profit or loss			
Short-term borrowings	\$ 3,771,286	\$ 1,474,800	\$ 3,413,102
Notes payable (including related parties)	1,712,097	1,155,932	1,051,485
Accounts payable (including related parties)	4,620,531	4,103,846	3,764,428
Other accounts payable	578,042	651,328	451,125
Bonds payable	1,466,597	1,455,438	-
Long-term borrowings	200,000	200,000	200,000
Guarantee deposits received (recorded as 'other non-current liabilities')	78	79	78
	<u>\$ 12,348,631</u>	<u>\$ 9,041,423</u>	<u>\$ 8,880,218</u>
Lease liabilities	<u>\$ 1,103,445</u>	<u>\$ 980,425</u>	<u>\$ 990,476</u>

B. Financial risk management policies

There was no significant change in the reporting period. Please refer to Note 12 in the consolidated financial statements as of and for the year ended December 31, 2020.

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, RMB, JPY and EUR. Exchange rate risk arises from

future commercial transactions and recognized assets and liabilities.

- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency.
- 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, SGD, IDR, and VND). 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)	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	\$ 71,087	27.85	\$ 1,979,787	1%	\$ 19,798	\$ -
USD : RMB	17,061	6.4694	475,142	1%	4,751	-
USD : SGD	1,541	1.3605	42,910	1%	429	-
EUR : NTD	17,157	32.32	554,498	1%	5,545	-
JPY : NTD	580,782	0.2490	144,615	1%	1,446	-
JPY : RMB	627,931	0.0578	156,355	1%	1,564	-
USD : IDR	1,156	14,066	32,184	1%	322	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : NTD	\$ 10,517	27.85	\$ 292,896	1%	\$ 2,929	\$ -
USD : RMB	10,124	6.4694	281,952	1%	2,820	-
USD : VND	3,000	23,017	83,550	1%	836	-
USD : SGD	1,269	1.3605	35,346	1%	353	-
JPY : NTD	572,678	0.2490	142,597	1%	1,426	-

December 31, 2020

	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	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	\$ 65,271	28.48	\$ 1,858,928	1%	\$ 18,589	\$ -
USD : RMB	23,756	6.5069	676,578	1%	6,766	-
USD : VND	1,495	25,658	42,580	1%	426	-
EUR : NTD	12,359	35.02	432,812	1%	4,328	-
JPY : NTD	1,240,834	0.2763	342,842	1%	3,428	-
JPY : RMB	244,770	0.0631	67,630	1%	676	-
USD : IDR	1,154	14,030	32,867	1%	329	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : NTD	\$ 18,234	28.48	\$ 519,309	1%	\$ 5,193	\$ -
USD : RMB	9,229	6.5069	262,847	1%	2,628	-
USD : SGD	3,308	1.3210	94,220	1%	942	-
JPY : NTD	1,070,608	0.2763	295,809	1%	2,958	-

September 30, 2020

	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	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	\$ 68,949	29.10	\$ 2,006,411	1%	\$ 20,064	\$ -
USD : RMB	23,190	6.8168	674,843	1%	6,748	-
USD : KRW	1,360	1,159	39,564	1%	396	-
EUR : NTD	10,978	34.15	374,913	1%	3,749	-
JPY : NTD	1,475,086	0.2756	406,534	1%	4,065	-
JPY : RMB	139,140	0.0646	38,347	1%	383	-
USD : IDR	1,161	33,799	33,799	1%	338	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : NTD	\$ 14,981	29.10	\$ 435,961	1%	\$ 4,360	\$ -
USD : RMB	9,002	6.8168	261,950	1%	2,620	-
JPY : NTD	231,197	0.2756	63,718	1%	637	-

- iv. The total exchange 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 were \$8,773, \$25,581, \$66,938 and \$31,535, respectively.

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss. 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 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, post-tax profit for the nine months ended September 30, 2021 and 2020 would have increased/decreased by \$8,320 and \$4,377, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from bank borrowings with variable rates, which expose the Group to cash flow interest rate risk. For the nine months ended September 30, 2021 and 2020, the Group's borrowings at variable rate were mainly denominated in NTD, USD, SGD and RMB.
- ii. The Group's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- iii. If the borrowing interest rate of NTD, USD, SGD and RMB had increased/decreased by 1% with all other variables held constant, profit, net of tax for the nine months ended September 30, 2021 and 2020 would have decreased/increased by \$31,770 and \$28,905, respectively. The main factor is that changes in interest expense result from 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. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of excellence are accepted. According to the Group's credit policy, 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. The Group adopts the following assumption 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 are past due over 30 days based on the terms, there is a significant increase in credit risk on that instrument since initial recognition.
 - iv. The Group considers the historical experience and industrial characteristics, whereby a default occurs when the sale and construction contract payments are past due over 1 to 2 years in line with credit risk management procedure.
 - 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 reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
 - vi. The Group classifies customers' accounts receivable in accordance with customer types. The Group applies the simplified approach using a provision matrix based on the loss rate methodology to estimate expected credit loss.
 - vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On September 30, 2021, December 31, 2020 and September 30, 2020, the Group has no written-off financial assets that are still under recourse procedures.
 - viii. The Group used the forecast ability of global boom information to adjust historical and timely information to assess the default possibility of notes and accounts receivable (including related parties). On September 30, 2021, December 31, 2020 and September 30, 2020, the provision matrix and loss rate methodology are as follows:

(i) Accounts receivable in relation to construction

<u>September 30, 2021</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0%~1.1049%	\$ 1,583,368	\$ 3,908
Up to 90 days	0%~6.5485%	101,914	2,747
91 to 180 days	0%~8.5932%	122,941	7,131
181 to 365 days	0%~12.1968%	92,951	8,615
1 to 2 years	0%~69.7984%	126,748	12,318
Over 2 years	100%	98,677	98,677
Total		<u>\$ 2,126,599</u>	<u>\$ 133,396</u>

<u>December 31, 2020</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0%~0.0339%	\$ 1,144,550	\$ 95
Up to 90 days	0%~0.2691%	243,615	350
91 to 180 days	0%~0.3458%	120,984	165
181 to 365 days	0%~0.5602%	101,777	463
1 to 2 years	0%~47.4740%	178,373	3,099
Over 2 years	100%	125,419	125,419
Total		<u>\$ 1,914,718</u>	<u>\$ 129,591</u>

<u>September 30, 2020</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0%~0.0339%	\$ 1,802,227	\$ 71
Up to 90 days	0%~0.2691%	213,533	198
91 to 180 days	0%~0.3458%	104,249	355
181 to 365 days	0%~0.5602%	177,093	518
1 to 2 years	0%~47.4740%	195,720	5,070
Over 2 years	100%	135,731	135,731
Total		<u>\$ 2,628,553</u>	<u>\$ 141,943</u>

(ii) Accounts receivable in relation to sales

<u>September 30, 2021</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0%~8.9141%	\$ 1,746,408	\$ 1,200
Up to 90 days	0%~12.5939%	271,105	1,688
91 to 180 days	0%~30.4980%	61,305	6,659
181 to 365 days	0%~84.1454%	45,268	13,150
Over 365 days	100%	80,701	80,701
Total		<u>\$ 2,204,787</u>	<u>\$ 103,398</u>

<u>December 31, 2020</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0%~0.1322%	\$ 1,533,931	\$ 1,562
Up to 90 days	0%~10.6044%	176,059	2,750
91 to 180 days	0%~22.4121%	21,932	311
181 to 365 days	0%~37.6091%	8,394	2,231
Over 365 days	100%	72,854	72,854
Total		<u>\$ 1,813,170</u>	<u>\$ 79,708</u>

<u>September 30, 2020</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0%~0.1322%	\$ 1,700,471	\$ 1,836
Up to 90 days	0%~10.6044%	202,274	2,805
91 to 180 days	0%~22.4121%	4,080	162
181 to 365 days	0%~64.9864%	40,913	7,250
Over 365 days	100%	81,381	81,381
Total		<u>\$ 2,029,119</u>	<u>\$ 93,434</u>

(iii) Based on historical experience, the Group applies individual assessment to evaluate expected credit loss of the high-credit risk customers. On September 30, 2021, December 31, 2020 and September 30, 2020, accounts receivable and loss allowance amounted to \$447,666, \$543,820 and \$582,747 and \$413,688, \$475,123 and \$511,605, respectively.

(iv) Due to the expected insignificant impairment, the Group applies individual assessment to evaluate expected credit loss of receivables due from construction warranties and notes receivable. On September 30, 2021, December 31, 2020 and September 30, 2020, notes and accounts receivable and loss allowance amounted to \$408,565 and \$91, \$293,494 and \$91, \$242,878 and \$91, respectively.

ix. Movements in relation to the Group applying the simplified approach to provide loss allowance for notes and accounts receivable (including related parties) are as follows:

	<u>2021</u>	<u>2020</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
At January 1	\$ 684,513	\$ 605,847
Provision for impairment	12,888	161,939
Write-offs	(33,811)	(13,586)
Effect of foreign exchange	(13,017)	(7,127)
At September 30	<u>\$ 650,573</u>	<u>\$ 747,073</u>

For provisioned loss for the nine months ended September 30, 2021 and 2020, the impairment loss arising from customers' contracts are \$12,888 and \$161,939, respectively.

(c) Liquidity risk

- i. The Group invests in financial assets measured at fair value through profit or loss in active markets, so it expects to sell the financial assets in markets with prices approximate to fair value. Financial assets at cost are not traded in active markets, thus, liquidity risk is expected. However, the Group's operating capital is sufficient to fulfill the Group's capital needs and it does not expect significant liquidity risk.
- ii. The Group has no undrawn borrowing facilities.
- iii. The table below analyses the Group's non-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.

Non-derivative financial liabilities

<u>September 30, 2021</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 3,782,549	\$ -	\$ -	\$ -
Notes payable (including related parties)	1,712,097	-	-	-
Accounts payable (including related parties)	4,620,531	-	-	-
Other payables	578,042	-	-	-
Bonds payable	-	-	1,500,000	-
Long-term borrowings	1,763	200,441	-	-
Lease liabilities	122,782	97,508	164,698	1,061,087

Non-derivative financial liabilities

<u>December 31, 2020</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 1,480,489	\$ -	\$ -	\$ -
Notes payable (including related parties)	1,155,932	-	-	-
Accounts payable (including related parties)	4,103,846	-	-	-
Other payables	651,328	-	-	-
Bonds payable	-	-	1,500,000	-
Long-term borrowings	1,756	200,439	-	-
Lease liabilities	107,654	81,837	153,747	950,398

Non-derivative financial liabilities

<u>September 30, 2020</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 3,422,620	\$ -	\$ -	\$ -
Notes payable (including related parties)	1,051,485	-	-	-
Accounts payable (including related parties)	3,764,428	-	-	-
Other payables	451,125	-	-	-
Long-term borrowings	1,748	200,437	-	-
Lease liabilities	107,962	82,260	156,400	960,014

(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.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

Except for financial assets at fair value through profit or loss, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables, restricted time deposits (recorded as other current and non-current assets), guarantee deposits paid (recorded as other current and non-current assets), short-term borrowings, notes payable (including related parties), accounts payable (including related parties), other payables, lease liabilities, bonds payable, long-term borrowings and guarantee deposits received (recorded as other non-current liabilities) are approximate to their fair values.

C. The related information on financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets are as follows:

(a) The related information on the nature of the assets is as follows:

<u>September 30, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value				
through profit or loss				
Equity securities	\$ 283,204	\$ -	\$ 548,799	\$ 832,003
Private funds	-	-	30,325	30,325
Hybrid instruments	-	-	1,350	1,350
Total	<u>\$ 283,204</u>	<u>\$ -</u>	<u>\$ 580,474</u>	<u>\$ 863,678</u>
<u>December 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value				
through profit or loss				
Equity securities	\$ 168,376	\$ -	\$ 490,304	\$ 658,680
Private funds	-	-	8,970	8,970
Hybrid instruments	-	-	8,317	8,317
Total	<u>\$ 168,376</u>	<u>\$ -</u>	<u>\$ 507,591</u>	<u>\$ 675,967</u>
<u>September 30, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value				
through profit or loss				
Equity securities	\$ 123,040	\$ -	\$ 481,618	\$ 604,658
Private funds	-	-	7,801	7,801
Hybrid instruments	-	-	29,210	29,210
Total	<u>\$ 123,040</u>	<u>\$ -</u>	<u>\$ 518,629</u>	<u>\$ 641,669</u>

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

Instruments which use market quoted prices as their fair value (that is, Level 1), are using the closing prices of listed shares as market quoted prices based on characteristics of the instruments.

D. For the nine months ended September 30, 2021 and 2020, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the nine months ended September 30, 2021 and 2020:

	2021		2020	
	Equity instruments	Hybrid instruments	Equity instruments	Hybrid instruments
At January 1	\$ 499,274	\$ 8,317	\$ 477,378	\$ 33,043
Acquired during the period	42,544	-	27,582	16,789
Sold during the period	(3,449)	-	(10,750)	-
Gains and losses recognized in profit or loss (Note)	<u>40,755</u>	<u>(6,967)</u>	<u>(4,791)</u>	<u>(20,622)</u>
At September 30	<u>\$ 579,124</u>	<u>\$ 1,350</u>	<u>\$ 489,419</u>	<u>\$ 29,210</u>

Movement of unrealized gain or loss in profit or loss of assets and liabilities held as at end of the period (Note)	<u>\$ 40,755</u>	<u>(\$ 6,967)</u>	<u>(\$ 4,790)</u>	<u>(\$ 20,622)</u>
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Note: Recorded as non-operating income and expense.

- F. For the nine months ended September 30, 2021 and 2020, there was no transfer into or out from Level 3.
- G. Investment strategies segment is in charge of valuation procedures for fair value measurements being categorized 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, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.
- H. The following is the qualitative information on 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	\$ 522,092	Market comparable companies	Note 1	Not applicable	Note 2
Venture capital shares and private funds	57,032	Net asset value	Not applicable	Not applicable	Not applicable
Hybrid instrument:					
Convertible bond – call provision	1,350	Binomial tree pricing model	Volatility	38.17% ~51.72%	The higher the stock price volatility, the higher 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	\$ 459,838	Market comparable companies	Note 1	Not applicable	Note 2
Venture capital shares and private funds	39,436	Net asset value	Not applicable	Not applicable	Not applicable
Hybrid instrument:					
Convertible bond – call provision	3,450	Binomial tree pricing model	Volatility	50.09%	The higher the stock price volatility, the higher the fair value
Convertible bond	4,867	Market comparable companies	Note 1	Not applicable	Note 2

	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	\$ 451,152	Market comparable companies	Note 1	Not applicable	Note 2
Venture capital shares and private funds	38,267	Net asset value	Not applicable	Not applicable	Not applicable
Hybrid instrument:					
Convertible bond	29,210	Market comparable companies	Note 1	Not applicable	Note 2

Note 1: Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability.

Note 2: The higher the multiple and control premium, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value.

- I. 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. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

		September 30, 2021					
				Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change	
Financial assets							
Equity instruments and beneficiary certificates	Stock price and fair value	± 10%	\$ 57,912	(\$ 57,912)	\$ -	\$ -	
Convertible bond - call provision	Stock price	± 10%	30	(40)	-	-	
Convertible bond - call provision	Volatility	± 5%	30	(50)	-	-	
Total			\$ 57,972	(\$ 58,002)	\$ -	\$ -	

				December 31, 2020			
				Recognized in profit or loss		Recognized in other comprehensive income	
		Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets							
Equity instruments and beneficiary certificates	Stock price and fair value		± 10%	\$ 49,927	(\$ 49,927)	\$ -	\$ -
Convertible bond - call provision	Volatility		± 5%	100	(10)	-	-
Total				<u>\$ 50,027</u>	<u>(\$ 49,937)</u>	<u>\$ -</u>	<u>\$ -</u>

				September 30, 2020			
				Recognized in profit or loss		Recognized in other comprehensive income	
		Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets							
Equity instruments and beneficiary certificates	Stock price and fair value		± 10%	\$ 48,942	(\$ 48,942)	\$ -	\$ -

(4) Evaluation of the impact of Covid-19

For the impact of Covid-19 pandemic and the government's multiple pandemic prevention programs, as of September 30, 2021, the pandemic and related prevention programs have no significant impact on the Group's operations based on the Group's assessment. Meanwhile, in order to prevent the spread of the pandemic, the Group has taken countermeasures and continues to manage related matters.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- 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 and associates): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding NT\$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: None.

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

J. Significant inter-company transactions during the reporting periods: Please refer to table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 5.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 4.

(4) Major shareholders information

Major shareholders information: Please refer to table 7.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Chief Operating Decision-Maker that are used to make strategic decisions.

The Group is divided into the following 4 segments:

A. Agency for equipment materials segment: mainly engaged in semiconductor, optoelectronics and other high-tech industrial processing and trading, distribution, after-sale service and technical support of factory equipment and its materials, chemicals and parts.

B. Process system and mechatronic system service segment: mainly contracting electrical, clean room, peripheral system facilities and process, engaged in lump sum contracts, providing integrated services consisting of planning, design, construction, supervision, installation, testing, operational consulting, maintenance and repair for gas, automatic supply system of chemicals, special gas and factory monitor system. Services for general industries such as petrochemical plant, conventional industry plant, mechatronic system for intelligent buildings.

C. Customized equipment manufacturing segment: mainly engaged in research and development of customized automation equipment and process based on request of customers in semiconductor, optoelectronics and traditional industry.

D. Other segments: mainly providing repair, cleaning and renewal services to customers' equipment and device in semiconductor, optoelectronics and traditional industry.

(2) Measurement of segment information

Management evaluates the performance of the operating segments based on their operational efficiency. The Group's Chief Operating Decision-Maker allocates resources and assesses performance of the operating segments based on the measurement and it is measured in a manner consistent with operating income in the consolidated statement of comprehensive income. There is no material change in the operating segments' accounting policies and accounting estimates and assumptions.

(3) Segment profit information

The segment information provided to the Chief Operating Decision-Maker for the reportable segments for the nine months ended September 30, 2021 and 2020 is as follows:

	Nine months ended September 30, 2021				
	<u>Sales and services for equipment materials segment</u>	<u>Facility system and mechanic & electric system service segment</u>	<u>Customized equipment manufacturing segment</u>	<u>Other segments</u>	<u>Total</u>
Revenue from external customers					
Sales and services of high-tech equipment	\$ 4,011,534	\$ 1,472,579	\$ 293	\$ 1,178	\$ 5,485,584
R&D and manufacturing of customized equipment	-	-	6,332,007	-	6,332,007
Automatic supplying system	36,806	6,152,782	-	-	6,189,588
Total Facility Engineering Turnkey Project	-	4,941,836	-	-	4,941,836
	<u>\$ 4,048,340</u>	<u>\$ 12,567,197</u>	<u>\$ 6,332,300</u>	<u>\$ 1,178</u>	<u>\$ 22,949,015</u>
Inter-segment revenue	<u>244,783</u>	<u>122,504</u>	<u>9,310</u>	<u>3,341</u>	<u>379,938</u>
Total segment revenue	<u>\$ 4,293,123</u>	<u>\$ 12,689,701</u>	<u>\$ 6,341,610</u>	<u>\$ 4,519</u>	<u>\$ 23,328,953</u>
Segment profit (loss)	<u>\$ 445,283</u>	<u>\$ 387,188</u>	<u>\$ 395,279</u>	<u>(\$ 4,093)</u>	<u>\$ 1,223,657</u>
Segment profit including:					
Depreciation and amortisation	<u>\$ 30,997</u>	<u>\$ 83,457</u>	<u>\$ 155,541</u>	<u>\$ 2,556</u>	<u>\$ 272,551</u>

Nine months ended September 30, 2020					
	Sales and services for equipment materials segment	Facility system and mechanic & electric system service segment	Customized equipment manufacturing segment	Other segments	Total
Revenue from external customers					
Sales and services of high-tech equipment	\$ 3,729,315	\$ 1,407,180	\$ 43	\$ 122	\$ 5,136,660
R&D and manufacturing of customized equipment	-	-	5,500,588	-	5,500,588
Automatic supplying system	22,958	3,982,424	-	-	4,005,382
Total Facility Engineering Turnkey Project	-	3,281,697	-	-	3,281,697
	<u>\$ 3,752,273</u>	<u>\$ 8,671,301</u>	<u>\$ 5,500,631</u>	<u>\$ 122</u>	<u>\$ 17,924,327</u>
Inter-segment revenue	111,477	158,066	26,120	3,292	298,955
Total segment revenue	<u>\$ 3,863,750</u>	<u>\$ 8,829,367</u>	<u>\$ 5,526,751</u>	<u>\$ 3,414</u>	<u>\$ 18,223,282</u>
Segment profit (loss)	<u>\$ 409,572</u>	<u>\$ 84,766</u>	<u>\$ 415,809</u>	<u>(\$ 3,620)</u>	<u>\$ 906,527</u>
Segment profit including: Depreciation and amortisation	<u>\$ 25,937</u>	<u>\$ 65,485</u>	<u>\$ 147,611</u>	<u>\$ 2,792</u>	<u>\$ 241,825</u>

(4) Reconciliation for segment income (loss)

Sales and services between segments are carried out at arm's length. The revenue and financial information from external customers reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income. A reconciliation of reportable segment income or loss to the income before tax from continuing operations for the nine months ended September 30, 2021 and 2020 is provided as follows:

	Nine months ended September 30,	
	2021	2020
Reportable segments income	\$ 1,227,750	\$ 910,147
Other reportable segments loss	(4,093)	(3,620)
Total segments	1,223,657	906,527
Other gains and losses	138,674	43,964
Finance costs	(41,642)	(53,321)
Income before tax from continuing operations	<u>\$ 1,320,689</u>	<u>\$ 897,170</u>

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES

Loans to others

For the nine months ended September 30, 2021

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the nine months ended September 30, 2021 (Note 3)	Balance at September 30, 2021 (Note 8)	Actual amount drawn down	Interest rate (%)	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
0	Marketech International Corp.	Marketech Integrated Pte. Ltd.	Other receivables	Y	\$ 49,490	\$ 27,850	\$ 27,850	4.366	Short-term financing	\$ -	Operations	\$ -	None	\$ -	\$ 2,626,116	\$ 2,626,116	Note 7
0	Marketech International Corp.	Marketech International Sdn. Bhd.	Other receivables	Y	76,085	55,700	27,850	4.366	Short-term financing	-	Operations	-	None	-	2,626,116	2,626,116	Note 7
0	Marketech International Corp.	MIC-Tech Viet Nam Co., Ltd.	Other receivables	Y	166,500	111,440	83,550	4.366	Short-term financing	-	Operations	-	None	-	2,626,116	2,626,116	Note 7
1	MIC-Tech Electronics Engineering Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	Other receivables	Y	65,473	25,829	25,829	4.350	Short-term financing	-	Operations	-	None	-	235,590	471,180	Note 7
1	MIC-Tech Electronics Engineering Corp.	Fuzhou Jiwei System Integrated Co., Ltd.	Other receivables	Y	4,344	2,152	2,152	4.350	Short-term financing	-	Operations	-	None	-	471,180	471,180	Note 7
2	MIC-Tech (Shanghai) Corp.	MIC-Tech China Trading (Shanghai) Co., Ltd.	Other receivables	Y	26,063	12,915	12,915	4.350	Short-term financing	-	Operations	-	None	-	459,552	459,552	Note 7
2	MIC-Tech (Shanghai) Corp.	MIC-Tech (WuXi) Co., Ltd.	Other receivables	Y	43,839	-	-	-	Short-term financing	-	Operations	-	None	-	459,552	459,552	Note 7
3	Marketech Integrated Manufacturing Company Limited	Marketech Integrated Construction Co., Ltd.	Other receivables	Y	7,134	4,178	4,178	7.000	Short-term financing	-	Operations	-	None	-	91,678	183,357	Note 7
4	Marketech Co., Ltd.	MIC-Tech Viet Nam Co., Ltd.	Other receivables	Y	9,600	-	-	-	Short-term financing	-	Operations	-	None	-	11,731	11,731	Note 7

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Fill in the name of account in which the loans are recognised, such as receivables-related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the maximum outstanding balance of loans to others during the nine months ended September 30, 2021.

Note 4: The column of 'Nature of loan' shall fill in 'Business transaction or 'Short-term financing'.

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: Fill in limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company's "Procedures for Provision of Loans", and state each individual party to which the loans have been provided and the calculation for ceiling on total loans granted in the footnote.

The Company's ceiling on loans to others are as follows:

(1) Limit on the total loans to others provided by the Company is 40% of the net assets based on the Company's latest financial statements.

(2) Limit on the loans provided by the Company granted for a single party are as follows:

- (2-1) Limit on loans to a single party with business transactions is the higher value of purchasing and selling during current year on the year of financing, and can't exceed the total business transactions amount within 12 month.
- (2-2) For short-term financing, limit on loans granted for a single party is 40% of the net assets based on the latest financial statements of the lending companies. The amount of loans to a single party is the accumulated balance of the lending company's short-term financing for single party.

Limit on the loans provided by the Company's mainland subsidiaries:

(1) Limit on the total loans to others provided by the Company's mainland subsidiaries is 80% of the net assets based on the latest financial statements of the lending companies.

(2) Limit on the loans provided by the Company's mainland subsidiaries granted for a single party are as follows:

- (2-1) Limit on loans to a single party with business transactions is the higher value of purchasing and selling during current year on the year of financing, and can't exceed the total business transactions amount within 12 month.
- (2-2) For short-term financing between the Company's mainland subsidiary and the foreign companies which the ultimate parent company holds 100% of the voting rights directly or indirectly, limit on loans granted for a single party is 80% of the net assets based on the latest financial statements of the lending companies.
- (2-3) For short-term financing between the Company's mainland subsidiaries and aforementioned associates, limit on loans granted for a single party is 40% of the net assets based on the latest financial statements of the lending companies. The amount of loans to a single party is the accumulated balance of the lending company's short-term financing for single party.

Limit on the loans provided by the Company's Vietnam subsidiaries:

(1) Limit on the total loans to others provided by the Company's Vietnam subsidiaries is 80% of the net assets based on the latest financial statements of the lending companies.

(2) Limit on the loans provided by the Company's Vietnam subsidiaries granted for a single party are as follows:

- (2-1) Limit on loans to a single party with business transactions is the higher value of purchasing and selling during current year on the year of financing, and can't exceed the total business transactions amount within 12 month.
- (2-2) For short-term financing between the Company's Vietnam subsidiary and the foreign companies which the ultimate parent company holds 100% of the voting rights directly or indirectly, limit on loans granted for a single party is 80% of the net assets based on the latest financial statements of the lending companies.
- (2-3) For short-term financing between the Company's Vietnam subsidiaries and aforementioned associates, limit on loans granted for a single party is 40% of the net assets based on the latest financial statements of the lending companies. The amount of loans to a single party is the accumulated balance of the lending company's short-term financing for single party.

Limit on the loans provided by the Company's Myanmar subsidiaries:

(1) Limit on the total loans to others provided by the Company's Myanmar subsidiaries is 80% of the net assets based on the latest financial statements of the lending companies.

(2) Limit on the loans provided by the Company's Myanmar subsidiaries granted for a single party are as follows:

- (2-1) Limit on loans to a single party with business transactions is the higher value of purchasing and selling during current year on the year of financing, and can't exceed the total business transactions amount within 12 month.
- (2-2) For short-term financing between the Company's Myanmar subsidiary and the foreign companies which the ultimate parent company holds 100% of the voting rights directly or indirectly, limit on loans granted for a single party is 80% of the net assets based on the latest financial statements of the lending companies.
- (2-3) For short-term financing between the Company's Myanmar subsidiaries and aforementioned associates, limit on loans granted for a single party is 40% of the net assets based on the latest financial statements of the lending companies. The amount of loans to a single party is the accumulated balance of the lending company's short-term financing for single party.

Note 8: The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14, Item 1 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment.

In addition, if the board of directors of a public company has authorized the chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
Provision of endorsements and guarantees to others
For the nine months ended September 30, 2021

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 4)	Maximum outstanding endorsement/ guarantee amount as of September 30, 2021 (Note 5)	Outstanding endorsement/ guarantee amount at September 30, 2021 (Note 6)	Actual amount drawn down (Note 7)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 4)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 8)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 8)	Provision of endorsements/ guarantees to the party in Mainland China (Note 8)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	Marketech International Corp.	Marketech Integrated Pte. Ltd.	2	\$ 3,282,645	\$ 17,131	\$ 15,438	\$ 3,731	\$ -	0.24%	\$ 6,565,290	Y	N	N	Note 4
0	Marketech International Corp.	MIC-Tech (Shanghai) Corp.	2	3,282,645	859,442	602,640	390	-	9.18%	6,565,290	Y	N	Y	Note 4
0	Marketech International Corp.	MIC-Tech (WuXi) Co., Ltd.	2	3,282,645	347,506	277,744	217,453	-	4.23%	6,565,290	Y	N	Y	Note 4
0	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	2	3,282,645	1,781,943	1,327,642	446,287	-	20.22%	6,565,290	Y	N	Y	Note 4
0	Marketech International Corp.	Shanghai Maohua Electronics Engineering Co.,Ltd.	2	3,282,645	318,971	300,071	168,937	-	4.57%	6,565,290	Y	N	Y	Note 4
0	Marketech International Corp.	Marketech International Sdn. Bhd.	2	3,282,645	227,840	167,100	36,251	-	2.55%	6,565,290	Y	N	N	Note 4
0	Marketech International Corp.	eZoom Information, Inc.	2	3,282,645	60,000	60,000	-	-	0.91%	6,565,290	Y	N	N	Note 4
0	Marketech International Corp.	Te Chang Construction Co., Ltd.	5	3,282,645	174,000	174,000	65,248	-	2.65%	6,565,290	N	N	N	Note 4
0	Marketech International Corp.	Marketech International Corporation USA	2	3,282,645	1,000,000	1,000,000	1,000,000	-	15.23%	6,565,290	Y	N	N	Note 4
1	MIC-Tech Electronics Engineering Corp.	Marketech International Corp.	3	1,766,925	482,670	471,083	471,083	-	79.98%	2,944,875	N	Y	N	Note 4
1	MIC-Tech Electronics Engineering Corp.	MIC-Tech (WuXi) Co., Ltd.	4	1,766,925	8,570	8,416	8,416	-	1.43%	2,944,875	N	N	Y	Note 4
1	MIC-Tech Electronics Engineering Corp.	MIC-Tech Viet Nam Co., Ltd.	4	1,766,925	413,406	413,406	413,406	-	70.19%	2,944,875	N	N	N	Note 4
1	MIC-Tech Electronics Engineering Corp.	The Fourth Construction Co., Ltd. of China Electronics System Engineering	5	1,766,925	808,756	794,182	771,905	-	134.84%	2,944,875	N	N	Y	Note 4
2	Marketech Co., Ltd.	MIC-Tech Viet Nam Co., Ltd.	4	146,640	126,166	-	-	-	-	146,640	N	N	N	Note 4

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's "Procedures for Provision of Endorsements and Guarantees", and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

Note 4: Limit on endorsements and guarantees stated in "Regulations Governing Lending of Funds and Making of Endorsements/ Guarantees by Public Companies":

- (1) In accordance with mutual guarantee requirement in the same industry for contracting constructions, limit on the total amount is 5 times of the Company's net assets.
- (2) Except for guarantees for contracting constructions, limit on the Company's accumulated endorsement/guarantee is the Company's net assets; limit on endorsement/guarantee to a single party is 50% of the Company's net assets. Limit on the total endorsement/guarantee of the Company and its subsidiaries as a whole is 1.5 times of the Company's net assets; limit on endorsement/guarantee to a single party is 75% of the Company's net assets.

Limit on endorsements and guarantees of the Company's mainland subsidiaries:

- (1) In accordance with mutual guarantee requirement in the same industry or the common builders for contracting constructions, or provision of endorsements and guarantees for joint ventures from shareholders in proportion to shareholding ratio, limit on the total amount is 5 times of the net assets of the endorser/guarantor on endorsement/guarantee to a single party is three times of the net assets of the endorser/guarantor.
- (2) Except for (1), the Group follows standards of endorsements and guarantees as below:
 - (2-1) Total amount: (2-1-1) Limit on the accumulated endorsements and guarantees is 5 times of the net assets of the endorser/guarantor;
 - (2-1-2) Limit on endorsements and guarantees to a company of which the endorser company and the Company directly or indirectly holds 90%, should meet the requirement in (2-1-1) and may not exceed 10% of the ultimate parent's net assets.
 - (2-1-3) Total endorsements and guarantees of the endorser/guarantor and its subsidiaries are limited to 5 times of the net assets of the endorser/guarantor.
 - (2-2) Limit on endorsement/guarantee to a single party
 - (2-2-1) For the companies having business relationship with the endorser/guarantor and thus being provided endorsements/guarantees, limit on endorsements to a single party is the total value of business transactions within past 12 months.
(the value of business transactions is the higher of purchase or sales)
 - (2-2-2) Limit on endorsement/guarantee to a single party who having business relationship with the Group is 3 times of the net assets of the endorser/guarantor.

Limit on endorsements and guarantees of the Company's Vietnam subsidiaries:

- (1) In accordance with mutual guarantee requirement in the same industry or the common builders for contracting constructions, or provision of endorsements and guarantees for joint ventures from shareholders in proportion to shareholding ratio, limit on the total amount is 5 times of the net assets of the endorser/guarantor on endorsement/guarantee to a single party is three times of the net assets of the endorser/guarantor.
- (2) Except for (1), the Group follows standards of endorsements and guarantees as below:
 - (2-1) Total amount: (2-1-1) Limit on the accumulated endorsements and guarantees is 10 times of the net assets of the endorser/guarantor;
 - (2-1-2) Limit on endorsements and guarantees to a company of which the endorser company and the Company directly or indirectly holds 90%, should meet the requirement in (2-1-1) and may not exceed 10% of the ultimate parent's net assets.
 - (2-1-3) Total endorsements and guarantees of the endorser/guarantor and its subsidiaries are limited to 10 times of the net assets of the endorser/guarantor.
 - (2-2) Limit on endorsement/guarantee to a single party
 - (2-2-1) For the companies having business relationship with the endorser/guarantor and thus being provided endorsements/guarantees, limit on endorsements to a single party is the total value of business transactions within past 12 months.
(the value of business transactions is the higher of purchase or sales)
 - (2-2-2) Limit on endorsement/guarantee to a single party who having business relationship with the Group is 10 times of the net assets of the endorser/guarantor.

Note 5: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 6: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorised by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 7: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 8: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
For the nine months ended September 30, 2021

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

					As of September 30, 2021					
Securities held by	Type of marketable securities	Name of marketable securities (Note 1)	Relationship with the securities issuer	General ledger account	Number of shares	Book value (Note 2)	Ownership (%)	Fair value	Collateral	Footnote
Marketech International Corp.	Ordinary shares	Lasertec Corporation	None	Financial assets measured at fair value through profit or loss - current	40,000	\$ 254,877	-	\$ 254,877	None	
"	"	Aerospace Industrial Development Corp.	"	"	50,925	1,456	-	1,456	"	
						<u>\$ 256,333</u>		<u>\$ 256,333</u>		
"	Ordinary shares	Taiwan Colour & Imaging Technology Corp.	None	Financial assets measured at fair value through profit or loss - non-current	1,700,000	-	12.15%	-	None	
"	"	Chung-Hsin Electric and Machinery Manufacturing Corp.	"	"	581,000	26,871	0.12%	26,871	"	
"	"	WINGS GLOBAL TECHNOLOGY INC.	"	"	750,000	8,333	18.75%	8,333	"	
"	"	Promos Technologies, Inc.	"	"	250,331	-	0.56%	-	"	
"	"	Taiwan Puritic Corp.	"	"	5,636,181	274,813	9.27%	274,813	"	
"	"	SOPOWER Technology Corp.	"	"	189,223	-	0.80%	-	"	
"	"	VEEV Interactive Pte. Ltd.	"	"	840,000	-	6.32%	-	"	
"	"	Taiwan Intelligent Fiber Optic Network Co., Civil Tech Pte. Ltd.	"	"	3,868,261	20,588	1.41%	20,588	"	
"	"	Civil Tech Pte. Ltd.	"	"	336,374	-	0.58%	-	"	
"	"	ProbeLeader Co., Ltd.	Entities controlled by key management or entities with significant influence	"	966,000	15,653	3.46%	15,653	"	
"	"	Top Green Energy Technologies, Inc.	None	"	1,111,111	-	0.89%	-	"	
"	"	IP Fund Six Co., Ltd.	"	"	817,857	9,316	1.79%	9,316	"	
"	"	Innorich Venture Capital Corp.	"	"	1,000,000	7,149	1.87%	7,149	"	
"	"	Taiwan Foresight Co., Ltd.	"	"	380,000	3,995	2.24%	3,995	"	
"	"	Long Time Technology Corp.	"	"	346,000	15,000	0.29%	15,000	"	
"	"	Paradigm Venture Capital Corp.	"	"	76,659	849	3.50%	849	"	
"	"	Taiwan Special Chemicals Corp.	"	"	4,401,333	68,909	1.51%	68,909	"	
"	"	Atech Totalsolution Co., Ltd.	"	"	128,000	-	0.23%	-	"	
"	"	East Wind Life Science Systems	"	"	124,457	-	12.87%	-	"	
"	"	EcoLand Corp.	"	"	310,715	-	13.51%	-	"	
"	"	Kcashin Technology Corporation	"	"	642,500	494	19.01%	494	"	
"	"	Radisen Co., Ltd.	"	"	87,803	-	18.49%	-	"	
"	"	Foresight Energy Technologies Co., Ltd.	"	"	675,000	612	3.00%	612	"	
"	"	Mycropore Corporation, Ltd.	"	"	1,471,000	26,425	8.44%	26,425	"	
"	"	STEK CO., LTD.	"	"	507,428	25,230	6.34%	25,230	"	
"	"	Sum Capital Healthcare Investment Corp.	Entities controlled by key management or entities with significant influence	"	943,050	9,393	7.44%	9,393	"	
"	"	Forward Science Corp.	"	"	2,650,240	26,936	9.30%	26,936	"	
"	"	Renown Information Technology Corp.	None	"	800,000	2,983	16.00%	2,983	"	
"	"	Big Giant Health Management Consulting Co.,	"	"	200,000	2,000	9.09%	2,000	"	
"	"	Sharpcor Optical Co., Ltd.	"	"	667,000	10,005	3.48%	10,005	"	
"	"	Everlasting Digital ESG Co., Ltd.	"	"	100,000	1,000	5.88%	1,000	"	
"	"	Artfil, Inc.	"	"	170	19,116	8.60%	19,116	"	
"	Private funds	Zoyi II Investment Limited Partnership	"	"	-	13,242	-	13,242	"	
"	Convertible bonds	HALLYS CORPORATION	"	"	-	-	-	-	"	
"	"	Radisen Co., Ltd.	"	"	-	-	-	-	"	
"	"	Nitride Solutions Inc.	"	"	-	-	-	-	"	
"	"	Kinestral Technologies, Inc.	"	"	-	-	-	-	"	
"	Preferred stock	Adant Technologies Inc.	"	"	174,520	-	Note 3	-	"	
"	"	Kinestral Technologies, Inc.	"	"	501,532	-	"	-	"	
"	Private funds	Vertex Growth (SG) LP	"	"	-	17,083	-	17,083	"	
		Total			-	<u>\$ 605,995</u>		<u>\$ 605,995</u>		

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 3: Holding preferred stock.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES

Significant inter-company transactions during the reporting period

For the nine months ended September 30, 2021

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction		Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount		
0	Marketech International Corp.	MIC-Tech (Shanghai) Corp.	1	Sales revenue	\$ 29,845	Sales revenue: Prices and terms of sales of goods to related parties are approximately the same to third parties. A certain percentage of profit is negotiated for sale of services with related parties. Construction revenue: The price of construction charges to related parties and third parties are based on normal construction contracts or individual agreements. Furthermore, the collection terms to related parties are approximately the same to third parties, which is about 2 to 3 months after inspection of construction depending on the construction contracts or individual agreements.	0.13%
0	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	1	Other receivables	5,006		0.02%
0	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	1	Non-operating revenue	15,809		0.07%
0	Marketech International Corp.	Marketech Integrated Pte. Ltd.	1	Accounts receivable	15,072		0.06%
0	Marketech International Corp.	Marketech Integrated Pte. Ltd.	1	Other receivables	28,062		0.11%
0	Marketech International Corp.	Marketech Integrated Pte. Ltd.	1	Sales revenue	62,501		0.27%
0	Marketech International Corp.	Marketech Integrated Pte. Ltd.	1	Construction revenue	12,978		0.06%
0	Marketech International Corp.	Marketech International Sdn. Bhd.	1	Other receivables	28,443		0.12%
0	Marketech International Corp.	Spiro Technology Systems Inc.	1	Prepayment for purchases	5,612		0.02%
0	Marketech International Corp.	MIC-Tech Viet Nam Co., Ltd.	1	Other receivables	83,976		0.34%
0	Marketech International Corp.	Marketech Netherlands B.V.	1	Prepayment for purchases	6,773		0.03%
0	Marketech International Corp.	MIC-Tech Global Corp.	1	Prepayment for purchases	8,948		0.04%
1	eZoom Information, Inc.	Marketech International Corp.	2	Services revenue	34,845		0.15%
1	eZoom Information, Inc.	Marketech International Corp.	2	Construction revenue	7,940		0.03%
2	MIC-Tech Global Corp.	Marketech International Corp.	2	Sales revenue	90,009	0.39%	
2	MIC-Tech Global Corp.	Marketech International Corp.	2	Accounts receivable	17,420	0.07%	
3	Spiro Technology Systems Inc.	Marketech International Corp.	2	Sales revenue	27,980	0.12%	
4	Marketech Netherlands B.V.	Marketech International Corp.	2	Sales revenue	6,360	0.03%	
5	MIC-Tech Electronics Engineering Corp.	MIC-Tech (Shanghai) Corp.	3	Construction revenue	5,934	0.03%	
5	MIC-Tech Electronics Engineering Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	3	Other receivables	25,829	0.10%	
6	Shanghai Maohua Electronics Engineering Co., Ltd.	MIC-Tech Electronics Engineering Corp.	3	Accounts receivable	5,552	0.02%	
6	Shanghai Maohua Electronics Engineering Co., Ltd.	MIC-Tech Electronics Engineering Corp.	3	Construction revenue	54,530	0.24%	
6	Shanghai Maohua Electronics Engineering Co., Ltd.	MIC-Tech Electronics Engineering Corp.	3	Sales revenue	26,826	0.12%	
7	MIC-Tech (Shanghai) Corp.	MIC-Tech China Trading (Shanghai) Co., Ltd.	3	Other receivables	12,915	0.05%	

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 (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: Individual amounts less than \$5,000 are not disclosed. Additionally, if it is disclosed as assets and revenue, its opposite transactions will not be disclosed.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES

Information on investees

For the nine months ended September 30, 2021

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount (Note 2)		Shares held as at September 30, 2021			Net profit (loss) of the investee for the nine months ended September 30, 2021	Investment income (loss) recognized by the Company for the nine months ended September 30, 2021 (Note 1)	Footnote
				Balance as at September 30, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Marketech International Corp.	Marketech Integrated Pte. Ltd.	Singapore	Contracting for semiconductor automatic supply system	\$ 233,306	\$ 233,306	10,085,678	100	(\$ 40,605)	(\$ 5,433)	(\$ 5,433)	The Company's subsidiary
Marketech International Corp.	Market Go Profits Ltd.	Virgin Islands	Investment holding and reinvestment	1,328,547	1,328,547	41,069,104	100	1,561,425	200,989	200,989	The Company's subsidiary
Marketech International Corp.	MIC-Tech Global Corp.	South Korea	International trade	19,147	19,147	131,560	100	10,003	(1,359)	(1,359)	The Company's subsidiary
Marketech International Corp.	Headquarter International Ltd.	Virgin Islands	Investment holding and reinvestment	42,475	42,475	1,289,367	100	33,953	(599)	(599)	The Company's subsidiary
Marketech International Corp.	Tiger United Finance Ltd.	Virgin Islands	Investment holding and reinvestment	46,475	46,475	1,410,367	100	32,691	(871)	(871)	The Company's subsidiary
Marketech International Corp.	Marketech Engineering Pte. Ltd.	Singapore	Contracting for electrical installing construction	21,804	21,804	937,533	100	290	(1,749)	(1,749)	The Company's subsidiary
Marketech International Corp.	Marketech Integrated Manufacturing Company Limited	Myanmar	Design, manufacturing, installation of automatic production equipment and its parts	478,985	478,985	1,535,600	100	229,196	(21,790)	(21,790)	The Company's subsidiary
Marketech International Corp.	MIC-Tech Viet Nam Co., Ltd.	Vietnam	Trading, installation and repair of various machinery equipment and its peripherals; consulting service and software execution service associated with computer hardware installation	131,060	110,696	-	100	110,111	(2,706)	(2,706)	The Company's subsidiary
Marketech International Corp.	Marketech Co., Ltd.	Vietnam	Specialized contracting and related repair services; equipment sales and repair; sales of cosmetics and daily necessities; production, development and implementation of software and providing coding service; providing installation service of industrial machine and equipment	72,596	72,596	-	100	14,664	(3,387)	(3,387)	The Company's subsidiary
Marketech International Corp.	eZoom Information, Inc.	Taiwan	Research, trading and consulting of information system software and hardware appliance	195,737	195,737	20,000,000	100	73,372	(27,491)	(27,491)	The Company's subsidiary
Marketech International Corp.	Marketech International Sdn.Bhd.	Malaysia	Specialized contracting and related repair services	78,084	78,084	12,242,750	100	52,833	(2,220)	(2,220)	The Company's subsidiary
Marketech International Corp.	Marketech International Corporation USA	USA	Specialized contracting and related repair services	110,309	23,086	3,750,000	100	80,226	(14,909)	(14,909)	The Company's subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount (Note 2)		Shares held as at September 30, 2021			Net profit (loss) of the investee for the nine months ended September 30, 2021	Investment income (loss) recognized by the Company for the nine months ended September 30, 2021 (Note 1)	Footnote
				Balance as at September 30, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Marketech International Corp.	Spiro Technology Systems Inc.	USA	Specialized contracting and related repair services	\$ 54,074	\$ 23,936	1,000,000	100.00	\$ 49,721	\$ 1,529	\$ 1,529	The Company's subsidiary
Marketech International Corp.	ADAT Technology CO., LTD.	Taiwan	Research, development, application, and service of software; supply of electronic information and the buying and selling of equipment	50,000	50,000	3,500,000	26.74	14,643	(33,156)	(8,866)	The Company's subsidiary
Marketech International Corp.	PT Marketech International Indonesia	Indonesia	Trading business of machine equipment and parts	38,042	38,042	1,199,000	99.92	32,317	3	3	The Company's subsidiary
Marketech International Corp.	Marketech Netherlands B.V	Netherlands	International trade business of machine and components and technical service	31,253	31,253	900,000	100	6,176	(5,614)	(5,614)	The Company's subsidiary
Marketech International Corp.	Glory Technology Service Inc..	Taiwan	Sale and installation of information and communication equipment	42,714	42,714	5,968,371	29.24	63,546	238	70	The Company's investee accounted for using equity method
Marketech International Corp.	MIC Techno Co., Ltd.	Taiwan	Sale of panels and its materials	2,000	2,000	200,000	20	1,816	(36)	(7)	The Company's investee accounted for using equity method
Marketech International Corp.	Taiwan Radisen HealthCare Co., Ltd.	Taiwan	Smart medical consulting services and investment	500	500	50,000	100	427	(49)	(49)	The Company's subsidiary
Marketech International Corp.	Vertex System Corporation	Taiwan	Design and manufacture of RF booster; Management of IoT; 5G telecommunication instrument and agency service, 5G vertical application	20,000	20,000	2,000,000	38.83	15,422	(6,756)	(2,624)	The Company's investee accounted for using equity method
Market Go Profits Ltd.	MIC-Tech Ventures Asia Pacific Inc.	Cayman Islands	Investment holding and reinvestment	1,323,049	1,323,049	40,966,604	100	1,560,115	201,054	-	The investor's subsidiary
Marketech Engineering Pte Ltd.	Marketech Integrated Construction Co., Ltd.	Myanmar	Contracting for electrical installing construction	19,342	19,342	63,500	97.69	(473)	(1,656)	-	The investor's subsidiary
MIC-Tech Ventures Asia Pacific Inc.	Rusky H.K. Limited	Hong Kong	Investment holding and reinvestment	34,551	34,551	833,000	100	13,437	14,182	-	The investor's subsidiary
MIC-Tech Ventures Asia Pacific Inc.	Frontken MIC Co. Limited	Hong Kong	Investment holding and reinvestment	31,422	31,422	2,337,608	100	3,172	(1,759)	-	The investor's subsidiary
MIC-Tech Ventures Asia Pacific Inc.	MICT International Limited	Hong Kong	Investment holding and reinvestment	132,282	132,282	5,400,000	60	30,981	(10,518)	-	The investor's subsidiary
MIC-Tech Ventures Asia Pacific Inc.	Leader Fortune Enterprise Co., Ltd.	Samoa	Investment holding and reinvestment	8,990	8,990	303,000	31.43	(3,272)	252	-	The investor's investee accounted for using equity method
MIC-Tech Ventures Asia Pacific Inc.	Fortune Blessing Co., Limited	Hong Kong	Investment holding and reinvestment	45,985	45,985	500,000	27.78	8,745	(7,860)	-	The investor's investee accounted for using equity method
Rusky H.K. Limited	PT Marketech International Indonesia	Indonesia	Trading business of machine equipment and parts	32	32	1,000	0.08	28	3	-	The investor's investee accounted for using equity method

Note 1: The amount of \$0 means that the Company does not directly recognise gain or loss on investments.

Note 2: Except for subsidiaries in Malaysia which are translated at the current rate as of September 30, 2021, the initial investment amounts of other investees are translated at the current rate as of the investment date.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES

Information on investments in Mainland China

For the nine months ended September 30, 2021

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital (Note 3)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021 (Note 3)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine months ended September 30, 2021 (Note 3)		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2021 (Note 3)	Net income of investee for the nine months ended 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 September 30, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
MIC-Tech (WuXi) Co., Ltd.	Design, manufacturing, installation and maintenance of semiconductor device, crystal dedicated device, electronic component device, environment pollution preventing equipment; assembly of wrapping device and cooling equipment; assembly of barbecue grill; producing, assembling and sale of LED illuminator and its component; wholesale, commission agency and import and export of the aforementioned products and their components, textile, commodities, chemical products and cosmetics; lease of self-owned plants; design, manufacturing, sales and installation of automatic warehousing equipment and accessories, automatic logistics transporting equipment and accessories; R&D, sales and installation of supplementary engineering in logistics dispatch system, manufacturing and sales of medical devices	\$ 710,175	Note 1(2)	\$ 570,925	\$ -	\$ -	\$ 570,925	\$ 28,743	100	\$ 29,139	\$ 45,367	\$ -	Note 2 (2)B
MIC-Tech (Shanghai) Corp.	Wholesale, commission agency, maintenance, repairment, manufacture, import and export of semiconductor production, inspection equipment and its consumables and boilers that generate electricity; storage and allocation of mainly chemical and boiler products; international and entrepot trade; trading and trading agency among enterprises in customs bonded area; consulting services in customs bonded area	229,512	Note 1(2)	13,925	-	-	13,925	85,658	100	85,658	574,440	-	Note 2 (2)B
Fuzhou Jiwei System Integrated Co., Ltd.	Installation and complete services of clean room, mechanical system, street pipe system	8,355	Note 1(2)	8,355	-	-	8,355	(320)	100	(320)	(2,098)	-	Note 2 (2)B
Shanghai Maohua Electronics Engineering Co.,Ltd.	Production of scrubber bins for semiconductor manufacturers; design, installation, debugging and technology services of tunnel system; equipment repair for semiconductor manufacturers; consulting service for electrical and medical equipment wholesale, commissioned distribution, export, import and related services of electronic products, machinery equipment, chemical products, communication equipment, metal products, plastic products	16,710	Note 1(2)	16,794	-	-	16,794	16,344	87	14,219	10,882	-	Note 2 (2)B
MIC-Tech Electronics Engineering Corp.	Installation and construction of mechanical and electrical systems; construction of chemical and petroleum projects; construction of public municipal infrastructure projects; professional building renovation and decoration services; design and construction of smart buildings; construction of electronic projects and related technical services and consulting. Building equipment, building materials (excluding steel and cement), electronic products, chemical products (excluding hazardous products), metal products, electrical equipment, wholesale of communications equipment, commission-based agency (excluding auctions) and import-export business, and delivery of all related and supplementary services	490,689	Note 1(2)	237,282	-	-	237,282	60,884	100	60,884	588,975	-	Note 2 (2)B
Frontken-MIC (Wuxi) Co., Ltd.	Research of specialized cleaning equipment of semiconductor device and integrated circuit, cleaning of special components of semiconductor device, integrated circuit and micromodule and cleaning technology for semiconductors, assembling, installation and maintenance of cooling equipment; design, manufacture, sale and installation of automatic warehouse equipment and fittings, and automatic logistics transporting equipment and fittings; development, sale and installation of computer aided engineering; wholesale, commission, import and export of above products and parts	64,278	Note 1(2)	25,711	-	-	25,711	(1,755)	100	(1,755)	-	-	Note 2 (2)B & Note 4

Table 6-1

Investee in Mainland China	Main business activities	Paid-in capital (Note 3)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021 (Note 3)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine months ended September 30, 2021 (Note 3)		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2021 (Note 3)	Net income of investee for the nine months ended 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 September 30, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Integrated Manufacturing & Services Co., Ltd.	Development of special equipment for solar cell production, manufacture of optical engine, lighting source, projection screen, high definition projection cathode-ray tube and micro-display module, and production, cleaning and regeneration of new electrical device; sells the products that manufactured by itself; machinery equipment, research and development of production technology of utilities equipment, technology transfer, technology consulting, technology service; processing of metal salvage and junk (except for hazardous chemicals and hazardous waste); metallic material (except for steels and noble metal), ceramic product, paper products and wholesale, retail and import and export of hardware products	\$ 194,950	Note 1(2)	\$ 108,615	\$ -	\$ -	\$ 108,615	(\$ 10,518)	60	(\$ 6,311)	\$ 30,285	\$ -	Note 2 (2)B
MIC-Tech China Trading (Shanghai) Co., Ltd.	Wholesale, commission agency and import and export of chemical products (except for hazardous chemicals, chemicals used in production of narcotic drugs and psychotropic substances and special chemicals), semiconductors, inspection equipment and its consumables, solar equipment consumables and boilers that generate electricity, International and entrepot trade, trading and trading agency among enterprises in customs bonded area, consulting service for trading, installation, repair, and maintenance of automation equipment, electronic equipment, and their parts	41,775	Note 1(2)	41,775	-	-	41,775	23,177	100	23,177	55,318	-	Note 2 (2)B
Macrotec Technology (Shanghai) Co., Ltd.	Wholesale, commission agency, import and export and other complementary service of electrical products, food, textile, commodities, cosmetics, valve switch, instrumentation, metal products, electrical equipment, International and entrepot trade, trading and trading agency among enterprises in customs bonded area, simple commercial processing in customs bonded area, and consulting service for trading in customs bonded area	26,650	Note 1(2)	8,376	-	-	8,376	252	31.43	79	(3,275)	-	Note 2 (2)C
Fortune International Corporation	Research and development, design, manufacturing, sales, installation and repair services of semiconductor-related devices, equipment and materials; research and development, transfer, consulting and service of semiconductor-related technology; supply chain management service; self-operation and agency of import and export business of various products and technologies; property management service; industrial park management service; accommodation service; retail of articles of daily use, food and beverages; venue rental; enterprise management service; conference and exhibition services; warehousing service; handling and transportation agency services	33,420	Note 1(2)	13,925	-	-	13,925	(7,837)	27.78	(2,177)	4,111	-	Note 2 (2)C

Note 1: Investment methods are classified into the following three categories:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in Market Go Profits Ltd., which then invested in the investee in Mainland China.
- (3) Others.

Note 2: In the 'Investment income (loss) recognised by the Company for the nine months ended September 30, 2021' column:

- (1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
 - A. The financial statements were reviewed and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
 - B. The financial statements were reviewed and attested by R.O.C. parent company's CPA.
 - C. Others-the financial statements were not reviewed by independent accountants.

Note 3: Paid-in capital and investment amount were translated at the original currency times exchange rate at period end.

Note 4: Frontken-MIC (Wuxi) Co., Ltd. completed the liquidation procedure in July 2021.

2. Limit on investees in Mainland China

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2021 (Note 1) (Note 2) (Note 3)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 1)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Marketch International Corp.	\$ 1,091,435	\$ 1,819,077	\$ 3,980,115

Note 1: The amount was translated at the original currency times exchange rate at period end.

Note 2: The Company has sold WUXI Probeleader Electronics Co., Ltd. at the end of November 2011. As the accumulated investment was different from the investment collected back, the difference between accumulated amount of remittance from Taiwan to Mainland China as of November 30, 2011 and accumulated amount of remittance from Taiwan to Mainland China registered at and approved by MOEA was US\$186 thousand.

Note 3: The liquidation of TPP-MIC (WuXi) Co., Ltd. was completed in November, 2015. As the accumulated investment was different from the investment collected back, the difference between accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2021, and accumulated amount of remittance from Taiwan to Mainland China registered at and approved by MOEA was US\$180 thousand.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES

Major shareholders information

September 30, 2021

Table 7

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
Ennoconn International Investment Co., Ltd.	83,468,613	44.54
JI-XUAN Investment Corp.	11,005,795	5.87

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded on the financial statements may be different from the actual number of share in dematerialised form due to the difference in the calculation basis.

Note 2: If the aforementioned data contains shares which were kept at the trust by the shareholders, the data was disclosed as a separate account of client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with the Securities and Exchange Act, the shareholding ratio includes the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information of reported share equity of insider, please refer to Market Observation Post System.