

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST  
CO., LTD. AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**With Independent Auditors' Report  
For the Years Ended December 31, 2020 and 2019**

**Address: No. 12, Industrial 2 Rd., Pingzhen Dist., Taoyuan City, Taiwan**  
**Telephone: (03)469-8860**

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

## Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Representation Letter	3
4. Independent Auditors' Report	4
5. Consolidated Balance Sheets	5
6. Consolidated Statements of Comprehensive Income	6
7. Consolidated Statements of Changes in Equity	7
8. Consolidated Statements of Cash Flows	8
9. Notes to the Consolidated Financial Statements	
(1) Company history	9
(2) Approval date and procedures of the consolidated financial statements	9
(3) New standards, amendments and interpretations adopted	9~10
(4) Summary of significant accounting policies	10~28
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	28
(6) Explanation of significant accounts	29~62
(7) Related-party transactions	62
(8) Pledged assets	63
(9) Significant commitments and contingencies	63~64
(10) Losses due to major disasters	64
(11) Subsequent events	64
(12) Other	64
(13) Other disclosures	
(a) Information on significant transactions	65~69
(b) Information on investees	70
(c) Information on investment in mainland China	71
(d) Major shareholders	71
(14) Segment information	72~73

## Representation Letter

The entities that are required to be included in the combined financial statements of TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. as of and for the year ended December 31, 2020, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards NO. 10 endorsed by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Company name: TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.  
Chairman: HSU, CHENG-MIN  
Date: March 16, 2021



安侯建業聯合會計師事務所

KPMG

台北市110615信義路5段7號68樓(台北101大樓)  
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,  
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

Telephone 電話 + 886 2 8101 6666  
Fax 傳真 + 886 2 8101 6667  
Internet 網址 home.kpmg/tw

## Independent Auditors' Report

To the Board of Directors of TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.:

### Opinion

We have audited the consolidated financial statements of TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Rule No. 1090360805, issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

## 1. Valuation of inventories

Please refer to Note (4)(h), (5) and (6)(f) of the consolidated financial statements for accounting policies on measuring inventory, assumptions used, and uncertainties considered in determining net realizable value, and description of inventories, respectively.

Description of key audit matter:

Inventories are measured at the lower of cost and net realizable value in the financial statements. The Group produces and sells printed circuit boards, whose industry changes rapidly, and old models may quickly be replaced with new ones, resulting in a difficulty to meet market demands, which may impact the inventory closeout sale and sales price, causing the carrying value to exceed the net realizable value. Therefore, we determined that the assessment of valuation of inventories is one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedure included: inspecting and analyzing the aging report of the inventory; assessing the rationality of policies of allowance for inventory valuation and obsolescence losses; inspecting the estimated inventory allowance to verify the evaluation accuracy, assessing the rationality of the inventory net realizable value with the Group's selling price and subsequent market price; evaluating whether the disclosure of the key management regarding the allowance of the inventory is appropriate.

## 2. Revenue recognition

For the accounting policy of revenue, please refer to Note 4 (p) Recognition of Revenue; and for the description of revenue, please refer to Note 6 (x) of the Consolidated Financial Statements.

Description of key audit matter:

Sales revenue is the leading indicator for investors, wherein the management assesses the Group's financial performance. The timing for recognition of revenue is significant to the financial statements. Therefore, the test of the timing for recognition of revenue was one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedure included: random sampling of material sales before and after the year end; assessing sales policies and revenue achievement by inspecting contracts with customers, and verifying buyer's documents to confirm the accuracy of the timing for recognition of revenue.

## Other Matter

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unmodified opinion.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee or supervisors) are responsible for overseeing the Group's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

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



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

The engagement partners on the audit resulting in this independent auditors' report are Yi-Chun Chen and Chung-Yi Chiang.

KPMG

Taipei, Taiwan (Republic of China)  
March 16, 2021

#### **Notes to Readers**

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**December 31, 2020 and 2019**

(expressed in thousands of New Taiwan Dollars)

		<u>December 31, 2020</u>		<u>December 31, 2019</u>				<u>December 31, 2020</u>		<u>December 31, 2019</u>	
<b>Assets</b>		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<b>Liabilities and Equity</b>		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (Note (6)(a))	\$ 9,991,196	32	8,355,212	29	2100	Short-term borrowings (Note (6)(n))	\$ 2,535,372	8	2,923,070	10
1110	Current financial assets at fair value through profit or loss (Note (6)(b))	52,445	-	14,173	-	2111	Short-term notes and bills payable (Note (6)(m))	29,973	-	-	-
1170	Notes and accounts receivable, net (Note (6)(d))	9,519,951	30	8,114,183	28	2120	Current financial liabilities at fair value through profit or loss (Note (6)(b))	1,963	-	16	-
1200	Other receivables, net (Note (6)(e))	264,420	1	165,503	1	2170	Notes and accounts payable	4,190,290	13	3,280,321	12
1310	Inventories, net (Note (6)(f))	2,431,052	8	2,279,825	8	2200	Other payables	3,364,639	11	3,564,675	12
1460	Non-current assets held for sale (Note (6)(g))	-	-	647,313	2	2230	Current tax liabilities	589,183	2	262,660	1
1470	Other current assets (Notes (6)(l) and (8))	<u>738,277</u>	<u>2</u>	<u>349,690</u>	<u>1</u>	2250	Current provisions (Note (6)(s))	287,701	1	351,679	1
	<b>Total current assets</b>	<u>22,997,341</u>	<u>73</u>	<u>19,925,899</u>	<u>69</u>	2322	Current portion of long-term loans (Note (6)(p))	1,745,535	6	1,535,962	5
<b>Non-current assets:</b>						2365	Current refund liabilities (Note (6)(o))	320,223	1	262,046	1
1600	Property, plant and equipment (Notes (6)(h) and (8))	7,524,906	24	8,172,377	28	2280	Current lease liabilities (Note (6)(r))	29,756	-	26,228	-
1755	Right-of-use assets (Note (6)(i))	261,085	1	255,743	1	2399	Other current liabilities	<u>44,119</u>	<u>-</u>	<u>626,174</u>	<u>2</u>
1760	Investment Property, net (Notes (6)(j) and (8))	182,651	1	184,467	1		<b>Total current liabilities</b>	<u>13,138,754</u>	<u>42</u>	<u>12,832,831</u>	<u>44</u>
1780	Intangible assets (Note (6)(k))	376,586	1	377,464	1	2540	<b>Non-Current liabilities:</b>				
1980	Other non-current financial assets (Notes (6)(l) and (8))	24,666	-	12,721	-	2580	Long-term borrowings (Note (6)(p))	4,993,865	16	4,285,499	15
1995	Other non-current assets (Note (6)(l))	<u>77,751</u>	<u>-</u>	<u>77,450</u>	<u>-</u>	2600	Non-current lease liabilities (Note (6)(r))	45,348	-	41,374	-
	<b>Total non-current assets:</b>	<u>8,447,645</u>	<u>27</u>	<u>9,080,222</u>	<u>31</u>		Other non-current liabilities	<u>239,148</u>	<u>1</u>	<u>102,937</u>	<u>-</u>
							<b>Total non-current liabilities</b>	<u>5,278,361</u>	<u>17</u>	<u>4,429,810</u>	<u>15</u>
							<b>Total liabilities</b>	<u>18,417,115</u>	<u>59</u>	<u>17,262,641</u>	<u>59</u>
							<b>Equity attributable to owners of parent:(Note (6)(v))</b>				
						3110	Ordinary share	2,712,425	9	2,712,425	9
						3200	Capital surplus	3,119,032	10	3,119,032	11
							Retained earnings:				
						3310	Legal reserve	1,308,160	4	1,208,728	4
						3320	Special reserve	1,133,730	3	548,401	2
						3350	Unappropriated retained earnings	5,463,917	17	4,854,987	17
							Other equity:				
						3410	Exchange differences on translation of foreign financial statements	(866,764)	(3)	(1,124,595)	(4)
						3420	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	(9,135)	-	(9,135)	-
						3500	Treasury stock	<u>(328,049)</u>	<u>(1)</u>	<u>(62,920)</u>	<u>-</u>
							<b>Total equity attributable to owners of parent:</b>	<u>12,533,316</u>	<u>39</u>	<u>11,246,923</u>	<u>39</u>
						36XX	<b>Non-controlling interests</b>	<u>494,555</u>	<u>2</u>	<u>496,557</u>	<u>2</u>
							<b>Total equity</b>	<u>13,027,871</u>	<u>41</u>	<u>11,743,480</u>	<u>41</u>
							<b>Total liabilities and equity</b>	<u>\$ 31,444,986</u>	<u>100</u>	<u>29,006,121</u>	<u>100</u>
	<b>Total assets</b>	<u>\$ 31,444,986</u>	<u>100</u>	<u>29,006,121</u>	<u>100</u>						

See accompanying notes to consolidated financial statements.



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**For the years ended December 31, 2020 and 2019**

(expressed in thousands of New Taiwan Dollars , except for earnings per share)

		<u>2020</u>		<u>2019</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	<b>Operating revenues (Note (6)(x))</b>	\$ 22,847,267	100	21,701,863	100
5110	<b>Operating costs (Note (6)(f))</b>	<u>19,501,266</u>	<u>85</u>	<u>18,485,758</u>	<u>85</u>
	<b>Gross profit from operation</b>	<u>3,346,001</u>	<u>15</u>	<u>3,216,105</u>	<u>15</u>
	<b>Operating expenses:</b>				
6100	Selling expenses	858,392	4	714,097	3
6200	Administrative expenses	903,493	4	1,047,915	5
6450	Expected credit (gain) loss	<u>(73,011)</u>	<u>-</u>	<u>40,163</u>	<u>-</u>
	<b>Total operating expenses</b>	<u>1,688,874</u>	<u>8</u>	<u>1,802,175</u>	<u>8</u>
	<b>Net operating income</b>	<u>1,657,127</u>	<u>7</u>	<u>1,413,930</u>	<u>7</u>
	<b>Non-operating income and expenses: (Note (6)(z))</b>				
7100	Interest income	140,511	1	137,305	1
7010	Other income	112,616	-	89,016	-
7020	Other gains and losses, net	1,042,129	5	97	-
7050	Finance cost	<u>(126,398)</u>	<u>(1)</u>	<u>(167,958)</u>	<u>(1)</u>
	<b>Total non-operating income and expenses</b>	<u>1,168,858</u>	<u>5</u>	<u>58,460</u>	<u>-</u>
7900	<b>Profit before income tax</b>	2,825,985	12	1,472,390	7
7951	<b>Less: income tax expenses (Note (6)(u))</b>	<u>914,251</u>	<u>4</u>	<u>432,591</u>	<u>2</u>
	<b>Profit</b>	<u>1,911,734</u>	<u>8</u>	<u>1,039,799</u>	<u>5</u>
8300	<b>Other comprehensive income (loss):</b>				
8310	<b>Items that may not be reclassified subsequently to profit or loss:</b>				
8311	Gains (losses) on remeasurements of defined benefit plans	(1,756)	-	(3,547)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	40,910	-	-	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Total items that may not be reclassified subsequently to profit or loss</b>	<u>39,154</u>	<u>-</u>	<u>(3,547)</u>	<u>-</u>
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>				
8361	Exchange differences on translation	263,936	2	(548,816)	(3)
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Total items that may be reclassified subsequently to profit and loss</b>	<u>263,936</u>	<u>2</u>	<u>(548,816)</u>	<u>(3)</u>
8300	<b>Other comprehensive income (net of tax)</b>	<u>303,090</u>	<u>2</u>	<u>(552,363)</u>	<u>(3)</u>
	<b>Total comprehensive income</b>	<u>\$ 2,214,824</u>	<u>10</u>	<u>487,436</u>	<u>2</u>
	<b>Profit (loss) attributable to:</b>				
	Owners of parent	\$ 1,918,861	8	1,070,440	5
	Non-controlling interests	<u>(7,127)</u>	<u>-</u>	<u>(30,641)</u>	<u>-</u>
		<u>\$ 1,911,734</u>	<u>8</u>	<u>1,039,799</u>	<u>5</u>
	<b>Comprehensive income (loss) attributable to:</b>				
	Owners of parent	\$ 2,216,826	10	483,543	2
	Non-controlling interests	<u>(2,002)</u>	<u>-</u>	<u>3,893</u>	<u>-</u>
		<u>\$ 2,214,824</u>	<u>10</u>	<u>487,436</u>	<u>2</u>
	<b>Basic earnings per share (NT dollars) (Note (6)(w))</b>				
	Basic earnings per share (NT dollars)	<u>\$ 7.28</u>		<u>4.08</u>	
	Diluted earnings per share (NT dollars)	<u>\$ 7.00</u>		<u>3.87</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**  
**For the years ended December 31, 2020 and 2019**  
**(expressed in thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent										
	Share capital		Retained earnings			Other equity					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Treasury shares	Equity attributable to owners of parent	Non-controlling interests	Total equity
<b>Balance on January 1, 2019</b>	\$ 2,712,429	2,533,240	1,101,466	317,163	4,786,839	(539,266)	(9,135)	(873,236)	10,029,500	2,425,962	12,455,462
Profit (loss)	-	-	-	-	1,070,440	-	-	-	1,070,440	(30,641)	1,039,799
Other comprehensive income (loss)	-	-	-	-	(1,568)	(585,329)	-	-	(586,897)	34,534	(552,363)
Comprehensive income (loss)	-	-	-	-	1,068,872	(585,329)	-	-	483,543	3,893	487,436
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	107,262	-	(107,262)	-	-	-	-	-	-
Special reserve	-	-	-	231,238	(231,238)	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(587,668)	-	-	-	(587,668)	-	(587,668)
Conversion of convertible bonds	-	(26,565)	-	-	(74,547)	-	-	898,065	796,953	-	796,953
Increase in treasury stock	-	-	-	-	-	-	-	(87,766)	(87,766)	-	(87,766)
Retirement of treasury stock	(4)	(4)	-	-	(9)	-	-	17	-	-	-
Differences between acquisition price and carrying amount arising from acquisition of subsidiaries	-	601,060	-	-	-	-	-	-	601,060	(601,060)	-
Changes in ownership interests in subsidiaries	-	11,301	-	-	-	-	-	-	11,301	(11,301)	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(1,320,937)	(1,320,937)
<b>Balance on December 31, 2019</b>	<b>2,712,425</b>	<b>3,119,032</b>	<b>1,208,728</b>	<b>548,401</b>	<b>4,854,987</b>	<b>(1,124,595)</b>	<b>(9,135)</b>	<b>(62,920)</b>	<b>11,246,923</b>	<b>496,557</b>	<b>11,743,480</b>
Profit (loss)	-	-	-	-	1,918,861	-	-	-	1,918,861	(7,127)	1,911,734
Other comprehensive income (loss)	-	-	-	-	(776)	257,831	40,910	-	297,965	5,125	303,090
Comprehensive income (loss)	-	-	-	-	1,918,085	257,831	40,910	-	2,216,826	(2,002)	2,214,824
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	99,432	-	(99,432)	-	-	-	-	-	-
Special reserve	-	-	-	585,329	(585,329)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(665,301)	-	-	-	(665,301)	-	(665,301)
Increase in treasury stock	-	-	-	-	-	-	-	(328,049)	(328,049)	-	(328,049)
Conversion of treasury stock	-	-	-	-	(3)	-	-	62,920	62,917	-	62,917
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	40,910	-	(40,910)	-	-	-	-
<b>Balance on December 31, 2020</b>	<b>\$ 2,712,425</b>	<b>3,119,032</b>	<b>1,308,160</b>	<b>1,133,730</b>	<b>5,463,917</b>	<b>(866,764)</b>	<b>(9,135)</b>	<b>(328,049)</b>	<b>12,533,316</b>	<b>494,555</b>	<b>13,027,871</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2020 and 2019**  
**(expressed in thousands of New Taiwan Dollars)**

	2020	2019
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 2,825,985	1,472,390
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	1,227,423	1,166,787
Amortization expense	4,314	5,657
Expected credit (gain) loss	(73,011)	40,163
Net gain on financial assets or liabilities at fair value through profit or loss	(50,482)	(14,157)
Interest expense	126,398	167,958
Interest revenue	(140,511)	(137,305)
Loss from disposal of property, plant and equipment	12,183	9,223
Gain on disposal of non-current assets held for sale	(1,147,370)	-
Non-financial asset impairment returning benefits	-	(21,448)
Others	(208)	-
<b>Total adjustments to reconcile profit</b>	<u>(41,264)</u>	<u>1,216,878</u>
<b>Changes in operating assets and liabilities:</b>		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	14,173	18,260
Notes and accounts receivable	(1,332,719)	338,993
Other receivables	(85,505)	56,600
Inventories	(155,121)	84,131
Other current assets	182,990	11,626
<b>Total changes in operating assets, net</b>	<u>(1,376,182)</u>	<u>509,610</u>
<b>Changes in operating liabilities, net:</b>		
Financial liabilities held for trading	(16)	-
Notes and accounts payables	909,969	(627,303)
Other payables	146,062	(209,799)
Current refund liabilities	58,177	(16,617)
Other current liabilities	15,259	(1,793)
<b>Total adjustments</b>	<u>(287,995)</u>	<u>870,976</u>
Cash inflow generated from operations	2,537,990	2,343,366
Interest received	165,940	137,421
Interest paid	(168,175)	(171,918)
Income taxes paid	(466,358)	(473,354)
<b>Net cash flows from operating activities</b>	<u>2,069,397</u>	<u>1,835,515</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(289,952)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	330,862	-
Proceeds from disposal of non-current assets held for sale	1,197,079	-
Acquisition of property, plant and equipment	(834,059)	(2,174,069)
Proceeds from disposal of property, plant and equipment	46,734	411,247
Acquisition of intangible assets	(3,326)	(5,561)
Other financial assets	(583,522)	(96)
Other non-current assets	(8,841)	(25,942)
Provisions	(62,038)	453,642
Other current liabilities	-	597,050
<b>Net cash flows used in investing activities</b>	<u>(207,063)</u>	<u>(743,729)</u>
<b>Cash flows from (used in) financing activities:</b>		
Short term borrowings	(387,698)	316,471
Short-term notes and bills payable	29,973	-
Proceeds from long-term loans	2,700,000	3,400,000
Repayment of long-term loans	(1,782,061)	(1,184,628)
Repayment of lease liabilities	(33,701)	(36,492)
Other non-current liabilities	3,067	20,619
Cash dividends paid	(665,301)	(587,668)
Repurchase of treasury shares	(328,049)	(87,766)
Treasury shares sold to employees	62,917	-
Contribution by non-controlling interests	-	(1,320,937)
<b>Net cash flows from (used in) financing activities</b>	<u>(400,853)</u>	<u>519,599</u>
Effect of exchange rate changes on cash and cash equivalents	174,503	(380,728)
<b>Net increase (decrease) in cash and cash equivalents</b>	1,635,984	1,230,657
<b>Cash and cash equivalents at beginning of period</b>	8,355,212	7,124,555
<b>Cash and cash equivalents at end of period</b>	<u>\$ 9,991,196</u>	<u>8,355,212</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

**For the years ended December 31, 2020 and 2019**

**(expressed in thousands of New Taiwan Dollars, unless otherwise specified)**

**(1) Company history**

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. (the Company) was incorporated as a company limited by shares on April 21, 1998 under the approval of the Ministry of Economic Affairs, ROC. The address of the Company's registered office is No. 12, Industrial 2 Rd., Pingzhen Dist., Taoyuan City. On December 25, 2009, the Company's shares were listed on the Taiwan Stock Exchange (TWSE). The Company and its subsidiaries (together referred to as the Group) are primarily involved in the business of producing and selling electronic components and printed circuit boards.

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

These group consolidated financial statements were authorized for issue by the Board of Directors on March 16, 2021.

**(3) New standards, amendments and interpretations adopted:**

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

The details of impact on the Group's adoption of the new amendments beginning January 1, 2020 are as follows:

- (i) Amendments to IFRS 16 "COVID-19-Related Rent Concessions"

As a practical expedient, a lessee may elect not to assess whether a rent concession that meets certain conditions is a lease modification, rather any changes in lease liability are recognized in profit or loss. The amendments have been endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") in July 2020, earlier application from January 1, 2020 is permitted.

The Group has elected to apply the practical expedient for all rent concessions that meet the criteria beginning January 1, 2020, with early adoption. No adjustment was made upon the initial application of the amendments. The amounts recognized in profit or loss for the year ended December 31, 2020 was \$208 thousand. Refer to note (4)(1) for further accounting policy.

- (ii) Other amendments

The following new amendments, effective January 1, 2020, do not have a significant impact on the Group's consolidated financial statements:

- Amendments to IFRS 3 "Definition of a Business"
- Amendments to IFRS 9, IAS39 and IFRS7 "Interest Rate Benchmark Reform"
- Amendments to IAS 1 and IAS 8 "Definition of Material"

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2021, would not have a significant impact on its consolidated financial statements.

- Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform—Phase 2”

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”

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

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

The significant accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations” ) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed by the Financial Supervisory Commission, R.O.C.. (hereinafter referred to IFRS endorsed by the FSC).

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis.

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value;
- 3) The defined benefit liabilities (assets) are measured fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in Note (4)(r).

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar (TWD), which is the Group's functional currency. All financial information presented in TWD has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding	
			December 31, 2020	December 31, 2019
The Company and Chi Yang Investment Ltd.	Chi Chau International Co., Ltd.	General investing	100 %	100 %
The Company and T-Flex Techvest PCB Co., Ltd.	Chi Chen Investment Co., Ltd.	General investing	89 %	89 %
The Company	Chi Yang Investment Ltd.	General investing	100 %	100 %
The Company	Brilliant Star Holdings Ltd.	General investing	97 %	97 %
The Company	Sinact (Hong Kong) International Company Limited	General investing	100 %	100 %
The Company	TPT International Co., Ltd.	General investing and International trade business	100 %	100 %
The Company	T-Flex Techvest PCB Co., Ltd.	Manufacturing, selling of Circuit board	44 %	44 %
The Company and T-Flex Techvest PCB Co., Ltd.	tgt Techvest Co., Ltd.	Manufacturing, selling of Circuit board	44 %	44 %
The Company	T-Mac Techvest PCB Co., Ltd.	General investing and Selling of Circuit board	100 %	100 %
Chi Chau International Co., Ltd.	Chi Yao Ltd.	General investing and International trade business	100 %	100 %
Chi Yao Ltd.	Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	Manufacturing, selling of Circuit board	100 %	100 %
T-Mac Techvest PCB Co., Ltd.	Chang Tai International Ltd.	General investing	100 %	100 %
Chang Tai International Ltd.	Yang An International (Samoa) Co., Ltd.	General investing	100 %	100 %
Yang An International (Samoa) Co., Ltd.	T-Mac Techvest (Wuxi) PCB Co., Ltd.	Manufacturing, selling of Circuit board	100 %	100 %
Brilliant Star Holdings Ltd.	CATAC Electronic (Zhongsan) Co., Ltd.	Manufacturing, selling of Circuit board	100 %	100 %
Chi Chen Investment Co., Ltd., Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. and CATAC Electronic (Zhongsan) Co., Ltd.	Chi Chau Printed Circuit Board (Suining) Co., Ltd.	Manufacturing, selling of Circuit board	100 %	100 %
Sinact (Hong Kong) International Company Limited.	Sinact Electronics Co., Ltd.	Manufacturing, selling of Circuit board	100 %	100 %
TPT International Co., Ltd.	Sin Siang (Xiamen) Technology Co., Ltd.	Selling of Circuit board	100 %	100 %
The Company, T-Mac Techvest PCB Co., Ltd. and Chi Yang Investment Ltd.	Chi Chau (Thailand) Co., Ltd.	Manufacturing, selling of Circuit board	100 %	100 %

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

A resolution was approved during the shareholders' meeting of the Company and T-Mac Techvest PCB Co., Ltd. (T-Mac) held on January 25, 2019 for a share swap, wherein the Company will acquire the entire shares of T-Mac by cash, with the consolidated base date set on March 29, 2019. The above transaction will result in the Group's shares in T-Mac to increase from 51% to 100%. For the acquisition of non-controlling interests, please refer to Note (6)(v).

In July 2019, the Company, T-Mac Techvest PCB Co., Ltd. and Chi Yang Investment Ltd. invested in Chi Chau (Thailand) Co., Ltd. at the amounts of THB 37,125 thousand, THB 250 thousand and THB 125 thousand, respectively.

In order to simplify investment structure, the Group struck off Huo Tai International, Ltd. and has remitted funds back to Chang Tai International Ltd. in November 2019.

Although the Group did not own more than 50% of T-Flex Techvest PCB Co., Ltd.'s ownership interests, however the Group get majority of its board of directors. It was considered to have full control over its finance, operation and human resource, so it is incorporated into the consolidated financial report.

The Group conducted capital structures for both of its subsidiaries, Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. and Chi Yao., Ltd., in July 2020, resulting in the shares amounting to USD 55,000 thousand and USD50,400 thousand to be returned to Chi Yao., Ltd. and the Company, with the relevant registration procedures having been completed in February and March 2021, respectively.

(iii) Subsidiaries excluded from the consolidated financial statements: None.

(d) Foreign Currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for the difference relating to investments in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average rate. Exchange differences are recognized in other comprehensive income.

(Continued)



**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, Exchange differences arising from such items are considered to form part of a net investment in the foreign operation and are recognized in other comprehensive income.

(e) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current:

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as noncurrent. An entity shall classify a liability as current when:

An entity shall classify a liability as current when:

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Accounts receivable are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized cost, notes and accounts receivable, other receivables, guarantee deposit paid and other financial assets), debt investments measured at FVOCI, and contract assets.

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable and contract assets are always measured at an amount equal to lifetime ECL.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECL are the portion of ECL that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- It is probable that the borrower will enter bankruptcy or other financial reorganization;  
or
- The disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income in stead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

5) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Non-current assets held for sale & Discontinued operations

Non-current assets or disposal groups comprising assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use, are reclassified as held for sale to owners. Immediately before classification as held for sale to owners, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, generally, the assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to assets not within the scope of IAS 36 – Impairment of Assets. Such assets will continue to be measured in accordance with the Group’s accounting policies.

Impairment losses on assets initially classified as held for sale and any subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of the cumulative impairment loss that has been recognized.

Once classified as held for sale intangible assets, Right-of-use asset and property, plant and equipment, are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

(j) Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Property, plant, and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment, except for land.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings	2 years~ 50 years
2) Machinery and equipment	1 years~ 12 years
3) Office and other equipment	1 years~ 12 years

Depreciation methods, useful lives and residual values, are reviewed at each reporting date, and adjusted if appropriate.

(l) Lease

(i) Identifying a lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- 1) The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and
- 2) The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- 3) The Group has the right to direct the use of the asset throughout the period of use only if either:
  - The Group has the right to direct how and for what purpose the asset is used throughout the period of use; or
  - The relevant decisions about how and for what purpose the asset is used are predetermined and:
    - The Group has the right to operate the asset throughout the period of use, without the supplier having the right to change those operating instructions; or
    - The Group designed the asset in a way that predetermines how and for what purpose it will be used throughout the period of use.

(Continued)



**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- Payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- There is a change in future lease payments arising from the change in an index or rate; or
- There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- There is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- There is a change of its assessment on whether it will exercise a extension or termination option; or
- There is any lease modifications

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of staff dormitories, parts of transportation equipment and other equipment that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a practical expedient, the Group elects not to assess whether all rent concessions that meets all the following conditions are lease modifications or not:

- The rent concessions occurring as a direct consequence of the COVID-19 pandemic;
- The change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2021; and
- There is no substantive change in other terms and conditions of the lease.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(iii) Lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(m) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Intangible assets, including computer software, that are acquired by the Group are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(n) Impairment – non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract asset and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(o) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Site restoration

In accordance with the Group's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land and the related expense are recognized when the land is contaminated.

(p) Revenue recognition

Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below:

(i) Sale of goods—electronic components

The Group manufactures and sells electronic components to customers. The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group often recognizes as revenue based on total amount if the sale based on aggregate sales of electronic components over a 6 months period and had a discount agreement previously or it's highly possible to have sales discounts in marketing experience. The Group evaluates the amount of discounts at the day of the occurrence of that fact or the date of balance sheet, offsets sales revenue or recognizes sales allowance, and recognizes the revenue only to the extent that it is highly probable that a significant reversal will not occur. As of the reporting date, the expecting amount paid to customer relating to unit price discounts and defects of product is recognized as refund liabilities.

Trade receivable is recognized when the goods are delivered as this is the point in the time the Group has the right to an amount of consideration that is unconditional.

(ii) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(q) Government grants and government assistance

The Group's asset-related government grants are deducted from the book value of the machinery and equipment at fair value when it is reasonably certain that the conditions attached to the government subsidy will be followed and received. The deferred income is recognized as a deduction of depreciation expenses on a systematic basis over the useful life of the asset.

(r) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(s) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;
- (ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) The Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - 1) The same taxable entity; or

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- 2) Different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(t) Earnings per share

The Group discloses the Group's basic and diluted earnings per share attributable to ordinary shareholders of the Group. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Group divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Group divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

The Group's potentially dilutive ordinary shares include convertible bonds and employee compensation.

(u) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

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

The preparation of the consolidated financial statements in conformity with the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the future period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Refer to Note (6)(f) for further description of the valuation of inventories.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(6) Explanation of significant accounts:**

(a) Cash and cash equivalents

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cash on hand	\$ 949	698
Cash in banks		
Demand deposits	8,027,414	4,396,711
Time deposits	<u>1,962,833</u>	<u>3,957,803</u>
Consolidated cash and cash equivalents in statement of cash flows	<u>\$ 9,991,196</u>	<u>8,355,212</u>

Refer to Note (6)(aa) for the disclosure of credit, interest, currency risks and sensitivity analysis of the financial instruments of the Group.

The Group's cash and cash equivalents had not been pledged as collaterals.

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

(i) Details were as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Financial assets at fair value through profit or loss:		
Derivative instruments not used for hedging	<u>\$ 52,445</u>	<u>14,173</u>
Financial liabilities at fair value through profit or loss:		
Derivative instruments not used for hedging	<u>\$ 1,963</u>	<u>16</u>

Refer to Note (6)(aa) for the disclosure of the Group's fair value of financial instruments, credit, currency risks related to financial instruments.

The company issued the first domestic unsecured convertible corporate bonds on January 12, 2017. According to the regulation of issuing the first domestic unsecured convertible corporate bonds, the Company and creditors have the option of redemption. Please refer to Note (6)(q) for the explanation. For the years ended December 31, 2019, the net benefits arising from changes in fair value were \$80 thousand.

(Continued)



**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Derivative instruments not used for hedging

The Group uses derivative financial instruments to hedge the certain foreign exchange risk the Group is exposed to, arising from its operating, financing and investing activities. The following derivative instruments, without the application of hedge accounting, were classified as held-for-trading financial instruments:

Forward exchange contracts:

		<b>December 31, 2020</b>			
		<b>Book value</b>	<b>Notional amount ( in thousands)</b>	<b>Currency</b>	<b>Maturity dates</b>
<u>Derivative financial assets</u>					
Forward exchange sold	\$	<u>1,409</u>	USD	7,000	USD to TWD 2021.01.08~2021.03.10
Forward exchange sold	\$	<u>51,036</u>	USD	83,900	USD to CNY 2021.01.05~2021.04.26
<u>Derivative financial liabilities</u>					
Forward exchange sold	\$	<u>1,589</u>	USD	8,000	USD to TWD 2021.01.08~2021.03.10
Forward exchange sold	\$	<u>374</u>	USD	7,600	USD to CNY 2021.01.18~2021.04.25
		<b>December 31, 2019</b>			
		<b>Book value</b>	<b>Notional amount ( in thousands)</b>	<b>Currency</b>	<b>Maturity dates</b>
<u>Derivative financial assets</u>					
Forward exchange sold	\$	<u>667</u>	USD	4,000	USD to TWD 2020.04.08
Forward exchange sold	\$	<u>13,506</u>	USD	49,000	USD to CNY 2020.01.06~2020.05.26
<u>Derivative financial liabilities</u>					
Forward exchange sold	\$	<u>16</u>	USD	1,000	USD to TWD 2020.04.08

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

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

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

The Group sold its financial assets at fair value through other comprehensive income- domestic listed company at 2020, resulting in the disposal of fair value amounting to \$330,862 thousand. The accumulated disposal gain amounting to \$40,910 thousand was reclassified from other equity to retained earnings.

(ii) For credit risk and market risk, please refer to Note 6(aa).

(iii) The above financial assets had not been pledged as collaterals. ◦

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

## (d) Notes and accounts receivable

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Note receivable	\$ 648,064	570,875
Accounts receivable	9,020,392	7,941,509
Less: Loss allowance	<u>(148,505)</u>	<u>(398,201)</u>
Total	<b><u>\$ 9,519,951</u></b>	<b><u>8,114,183</u></b>

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

	<b>December 31, 2020</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 9,606,291	0.00%~15.72%	115,397
Past due within 30 days	32,961	0.00%~100.00%	4,539
Past due 31-90 days	3,326	0.00%~100.00%	2,691
Past due over 91 days	<u>25,878</u>	100.00%	<u>25,878</u>
	<b><u>\$ 9,668,456</u></b>		<b><u>148,505</u></b>
	<b>December 31, 2019</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 7,830,135	0.00%~2.55%	68,700
Past due within 30 days	384,017	0.00%~80.94%	64,070
Past due 31-90 days	93,360	0.00%~100.00%	60,559
Past due over 91 days	<u>204,872</u>	100.00%	<u>204,872</u>
	<b><u>\$ 8,512,384</u></b>		<b><u>398,201</u></b>

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The movement in the allowance for notes and accounts receivable were as follows:

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Balance, beginning of year	\$ 398,201	365,671
Impairment losses (reversed) recognized	(73,011)	40,163
Amounts written off	(176,647)	(6,647)
Foreign exchange gains/(losses)	(38)	(986)
Balance, end of year	<b><u>\$ 148,505</u></b>	<b><u>398,201</u></b>

Please refer to (6)(aa) for the credit risk and the currency risk of the Group's accounts receivable.

The Group's accounts receivable had not been pledged as collateral.

(e) Other receivables

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Other receivables	\$ 269,094	170,750
Less: Loss allowance	(4,674)	(5,247)
Total	<b><u>\$ 264,420</u></b>	<b><u>165,503</u></b>

The movement in the allowance for other receivables were as follows:

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Balance, beginning of year	\$ 5,247	5,584
Amounts written off	(570)	(311)
Foreign exchange gains/(losses)	(3)	(26)
Balance, end of year	<b><u>\$ 4,674</u></b>	<b><u>5,247</u></b>

As of December 31, 2020 and 2019, the Group assessed that no other receivables were overdue. For further credit risk information, please refers to Note (6)(aa).

The Group's other receivables had not been pledged as collateral.

(f) Inventories

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Finished goods	\$ 792,380	829,607
Work in progress	1,092,680	907,748
Raw materials and supplies	545,992	542,470
Total	<b><u>\$ 2,431,052</u></b>	<b><u>2,279,825</u></b>

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The details of the cost of sales of the Group were as follows:

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Cost of goods sold	\$ 20,088,660	19,158,799
Inventory scrap loss	26,051	99,849
Write-down of inventories (Reversal of write-downs)	76,621	(58,890)
Revenue from sale of scraps	<u>(690,066)</u>	<u>(714,000)</u>
Total	<b><u>\$ 19,501,266</u></b>	<b><u>18,485,758</u></b>

The factors that caused the net realizable value of inventories to be lower than the cost no longer exist, resulting in the net realizable value of inventory to increase and be recognized as profit or loss on inventory for the year ended December 31, 2019.

The Group's inventories had not been pledged as collateral.

(g) Non-current assets held for sale

The Group entered into an agreement with the Chinese local government in the first quarter of 2019 in order to dispose the right-of-use assets, property, plant and equipment of Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. based on the resolution approved during the board meeting held on November 13, 2018, resulting in the Group to receive in advance the amount of CNY 258,523 thousand, which was recognized as other current liabilities. The asset was reclassified as non-current assets held for sale using the lower of the book value, or fair value minus cost of sale, in which no impairment loss was incurred.

	<b>December 31,</b>
	<b>2019</b>
Property, Plant and Equipment	\$ 621,181
Right-of-use asset	<u>26,132</u>
	<b><u>\$ 647,313</u></b>

In the first quarter of 2020, the Group disposed its asset amounting to CNY 538,109 thousand, resulting in a disposal gain of CNY 268,071 thousand.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(h) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group, were as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Other equipment</u>	<u>Construction in progress and testing equipment</u>	<u>Total</u>
Cost or deemed cost:						
Balance on January 1, 2020	\$ 202,597	4,821,870	11,263,411	1,218,808	191,850	17,698,536
Additions	-	142,552	180,838	66,101	118,305	507,796
Disposal	-	(4,196)	(107,731)	(79,902)	-	(191,829)
Transfer (out) in	-	5,344	39,003	97,302	(151,737)	(10,088)
Effect of movements in exchange rates	-	70,266	142,481	18,807	2,686	234,240
Balance on December 31, 2020	<u>\$ 202,597</u>	<u>5,035,836</u>	<u>11,518,002</u>	<u>1,321,116</u>	<u>161,104</u>	<u>18,238,655</u>
Balance on January 1, 2019	\$ 202,597	4,749,433	11,995,201	2,200,420	1,025,782	20,173,433
Additions	-	380,211	1,319,741	209,916	166,640	2,076,508
Disposal	-	(34,614)	(689,723)	(621,776)	-	(1,346,113)
Transfer (out) in	-	(116,481)	(1,030,252)	(528,575)	(992,886)	(2,668,194)
Effect of movements in exchange rates	-	(156,679)	(331,556)	(41,177)	(7,686)	(537,098)
Balance on December 31, 2019	<u>\$ 202,597</u>	<u>4,821,870</u>	<u>11,263,411</u>	<u>1,218,808</u>	<u>191,850</u>	<u>17,698,536</u>
Accumulated depreciation and impairments loss:						
Balance on January 1, 2020	\$ -	1,821,092	6,871,340	833,727	-	9,526,159
Depreciation	-	233,681	817,289	136,685	-	1,187,655
Disposal	-	(4,196)	(68,069)	(60,647)	-	(132,912)
Transfer (out) in	-	-	(1,951)	1,951	-	-
Effect of movements in exchange rates	-	26,974	92,711	13,162	-	132,847
Balance on December 31, 2020	<u>\$ -</u>	<u>2,077,551</u>	<u>7,711,320</u>	<u>924,878</u>	<u>-</u>	<u>10,713,749</u>
Balance on January 1, 2019	\$ -	2,088,969	8,111,077	1,569,451	-	11,769,497
Depreciation	-	223,200	810,649	90,746	-	1,124,595
Gain on reversal of impairment loss	-	(21,270)	(178)	-	-	(21,448)
Disposal	-	(9,005)	(615,820)	(300,818)	-	(925,643)
Transfer (out) in	-	(420,764)	(1,111,956)	(498,474)	-	(2,031,194)
Effect of movements in exchange rates	-	(40,038)	(322,432)	(27,178)	-	(389,648)
Balance on December 31, 2019	<u>\$ -</u>	<u>1,821,092</u>	<u>6,871,340</u>	<u>833,727</u>	<u>-</u>	<u>9,526,159</u>
Carrying amounts:						
Balance on December 31, 2020	<u>\$ 202,597</u>	<u>2,958,285</u>	<u>3,806,682</u>	<u>396,238</u>	<u>161,104</u>	<u>7,524,906</u>
Balance on January 1, 2019	<u>\$ 202,597</u>	<u>2,660,464</u>	<u>3,884,124</u>	<u>630,969</u>	<u>1,025,782</u>	<u>8,403,936</u>
Balance on December 31, 2019	<u>\$ 202,597</u>	<u>3,000,778</u>	<u>4,392,071</u>	<u>385,081</u>	<u>191,850</u>	<u>8,172,377</u>

The subsidiary, T-mac Techvest (Wuxi) PCB Co., Ltd, deferred its equipment subsidies, which were acquired in 2020, to eliminate the subsidies and calculate the related equipment book value in order to reduce the depreciation expense, which will result in the subsidies to be recognized in profit and loss within the duration period of the equipment.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The subsidiary Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. entered into an agreement with the Chinese local government in the first quarter of 2019 in order to dispose its right-of-use assets, property, plant and equipment, which were reclassified as non-current assets held for sale; please refer to Note(6)(g) for details. The Group had completed the disposal of its asset in the first quarter of 2020; please refer to (6)(z) for related profit or loss.

The property, plant and equipment of the Group had been pledged as collateral for long-term borrowings; please refer to note 8.

(i) Right-of-use assets

The Group leases many assets including land and buildings, machinery, transportation and other equipment. Information about leases for which the Group as a lessee was presented below:

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Transportation</u>	<u>Other equipment</u>	<u>Total</u>
Cost :						
Balance on January 1, 2020	\$ 241,455	-	-	59,580	3,482	304,517
Additions	-	-	2,509	39,548	-	42,057
Disposal	-	-	-	(12,914)	(2,695)	(15,609)
Effect of movements in exchange rates	2,261	-	56	480	10	2,807
Balance on December 31, 2020	<u>\$ 243,716</u>	<u>-</u>	<u>2,565</u>	<u>86,694</u>	<u>797</u>	<u>333,772</u>
Balance on January 1, 2019	\$ -	-	-	-	-	-
Effects of retrospective application (IFRS 16)	283,546	15,021	-	43,891	2,725	345,183
Balance on January 1, 2019 after adjustments	283,546	15,021	-	43,891	2,725	345,183
Additions	-	-	-	23,392	814	24,206
Disposal	-	(15,022)	-	(6,625)	-	(21,647)
Transfer (out) in	(36,851)	-	-	-	-	(36,851)
Effect of movements in exchange rates	(5,240)	1	-	(1,078)	(57)	(6,374)
Balance on December 31, 2019	<u>\$ 241,455</u>	<u>-</u>	<u>-</u>	<u>59,580</u>	<u>3,482</u>	<u>304,517</u>
Accumulated depreciation and impairment losses :						
Balance on January 1, 2020	\$ 24,771	-	-	22,339	1,664	48,774
Depreciation	5,855	-	1,046	29,648	1,403	37,952
Disposal	-	-	-	(12,111)	(2,695)	(14,806)
Effect of movements in exchange rates	394	-	23	346	4	767
Balance on December 31, 2020	<u>\$ 31,020</u>	<u>-</u>	<u>1,069</u>	<u>40,222</u>	<u>376</u>	<u>72,687</u>

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Transportation</u>	<u>Other equipment</u>	<u>Total</u>
Balance on January 1, 2019	\$ -	-	-	-	-	-
Effects of retrospective application (IFRS 16)	<u>28,606</u>	-	-	-	-	<u>28,606</u>
Balance on January 1, 2019 after adjustments	28,606	-	-	-	-	28,606
Depreciation	6,679	9,013	-	24,401	1,689	41,782
Disposal	-	(9,013)	-	(1,656)	-	(10,669)
Transfer (out) in	(9,704)	-	-	-	-	(9,704)
Effect of movements in exchange rates	<u>(810)</u>	-	-	<u>(406)</u>	<u>(25)</u>	<u>(1,241)</u>
Balance on December 31, 2019	<u>\$ 24,771</u>	<u>-</u>	<u>-</u>	<u>22,339</u>	<u>1,664</u>	<u>48,774</u>
Carrying amount:						
Balance on December 31, 2020	<u>\$ 212,696</u>	<u>-</u>	<u>1,496</u>	<u>46,472</u>	<u>421</u>	<u>261,085</u>
Balance on December 31, 2019	<u>\$ 216,684</u>	<u>-</u>	<u>-</u>	<u>37,241</u>	<u>1,818</u>	<u>255,743</u>

(j) Investment property

The Group investment property was presented below:

	<u>Owned property</u>		
	<u>Land and improvements</u>	<u>Buildings</u>	<u>Total</u>
Cost:			
Balance on January 1, 2020	<u>\$ 178,533</u>	<u>63,233</u>	<u>241,766</u>
Balance on December 31, 2020	<u>\$ 178,533</u>	<u>63,233</u>	<u>241,766</u>
Balance on January 1, 2019	<u>\$ 178,533</u>	<u>63,233</u>	<u>241,766</u>
Balance on December 31, 2019	<u>\$ 178,533</u>	<u>63,233</u>	<u>241,766</u>
Accumulated depreciation and impairment losses:			
Balance on January 1, 2020	\$ -	57,299	57,299
Depreciation	-	<u>1,816</u>	<u>1,816</u>
Balance on December 31, 2020	<u>\$ -</u>	<u>59,115</u>	<u>59,115</u>
Balance on January 1, 2019	\$ -	56,889	56,889
Depreciation	-	<u>410</u>	<u>410</u>
Balance on December 31, 2019	<u>\$ -</u>	<u>57,299</u>	<u>57,299</u>

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<u>Owned property</u>		
	<u>Land and improvements</u>	<u>Buildings</u>	<u>Total</u>
Carrying amount:			
Balance on December 31, 2020	\$ <u>178,533</u>	<u>4,118</u>	<u>182,651</u>
Balance on January 1, 2019	\$ <u>178,533</u>	<u>6,344</u>	<u>184,877</u>
Balance on December 31, 2019	\$ <u>178,533</u>	<u>5,934</u>	<u>184,467</u>
Fair value:			
Balance on December 31, 2020			\$ <u>752,600</u>
Balance on December 31, 2019			\$ <u>745,949</u>

Since its plant in Zhongli is no longer in use, the Group leased it out to a non-related party, resulting in its asset to be reclassified from property, plant and equipment to investment property.

Investment property's fair value considers the total amount of the property estimate collect cash flow and use the rate of return that reflects specific inherent risks is discounted to determine the value of the real estate. The ranges of return rates adopted in the Republic of China in 2020 and 2019 are as follows:

<u>Location</u>	<u>For the years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Zhongli City Zhong gong Section	<u>2.35 %</u>	<u>2.59 %</u>

The investment property of the Group had been pledge as collateral for guaranteed financing, please refer to Note(8).

(k) Intangible assets

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Carrying amount		
Goodwill	\$ 368,709	368,709
Computer software and others	<u>7,877</u>	<u>8,755</u>
Total	\$ <u>376,586</u>	<u>377,464</u>

(Continued)



**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (l) Other current assets, Other non-current financial assets and Other non-current assets

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Other current financial assets	\$ 580,913	9,337
Other non-current financial assets	24,666	12,721
Other current asset	157,364	340,353
Other non-current asset	77,751	77,450
Total	<b>\$ 840,694</b>	<b>439,861</b>

Other financial assets are refundable deposits, time deposit certificates that do not meet the definition of cash equivalent and restricted bank deposits.

Other current asset are prepayments and others.

Other non-current asset are defer tax asset, prepayments for equipment and others.

- (m) Short-term notes and bills payable

	<b>December 31, 2020</b>	
	<b>Guarantee or acceptance agency</b>	<b>Range of interest rates</b>
Commerical paper payable	Mega bills finance Co., Ltd.	1.29%
		\$ 30,000
Less: Discount on short-term notes and bills payable		(27)
Total		<b>\$ 29,973</b>

The Group did not provide any assets as collaterals for its Short-term notes and bills payable.

- (n) Short-term borrowings

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Unsecured bank loans	<b>\$ 2,535,372</b>	<b>2,923,070</b>
Unused short-term credit lines	<b>\$ 8,362,916</b>	<b>6,486,276</b>
Range of interest rates	<b>0.52%~1.60%</b>	<b>1.40%~2.73%</b>

The Group did not provide any assets as collaterals for its Short-term borrowings.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

## (o) Refund liabilities-current

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Refund liabilities-current	<b>\$ 320,223</b>	<b>262,046</b>

Refund liability is mainly due to the characteristics of the industry in which the sales of electronic components may generate a sales discount due to product defects or price drops, which are expected to be paid to customers.

## (p) Long-term borrowings

<b>December 31, 2020</b>				
	<b>Currency</b>	<b>Interest Rate</b>	<b>Period</b>	<b>Amount</b>
Unsecured bank loans	TWD	1.11%~1.70%	2021.01.08~2025.12.25	\$ 6,387,440
Secured bank loans	TWD	1.19%~1.39%	2021.02.16~2025.09.25	351,960
				6,739,400
Less: current portion				(1,745,535)
Total				<b>\$ 4,993,865</b>
Unused long-term credit lines				<b>\$ 600,000</b>
<b>December 31, 2019</b>				
	<b>Currency</b>	<b>Interest Rate</b>	<b>Period</b>	<b>Amount</b>
Unsecured bank loans	TWD	1.39%~1.85%	2020.05.25~2024.07.22	\$ 5,632,851
Secured bank loans	TWD	1.35%~1.55%	2021.02.16~2023.10.30	188,610
				5,821,461
Less: current portion				(1,535,962)
Total				<b>\$ 4,285,499</b>
Unused long-term credit lines				<b>\$ -</b>

For the Group's asset which was pledged as collateral for borrowings, please refer to Note (8).

For information on the Group's interest and liquidity risk, please see Note (6)(aa).

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

## (q) Bonds payable

	<b>December 31, 2019</b>
Total convertible corporate bonds issued	\$ 800,000
Cumulative converted amount	<u>(800,000)</u>
Bond payable amount	<u>\$ -</u>
	<b>For the years ended December 31, 2019</b>
Interest expense	<u>\$ 3,593</u>

The above-mentioned bond was fully converted in July, 2019.

The Company issued a first domestic unsecured convertible corporate bond in January 12, 2017. The issuance terms were as follows:

- (i) Name: Unsecured convertible bond-2017 first domestic bond.
- (ii) Date: January 12, 2017.
- (iii) Issue amount: TWD 800,000 thousand.
- (iv) Issue period: 2.5 years. The issuance date is January 12, 2017; the maturity date is July 12, 2019.
- (v) Bond coupon rate: Annual interest rate 0%.
- (vi) Date and method of returning:

Except for those that are converted into Company's common shares in advance, or are redeemed by the Company in advance, or the Company is bought and cancelled by the business premises of a securities firm, the bonds will be repaid in cash at the maturity date.

- (vii) During conversion:

The creditor may request the Company to convert the convertible bonds into common stocks during any time from the following day (the distribution day) after a month to maturity date, with the exception of certain days regulated by the government laws.

- (viii) Conversion price and adjustment:

The conversion price at the time of issuance was set at TWD 32.5 per share, and it shall be adjusted when the total number of common shares of the Company changes and the current price per share exceeds the conversion price to reissue securities with common share conversion rights. The conversion price was adjusted to TWD 29.3 per share after the price reset was affected by the changes in the stock price in July 2018.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ix) The company's right to redeem the converted corporate bonds:

- 1) The converted corporate bonds shall expire one month after the issuance date and the following day to 40 days before the issuance period expires as follows:
  - a) When the closing price of the Company's ordinary shares exceeds the current conversion price by more than 30% for 30 consecutive business days;
  - b) When the outstanding balance of the converted corporate bonds is less than 10% of the original issuance;

(x) Creditor's right to put back:

From the 30th day prior to the issuance to the end of the second year, the creditor may require the Company to increase the interest compensation based on the face value of the bonds, and redeem the converted corporate bonds held by it in cash. The Company accepts the sale back request and shall deliver the remittance to the creditor to redeem the conversion bonds within five business days after the sale back base date.

(r) Lease liabilities

The Group lease liabilities were as follows:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Current	<u>\$ 29,756</u>	<u>26,228</u>
Non-current	<u>\$ 45,348</u>	<u>41,374</u>

For the maturities analysis, please refer to Note (6)(aa).

The amounts recognized in profit or loss were as follows:

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Interest on lease liabilities	<u>\$ 1,525</u>	<u>2,056</u>
Expenses relating to short-term leases	<u>\$ 11,145</u>	<u>28,471</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 969</u>	<u>713</u>
COVID-19-related rent concessions (recognized as deduction of other income)	<u>\$ 208</u>	<u>-</u>

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Total cash outflow for leases	<u>\$ 47,340</u>	<u>67,732</u>

(i) Land, Buildings and Structures

The Group lease Land, Buildings and Structures as manufacture and office location with lease terms of two to ten years.

(ii) Machinery and other leases

The Group leases machinery, transportation and other equipment, with lease terms of three to five years.

In addition, the lease period of the employee dormitory, factory building, warehouse and parts of transportation and other equipment of the Group is one to three years. These leases are short-term and or low-value leases. The Group chooses to apply the exemption requirements and not recognize its related right-of-use assets and lease liabilities.

(s) Provisions

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Site restoration	<u>\$ 287,701</u>	<u>351,679</u>

In August 2019, the Group undertakes the responsibility for the restoration of the site, the budget received by it is listed as liability reserve.

(t) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value are as follows:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Present value of defined benefit obligation	\$ 29,621	31,460
Fair value of plan assets	(14,047)	(13,257)
Net defined benefit assets	<u>\$ 15,574</u>	<u>18,203</u>

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Group's Bank of Taiwan labor pension reserve account balance amounted to \$14,047 thousands of December 31, 2020. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movements in present value of defined benefit obligations for the Group were as follows:

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Defined benefit obligations at January 1	\$ 31,460	26,777
Current service costs and interest cost (income)	666	656
Remeasurement on the net defined benefit liabilities		
– Actuarial loss (gain) arising from financial assumptions	1,180	1,153
– Experience adjustments arising on the actuarial gains or losses	1,013	2,874
Benefits paid	(4,698)	-
Defined benefit obligations at December 31	<b>\$ 29,621</b>	<b>31,460</b>

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Group were as follows:

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Fair value of plan assets at January 1	\$ 13,257	11,750
Interest income	93	120
Remeasurement on the net defined benefit liabilities		
– Actuarial loss (gain)	437	480
Contributions paid by the employer	4,958	907
Benefits paid	(4,698)	-
Fair value of plan assets at December 31	<b>\$ 14,047</b>	<b>13,257</b>

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group were as follows:

	<u>For the years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Current service costs	\$ 449	392
Net interest of net liabilities for defined benefit obligations	124	144
Operating cost	<u>\$ 573</u>	<u>536</u>

5) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Discount rate	0.29%	0.69%
Future salary increases rate	1.00%	1.00%

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is \$579 thousand.

The weighted average lifetime of the defined benefits plans is 10~11 years

6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	<u>Influences of defined benefit obligations</u>	
	<u>Increased 0.25%</u>	<u>Decreased 0.25%</u>
December 31, 2020		
Discount rate	(726)	758
Future salary increasing rate	740	(713)
December 31, 2019		
Discount rate	(820)	856
Future salary increasing rate	838	(807)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2020 and 2019.

(ii) Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The domestic merged company provided pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$19,022 thousand and \$17,969 thousand for the years ended December 31, 2020 and 2019, respectively.

The foreign merged company provided pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$90,633 and \$113,501 thousand for the years ended December 31, 2020 and 2019, respectively.

(u) Income taxes

(i) Income tax expense

The components of income tax were as follows:

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Current income tax expense		
Current period	\$ 766,494	461,463
Adjustment for prior periods	<u>657</u>	<u>(26,453)</u>
	<u>767,151</u>	<u>435,010</u>
Deferred tax expense		
Origination and reversal of temporary differences	134,190	(2,419)
Others	<u>12,910</u>	<u>-</u>
	<u>147,100</u>	<u>(2,419)</u>
Income tax expense	<b><u>\$ 914,251</u></b>	<b><u>432,591</u></b>

(Continued)



**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Reconciliation of income tax and profit before tax were as follows

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Profit excluding income tax	\$ 2,825,985	1,472,390
Income tax using the Company's domestic tax rate effect of tax rates in foreign jurisdiction	\$ 1,177,588	560,941
Non-deductible expenses	57,022	66,725
Tax-exempt income	(94,369)	(63,874)
Change in unrecognized temporary differences	(335,439)	(169,899)
Current-year losses for which no deferred tax asset was recognized	50,129	49,197
Underestimation (Overestimation) of pervious period	657	(26,453)
Undistributed earnings additional tax	27,383	15,697
Others	29,456	(87)
Basic income tax	1,824	344
Total	<u>\$ 914,251</u>	<u>432,591</u>

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

The Company entity is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2020 and 2019. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences were not recognized under deferred tax liabilities. Details were as follows:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Aggregate amount of temporary differences related to investments in subsidiaries	<u>\$ 1,942,142</u>	<u>1,671,173</u>

2) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Tax effect of deductible Temporary Differences	\$ 191,794	222,784
The carryforward of unused tax losses	165,226	132,067
	<u>\$ 357,020</u>	<u>354,851</u>

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

As of December 31, 2020, the information of the Group's unused tax losses for which no deferred tax assets were recognized were as follows:

<u>Year of loss</u>	<u>Unused tax loss</u>	<u>Expiry date</u>
2011	\$ 1,527	2021
2013	11,384	2023
2014	5,115	2024
2015	158,582	2025
2016	183,675	2026
2017	6,430	2027
2018	67,139	2028
2019	214,545	2029
2020	246,627	2030
	<u>\$ 895,024</u>	

3) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities were as follows:

	<u>Others</u>
<b>Deferred Tax Liabilities:</b>	
Balance on January 1, 2020	\$ 235
Recognized in profit or loss	132,366
Balance on December 31, 2020	<u>\$ 132,601</u>
Balance on January 1, 2019	\$ 7,723
Recognized in profit or loss	(7,488)
Balance on December 31, 2019	<u>\$ 235</u>
<b>Deferred Tax Assets:</b>	
Balance on January 1, 2019	\$ 25,518
Recognized in profit or loss	(5,069)
Balance on December 31, 2019 (Same as of Balance on December 31, 2020)	<u>\$ 20,449</u>

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iii) Assessment of tax

The tax returns of the Company, Chi Yang Investment Ltd., T-Flex Techvest PCB Co., Ltd., and T-Mac Techvest PCB Co., Ltd. were assessed and approved by the Tax Authority for the years through 2018; while tgt Techvest Co., Ltd.'s tax return through 2017 have been assessed and approved by the Tax Authority.

(v) Capital and other equity

(i) Ordinary shares

As of December 31, 2020 and 2019, the authorized shares of 300,000 thousand, with a par value of \$10 per share, amounted to \$3,000,000 thousand, of which, 271,242 thousand of ordinary shares were issued. All issued shares were paid up upon issuance.

(ii) Capital surplus

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Additional paid-in capital	\$ 2,384,724	2,384,724
Differences between acquisition price and carrying amount arising from acquisition of subsidiaries	612,761	612,761
Changes in ownership interests in subsidiaries	114,641	114,641
Others	6,906	6,906
	<b><u>\$ 3,119,032</u></b>	<b><u>3,119,032</u></b>

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

(iii) Retain earning

The Company's article of incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed as new stacks according to the distribution plan or shares newly issued proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

If the Company distributes dividend bonus, legal reserve, special reserve or part/whole of the capital surplus by cash payment, two of the three authorized board members must be present during the meeting, and half of the attendees' approval must be obtained before reporting the agreed appropriation at the shareholders' meeting.

In order to consider stable development and complete financial structure, the Company's surplus distribution shall be no less than 10% of the distributable surplus, minus the previous year's surplus. However, if the distributable surplus, minus the previous year's surplus, is less than the percentage of paid-in capital, the Company may decide to transfer all of retained surplus to unappropriated retained earnings.

When distributing surplus, cash dividend shall not be less than 10% of the total dividend.

1) Legal reserve

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

2) Special reserve

When the Company distributes the distributable surplus, the net deduction of other shareholders' equity in the current year is reported, and the special surplus reserve is made up from the current profit and loss and the undistributed surplus in the previous period; it is the deduction of other shareholders' equity accumulated in the previous period. Amount, from the undistributed surplus of the previous period, the special surplus reserve shall not be distributed. When the deduction amount of other shareholders' equity is reversed thereafter, the surplus may be distributed on the reversed part.

3) Earnings distribution

The earnings distribution for 2019 and 2018 had been approved during the board's meeting and shareholder's meeting on April 23, 2020 and June 12, 2019, respectively.

The relevant dividend distributions to shareholders were as follows:

	<b>For the years ended December 31,</b>			
	<b>2019</b>		<b>2018</b>	
	<b>Dividend per share (TWD)</b>	<b>Amount</b>	<b>Dividend per share (TWD)</b>	<b>Amount</b>
Dividends distributed to ordinary shareholders				
Cash	\$ 2.55	<u><u>665,301</u></u>	2.18	<u><u>587,668</u></u>

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iv) Treasury stock

A resolution was approved during the board meetings held on August 9 and September 12, 2016 for the issuance of employee stock options between August 9 and October 7, 2016 in accordance with the requirements under section 28(2) of the Securities and Exchange Act, resulting in the Company to buy back 25,000 thousand of its treasury shares. However, on October 17, 2016, the board of directors decided to convert the above treasury shares into convertible corporate bond equity instead of issuing them as employee stock options.

A resolution was approved during the board meetings held on March 21 and March 29, 2019 for the issuance of the first domestic unsecured convertible corporate bond between March 22 and May 21, 2019 in accordance with the requirements under section 28(2) of the Securities and Exchange Act, resulting in the Company to buy back 2,304 thousand of its treasury shares.

The treasury shares for the conversion of corporate bonds had been transferred in July 2019 for 27,303 thousand shares, of which, 450 shares were not converted before the due date. The registration for the cancellation of treasury shares, resulting in a capital reduction, was completed with the approval of the Ministry of Economic Affairs on August 14, 2019.

A resolution was approved during the board meeting held on May 7, 2018 for the issuance of employee stock options between May 8 and July 7, 2018, in accordance with the requirements under section 28(2) of the Securities and Exchange Act, resulting in the Company to buy back 2,100 thousand of its treasury shares. The related conversion procedures ended on May 19, 2020.

A resolution was approved during the board meeting held on March 23, 2020 for the issuance of employee stock options between March 25 and May 13, 2020, in accordance with the requirements under section 28(2) of the Securities and Exchange Act, resulting in the Company to buy back 10,000 thousand of its treasury shares.

As of December 31, 2020, the total number non-cancelled shares were 10,000 thousand shares.

In accordance with the provisions of the Securities Exchange Law mentioned in the preceding paragraph, the proportion of shares purchased by the Company shall not exceed 10% of its total issued shares, and the total amount of shares purchased shall not exceed the Company's retained earnings, plus the premium on the issued shares and the realized amount of capital reserve. As of December 31, 2020, the number of stocks bought back by the Company and the amount of repurchased shares met all the requirements.

Treasury stocks held by the Company shall not be pledged in accordance with the provisions of the Securities Exchange Law and shall not enjoy shareholder rights before being transferred.

(v) Other equity

The items listed under other equity are Exchange Differences on Translation of Foreign Financial Statements and the accumulated amount of unrealized gains and losses of financial assets at fair value through other comprehensive gains and losses.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(vi) Non-controlling risk

A resolution was approved during the interim shareholders' meeting of the Company and T-MAC Techvest PCB Co., Ltd. (T-Mac) held on January 25, 2019 for a share swap, wherein the Company will acquire the entire shares of T-Mac by cash for \$1,272,257 thousand, with the consolidated base date set on March 29, 2019. The above transaction will result in the Group's shares in T-Mac to increase from 51% to 100%.

The changes in the ownership and equity of the Group to T-Mac will affect the owners' equity attributable to the parent company as follows:

Purchase of non-controlling equity book value	\$ 1,873,317
Consideration paid to non-controlling interests	<u>(1,272,257)</u>
Capital Surplus- Difference arising from subsidiary's share price and its Carrying value	<u><u>\$ 601,060</u></u>

(w) Earnings per share

	<b>For the years ended December 31,</b>	
	<u>2020</u>	<u>2019</u>
<b>Basic earnings per share</b>		
Profit attributable to ordinary shareholders of the Company	\$ <u>1,918,861</u>	<u>1,070,440</u>
Weighted average number of ordinary shares (In thousands)	<u>263,562</u>	<u>262,178</u>
Basic earnings per share (TWD)	\$ <u>7.28</u>	<u>4.08</u>
<b>Diluted earnings per share</b>		
Profit attributable to ordinary shareholders of the Company	\$ 1,918,861	1,070,440
Effect of dilutive potential ordinary shares		
— Convertible preference shares dividends	<u>-</u>	<u>2,874</u>
Profit attributable to ordinary shareholders of the Company (diluted)	\$ <u>1,918,861</u>	<u>1,073,314</u>
Weighted average number of ordinary shares (In thousands)	263,562	262,178
Effect of dilutive potential ordinary shares		
— Effect of employee share bonus	10,382	7,315
— The effect of convertible bond transfer	<u>-</u>	<u>7,632</u>
Effect of conversion of convertible bonds (In thousands) (diluted)	<u>273,944</u>	<u>277,125</u>
Diluted earnings per share (TWD)	\$ <u>7.00</u>	<u>3.87</u>

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

## (x) Revenue from contracts with customers

## (i) Details of revenue

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Primary geographical markets		
China	\$ 15,441,141	13,753,989
Taiwan	2,721,860	2,888,610
Singapore	2,102,657	1,710,479
Korea	1,018,473	1,670,598
Others	<u>1,563,136</u>	<u>1,678,187</u>
	<b><u>\$ 22,847,267</u></b>	<b><u>21,701,863</u></b>
Major products/services lines		
Printed circuit board	\$ 22,821,161	21,649,478
Processing fees revenue and others	<u>26,106</u>	<u>52,385</u>
	<b><u>\$ 22,847,267</u></b>	<b><u>21,701,863</u></b>

## (ii) Contract balances

	<b>December 31,</b>	<b>December 31,</b>	<b>January 1,</b>
	<b>2020</b>	<b>2019</b>	<b>2019</b>
Notes and accounts receivable	\$ 9,668,456	8,512,384	8,858,024
Less: Loss allowance	<u>(148,505)</u>	<u>(398,201)</u>	<u>(365,671)</u>
Total	<b><u>\$ 9,519,951</u></b>	<b><u>8,114,183</u></b>	<b><u>8,492,353</u></b>

For details on notes and accounts receivable and allowance for impairment, please refer to Note (6)(d).

Refund liabilities disclosure please refer to Note (6)(o).

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(y) Employee compensation and directors' remuneration

In accordance with the articles of incorporation, the Company should contribute 5% to 15% of the profit as employee compensation and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits (including adjustments to the amount of undistributed surplus), the profit should be reserved to offset the deficit. The amount of remuneration of each director and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2020 and 2019, the Company estimated its employee remuneration amounting to \$378,794 thousand and \$214,614 thousand, and directors' remuneration amounting to \$75,759 thousand and \$42,923 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2020 and 2019. If there is a difference between the actual distribution amount and the estimated amount, the difference shall be recognized in profit or loss in the following year according to the changes in accounting estimates.

(z) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Interest income	\$ 132,412	137,246
Others	8,099	59
	<b>\$ 140,511</b>	<b>137,305</b>

(ii) Other income

The details of other income were as follows:

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Rent income	\$ 13,126	23,303
Government subsidy income	35,896	51,035
Others	63,594	14,678
	<b>\$ 112,616</b>	<b>89,016</b>

(Continued)



**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

## (iii) Other gains and losses

The details of other gains and losses were as follows:

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Foreign exchange (losses) gains	\$ (321,764)	37,350
Gains (Losses) on financial assets (liabilities) at fair value through profit or loss	243,957	(41,027)
Losses on disposals of property, plant and equipment	(12,183)	(9,223)
Reversal of impairment loss recognized in profit or loss, property, plant and equipment	-	21,448
Gain on disposal of non-current assets held for sale	1,147,370	-
Others	(15,251)	(8,451)
	<b>\$ 1,042,129</b>	<b>97</b>

The detail of non-current assets classified as held for sale please refer to Note 6(g).

## (iv) Financial costs

The details of financial costs were as follows:

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Interest on bank loans	\$ 124,873	162,309
Interest on corporate debt	-	3,593
Interest on lease liabilities	1,525	2,056
	<b>\$ 126,398</b>	<b>167,958</b>

## (aa) Financial instruments

## (i) Credit risk

## 1) Credit risk exposure

The carrying amount of financial assets and contract assets represents the maximum amount exposed to credit risk.

## 2) Concentration of credit risk

The customers of the Group are concentrated in a broad customer base, and there is no significant concentration of transactions with a single customer and the sales area is dispersed, so the credit risk of accounts receivable is not likely to be significantly concentrated. In order to reduce credit risk, the Group also regularly and continuously assesses the financial status of its customers, but usually does not require customers to provide collateral.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

3) Credit risk of Receivables and debt securities

For credit risk exposure of notes and accounts receivable, please refer to Note (6)(d).

Other financial assets at amortized cost includes cash and cash equivalents, other receivables, please refer to Note (6)(a), (e).

All these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected credit losses. The fixed deposit certificates held by the Group, the transaction counterparty and the performing party are financial institutions with investment grade and above, so the credit risk is deemed to be low.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Less than 6 months</u>	<u>6 to 12 months</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>More than 5 years</u>
<b>December 31, 2020</b>							
Non-derivative financial liabilities							
Secured bank loans	\$ 351,960	364,820	30,973	17,092	54,705	262,050	-
Unsecured bank loans	8,922,812	9,061,893	3,401,041	906,009	1,996,660	2,758,183	-
Short-term notes and bills payable	29,973	30,000	30,000	-	-	-	-
Notes and accounts payable	4,190,290	419,290	419,290	-	-	-	-
Other payables	3,364,639	3,364,639	3,363,270	1,369	-	-	-
Lease liabilities	75,104	78,794	16,879	13,210	19,472	12,414	16,819
Derivative financial liabilities							
Other forward exchange contracts:							
Outflow	(50,482)	3,050,174	3,050,174	-	-	-	-
Inflow	-	(3,100,656)	(3,100,656)	-	-	-	-
	<u>\$ 16,884,296</u>	<u>13,268,954</u>	<u>7,210,971</u>	<u>937,680</u>	<u>2,070,837</u>	<u>3,032,647</u>	<u>16,819</u>
<b>December 31, 2019</b>							
Non-derivative financial liabilities							
Secured bank loans	\$ 188,610	193,083	43,773	43,472	44,900	60,938	-
Unsecured bank loans	8,555,921	8,732,073	3,618,601	847,083	1,811,898	2,454,491	-
Notes and accounts payable	3,280,321	3,280,321	3,280,321	-	-	-	-
Other payables	3,564,675	3,564,675	3,520,448	40,026	4,201	-	-
Lease liabilities	67,602	71,652	14,912	11,633	15,228	10,657	19,222
Derivative financial liabilities							
Other forward exchange contracts:							
Outflow	(14,157)	1,624,479	1,624,479	-	-	-	-
Inflow	-	(1,638,636)	(1,638,636)	-	-	-	-
	<u>\$ 15,642,972</u>	<u>15,827,647</u>	<u>10,463,898</u>	<u>942,214</u>	<u>1,876,227</u>	<u>2,526,086</u>	<u>19,222</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iii) Currency risks

1) Exposure to foreign currency risk

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

	December 31, 2020			December 31, 2019		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 470,147	28.48	13,389,779	374,086	29.98	11,215,091
CNY	14,167	4.38	62,010	8,120	4.31	34,958
JPY	8,275	0.28	2,286	7,923	0.28	2,187
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	339,178	28.48	9,659,766	270,062	29.98	8,096,449
CNY	-	-	-	851	4.31	3,663
JPY	1,990	0.28	550	1,990	0.28	549

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable, other receivables, loans and borrowings; and notes and accounts payables and other payables that are denominated in foreign currency. A strengthening (weakening) of 5% of the TWD against each transaction currencies on December 31, 2020 and 2019 would have increased (decreased) the net income by \$144,418 thousand and \$125,682 thousand. The analysis in 2020 is performed on the same basis for 2019.

3) Gains or losses on foreign exchange

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For years 2020 and 2019, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$(321,764) thousand and \$37,350 thousand, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management about the interest rate exposure of the Group's financial assets and liabilities.

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

If the interest rate had increased / decreased by 1 %, the Group's net income would have decreased / increased by \$13,080 thousand in 2020 and \$34,783 thousand in 2019 with all other variable factors remaining constant. Mainly due to group variable interest rate deposit and loans.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(v) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured lease liabilities, disclosure of fair value information is not required.

	December 31, 2020				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss</b>	\$ 52,445	-	52,445	-	52,445
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	9,991,196	-	-	-	-
Notes and accounts receivable	9,519,951	-	-	-	-
Other receivables	264,420	-	-	-	-
Restricted asset	138,664	-	-	-	-
Refundable deposits	29,212	-	-	-	-
Sub-total	<u>19,943,443</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 19,995,888</u>	<u>-</u>	<u>52,445</u>	<u>-</u>	<u>52,445</u>
<b>Financial liabilities at fair value through profit or loss</b>	\$ 1,963	-	1,963	-	1,963
<b>Financial liabilities at amortized cost</b>					
Bank loans	9,274,772	-	-	-	-
Short-term notes and bills payable	29,973	-	-	-	-
Notes and accounts payables	4,190,290	-	-	-	-
Other payables	3,364,639	-	-	-	-
Lease liabilities	75,104	-	-	-	-
Guarantee deposits received	90,916	-	-	-	-
Sub-total	<u>17,025,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 17,027,657</u>	<u>-</u>	<u>1,963</u>	<u>-</u>	<u>1,963</u>

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	December 31, 2019				
	Book Value	Fair Value			Total
		Level 1	Level 3	Level 3	
<b>Financial assets at fair value through profit or loss</b>	\$ 14,173	-	14,173	-	14,173
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	8,355,212	-	-	-	-
Notes and accounts receivable	8,114,183	-	-	-	-
Other receivables	165,503	-	-	-	-
Restricted assets	500	-	-	-	-
Refundable deposits	21,557	-	-	-	-
Sub-total	<u>16,656,955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 16,671,128</u>	<u>-</u>	<u>14,173</u>	<u>-</u>	<u>14,173</u>
<b>Financial liabilities at fair value through profit or loss</b>	\$ 16	-	16	-	16
<b>Financial liabilities measured at amortized cost</b>					
Bank loan	\$ 8,744,531	-	-	-	-
Notes and accounts payables	3,280,321	-	-	-	-
Other payables	3,564,675	-	-	-	-
Lease liabilities	67,602	-	-	-	-
Guarantee deposits received	84,442	-	-	-	-
Sub-total	<u>15,741,571</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 15,741,587</u>	<u>-</u>	<u>16</u>	<u>-</u>	<u>16</u>

2) Fair value through profit or loss financial instrument- fair value evaluation technique

2.1) Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis.

The fair value of financial instruments is measured by using the market method and net asset value method if there is no public quotation in an active market. The market method refers to the recent fund-raising activities of the investment target, or target with similar market transaction price and conditions; while the net asset value method main assumption is based on the net value per share of the investee.

2.2) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of forward currency is usually determined by the forward currency exchange rate.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

3) Transfers between Level 1 and Level 2

There were no transfers from Level 2 to Level 1 in 2020 and no transfers in either direction in 2019.

4) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions: None.

(ab) Financial risk management

(i) Overview

The Group have exposures to the following risks from its financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Group's financial management department provides services for each business, coordinates the operation of entering domestic and international financial markets, as well as supervises and manages the financial risks related to the Group's operations through internal risk reports that analyze the level and range of risks that may occur. The use of derivative financial instruments is regulated by the policies adopted by the board of directors. Those policies are written principles for exchange rate risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments, and the investment of remaining liquid funds. The audit committee and the internal audit will regularly review the policies to limit risk exposures. The financial management department will regularly report to the audit committee and the board. In addition, the Group does not trade financial instruments (including derivative financial instruments) for speculative purpose.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from cash and cash equivalents, financial instruments and the Group's receivables from customers.

1) Accounts receivable and other receivables

The Group credit risk is affected by individual client circumstance.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and, in some cases, bank references. Purchase limits are established for each customer and represent the maximum open amount without requiring approval from the board; these limits are reviewed regularly. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

The Group does not require any collateral for accounts receivable and other receivables.

2) Investment

The credit risk of bank deposits and other financial instruments is measured and monitored by the Company's finance department. Since the Group's counterparties and burden of contract parties are creditworthy banks, financial institutions and corporate organizations with investment grade, there is no materiality concerns, so there is no materiality credit risk.

3) Guarantees

The Group's policy is to provide financial guarantees only to Companies with business dealings, companies that directly and indirectly hold or hold more than 50% of the voting shares. At December 31, 2020 and 2019, no other guarantees were outstanding

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash flows on financial liabilities (other than trade payables) over the succeeding 60 days. The Group also monitors the level of expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. As of December 31, 2020 and 2019, the Group's unused credit line were amounted to \$9,172,916 thousand and \$6,936,276 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The Group buys and sells derivatives, and also incurs financial liabilities, in order to manage market risk. All such transactions are carried out within the guidelines set by the board of the directors.

Currency risk

The Group is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities. Therefore, the Group engages in derivative transactions to avoid exchange rate risks. The gains and losses of foreign currency assets and liabilities due to exchange rate changes will roughly offset the valuation gains and losses of derivatives. However, derivative transactions can help reduce the number of merged companies but still cannot completely rule out the impact of changes in foreign currency exchange rates.

The Group regularly reviews the risky positions of individual foreign currency assets and liabilities and hedges the risky positions. The main hedging tool used is forward foreign exchange contracts. The maturity dates of the forward foreign exchange contracts undertaken by the Group are all shorter than six months, and do not meet the requirements of hedging accounting.

(ac) Capital management

The Group's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Group and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

The Group's capital management strategy in 2020 is consistent with strategy in 2019. The Group's debt-to-capital ratios are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Total liabilities	\$ 18,417,115	17,262,641
Less: cash and cash equivalents	<u>(9,991,196)</u>	<u>(8,355,212)</u>
Net debt	8,425,919	8,907,429
Total equity	<u>13,027,871</u>	<u>11,743,480</u>
Total capital	<u><u>\$ 21,453,790</u></u>	<u><u>20,650,909</u></u>
Debt-to-equity ratio	<u><u>39.27 %</u></u>	<u><u>43.13 %</u></u>

(Continued)



**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

The Group's financing activities which did not affect the current cash flow in the years ended December 31, 2020 and 2019, were as follows:

- (i) For obtain the right-of-use asset by lease, please refer to Note (6)(i) °
- (ii) For conversion of convertible bonds to ordinary shares, please refer to Note (6)(q) °

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2020	Cash flows	Non-cash changes			December 31, 2020
			Transfer	Changes in lease payments	Others	
Long-term borrowings	\$ 5,821,461	917,939	-	-	-	6,739,400
Short-term borrowings	2,923,070	(387,698)	-	-	-	2,535,372
Short-term notes and bills payable	-	29,973	-	-	-	29,973
Lease liability	67,602	(33,701)	-	(208)	41,411	75,104
Total liabilities from financing activities	<u>\$ 8,812,133</u>	<u>526,513</u>	<u>-</u>	<u>(208)</u>	<u>41,411</u>	<u>9,379,849</u>

	January 1, 2019	Cash flows	Non-cash changes			December 31, 2019
			Transfer	Fair value changes	Others	
Long-term borrowings	\$ 3,606,089	2,215,372	-	-	-	5,821,461
Short-term borrowings	2,606,599	316,471	-	-	-	2,923,070
Lease liability	91,755	(36,492)	-	-	12,339	67,602
Bond payable	793,362	-	(800,000)	6,638	-	-
Total liabilities from financing activities	<u>\$ 7,097,805</u>	<u>2,495,351</u>	<u>(800,000)</u>	<u>6,638</u>	<u>12,339</u>	<u>8,812,133</u>

**(7) Related-party transactions:**

(a) Key management personnel compensation

Key management personnel compensation comprised:

	For the years ended December 31,	
	2020	2019
Short-term employee benefits	\$ 437,556	311,715
Post-employment benefits	1,181	1,007
	<u>\$ 438,737</u>	<u>312,722</u>

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(8) Pledged assets:**

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Property, plant and equipment	Long-term loans	\$ 443,135	483,321
Investment property	Long-term loans	182,651	-
Restricted asset (classified under other current assets and other non-current financial assets)	Remittance to the earnings according to the special law and customs deposit	138,664	500
Refundable deposits (classified under other current assets and other non-current financial assets)	Lease plant and official vehicle deposit, etc.	29,212	21,557
		<u>\$ 793,662</u>	<u>505,378</u>

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

- (a) The amount of guarantee notes deposited by the Group for bank borrowings and bank performance bonds are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
USD	\$ -	11,000
TWD	1,900,000	1,610,000

- (b) Unrecognized contractual commitments

The Group's unrecognized contractual commitments for are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
TWD	\$ -	<u>35,208</u>

- (c) Outstanding standby letter of credit :

The Group's outstanding standby letter of credit are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
JPY	\$ -	2,030
USD	79	-

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (d) The distribution agreement signed by the Group and several companies pay sales commissions in accordance with the proportions based on the sales revenue from sales to agreed customers. For the years ended December 31, 2020 and 2019, the Group's commissions amounted to \$403,974 thousand and \$270,503 thousand, respectively.
- (e) In April 2012, the Group signed a civil engineering contract with China Dongmenwai Engineering Project Management Co., Ltd. (Dongmenwai) for the construction of the Chi Chau Printed Circuit Board (Suining) Co., Ltd. plant. However, Dongmenwai failed to comply with the agreement; hence, the contract was terminated in June 2013. Furthermore, Dongmenwai filed a lawsuit against the Group to the Chengdu People's Court of Sichuan Province, demanding the Group to pay for the outstanding balance. In September 2019, the two parties reached a settlement where the Group agreed to pay settled amount and recognized it as loss.

**(10) Losses due to major disasters: None**

**(11) Subsequent events: None**

**(12) Other:**

- (a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By item	By function	For the year ended December 31, 2020			For the year ended December 31, 2019		
		Cost of sale	Operating expense	Total	Cost of sale	Operating expense	Total
Employee benefits							
Salary		2,001,700	556,663	2,558,363	1,928,083	630,825	2,558,908
Labor and health insurance		115,597	18,785	134,382	132,715	16,120	148,835
Pension		99,455	10,773	110,228	117,318	14,688	132,006
Remuneration of directors		-	77,449	77,449	-	59,042	59,042
Others Employee benefits expense		198,017	31,286	229,303	173,909	35,617	209,526
Depreciation		1,158,448	68,975	1,227,423	1,101,904	64,883	1,166,787
Amortization		2,218	2,096	4,314	2,643	3,014	5,657

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(13) Other disclosures:****(a) Information on significant transactions:**

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the year ended December 31, 2020:

**(i) Lending to other parties:**

(In Thousands of New Taiwan Dollar)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	T-Mac Techvest Co., Ltd.	Other receivables-related party	Yes	200,000	200,000	-		2	-	Operating	-	None	-	5,013,326	5,013,326
1	Chi Chau Printed Circuit Board (Suzhou) Ltd.	T-Mac Techvest (Wuxi) PCB Co., Ltd.	Other receivables-related party	Yes	2,408,460	2,407,365	446,457	4.35	2	-	Operating	-	None	-	5,278,274	5,278,274
1	Chi Chau Printed Circuit Board (Suzhou) Ltd.	Chi Chau Printed Circuit Board (Suining) Co., Ltd.	Other receivables-related party	Yes	431,200	-	-		2	-	Operating	-	None	-	5,278,274	5,278,274
1	Chi Chau Printed Circuit Board (Suzhou) Ltd.	Sinaet Electronics Co., Ltd.	Other receivables-related party	Yes	172,959	-	-		2	-	Operating	-	None	-	5,278,274	5,278,274
2	CATAC Electronic (Zhongshan) Co., Ltd.	T-Mac Techvest (Wuxi) PCB Co., Ltd.	Other receivables-related party	Yes	739,503	-	-		2	-	Operating	-	None	-	3,566,131	3,566,131
2	CATAC Electronic (Zhongshan) Co., Ltd.	Chi Chau Printed Circuit Board (Suining) Co., Ltd.	Other receivables-related party	Yes	875,804	875,405	-		2	-	Operating	-	None	-	3,566,131	3,566,131

Note 1: 2 Represents companies that have short-term financing needs.

Note 2: According to the regulations of the Company's Fund Loan to Others Operating Procedures, if the Company's funds are loaned to a company or bank that is necessary for short-term financing, the total amount of the loan shall not exceed 40% of the Company's net worth Limit.

According to the article “Fund Loans to Others Operating Procedures” of Chi Chau Printed Circuit Board Suzhou Co., Ltd and CATAC Electronic ( Zhongshan) Co., Ltd, the parent company, directly and indirectly, holds 100% voting shares of its foreign companies who engaged in fund loans, wherein the total amounts for financing and individual loans shall not exceed the Company's net value in the most recent financial statements.

Note 3: Fund loan and quota approved by the board of directors.

**(ii) Guarantees and endorsements for other parties: None.****(iii) Securities held as of December 31, 2020 (excluding investment in subsidiaries, associates and joint ventures):**

(In Thousands of New Taiwan Dollar/Per share)

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				Highest balance during the year	Note
				Shares	Carrying value	Percentage of ownership (%)	Fair value		
T-Flex Techvest PCB Co., Ltd.	EVA Technologies Co., Ltd. (Ordinary share)	Non-related party	Fair value through other comprehensive income financial assets - non-current	560,000	-	2.71 %	-	2.71 %	None

**(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of TWD300 million or 20% of the capital stock:**

(In Thousands of New Taiwan Dollar/Per share)

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the Company	Beginning Balance		Purchases		Sales			Ending Balance		
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
T-MAC Techvest PCB Co., Ltd.	Chin Poon Industrial Co., Ltd. (Ordinary share)	Fair value through other comprehensive income financial assets - non-current	-	No	-	-	10,894,000	289,952	10,894,000	330,862	289,952	40,910	-	-

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (v) Acquisition of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock: None
- (vi) Disposal of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollar)

Name of company	Type of property	Transaction date	Acquisition date	Book value	Transaction amount	Amount actually receivable	Gain from disposal	Counter-party	Nature of relationship	Purpose of disposal	Price reference	Other terms
Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	Plant	2020.02.26	2006.02.25	344,191	604,823	604,823	254,950	Enterprise Repurchase Office of Suzhou Dushu Lake Science and Education Innovation Zone Management Committee	-	Suzhou repurchases state-owned land as a science and education innovation zone	Repurchase compensation for enterprises	-

- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of TWD100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollar)

Name of company	Related party	Nature of relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Notes/ accounts receivable (payable)		Notes
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Chi Yao Ltd.	Subsidiary of the Company	Purchase	490,203	3 %	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(142,229)	(2)%	None
The Company	CATAC Electronic (Zhongshan) Co., Ltd.	Subsidiary of the Company	Purchase	2,249,893	14 %	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(847,461)	(15)%	None
The Company	Chi Chau Printed Circuit Board (Suining) Co., Ltd.	Subsidiary of the Company	Purchase	3,144,850	20 %	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(1,012,959)	(18)%	None
The Company	T-Mac Techvest (Wuxi) PCB Co., Ltd.	Subsidiary of the Company	Purchase	8,599,286	55 %	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(2,962,190)	(51)%	None
T-Flex Techvest PCB Co., Ltd.	The Company	Parent company	Purchase	236,476	100 %	Net 140 days from the end of the month of when invoice is issued	-	Not applicable	(102,410)	(100)%	None
Tgt Techvest Co., Ltd.	The Company	Parent company	(Sales)	(753,632)	(74)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	161,870	70 %	None
Chi Yao Ltd.	The Company	Parent company	(Sales)	(491,111)	(100)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	142,229	100 %	None
Chi Yao Ltd.	Chi Chau Printed Circuit Board (Suining) Co., Ltd.	Affiliated company	Purchase	490,004	100 %	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(141,910)	(100)%	None
Chi Chau Printed Circuit Board (Suining) Co., Ltd.	The Company	Parent company	(Sales)	(3,171,377)	(68)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	1,015,792	78 %	None
Chi Chau Printed Circuit Board (Suining) Co., Ltd.	Chi Yao Ltd.	Affiliated company	(Sales)	(492,772)	(11)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	142,307	11 %	None
Chi Chau Printed Circuit Board (Suining) Co., Ltd.	Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	Affiliated company	(Sales)	(882,144)	(19)%	Net 60 days from the end of the month of when invoice is issued	-	Not applicable	102,691	8 %	None
Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	CATAC Electronic (Zhongshan) Co., Ltd.	Affiliated company	Purchase	147,555	8 %	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(127,859)	(28)%	None
Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	Chi Chau Printed Circuit Board (Suining) Co., Ltd.	Affiliated company	Purchase	882,144	46 %	Net 60 days from the end of the month of when invoice is issued	-	Not applicable	(102,691)	(22)%	None

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Name of company	Related party	Nature of relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Notes/ accounts receivable (payable)		Notes
			Purchase/ Sale	Amount	Percentage of total purchases/ sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	T-Mac Techvest (Wuxi) PCB Co., Ltd.	Affiliated company	Purchase	793,417	42 %	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(200,477)	(43)%	None
CATAC Electronic (Zhongshan) Co., Ltd.	The Company	Parent company	(Sales)	(2,267,943)	(56)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	849,831	43 %	None
CATAC Electronic (Zhongshan) Co., Ltd.	Sin Siang (Xiamen) technology Co., Ltd.	Affiliated company	(Sales)	(252,655)	(6)%	Net 150 days from the end of the month of when invoice is issued	-	Not applicable	42,397	2 %	None
CATAC Electronic (Zhongshan) Co., Ltd.	Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	Affiliated company	(Sales)	(147,555)	(4)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	127,859	6 %	None
T-Mac Techvest (Wuxi) PCB Co., Ltd.	The Company	Parent company	(Sales)	(8,664,637)	(91)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	2,970,475	93 %	None
T-Mac Techvest (Wuxi) PCB Co., Ltd.	Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	Affiliated company	(Sales)	(793,417)	(8)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	200,477	6 %	None
Sin Siang (Xiamen) technology Co., Ltd.	CATAC Electronic (Zhongshan) Co., Ltd.	Affiliated company	Purchase	252,655	100 %	Net 150 days from the end of the month of when invoice is issued	-	Not applicable	(42,397)	(100)%	None

Note 1: Purchased goods belonging to an agency relationship have been eliminated.

Note 2: The following transition was eliminated in the consolidated financial statements.

(viii) Receivables from related parties with amounts exceeding the lower of TWD100 million or 20% of capital stock:

(In Thousands of New Taiwan Dollar)

Name of related party	Related-party	Nature of relationship	Ending balance	Turnover rate	Past-due receivables from related party		Amount received in subsequent period	Loss allowance
					Amount	Action taken		
The Company (Note 2)	T-Flex Techvest PCB Co., Ltd.	Subsidiary of the Company	102,410	2.89 times	-	Not applicable	9,768	-
gt Techvest Co., Ltd. (Note 2)	The Company	Parent company	161,870	4.68 times	-	Not applicable	161,870	-
gt Techvest Co., Ltd. (Note 3)	The Company	Parent company	4,795	- times	-	Not applicable	4,795	-
Chi Yao Ltd. (Note 2)	The Company	Parent company	142,229	3.65 times	-	Not applicable	65,428	-
T-Mac Techvest (Wuxi) PCB Co., Ltd. (Note 2)	The Company	Parent company	2,970,475	3.55 times	-	Not applicable	1,504,696	-
T-Mac Techvest (Wuxi) PCB Co., Ltd. (Note 2)	Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	Affiliated company	200,477	5.47 times	-	Not applicable	200,477	-
T-Mac Techvest (Wuxi) PCB Co., Ltd. (Note 3)	Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	Affiliated company	2,320	- times	-	Not applicable	-	-
Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. (Note 3)	T-Mac Techvest (Wuxi) PCB Co., Ltd.	Affiliated company	447,023	- times	-	Not applicable	175,599	-
CATAC Electronic (Zhongshan) Co., Ltd. (Note 2)	The Company	Parent company	849,831	2.81 times	-	Not applicable	234,055	-
CATAC Electronic (Zhongshan) Co., Ltd. (Note 2)	Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	Affiliated company	127,859	2.21 times	-	Not applicable	42,582	-
Chi Chau Printed Circuit Board (Suining) Co., Ltd. (Note 2)	The Company	Parent company	1,015,792	4.06 times	-	Not applicable	406,199	-
Chi Chau Printed Circuit Board (Suining) Co., Ltd. (Note 2)	Chi Yao Ltd.	Affiliated company	142,307	3.77 times	-	Not applicable	65,469	-
Chi Chau Printed Circuit Board (Suining) Co., Ltd. (Note 2)	Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	Affiliated company	102,691	4.23 times	-	Not applicable	102,691	-

Note 1: The main sales volume has been eliminated when the purchase and sale are repeated.

Note 2: Accounts receivable.

Note 3: Other receivables.

Note 4: The following transition was eliminated in the consolidated financial statements.

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ix) Trading in derivative instruments: Please refer to Note (6)(b).

(x) Business relationships and significant intercompany transactions:

No.	Name of the Company	Name of the counterparty	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	T Flex Techvest PCB Co., Ltd.	1	Accounts receivable	102,410	Net 140 days from the end of the month of when invoice is issued	0.33 %
0	The Company	tgt Techvest Co., Ltd.	1	Sales	37,260	Net 150 days from the end of the month of when invoice is issued	0.16 %
0	The Company	tgt Techvest Co., Ltd.	1	Accounts receivable	20,231	Net 150 days from the end of the month of when invoice is issued	0.06 %
0	The Company	Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	1	Sales	23,810	Net 90 days from the end of the month of when invoice is issued	0.10 %
0	The Company	Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	1	Accounts receivable	14,202	Net 90 days from the end of the month of when invoice is issued	0.05 %
0	The Company	CATAC Electronic (Zhongsan) Co., Ltd.	1	Sales	18,176	Net 90 days from the end of the month of when invoice is issued	0.08 %
0	The Company	CATAC Electronic (Zhongsan) Co., Ltd.	1	Accounts receivable	16,726	Net 90 days from the end of the month of when invoice is issued	0.05 %
1	tgt Techvest Co., Ltd.	The Company	2	Sales	753,632	Net 90 days from the end of the month of when invoice is issued	3.30 %
1	tgt Techvest Co., Ltd.	The Company	2	Accounts receivable	161,870	Net 90 days from the end of the month of when invoice is issued	0.51 %
1	tgt Techvest Co., Ltd.	Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	3	Sales	54,536	Net 90 days from the end of the month of when invoice is issued	0.24 %
1	tgt Techvest Co., Ltd.	Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	3	Accounts receivable	18,091	Net 90 days from the end of the month of when invoice is issued	0.06 %
2	Chi Yao Ltd.	The Company	2	Sales	491,111	Net 90 days from the end of the month of when invoice is issued	2.15 %
2	Chi Yao Ltd.	The Company	2	Accounts receivable	142,229	Net 90 days from the end of the month of when invoice is issued	0.45 %
3	Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	T-Mac Techvest (Wuxi) PCB Co., Ltd.	3	Other receivables	447,023	Net 90 days from the end of the month of when invoice is issued and agreed	1.42 %
3	Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	T-Mac Techvest (Wuxi) PCB Co., Ltd.	3	Interest	30,425	Agreed	0.13 %
4	Chi Chau Printed Circuit Board (Suining) Co., Ltd.	The Company	2	Sales	3,171,377	Net 90 days from the end of the month of when invoice is issued	13.88 %
4	Chi Chau Printed Circuit Board (Suining) Co., Ltd.	The Company	2	Accounts receivable	1,015,792	Net 90 days from the end of the month of when invoice is issued	3.23 %
4	Chi Chau Printed Circuit Board (Suining) Co., Ltd.	Chi Yao Ltd.	3	Sales	492,772	Net 90 days from the end of the month of when invoice is issued	2.16 %

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

No.	Name of the Company	Name of the counterparty	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
4	Chi Chau Printed Circuit Board (Suining) Co., Ltd.	Chi Yao Ltd.	3	Accounts receivable	142,307	Net 90 days from the end of the month of when invoice is issued	0.45 %
4	Chi Chau Printed Circuit Board (Suining) Co., Ltd.	Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	3	Sales	882,144	Net 60 days from the end of the month of when invoice is issued	3.86 %
4	Chi Chau Printed Circuit Board (Suining) Co., Ltd.	Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	3	Accounts receivable	102,691	Net 60 days from the end of the month of when invoice is issued	0.33 %
4	Chi Chau Printed Circuit Board (Suining) Co., Ltd.	T-Mac Techvest (Wuxi) PCB Co., Ltd.	3	Non- operating income	11,587	Net 120 days from the end of the month of when invoice is issued	0.05 %
5	CATAC Electronic (Zhongsan) Co., Ltd.	The Company	2	Sales	2,267,943	Net 90 days from the end of the month of when invoice is issued	9.93 %
5	CATAC Electronic (Zhongsan) Co., Ltd.	The Company	2	Accounts receivable	849,831	Net 90 days from the end of the month of when invoice is issued	2.70 %
5	CATAC Electronic (Zhongsan) Co., Ltd.	Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	3	Sales	147,555	Net 90 days from the end of the month of when invoice is issued	0.65 %
5	CATAC Electronic (Zhongsan) Co., Ltd.	Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	3	Accounts receivable	127,859	Net 90 days from the end of the month of when invoice is issued	0.41 %
5	CATAC Electronic (Zhongsan) Co., Ltd.	Sin Siang (Xiamen) Technology Co., Ltd.	3	Sales	252,655	Net 150 days from the end of the month of when invoice is issued	1.11 %
5	CATAC Electronic (Zhongsan) Co., Ltd.	Sin Siang (Xiamen) Technology Co., Ltd.	3	Accounts receivable	42,397	Net 150 days from the end of the month of when invoice is issued	0.13 %
6	T-Mac Techvest (Wuxi) PCB Co., Ltd.	The Company	2	Sales	8,664,637	Net 90 days from the end of the month of when invoice is issued	37.92 %
6	T-Mac Techvest (Wuxi) PCB Co., Ltd.	The Company	2	Accounts receivable	2,970,475	Net 90 days from the end of the month of when invoice is issued	9.45 %
6	T-Mac Techvest (Wuxi) PCB Co., Ltd.	Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	3	Sales	793,417	Net 90 days from the end of the month of when invoice is issued	3.47 %
6	T-Mac Techvest (Wuxi) PCB Co., Ltd.	Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.	3	Accounts receivable	200,477	Net 90 days from the end of the month of when invoice is issued	0.64 %

Note 1: The number is filled in as follows:

1. 0 represents the parent company.
2. Subsidiaries are listed by names and numbered starting with 1.

Note 2: The type of relationship with the trader is marked as follows:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: If the transaction amount does not reach \$10,000 thousand, it will not be disclosed. Purchase and sale transactions and accounts receivable/payable will only reveal the amount of offsetting of sales transactions, accounts receivable and other receivables.

(Continued)



**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

## (b) Information on investees:

The following is the information on investees for the year 2020 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollar/Per share)

Name of the investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2020			Highest balance during the year	Net income (losses) of the investee	Share of profits/losses of investee	Note
				December 31, 2020	December 31, 2019	Shares	Percentage of ownership	Carrying value				
The Company	Chi Yang Investment Ltd.	Taiwan	General investing	85,000	85,000	-	100.00 %	231,167	100.00 %	41,130	41,130	None
The Company	T-Mac Techvest PCB Co., Ltd.	Taiwan	General investing and selling of Circuit board	2,065,497	2,065,497	170,957,200	100.00 %	4,310,113	100.00 %	360,350	372,240	Note 1,2
The Company	T-Flex Techvest PCB Co., Ltd.	Taiwan	Manufacturing, selling of Circuit board	385,357	385,357	30,821,897	44.21 %	293,787	44.21 %	12,841	5,677	None
The Company	TPT International Co., Ltd.	Samoa	General investing and international trading	19,207	48,757	500,000	100.00 %	33,211	100.00 %	3,761	3,761	None
The Company	Chi Chau International Co., Ltd.	Samoa	General investing	1,627,043	1,627,043	49,640,000	96.13 %	5,130,873	96.13 %	1,065,080	1,024,538	Note 1
The Company	Brilliant Star Holdings Ltd.	Cayman	General investing	2,125,349	2,125,349	68,126,618	97.28 %	3,973,534	97.28 %	327,385	317,659	Note 1,2
The Company	Chi Chen Investment Co., Ltd.	Samoa	General investing	1,079,519	1,079,519	35,600,000	80.73 %	1,961,735	80.73 %	372,781	307,719	Note 1
The Company	Sinact (Hong Kong) International Company Limited	Hong Kong	General investing	74,383	74,383	74,178,000	100.00 %	156,145	100.00 %	(11,864)	(8,203)	Note 1,2
The Company	gt Techvest Co., Ltd.	Taiwan	Manufacturing, selling of Circuit board	88,114	88,114	5,086,300	19.00 %	12,159	19.00 %	(99,890)	(21,250)	Note 1,2
The Company	Chi Chau (Thailand) Co., Ltd.	Thailand	Manufacturing, selling of Circuit board	37,645	37,645	14,850,000	99.00 %	35,486	99.00 %	4	4	None
Chi Yang Investment Co., Ltd.	Chi Chau International Co., Ltd.	Samoa	General investing	65,794	65,794	2,000,000	3.87 %	205,096	3.87 %	1,065,080	41,250	None
Chi Yang Investment Co., Ltd.	Chi Chau (Thailand) Co., Ltd.	Thailand	Manufacturing, selling of Circuit board	131	131	50,000	0.33 %	119	0.33 %	4	-	None
T-Mac Techvest PCB Co., Ltd.	Chang Tai International., Ltd.	Samoa	General investing	2,292,370	2,235,342	73,580,000	100.00 %	4,990,432	100.00 %	421,215	421,215	None
T-Mac Techvest PCB Co., Ltd.	Chi Chau (Thailand) Co., Ltd.	Thailand	Manufacturing, selling of Circuit board	261	261	100,000	0.67 %	239	0.67 %	4	-	None
Chang Tai International., Ltd.	Yang An International (Samoa) Co., Ltd.	Samoa	General investing	2,166,189	2,023,789	76,060,000	100.00 %	4,988,342	100.00 %	420,173	420,173	None
T-Flex Techvest PCB Co., Ltd.	Chi Chen Investment Co., Ltd.	Samoa	General investing	252,297	252,297	8,500,000	19.27 %	469,936	19.27 %	372,781	71,851	None
T-Flex Techvest PCB Co., Ltd.	gt Techvest Co., Ltd.	Taiwan	Manufacturing, selling of Circuit board	290,977	290,977	15,257,000	57.00 %	57,493	57.00 %	(99,890)	(54,577)	Note 2
Chi Chau International Co., Ltd.	Chi Yao Ltd.	Hong Kong	General investing and international trading	1,470,376	1,470,376	51,628,379	100.00 %	5,281,846	100.00 %	1,064,883	1,064,883	None

Note 1: The difference is due to the unrealized gain/loss.

Note 2: The difference is due to the amortization between the investment cost and the fair value of the identifiable net assets.

Note 3: If the relevant figures in this table involve foreign currencies, except for the amount remitted from Taiwan at the historical exchange rate, the profit and loss are calculated at the average exchange rate, and the rest are listed in Taiwan dollars at the exchange rate on the balance sheet date.

Note 4: The following transition was eliminated in the consolidated financial statements.

(Continued)

## TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

## (c) Information on investment in mainland China:

## (i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollar)

Name of the investee	Main businesses and products	Total amount of capital surplus	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2020	Net income (loss) of the investee	The company percentage of ownership	Highest balance during the year	Investment income (losses) (Note 2, (2))	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
Chi Chau Printed Circuit Board (Suzhou) PCB Techvest Co., Ltd. (Note 5, 6)	Manufacturing, selling of Circuit board	1,708,800	(2)	1,470,707	-	-	1,470,707	1,065,114	100.00 %	100.00 %	1,065,114	5,278,274	-
CATAC Electronic (Zhongshan) Co., Ltd. (Note 7)	Manufacturing, selling of Circuit board	1,936,640	(2)	1,888,927	-	-	1,888,927	327,123	97.28 %	97.28 %	318,232	3,469,205	-
Chi Chau Printed Circuit Board (Suining) Co., Ltd. (Note 8)	Manufacturing, selling of Circuit board	1,575,185	(2)	1,253,120	-	-	1,253,120	468,586	91.26 %	91.26 %	427,635	2,795,104	-
Sinaet Electronics Co., Ltd. (Note 10)	Manufacturing, selling of Circuit board	270,560	(2)	11,392	-	-	11,392	(11,864)	100.00 %	100.00 %	(11,864)	156,107	-
T-Mac Techvest (Wuxi) PCB Co., Ltd. (Note 5, 9)	Manufacturing, selling of Circuit board	2,449,280	(2)	2,022,080	56,960	-	2,079,040	436,785	100.00 %	100.00 %	436,785	4,983,428	-
Sin Siang (Xiamen) technology Co., Ltd. (Note 11)	Selling of Circuit board	14,240	(2)	-	-	-	-	1,435	100.00 %	100.00 %	1,435	20,758	-

## (ii) Limitation on investment in Mainland China:

Company Name	Accumulated Investment in Mainland China as of December 31, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 3)
The Company	4,382,066	4,805,279	7,816,723
T-Mac Techvest PCB Co., Ltd.	2,079,040	2,449,280	2,656,736
T-Flex Techvest PCB Co., Ltd.	242,080	242,080	425,686

Note 1: Investment method is separated to three:

- (1) Directly invest in mainland China
- (2) Invest in mainland China through third-region companies.
- (3) Other methods.

Note 2: The investment profit and loss column recognized in this period:

- (1) If it is in preparation and there is no investment gain or loss, it should be indicated.
- (2) The recognition basis of investment gains and losses is divided into the following three types, which should be specified.
  - 1) Financial statements verified by international accounting firms in partnership with the Republic of China Accounting Firm.
  - 2) The financial statements of the visa are reviewed by the Taiwanese parent company's certified accountant.
  - 3) Others

Note 3: According to the "Principles of Investing or Technical Cooperation Review in Mainland China", the limit is calculated based on 60% of the Group net value.

Note 4: If the relevant figures in this table involve foreign currencies, profit and loss are calculated at the average exchange rate, and others are listed in Taiwan dollars at the exchange rate on the balance sheet date.

Note 5: Chi Yao Ltd. used its retained earnings amounting to USD 8,360 thousand to participate in the capital increase of Chi Chau Printed Circuit Board (Suzhou) Co., Ltd.; also, Yang An International (Samoa) Co., Ltd. used its retained earnings amounting to USD 5,000 thousand to participate in the capital increase of T-Mac Techvest (Wuxi) PCB Co., Ltd..

Note 6: The following transition was eliminated in the consolidated financial statements.

Note 7: The parent company indirectly invested in Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. through Chi Yao Ltd..

Note 8: The parent company indirectly invested in CATAC Electronic (Zhongshan) CO., Ltd through Brilliant Star Holdings Ltd..

Note 9: The parent company indirectly invested in Chi Chau Printed Circuit Board (Suining) Co., Ltd. through Chi Chen Investment Co., Ltd., Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. and CATAC Electronic (Zhongshan) CO., Ltd..

Note 10: The parent company indirectly invested in T-Mac Techvest (Wuxi) PCB Co., Ltd. through Yang An International (Samoa) Co., Ltd..

Note 11: The parent company indirectly invested in Sinaet Electronics Co., Ltd. through Sinaet (Hong Kong) International Company Limited.

Note 12: The parent company indirectly invested in Sin Siang (Xiamen) technology Co., Ltd. through TPT International Co., Ltd..

## (iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

## (d) Major shareholders holding more than 5% shares: None

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(14) Segment information:**

(a) General information

The Group is mainly engaged in the manufacturing, processing and trading of electronic components and PCB. Its overall manufacturing process is similar to the sales model, and the operating decision makers also use the overall resources of the Group for management and allocation. Therefore, the combined company is a single operating segment.

(b) Product and service information

Revenue from the external customers of the Group was as follows:

<u>Product and services</u>	<u>For the years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Printed circuit board	\$ 22,821,161	21,649,478
Processing fees revenue and others	26,106	52,385
Total	<u>\$ 22,847,267</u>	<u>21,701,863</u>

(c) Geographical information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

<u>By region</u>	<u>For the years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
<b>Revenue from external customers:</b>		
China	\$ 15,441,141	13,753,989
Taiwan	2,721,860	2,888,610
Singapore	2,102,657	1,710,479
Korea	1,018,473	1,670,598
Other countries	1,563,136	1,678,187
Total	<u>\$ 22,847,267</u>	<u>21,701,863</u>
<u>By region</u>	<u>December 31,</u>	<u>December 31,</u>
<b>Non-current assets</b>		
Taiwan	\$ 1,452,555	1,484,281
China	6,523,964	7,137,061
Total	<u>\$ 7,976,519</u>	<u>8,621,342</u>

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets (not including goodwill), and investment property, not including financial instruments, deferred tax assets, pension fund assets, and rights arising from an insurance contract (non-current).

(Continued)

**TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(d) Major customers

The details of the customers of the Group whose operating income accounted for more than 10% of the net operating income on the consolidated statement of income in 2020 and 2019 are as follows:

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Tech-Front (Chongqing) Computer Co., Ltd.	<u>\$ 2,367,010</u>	<u>2,290,038</u>