

**NISHOKU TECHNOLOGY INC.
AND ITS SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2020 and 2019
(With Independent Auditors' Review Report Thereon)

Address: No. 36, Ln. 11, Huacheng Rd., Xinzhuang Dist., New Taipei
City, Taiwan.

Telephone: 886-2-29983578

The 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 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. Independent Auditors' Report	3
4. Consolidated Balance Sheets	5
5. Consolidated Statements of Comprehensive Income	6
6. Consolidated Statements of Changes in Equity	8
7. Consolidated Statements of Cash Flows	9
8. Notes to the Consolidated Financial Statements	
(1) Company history	10
(2) Approval date and procedures of the consolidated financial statements	10
(3) New standards, amendments and interpretations adopted	10~11
(4) Summary of significant accounting policies	11~12
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	12
(6) Explanation of significant accounts	12~29
(7) Related-party transactions	29
(8) Pledged assets	30
(9) Significant Commitments and contingencies	30
(10) Losses Due to Major Disasters	30
(11) Subsequent Events	30
(12) Other	31
(13) Other disclosures	
(a) Information on significant transactions	31~35
(b) Information on investees	35
(c) Information on investment in mainland China	35~36
(d) Major shareholders	36
(14) Segment information	36~37

Independent Auditors' Review Report

To the Board of Directors of Nishoku Technology Inc.:

Introduction

We have reviewed the consolidated financial statements of Nishoku Technology Inc. and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as of September 30, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the three months and nine months ended September 30, 2020 and 2019. Management are 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 the International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued by the Financial Supervisory Commission of the Republic of China. Our responsibility is to issue a report on these consolidated interim financial statements based on our review.

Scope of Review

Except as described in basis of opinion, we conducted our reviews in accordance with Statement on Auditing Standard 65, "Engagements to Review Financial Statements". A review consists principally of inquiries of the Group's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with the generally accepted auditing standards, the objective of which is the expression of an opinion regarding the consolidated interim financial statements taken as a whole. Accordingly, we do not express such an opinion.

Basis of opinion

Included in the accompanying consolidated interim financial statements are the financial statements of certain consolidated subsidiaries, which were not reviewed by independent accountants. These consolidated subsidiaries had total assets of \$740,515 thousand and \$697,339 thousand constituting 9% of the Group's consolidated total assets as of September 30, 2020 and 2019, respectively; total liabilities of \$256,978 thousand and \$415,826 thousand constituting 7% and 11% of the Group's consolidated total liabilities as of September 30, 2020 and 2019, respectively; comprehensive income of \$19,194 thousand and \$21,144 thousand and \$29,644 thousand and \$82,035 thousand constituting 10% and 5% and 5% and 14% of the Group's consolidated comprehensive income for the three months and nine months ended September 30, 2020 and 2019, respectively.

Conclusion

Based on our reviews, except for the effects of the adjustments, if any, as might have been determined to be necessary had the financial statements of some equity method investees as described in basis of opinion above been reviewed by independent accountants, we are not aware of any material modifications that should be made to the consolidated interim financial statements referred to in the first paragraph in order for them to be in conformity with the Regulations Governing the

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its 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 auditors' review 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 auditors review report and consolidated financial statements, the Chinese version shall prevail.

Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 “ Interim Financial Reporting” endorsed by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the review resulting in this independent auditor’s report are Cheng-Chien Chen and Sheng-Ho Yu.

KPMG

Taipei, Taiwan (Republic of China)

Oct. 29, 2020

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its 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 auditors’ review 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 auditors review report and consolidated financial statements, the Chinese version shall prevail.

Reviewed only, not audited in accordance with generally accepted auditing standards as of September 30, 2020 and 2019
NISHOKU TECHNOLOGY INC. AND ITS SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2020, December 31, 2019 and September 30, 2019

(Expressed in Thousands of New Taiwan Dollars)

Assets		September 30, 2020		December 31, 2019		September 30, 2019		Liabilities and Equity		September 30, 2020		December 31, 2019		September 30, 2019	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(a))	\$ 2,373,278	29	3,539,799	46	3,465,887	45	2100	Short-term borrowings (note 6(h))	\$ 901,400	12	824,790	10	835,920	11
1110	Financial assets at fair value through profit or loss (note 6(b))	615,530	8	449,429	6	519,321	7	2111	Short term notes and bills payable (note 6(i))	39,990	-	149,994	2	149,987	2
1170	Notes and accounts receivable, net (note 6(c))	1,637,156	20	1,395,940	18	1,272,843	17	2170	Notes and Accounts payable	713,712	9	604,378	8	562,238	7
130X	Inventories (note 6(d))	449,760	6	475,628	6	508,849	7	2280	Current lease liabilities (note 6(k))	37,008	-	59,531	1	31,150	1
1470	Other current assets	54,351	1	35,229	-	44,787	1	2300	Other current liabilities	374,079	5	334,256	4	335,318	4
1476	Other current financial assets (note 8)	60,143	1	11,567	-	8,804	-			<u>2,066,189</u>	<u>26</u>	<u>1,972,949</u>	<u>25</u>	<u>1,914,613</u>	<u>25</u>
		<u>5,190,218</u>	<u>65</u>	<u>5,907,592</u>	<u>76</u>	<u>5,820,491</u>	<u>77</u>	Non-Current liabilities:							
Non-current assets:								2540	Long-term borrowings (note 6(j))	1,200,000	15	1,000,000	13	1,000,000	13
1535	Non-current financial assets at amortized cost (note 6(e))	1,271,670	16	-	-	-	-	2570	Deferred tax liabilities and others	579,307	7	788,926	10	773,255	10
1600	Property, plant and equipment (note 6(f))	1,400,160	17	1,531,841	20	1,551,794	20	2580	Non-current lease liabilities (note 6(k))	37,602	-	75,586	1	7,415	-
1755	Right-of-use assets(note 6(g))	74,238	1	134,970	2	38,392	1			<u>1,816,909</u>	<u>22</u>	<u>1,864,512</u>	<u>24</u>	<u>1,780,670</u>	<u>23</u>
1840	Deferred tax assets	14,966	-	96,553	1	87,530	1	Total liabilities		<u>3,883,098</u>	<u>48</u>	<u>3,837,461</u>	<u>49</u>	<u>3,695,283</u>	<u>48</u>
1915	Prepayments for equipment	22,379	-	15,555	-	11,993	-	Equity attributable to owners of parent (note 6(o)):							
1985	Long-term prepaid rents	67,209	1	70,173	1	72,483	1	3100	Ordinary share	<u>622,962</u>	<u>8</u>	<u>622,962</u>	<u>8</u>	<u>622,962</u>	<u>8</u>
1990	Other non-current assets	11,978	-	24,237	-	19,489	-	3140	Advance receipts for ordinary share	<u>9,975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>2,862,600</u>	<u>35</u>	<u>1,873,329</u>	<u>24</u>	<u>1,781,681</u>	<u>23</u>	3200	Capital surplus	<u>960,213</u>	<u>12</u>	<u>959,124</u>	<u>12</u>	<u>958,689</u>	<u>13</u>
								Retained earnings:							
								3310	Legal reserve	538,129	7	504,367	6	504,367	7
								3320	Special reserve	337,817	4	199,839	3	199,839	3
								3350	Unappropriated retained earnings	<u>2,089,521</u>	<u>26</u>	<u>1,994,985</u>	<u>26</u>	<u>1,889,835</u>	<u>25</u>
										<u>2,965,467</u>	<u>37</u>	<u>2,699,191</u>	<u>35</u>	<u>2,594,041</u>	<u>35</u>
								3400	Other equity interest	<u>(388,897)</u>	<u>(5)</u>	<u>(337,817)</u>	<u>(4)</u>	<u>(268,803)</u>	<u>(4)</u>
								Total equity		<u>4,169,720</u>	<u>52</u>	<u>3,943,460</u>	<u>51</u>	<u>3,906,889</u>	<u>52</u>
Total assets		<u>\$ 8,052,818</u>	<u>100</u>	<u>7,780,921</u>	<u>100</u>	<u>7,602,172</u>	<u>100</u>	Total liabilities and equity		<u>\$ 8,052,818</u>	<u>100</u>	<u>7,780,921</u>	<u>100</u>	<u>7,602,172</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards
NISHOKU TECHNOLOGY INC. AND ITS SUBSIDIARIES
Consolidated Statements of Comprehensive Income

6

For the three months and nine months ended September 30, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

	Three months ended September 30,				Nine months ended September 30,			
	2020		2019		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
4110 Operation Revenues (notes 6(r))	\$ 1,507,560	101	1,094,877	102	3,271,314	102	2,774,012	102
4170 Less: Sales returns and allowance	17,970	1	21,0610	2	49,771	2	50,400	2
Net Operating revenues	<u>1,489,590</u>	<u>100</u>	<u>1,073,816</u>	<u>100</u>	<u>3,221,543</u>	<u>100</u>	<u>2,723,612</u>	<u>100</u>
5000 Operating costs (notes 6(d), (g), (m) and 13)	982,712	66	791,247	74	2,250,667	70	2,177,266	80
Gross profit from operations	<u>506,878</u>	<u>34</u>	<u>282,569</u>	<u>26</u>	<u>970,876</u>	<u>30</u>	<u>546,346</u>	<u>20</u>
6000 Operating expenses: (notes 6(c), (g), (m), (p), (s) and 12)								
6100 Selling expenses	13,352	1	18,776	2	39,855	1	48,536	2
6200 Administrative expenses	76,153	5	77,033	7	223,892	7	227,167	8
6300 Research and development expenses	23,115	2	31,377	3	62,714	2	85,707	3
6450 Expected credit loss	(1,675)	-	(5,903)	(1)	2,919	-	(377)	-
	<u>114,295</u>	<u>8</u>	<u>121,283</u>	<u>11</u>	<u>329,380</u>	<u>10</u>	<u>361,033</u>	<u>13</u>
Net operating income	<u>392,583</u>	<u>26</u>	<u>161,286</u>	<u>15</u>	<u>641,496</u>	<u>20</u>	<u>185,313</u>	<u>7</u>
Non-operating income and expenses:								
7010 Other income (notes 6(t))	9,769	1	35,057	3	58,281	1	72,857	3
7020 Other gains and losses, net (notes 6(u))	(106,641)	(7)	46,708	4	(106,559)	(3)	43,701	2
7050 Finance costs, net	(5,091)	-	(6,546)	(1)	(16,153)	-	(19,577)	(1)
Total non-operating income and expenses	<u>(101,963)</u>	<u>(6)</u>	<u>75,219</u>	<u>6</u>	<u>(64,431)</u>	<u>(2)</u>	<u>96,981</u>	<u>4</u>
7900 Profit from continuing operations before tax	290,620	20	236,505	21	577,065	18	282,294	11
7950 Less: Tax expense (note 6(n))	48,939	3	47,007	4	61,604	2	49,822	2
Profit	<u>241,681</u>	<u>17</u>	<u>189,498</u>	<u>17</u>	<u>515,461</u>	<u>16</u>	<u>232,472</u>	<u>9</u>
8300 Other comprehensive income:								
8360 Components of other comprehensive income that will be reclassified to profit or loss								
8361 Exchange differences on translation	58,561	4	(149,868)	(14)	(63,850)	(2)	(86,205)	(3)
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(n))	(11,712)	(1)	29,974	3	12,770	-	17,241	-
8300 Other comprehensive income, net	<u>46,849</u>	<u>3</u>	<u>(119,894)</u>	<u>(11)</u>	<u>(51,080)</u>	<u>(2)</u>	<u>(68,964)</u>	<u>(3)</u>
8500 Total comprehensive income	<u><u>\$ 288,530</u></u>	<u><u>20</u></u>	<u><u>69,604</u></u>	<u><u>6</u></u>	<u><u>464,381</u></u>	<u><u>14</u></u>	<u><u>163,508</u></u>	<u><u>6</u></u>
Profit, attributable to:								
8610 Profit, attributable to owners of parent	<u><u>\$ 241,681</u></u>	<u><u>17</u></u>	<u><u>189,498</u></u>	<u><u>17</u></u>	<u><u>515,461</u></u>	<u><u>16</u></u>	<u><u>232,472</u></u>	<u><u>9</u></u>

See accompanying notes to consolidated financial statements.

	Comprehensive income attributable to:						
8710	Comprehensive income, attributable to owners of parent	<u>\$ 288,530</u>	<u>20</u>	<u>69,604</u>	<u>6</u>	<u>464,381</u>	<u>14 163,508 6</u>
	Basic earnings per share						
9750	Basic earnings per share (NT dollars) (note 6(q))	<u>\$ 3.88</u>		<u>3.04</u>		<u>8.27</u>	<u>3.73</u>
9850	Diluted earnings per share (NT dollars) (note 6(q))	<u>\$ 3.87</u>		<u>3.04</u>		<u>8.24</u>	<u>3.71</u>

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards
NISHOKU TECHNOLOGY INC. AND ITS SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the nine months ended September 30, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent								
	Share capital		Retained earnings				Total other equity interest	Total equity attributable to owners of parent	Total equity
	Ordinary shares	Advance receipts for ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements		
Balance at January 1, 2019	\$ 622,962	-	955,989	480,192	181,708	1,886,558	(199,839)	3,927,570	3,927,570
Profit for the period	-	-	-	-	-	232,472	-	232,472	232,472
Other comprehensive income (loss)	-	-	-	-	-	-	(68,964)	(68,964)	(68,964)
Total comprehensive income (loss)	-	-	-	-	-	232,472	(68,964)	163,508	163,508
Appropriation and distribution of retained earnings									
Legal Reserve Appropriated	-	-	-	24,175	-	(24,175)	-	-	-
Special Reserve Appropriated	-	-	-	-	18,131	(18,131)	-	-	-
Cash Dividends of Common Stock	-	-	-	-	-	(186,889)	-	(186,889)	(186,889)
Stock Option Compensation Cost	-	-	2,700	-	-	-	-	2,700	2,700
Balance at September 30, 2019	\$ 622,962	-	958,689	504,367	199,839	1,889,835	(268,803)	3,906,889	3,906,889
Balance at January 1, 2020	\$ 622,962	-	959,124	504,367	199,839	1,994,985	(337,817)	3,943,460	3,943,460
Profit for the period	-	-	-	-	-	515,461	-	515,461	515,461
Other comprehensive income (loss)	-	-	-	-	-	-	(51,080)	(51,080)	(51,080)
Total comprehensive income (loss)	-	-	-	-	-	515,461	(51,080)	464,381	464,381
Appropriation and distribution of retained earnings									
Legal Reserve Appropriated	-	-	-	33,762	-	(33,762)	-	-	-
Special Reserve Appropriated	-	-	-	-	137,978	(137,978)	-	-	-
Cash Dividends of Common Stock	-	-	-	-	-	(249,185)	-	(249,185)	(249,185)
Stock Option Compensation Cost	-	-	1,089	-	-	-	-	1,089	1,089
Issuance of stock from exercise of employee stock options	-	9,975	-	-	-	-	-	9,975	9,975
Balance at September 30, 2020	\$ 622,962	9,975	960,213	538,129	337,817	2,089,521	(388,897)	4,169,720	4,169,720

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards
NISHOKU TECHNOLOGY INC. AND ITS SUBSIDIARIES
Consolidated Statements of Cash Flows

For the nine months ended September 30, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30,	
	2020	2019
Cash flows from (used in) operating activities:		
Profit before tax	\$ 577,065	282,294
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization	210,711	238,425
Expected credit loss (profit)	2,919	(377)
Interest expense	16,153	19,577
Interest income	(43,684)	(61,322)
Stock option compensation cost	1,089	2,700
Net loss (gain) on financial assets at fair value through profit or loss	498	(1,106)
Loss (gain) on disposal of property, plant and equipment	(3,531)	(1,035)
Recognition losses (reversal of provision) on inventory valuation and obsolescence	5,463	(5,143)
Other	623	-
Total adjustments to reconcile profit :	<u>190,241</u>	<u>191,719</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	(166,599)	(254,325)
Notes and accounts receivable	(244,135)	76,208
Inventories	20,405	(5,186)
Other current assets and other financial assets	(9,706)	(2,161)
Total changes in operating assets	<u>(400,035)</u>	<u>(185,464)</u>
Changes in operating liabilities:		
Notes and accounts payable	109,334	(39,065)
Other current liabilities	11,930	43,936
Total changes in operating liabilities	<u>121,264</u>	<u>4,871</u>
Total adjustments	<u>(88,530)</u>	<u>11,126</u>
Cash inflow(outflow) generated from operations	488,535	293,420
Interest received	45,695	61,322
Interest paid	(16,350)	(19,301)
Income taxes paid	(148,057)	(11,570)
Net cash flows from operating activities	<u>369,823</u>	<u>323,871</u>
Cash flows from (used in) investing activities:		
Acquisition of Non-current financial assets at amortized cost	(1,329,870)	-
Acquisition of property, plant and equipment	(55,073)	(97,803)
Proceeds from disposal of property, plant and equipment	7,439	4,374
Increase Refundable deposits	9,458	4,801
Decrease in other non-current assets	(2,198)	(3,965)
Net cash flows used in investing activities	<u>(1,370,244)</u>	<u>(92,593)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	76,610	30,200
Increase (decrease) in short-term notes and bills payable	(110,000)	50,000
Proceeds of long-term borrowings	200,000	100,000
Increase (decrease) in guarantee deposits received	(306)	423
Payment of lease liabilities	(43,456)	(42,805)
Cash dividends paid	(249,185)	(186,889)
Proceeds from exercise of employee stock options	9,975	-
Net cash flows used in financing activities	<u>(116,362)</u>	<u>(49,071)</u>
Effect of exchange rate changes on cash and cash equivalents	(49,738)	(59,363)
Net Increase (decrease) in cash and cash equivalents	(1,166,521)	122,844
Cash and cash equivalents at beginning of period	3,539,799	3,343,043
Cash and cash equivalents at end of period	<u>\$ 2,373,278</u>	<u>3,465,887</u>

See accompanying notes to consolidated financial statements.

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

NISHOKU TECHNOLOGY INC. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements

September 30, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

NISHOKU TECHNOLOGY INC. (the “Company”) was incorporated in year 1980, as a company limited by shares and registered under the Ministry of Economic Affairs, ROC. The Company conducted an IPO on the Taiwan Stock Exchange (TWSE) on October 5, 2011. The Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) primarily are involved in the manufacture and sale of plastic injection mold, tooling manufacturing and general import and export trade, please refer to note 14.

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

These consolidated interim financial statements were authorized for issuance by the board of directors on October 29, 2020.

(3) New standards, amendments and interpretations adopted:

- a. Impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”) which have already taken effect.

The following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2020:

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective date per IASB</u>
Amendments to IFRS 3 “Definition of a Business”	January 1, 2020
Amendments to IFRS 9, IAS39 and IFRS7 “Interest Rate Benchmark Reform”	January 1, 2020
Amendments to IAS 1 and IAS 8 “Definition of Material”	January 1, 2020
Amendments to IFRS 16 “Covid-19-Related Rent Concessions”	June 1, 2020

The Group assesses that the adoption of the abovementioned standards would not have any material impact on its consolidated financial statements.

(Continued)

b. The impact of IFRS endorsed by FSC but not yet effective

The following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2021.

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective date per IASB</u>
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021

The Group assesses that the adoption of the abovementioned standards would not have any material impact on its consolidated financial statements.

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

As of the day, the following IFRSs that have been issued by the International Accounting Standards Board(IASB),but have yet to be endorsed by the FSC:

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective date per IASB</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”	Effective date to be determined by IASB
IFRS 17 “Insurances Contracts”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use	January 1, 2022
Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”	January 1, 2022
Annual Improvements to IFRS Standards 2018–2020	January 1, 2022
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022
Amendments to IFRS 17 “Insurances Contracts”	January 1, 2023
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 “Interest Rate Benchmark Reform - Phase 2”	January 1, 2021

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

(4) Summary of significant accounting policies:

a. Statement of compliance

The consolidated interim 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 interim financial statements, the Chinese version shall prevail.

These consolidated interim financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed by FSC and do not include

all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed by the FSC (hereinafter referred to IFRS endorsed by the FSC) for full annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated interim financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2019. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2019.

b. Basis of consolidation

Principles of preparation of the consolidated interim financial statements are the same as those of the consolidated financial statements for the year ended December 31, 2019. For the related information, please refer to note 4(c) of the consolidated financial statements for the year ended December 31, 2019. The financial statements of insignificant consolidated subsidiaries, NISHOKU BOUEKI and NISHOKU VIETNAM, were not reviewed by independent accountants, and the financial statements of insignificant consolidated subsidiaries, SAME SRART (Anguilla), were reviewed by independent accountants.

c. Income Tax

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period (and allocated to current and deferred taxes based on its proportionate size).

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

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

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

In preparing the consolidated financial statements, critical accounting judgments and key sources of estimation uncertainty used by management in the application of accounting policies are consistent with those described in note 5 of the consolidated financial statements for the year ended December 31, 2019.

(6) Explanation of significant accounts:

In addition to the following, there is no significant difference between the notes on the significant accounting items of the consolidated interim financial statements and the consolidated financial statements for the year ended December 31, 2019. For the related information, please refer to note 6 of the consolidated financial statements for the year ended December 31, 2019

(a) Cash and cash Equivalents

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Cash, and demand deposits	\$ 1,285,872	1,528,284	1,311,845
Time deposits	694,556	1,321,955	1,464,835
Bond acquired under repurchase agreement	392,850	689,560	689,207
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 2,373,278</u>	<u>3,539,799</u>	<u>3,465,887</u>

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

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Financial assets mandatorily measured at FVTPL:			
Non-derivate financial instruments			
Fund	\$ 11,750	12,666	12,794
Principal guaranteed financial instruments	597,656	430,513	500,101
Bond of oversea	6,124	6,250	6,426
Total	<u>\$ 615,530</u>	<u>449,429</u>	<u>519,321</u>

As of September 30, 2020 and 2019, and December 31, 2019, the Group did not provide any financial assets as collateral.

(c) Notes and accounts receivable

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Notes receivable	\$ 8,414	19,343	15,004
Accounts receivable	1,632,067	1,395,696	1,277,285
Less : allowance for impairment	(3,325)	(19,099)	(19,446)
	<u>\$ 1,637,156</u>	<u>1,395,940</u>	<u>1,272,843</u>

The Group measures the loss allowance for notes and accounts receivable using the simplified approach with the lifetime expected credit losses. To measure the expected credit losses, notes and accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporate forward-looking information.

Analysis of expected credit losses was as follows:

	September 30, 2020		
	Carrying amount of accounts receivable	Expected loss rate	Loss allowance for lifetime expected credit losses
Not past due	\$ 1,603,807	-%	-
Past due less than 120 days	27,695	0%~1%	2,782
Past due 121~270 days	53	0%~30%	31
Past due 271~365 days	21	0%~100%	21
Past due over 1 year	491	100%	491
Total	<u>\$ 1,632,067</u>		<u>3,325</u>

	December 31, 2019		
	Carrying amount of accounts receivable	Expected loss rate	Loss allowance for lifetime expected credit losses
Not past due	\$ 1,339,320	-%	-
Past due less than 120 days	37,523	0%~1%	247
Past due 121~270 days	1	0%~30%	-
Past due over 1 year	18,852	100%	18,852
Total	<u>\$ 1,395,696</u>		<u>19,099</u>

	September 30, 2019		
	Carrying amount of accounts receivable	Expected loss rate	Loss allowance for lifetime expected credit losses
Not past due	\$ 1,199,067	-%	-
Past due less than 120 days	58,204	0%~1%	44
Past due 121~270 days	971	0%~30%	359
Past due 271~365 days	15,305	0%~100%	15,305
Past due over 1 year	3,738	100%	3,738
Total	<u>\$ 1,277,285</u>		<u>19,446</u>

The movement of the loss allowance for notes and accounts receivable was as follows:

	Nine months ended September 30,	
	2020	2019
Beginning balance (IAS 39)	\$ 19,099	23,892
Impairment loss	2,919	-

Reversal of impairment loss	-	(377)
Amounts written off	(18,693)	(4,069)
Ending balance	<u>\$ 3,325</u>	<u>19,446</u>

(d) Inventories

	September 30, 2020	December 31, 2019	September 30, 2019
Raw materials	\$ 177,570	144,663	126,440
Work in process	203,429	219,691	304,048
Finished goods	68,761	111,274	78,361
	<u>\$ 449,760</u>	<u>475,628</u>	<u>508,849</u>

For the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019, raw material, consumables, and changes in the finished goods and work in progress recognized as cost of sale amounted to \$982,712 thousand and \$791,247 thousand, and \$2,250,667 thousand, and \$2,177,266 thousand, respectively. For the three months ended September 30, 2020 and 2019, and for the nine months ended September 30, 2020 and 2019 the Group recognized the losses (reversal) on inventory valuation and obsolescence as cost of goods sold amounting to (\$6,594) thousand and (\$34,410) thousand and \$5,463 thousand, and (\$5,143) thousand, respectively.

As of September 30, 2020, December 31, 2019, and September 30, 2019, the Group did not provide any inventories as collateral.

(e) Non-current financial assets at amortized cost

	September 30, 2020	December 31, 2019	September 30, 2019
Restricted bank deposit	<u>\$ 1,271,670</u>	<u>-</u>	<u>-</u>

In May and July, 2020, the Group applied to IRS for the application of “The Management, Utilization, and Taxation of Repatriated Offshore Funds Act” (hereinafter referred to as the “Act”), and the remittance was approved within one month. According to the Act, the funds need to be deposited in a special-purpose account for five years, and 5% of the funds can be used without restriction, 25% can be used on financial investment, and 70%, at least, can be used for substantive investment; Otherwise, the funds can only be redeemed within 3 consecutive years on average after the five years maturity.

(f) Property, plant and equipment

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

	Land	Building	Machinery and equipment	Office and other equipment	Construction in progress and testing equipment	Total
Cost or deemed cost:						
Balance on January 1, 2020	\$ 179,672	920,762	2,016,688	476,633	101,928	3,695,683
Additions	-	586	17,384	13,359	16,507	47,836
Reclassifications	-	122,866	(21)	1,061	(124,578)	(672)

Disposals	-	-	(68,476)	(23,578)	-	(92,054)
Effect of movements in exchange rates	-	(8,936)	(31,561)	(4,769)	22,091	(23,175)
Balance on September 30, 2020	\$ 179,672	1,035,278	1,934,014	462,706	15,948	3,627,618
Balance on January 1, 2019	\$ 179,672	927,427	2,099,866	478,594	73,046	3,758,605
Additions	-	395	37,114	26,025	58,021	121,555
Reclassifications	-	1,367	35,497	13,409	(48,823)	1,450
Disposals	-	(1,284)	(63,042)	(23,127)	-	(87,453)
Effect of movements in exchange rates	-	(13,873)	(43,130)	(12,369)	(3,295)	(72,667)
Balance on September 30, 2019	\$ 179,672	914,032	2,066,305	482,532	78,949	3,721,490
Depreciation and impairments loss:						
Balance on January 1, 2020	\$ -	391,905	1,413,474	358,463	-	2,163,842
Depreciation for the period	-	35,494	92,516	34,415	-	162,425
Disposals	-	-	(66,367)	(21,779)	-	(88,146)
Effect of movements in exchange rates	-	8,769	(17,053)	(2,379)	-	(10,663)
Balance on September 30, 2020	\$ -	436,168	1,422,570	368,720	-	2,227,458
Balance on January 1, 2020	\$ -	354,265	1,406,257	348,728	-	2,109,250
Depreciation for the period	-	38,104	114,425	36,332	-	188,861
Reclassifications	-	-	580	1,292	-	1,872
Disposals	-	(1,284)	(61,922)	(20,908)	-	(84,114)
Effect of movements in exchange rates	-	(6,642)	(30,268)	(9,263)	-	(46,173)
Balance on September 30, 2019	\$ -	384,443	1,429,072	356,181	-	2,169,696
Carrying amounts:						
Balance on September 30, 2020	\$179,672	599,110	511,444	93,986	15,948	1,400,160
Balance on January 1, 2020	\$179,672	528,857	603,214	118,170	101,928	1,531,841
Balance on September 30, 2019	\$179,672	529,589	637,233	126,351	78,949	1,551,794

As of September 30, 2020, December 31, 2019 and September 30, 2019, the property, plant and equipment of the Group had not been pledged as collateral.

(g) Right-of-use assets

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

Carrying amount:	Buildings	Machinery	Transportat	Total
	and structures	and equipment	ion equipment	
Balance on September 30, 2020	\$ 67,995	3,855	2,388	74,238
Balance on January 1, 2020	\$ 114,456	15,550	4,964	134,970

The amounts of depreciation expense for the nine months ended September 30, 2020 and 2019 were \$42,766 thousand and \$42,413 thousand, respectively.

(h) Short-term borrowings

The details were as follows:

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Secured loans	\$ 45,000	-	-
Credit loans, no pledge	<u>856,400</u>	<u>824,790</u>	<u>835,920</u>
Total	<u>\$ 901,400</u>	<u>824,790</u>	<u>835,920</u>
Interest rate range	<u>0.4%~0.83%</u>	<u>0.90%~2.80%</u>	<u>0.88%~2.8%</u>

Refer to note 8 for assets pledged as collateral to secure the aforementioned bank loan.

(i) Short-term notes and bills payable

The details were as follows:

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Commercial paper payable	\$ 40,000	150,000	150,000
Less: Discount on short-term notes and bills payable	<u>(10)</u>	<u>(6)</u>	<u>(13)</u>
Total	<u>\$ 39,990</u>	<u>149,994</u>	<u>149,987</u>
Interest rate range	<u>0.602%</u>	<u>0.732%</u>	<u>0.742%</u>

(j) Long-term borrowings

The details were as follows:

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Unsecured loans	<u>\$ 1,200,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Interest rate range	<u>0.95%~1.04%</u>	<u>1.00%~1.19%</u>	<u>1.15%~1.19%</u>

(k) Lease liabilities

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Lease liabilities - Current	\$ 37,008	59,531	31,150
Lease liabilities -Non-current	<u>\$ 37,602</u>	<u>75,586</u>	<u>7,415</u>

The details were as follows:

The maturity information please refer to note 6(v).

The amounts recognized in profit or loss during the lease term were as follows:

	Three months ended September 30, 2020	Three months ended September 30,2019	Nine months ended September 30,2020	Nine months ended September 30,2019
Interests of lease liabilities	\$ 246	144	965	570
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ 153	137	460	416

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

	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Total cash out flow of lease	\$ 44,881	43,791

(l) Operating lease

There were no significant changes in operating lease for the nine months ended September 30, 2019 . Please refer to Note 6(k) of the consolidated financial statements for the year ended December 31, 2019 for other related information.

(m) Employee benefits

The pension costs incurred from the contributions to the Labor Insurance were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Operating Costs	\$ 6,818	7,714	14,629	21,535
Operating Expenses	1,662	1,880	4,332	5,622
Total	\$ 8,480	9,594	18,961	27,157

(n) Income tax

- (i) The amounts of income tax expense for the three months and nine months ended September 30, 2020 and 2019 were \$48,939 thousand, \$47,007 thousand, \$61,604 thousand and \$49,822 thousand respectively.

- (ii) The amounts of income tax profit under other comprehensive income or loss for the three months and nine months ended September 30, 2020 and 2019 were as follows:

	<u>Three months ended September 30,</u>		<u>Nine months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Foreign currency translation differences for foreign operations	<u>\$ 11,712</u>	<u>(29,974)</u>	<u>(12,770)</u>	<u>(17,241)</u>

- (iii) The Company and NISHOKU BOUEKI income tax returns have been examined by the tax authority through the years up to 2018, only 2017 income tax returns of The Company has been under review respectively.

(o) Capital and other equity

In addition to the following, there is no material change in capital and other equity of the Group for the nine months ended September 30, 2020 and 2019. For the related information, please refer to Note 6(n) of the consolidated financial statements for the year ended December 31, 2019.

(i) Issuance of capital stock

The Company, due to the exercise of the employee share options, the number of issued but unregistered shares is 150 thousand shares as of September 30, 2020, the amount of advance receipts for ordinary share is \$ 9,975 thousand.

(ii) Capital surplus

The balances of capital surplus as of September 30, 2020 and December 31, 2019 and September 30, 2019 were as follows:

	<u>September 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>	<u>September 30,</u> <u>2019</u>
Additional paid-capital	\$ 949,944	949,944	949,944
Employee share options	<u>10,269</u>	<u>9,180</u>	<u>8,745</u>
Total	<u>\$ 960,213</u>	<u>959,124</u>	<u>958,689</u>

(iii) Retained earnings

The Company's article of incorporation stipulate that, when allocating the profit for each fiscal year, the Company shall first reserve the taxes to be paid, offset its losses in previous years. Of the remaining profit, 10% is to be appropriated as legal reserve until the accumulated legal reserve equals the Company's paid-in capital. Aside from the aforesaid legal reserve, the Company shall appropriate or reverse another sum as special earnings reserve in accordance with relevant laws or regulations or requested by the authorities in charge. The remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

According to the amendment of the of Article 240 and Article 241 of the ROC Company Act, the Company authorized the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a

report of such distribution shall be submitted to the shareholders' meeting.

Before the distribution of dividends, the Company shall first take into consideration its operating environment, industry developments, and the long-term interests of stockholders, as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the stock or cash dividends to be paid. The dividend to be distributed shall be no less than 10% of the current-year retained earnings available for distribution only if the current-year retained earnings available for distribution does not reach \$0.5 per share, the Company may decide not to distribute dividend. The dividend to be distributed may be in the form of cash and stock, and cash portion of the dividend, should not be less than 30% of the total distributed dividend.

Earnings distribution for 2019 and 2018 were decided via board of directors held on June 16, 2020, and June 18, 2019, respectively, and the approval of shareholders' meeting. The relevant dividend distributions to shareholders were as follows:

	2019		2018	
	Payout per share	Amount	Payout per share	Amount
Dividend to shareholders:				
Cash	\$ 4.0	<u>249,185</u>	\$ 3.0	<u>186,889</u>

(p) Share-based payment

For the nine months ended September 30, 2020 and 2019, there were no significant changes in share-based payment except for the following: (Please refer to note 6(o) of the consolidated financial statements for the year ended December 31, 2019 for other related information).

(i) Information about the Company's outstanding employee stock options is described as follows:

	Nine months ended September 30, 2020		Nine months ended September 30, 2019	
	Weighted-average Exercise Price(NT\$)	Number of Stock Options	Weighted-average Exercise Price(NT\$)	Number of Stock Options
Outstanding at beginning of the period	\$ 70.80(note)	440	\$ 75.40(note)	560
Options granted	-	-	-	-
Options forfeited	-	-	-	(40)
Options exercised	-	<u>(150)</u>	-	<u>-</u>
Outstanding at end of the period	66.50(note)	<u>290</u>	70.80(note)	<u>520</u>
Exercisable at end of the period		<u>-</u>		<u>-</u>
The weighted average price of the stock options		<u>\$ 18.15</u>		<u>18.15</u>

(Note) The Company adjusted the exercise price of stock options in accordance with the plans.

The details of the stock options of the Group as of September 30, 2020, and December 31, 2019 and September 30, 2019 were as follows:

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Weighted average of remaining contractual period (years)	1.82	2.57	2.82

- (ii) The fair value of stock options granted is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

	<u>2017</u>
Exercise price (in dollars)	81.80
Stock price of grant date (in dollars)	81.80
Expected dividends	-%
Expected price volatility	26.78%~27.89%
Risk-free interest rate	0.67%~0.73%
Exercise option life	5 years

- (iii) Expenses incurred on share-based payment transactions for the three months and nine months ended September 30, 2020 and 2019 is \$267 thousand and \$634 thousand and \$1,089 thousand and \$2,700 thousand.

- (q) Earnings per share

The calculation of basic earnings per share for three months and nine months ended September 30, 2020 and 2019 were calculated as follows:

	<u>Three months ended September 30,</u>		<u>Nine months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Basic earnings per share:				
Profit attributable to ordinary shareholders of the Company	<u>\$ 241,681</u>	<u>189,498</u>	<u>515,461</u>	<u>232,472</u>
Weighted-average number of ordinary shares (thousand shares)	<u>62,296</u>	<u>62,296</u>	<u>62,296</u>	<u>62,296</u>
Basic earnings per share (NTD)	<u>\$ 3.88</u>	<u>3.04</u>	<u>8.27</u>	<u>3.73</u>
Diluted earnings per share:				
Profit attributable to ordinary shareholders of the Company	<u>\$ 241,681</u>	<u>189,498</u>	<u>515,461</u>	<u>232,472</u>
Weighted-average number of ordinary shares (basic, thousand shares)	62,296	62,296	62,296	62,296
Effect of employee stock bonuses	<u>188</u>	<u>122</u>	<u>293</u>	<u>309</u>
Weighted-average number of				

ordinary shares (diluted, thousand shares)	<u>62,484</u>	<u>62,418</u>	<u>62,589</u>	<u>62,605</u>
Diluted earnings per share (NTD)	<u>\$ 3.87</u>	<u>3.04</u>	<u>8.24</u>	<u>3.71</u>

(r) Revenue from contracts with customers

(i) Details of revenue

	<u>Three months ended September 30,</u>		<u>Nine months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Primary geographical markets</u>				
United States	\$ 470,531	484,758	1,187,905	1,191,489
Asia	135,332	221,579	395,650	633,926
Euro	883,727	367,479	1,637,988	898,197
	\$ 1,489,590	1,073,816	3,221,543	2,723,612
<u>Primary productions</u>				
Plastic injection mold	\$ 1,381,601	976,526	2,906,983	2,504,420
Tooling mold	107,750	96,778	312,664	218,378
Others	239	512	1,896	814
	\$ 1,489,590	1,073,816	3,221,543	2,723,612

(ii) Contract balances

For details on accounts receivable, please refer to note 6 (c).

	<u>September 30,</u>	<u>December 31,</u>	<u>September 30</u>
	<u>2020</u>	<u>2019</u>	<u>2019</u>
Contract liabilities	\$ 53,948	31,622	57,817

The major change in the balance of contract liabilities is the advance consideration received from customers for the contracts, in which revenue is recognized when products are delivered to customers. The amount of revenue recognized for the years ended September 30, 2020 and 2019, which was included in the contract liability balance at the beginning of the period, was \$31,622 thousand and \$35,824 thousand, respectively.

(s) Employee, board of directors', and supervisors' compensation

In accordance with the Articles of incorporation the Company should contribute no less than 1% of the profit as employee compensation and not exceed 5% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and supervisor 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 three months and nine months ended September 30, 2020 and 2019, the Company estimated its employee remuneration amounting to \$6,187 thousand, \$5,700 thousand, \$18,563 thousand and \$11,400 thousand, directors' and supervisors' remuneration amounting to \$2,001 thousand, \$1,710 thousand, \$6,001 thousand and \$3,420 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating. If the actual amount of the annual distribution and the estimated amount of differences, according to the changes in accounting estimates, and the difference recognized as the next year annual profit (loss). Such as the resolution of the board of directors to take the stock of employee compensation, the numbers of shares to be distributed would be calculated based on the closing price of the Company's ordinary shares one day before the date of the meeting of Board of Directors.

For the year ended December 31, 2019 and 2018, the Company estimated its employee remuneration amounting to \$22,100 thousand and \$17,513 thousand, respectively, and directors' and supervisors' remuneration amounting to \$7,925 thousand and \$6,140 thousand respectively. There is no difference in the actual distribution situation, please refer to Market Observation Post System for further information.

(t) Other revenue

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Interest income	\$ 3,493	31,561	43,684	61,322
Others	6,276	3,496	14,597	11,535
	\$ 9,769	35,057	58,281	72,857

(u) Non-operating gains and losses

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Foreign currency exchange (loss) gain, net	\$ (106,864)	\$ 47,813	(108,263)	46,969
Gain (Losses) on financial assets at fair value through profit or loss	684	(235)	(498)	1,106
Gain on disposal of property, plant and equipment	24	191	3,531	1,035
Others	(485)	(1,061)	(1,329)	(5,409)
	\$ (106,641)	46,708	(106,559)	43,701

(v) Financial Instruments

In addition to the following, there is no material change in financial instruments of the Group for the nine months ended September 30, 2020 and 2019. For the related information, please refer to note 6(u) of the consolidated financial statements for the year ended December 31, 2019.

(i) Credit risk

1) Credit risk exposure

As of September 30, 2020 and 2019, the Group's maximum exposure to credit risk was mainly from the carrying amount of financial assets recognized in the consolidated statements of financial position and amounted to \$5,957,777 thousand and \$5,266,855 thousand, respectively. The Groups had deposited these bank deposits in different financial institutions, and the Group believes that there is no significant credit risk from the above mentioned financial institutions.

2) Concentration of credit risk

The credit risk exposure of the Group comes from the credit of individual customers, and the industry of the customer also have effect on credit risk. For the years ended September 30, 2020 and 2019, sales to the individual customers whose revenue constituting over 10% of net revenue are 36% and 28% of total revenues respectively. As of September 30, 2020 and 2019, 37% and 22%, respectively, of accounts receivable were for those customers.

(ii) Liquidity risk

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

	Carrying	Contractual			
	amount	cash flows	within 1 year	1-2 years	2-5 years
September 30, 2020					
Non-derivative financial liabilities					
Short-term borrowings	\$901,400	902,281	902,281	-	-
Short term notes and bills payable	39,990	40,000	40,000	-	-
Long-term borrowings	1,200,000	1,216,372	12,002	1,204,370	-
Notes and accounts payable	713,712	713,712	713,712	-	-
Lease liabilities	74,610	74,610	37,008	37,602	-
Other financial liabilities	48,863	48,863	48,863	-	-
	\$2,978,575	2,995,838	1,753,866	1,241,972	-
December 31, 2019					
Non-derivative financial liabilities					
Short-term borrowings	\$824,790	830,154	830,154	-	-
Short-term notes and bills payable	149,994	150,000	150,000	-	-
Long-term borrowings	1,000,000	1,018,915	10,730	1,008,185	-
Notes and accounts payable	604,378	604,378	604,378	-	-
Lease liabilities	135,117	135,117	59,531	75,586	-
Other financial liabilities	45,748	45,748	45,748	-	-
	\$2,760,027	2,784,312	1,700,541	1,083,771	-

	Carrying		Contractual		
	amount	cash flows	within 1 year	1-2 years	2-5 years
September 30, 2019					
Non-derivative financial liabilities					
Short-term borrowings	\$835,920	843,152	843,152	-	-
Short-term notes and bills payable	149,987	150,000	150,000	-	-
Long-term borrowings	1,000,000	1,015,695	11,739	1,003,956	-
Notes and accounts payable	562,238	562,238	562,238	-	-
Lease liabilities	38,565	38,565	31,150	7,415	-
Other financial liabilities	50,221	50,221	50,221	-	-
	\$2,636,931	2,659,871	1,648,500	1,011,371	-

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

(iii) Market risk

1) Exchange rate risk

The Group significant exposure to foreign currency risk on financial assets and liabilities was as follows:

	September 30, 2020			December 31, 2019			September 30, 2019		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>									
<u>Monetary Items</u>									
USD	\$ 137,263	29.1	3,994,342	81,104	29.980	2,431,483	77,793	31.040	2,414,684
CNY	952	4.269	4,064	16,029	4.305	69,005	15,866	4.350	69,016
<u>Financial liabilities</u>									
<u>Monetary Items</u>									
USD	7,340	29.1	213,597	1,394	29.980	41,795	1,253	31.040	38,904

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables, and trade and other payables that are denominated in foreign currency.

A weakening (strengthening) of 1% of the NTD against the USD and CNY at September 30, 2020 and 2019, would have increased or decreased the net profit before tax by \$37,848 thousand and \$24,448 thousand, respectively. The analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases. The analysis is performed on the same basis for both periods.

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 the nine months ended September 30, 2020 and 2019, foreign exchange gain (including realized and unrealized portions) amounted to \$(108,263) thousand and \$46,969 thousand, respectively.

2) Interest rate analysis

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

Cash and cash equivalents	\$ 3,539,799
Notes and accounts receivable, net	1,395,940
Other financial assets-current	11,567
Refundable deposits	<u>25,490</u>
	<u>\$ 4,972,796</u>
Financial liabilities carried at amortized cost	
Long and short term borrowings	\$ 1,824,790
Short-term notes and bills payable	149,994
Notes and accounts payable	604,378
Lease liability	135,117
Other payables	<u>45,748</u>
	<u>\$ 2,760,027</u>

	September 30, 2019				
	Carrying amounts	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	<u>\$ 519,321</u>	<u>12,794</u>	<u>6,426</u>	<u>500,101</u>	<u>519,321</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 3,465,887				
Notes and accounts receivable, net	1,272,843				
Other financial assets-current	8,804				
Refundable deposits	<u>19,678</u>				
	<u>\$ 4,767,212</u>				
Financial liabilities carried at amortized cost					
Long and short term borrowings	\$ 1,835,920				
Short-term notes and bills payable	149,987				
Notes and accounts payable	562,238				
Lease liabilities	38,565				
Other payables	<u>50,221</u>				
	<u>\$ 2,636,931</u>				

2) Valuation techniques for financial instruments measured at fair value

a) 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. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and

circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants. Fair value of forward currency is usually determined by the forward currency exchange rate.

3) Reconciliation of Level 3 fair values

The following table shows a reconciliation of the beginning balances to the ending balances for the fair value measurements in Level 3 of the fair value hierarchy:

	<u>At fair value through profit or loss</u>	
	<u>Non-derivative financial assets</u>	
	<u>mandatorily measured at fair value</u>	
	<u>through profit or loss</u>	
	Nine months ended September 30,2020	Nine months ended September 30,2019
Balance in the beginning of the period	\$ 430,513	245,966
Recognized in profit or loss	18,145	22,325
Purchase	1,238,001	1,261,124
Disposal	<u>(1,089,003)</u>	<u>(1,029,314)</u>
Balance in the ending of the period	<u>\$ 597,656</u>	<u>500,101</u>

The aforementioned total gains and losses were recognized in “other income”. There have been no transfers from each level for the nine months ended September 30, 2020 and 2019.

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

The Group’s financial instruments that use Level 3 inputs to measure fair value are financial instrument” and derivative financial assets. The financial assets’ fair value are using the prior transaction price before adjustments or third-party pricing information. The unobservable inputs are not set up as the Group measures fair value, therefore the quantified information of significant unobservable inputs are not disclosed.

(w) Financial risk management

The Group’s risk management policies are no material change in financial instruments of the Group for the nine months ended September 30, 2020 and 2019. For the related information, please refer to note 6(v) of the consolidated financial statements for the year ended December 31, 2019.

(x) Capital management

As of September 30, 2020, there were no changes in the Group’s approach to capital management. For the related information, please refer to Note 6(w) of the consolidated financial statements for the year ended December 31, 2019.

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

The Group's investing and financing activities which did not affect the current cash flow in the nine months ended September 30, 2020 and 2019, were as follows

(i) Obtain the right-of-use assets by lease, please refer to note 6 (g).

(ii) The reconciliation of liabilities from financing activities is as follows:

	January 1,2020	Cash flows	Foreign exchange movement and others	September 30,2020
Short term borrowings	\$ 824,790	76,610	-	901,400
Short-term notes and bills payable	149,994	(110,000)	(4)	39,990
Long term borrowings	1,000,000	200,000	-	1,200,000
Lease liability	135,117	(43,456)	(17,051)	74,610
Total liabilities from financing activities	\$ 2,109,901	123,154	(17,055)	2,216,000

	January 1,2019	Cash flows	Foreign exchange movement and others	September 30,2019
Short term borrowings	\$ 805,720	30,200	-	835,920
Short-term notes and bills payable	99,985	50,000	2	149,987
Long term borrowings	900,000	100,000	-	1,000,000
Lease liability	80,887	(42,805)	483	38,565
Total liabilities from financing activities	\$ 1,886,592	137,395	485	2,024,472

(7) Related-party transactions:

(a) Key management personnel compensation

Key management personnel compensation comprised:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Short-term employee benefits	\$ 10,705	9,241	32,272	24,304
Post-employment benefits	54	54	162	162
Termination benefits	-	-	-	-
Other long-term benefits	-	-	-	-
Share-based payments	-	-	-	-

	\$ 10,759	9,295	32,434	24,466
	\$ 10,759	9,295	32,434	24,466

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	September 30, 2020	December 31, 2019	September 30, 2019
Demand deposits (classified under other current financial assets)	Guarantee for Carbon emission	\$ 25	25	25
"	Guarantee for litigation	-	4,703	4,751
"	Guarantee for loan line	58,200	-	-
"		\$ 58,225	4,728	4,776

(9) Significant Commitments and contingencies:**(a) Unrecognized contractual commitments**

(i) The Group's unrecognized contractual commitments to the purchase of plant and equipment are as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Acquisition of property, plant and equipment	\$ 75,907	75,657	115,170

(ii) For the necessary to bank loan and operating capital, the Company and its subsidiaries provide guarantee and endorsement for other parties were as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Outstanding guarantee notes	\$ 1,330,930	1,628,960	1,684,080
Purchase guarantee	14,550	14,990	15,520
	\$ 1,345,480	1,643,950	1,699,600
Actual usage amount	\$ 170,950	329,780	341,440

(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 function By item	For the three month periods ended September 30					
	2020			2019		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefit expenses						
Salaries	231,428	52,424	283,852	202,555	55,291	257,846
Labor and health insurance	6,000	2,452	8,452	5,090	2,269	7,359
Pension	6,818	1,662	8,480	7,714	1,880	9,594
Others	5,473	7,547	13,020	5,727	8,292	14,019
Depreciation	52,142	12,382	64,524	60,709	13,081	73,790
Amortization	829	881	1,710	1,078	1,075	2,153

By function By item	For the nine month periods ended September 30					
	2020			2019		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefit expenses						
Salaries	529,333	152,212	681,545	532,977	159,393	692,370
Labor and health insurance	14,312	6,651	20,963	15,449	6,637	22,086
Pension	14,629	4,332	18,961	21,535	5,622	27,157
Others	15,020	21,039	36,059	14,524	17,534	32,058
Depreciation	165,851	39,340	205,191	187,233	44,041	231,274
Amortization	2,653	2,867	5,520	3,919	3,232	7,151

(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:

(i) Loans to other parties:

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance (Note 3)	Actual usage amount during the period	Interest rate	Nature of financing	Transaction amounts	Reason for short-term financing	Allowance for bad debt	Collateral		Financing limit for each borrowing company	Maximum financing limit for the lender
													Item	Value		
0	The Company	NISHOKU VIETNAM	Other accounts receivable	Yes	296,300	291,000	232,800	0.95%	Necessary to loan other parties	-	Operating capital	-	-	-	416,972 (Note 1)	1,667,888 (Note 1)
1	SAME START (Anguilla)	NISHOKU VIETNAM	Other accounts receivable	Yes	242,000	232,800	-	1.03%-1.4%	Necessary to loan other parties	-	Operating capital	-	-	-	227,737 (Note 1)	227,737 (Note 1)

Note 1: The individual amount and the total amount for lending to a company shall not exceed 10% and 40% of the lending company's net worth in the latest financial statement, respectively. The Company for lending to the Company directly or indirectly holds 100% of their shares, with the loan amount not limited and the total amounts not exceeding the lending company's net worth in the last financial statement.

Note 2: Related transaction have been eliminated during the preparation of the consolidated financial statements.

Note 3: Amount actually draw in foreign currencies were translated based on the exchange rate at the reporting date.

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 1)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date (Note 3)	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 2)										
0	The Company	SAME START (Anguilla)	3	1,250,916	514,250	116,400	-	-	2.79%	4,169,720	Y	N	N
"	"	NISHOKU VIETNAM	2	1,250,916	1,075,569	1,056,330	116,400	-	25.33%	4,169,720	"	"	"
"	"	NISHOKU BOUEKI	2	1,250,916	159,260	158,200	40,000	-	3.79%	4,169,720	"	"	"
1	NISHOKU KUNSHAN PLASTIC	SAME START (Anguilla)	1	848,199	15,125	14,550	14,550	-	0.51%	2,827,331	N	"	"

Note 1: The amount and the total amount of the guarantee to a company shall not exceed 30% and 100%, respectively, of the Company net worth in the latest financial statements. The total amount of the guarantee that the Company and its subsidiaries to a company shall not exceed 100%, of the Company's net worth in the latest financial statement. The Company directly or indirectly holds 100% of their shares, the guarantee amounts not limited by the Company's net worth in the latest financial statement.

Note 2: The relationship of guarantor and endorsements to related parties were as follows:

- 1) Business relationship between the Company
- 2) The Company directly or indirectly holds over 50% of subsidiaries' shares;
- 3) The parent company and its subsidiaries hold over 50% of investees' shares;
- 4) A subsidiary jointed owned over 50% by the Company and the Company's directly-owned subsidiary.

Note 3: Amount actually draw in foreign currencies were translated based on the exchange rate at the reporting date.

(iii) Securities held as of September 30, 2020 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Nature and name of securities	Relationship with the securities issuer	Account name	Ending balance			Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	
SAME START (Anguilla)	Bond of oversea	None	Financial assets at fair value through profit or loss	-	6,124	- %	6,124
"	PineBridge preferred income fund	"	"	-	11,750	- %	11,750
NISHOKU SHENZHEN	Principal guaranteed financial instruments	"	"	-	384,207	- %	384,207
NISHOKU KUNSHAN PLASTIC	"	"	"	-	213,449	- %	213,449

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

Name of 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
NISHOKU KUNSHAN PLASTIC	Principal guaranteed financial product	Financial assets at fair value through profit or loss	Agriculture Bank of China	None	-	86,103	-	256,138	-	344,117	342,241	1,876	-	-
"	"	"	Wells Fargo Asset Management (Shanghai)	"	-	215,256	-	213,449	-	221,961	215,256	6,705	-	213,449
NISHOKU SHENZHEN	Principal guaranteed financial product	Financial assets at fair value through profit or loss	Wells Fargo Asset Management (Shanghai)	"	-	129,154	-	384,207	-	265,460	257,223	8,237	-	256,138
"	"	"	Bank of China	"	-	-	-	384,207	-	257,465	256,138	1,327	-	128,069

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

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

- (i) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit Price	Payment terms	Ending Balance	Percentage of total notes/accounts receivable/payable	
SAME START (Anguilla)	NISHOKU KUNSHAN PLASTIC	Associate	Sale	(376,778)	(64)%	Note 1	Note 1	Note 1	42,869	42%	Note 2
NISHOKU KUNSHAN PLASTIC	SAME START (Anguilla)	"	Purchase	376,778	31%	"	"	"	(42,869)	(5)%	"
SAME START (Anguilla)	The Company	"	Sale	(118,165)	(20)%	"	"	"	18,667	18%	"
The Company	SAME START (Anguilla)	"	Purchase	118,165	35%	"	"	"	(18,667)	(12)%	"
The Company	NISHOKU KUNSHAN PLASTIC	"	Sale	(299,168)	(50)%	"	"	"	290,207	92%	"
NISHOKU KUNSHAN PLASTIC	The Company	"	Purchase	299,168	24%	"	"	"	(290,207)	(35)%	"
NISHOKU KUNSHAN PLASTIC	SAME START (Anguilla)	"	Sale	(152,621)	(6)%	"	"	"	31,797	2%	"
SAME START (Anguilla)	NISHOKU KUNSHAN PLASTIC	"	Purchase	152,621	38%	"	"	"	(31,797)	(56)%	"

Note 1: The subsidiaries did not purchase or sale same product from third parties, so the purchase (sale) price cannot be compared. In addition, the receipt terms of related parties were not significant different to third parties.

Note 2: Transactions within the Group were eliminated in the consolidated financial statements.

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

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	NISHOKU KUNSHAN PLASTIC	Associate	290,207	2.75	-	-	68,379	-

Note 1: Until Oct 21, 2020.

Note 2: Transactions within the Group were eliminated in the consolidated financial statements

- (ix) Trading in derivative instruments: None.
(x) Business relationships and significant intercompany transactions:

The following is the information for the nine months ended September 30, 2020, business relationships and significant intercompany transactions with the amounts exceeding NT\$ 10 million:

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions, 2020			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	SAME START (Anguilla)	1	Purchase	118,165	Note 3	4%
"	"	"	1	Account Payable	18,667	"	-
"	"	"					%
"	"	NISHOKU KUNSHAN PLASTIC	3	Sales	299,168	"	9%
"	"	"	3	Account receivable	290,207	"	4%
"	"	NISHOKU VIETNAM	3	Other receivables	232,800	Loans and interests	3%
1	NISHOKU BOUEKI	SAME START (Anguilla)	3	Sales	93,717	Note 3	3%
"	"	"	3	Account receivable	10,425	"	-%
2	SAME START (Anguilla)	NISHOKU SHENZHEN	3	Purchase	11,466	"	-%
"	"	NISHOKU KUNSHAN PLASTIC	3	Purchase	152,621	"	5%
"	"	"	3	Account Payable	31,797	"	-%
"	"	"	3	Sales	376,778	"	12%
"	"	"	3	Account receivable	42,869	"	1%
2	"	NISHOKU VIETNAM	3	Sales	79,025	"	2%
"	"	"	3	Account receivable	38,469	"	-%

Note 1: "0" represents the parent company, and the others represent the subsidiaries.

Note 2: "1" represents the transactions from parent company to subsidiary.

"2" represents the transactions from subsidiary to parent company.

“3” represents the transactions between subsidiaries.

Note 3: The trading price and product that purchase or sale from related parties that did not purchase or sale from third parties, so cannot be compared.

(b) Information on investees:

The following is the information on investees for the nine months ended September 30, 2020 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2018			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2020	December 31, 2019	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	SUN NICE (SAMOA)	SAMOA	Holding	1,096,194	1,096,194	34,468	100%	4,189,675	533,686	491,044	
"	NISHOKU BOUEKI	Taiwan	Purchase and sales of plastic raws and parts	1,000	1,000	6,300	100%	120,055	13,718	16,015	
"	NISHOKU VIETNAM	Vietnam	Manufacture and sale of tooling and plastic products	508,434 (USD 16,500 thousands)	267,314 (USD 8,500 thousands)	-	100%	98,466	(15,926)	(15,694)	
SUN NICE (SAMOA)	SAME START (Anguilla)	Anguilla	Purchase and sale of mold and plastic products	-	-	-	100%	277,737	246,269	246,269	
"	NISHOKU HK	HK	Holding	1,800,361 (USD 57,915 thousands)	1,800,361 (USD 57,915 thousands)	62,298	100%	3,195,772	198,038	198,038	
"	SUNNICE (BVI)	BVI	"	585,292 (USD 17,948 thousands)	585,292 (USD 17,948 thousands)	15,697	100%	808,658	89,320	89,320	

(c) Information on investment in mainland China:

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

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2020	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 1)	Book value (Note 1)	Accumulated remittance of earnings in current period
					Outflow	Inflow						
NISHOKU SHENZHEN	Manufacture and sale of mold and plastic products	USD23,288 thousands	Indirect investment through third area	703,870 (USD22,939 thousands)	-	-	703,870 (USD22,939 thousands)	(26,094)	100.00%	(26,094)	1,146,527	475,841
NISHOKU KUNSHAN PLASTIC	Manufacture and sale of mold and plastic products	USD53,310 thousands	"	1,674,270 (USD52,524 thousands)	-	-	1,674,290 (USD52,524 thousands)	313,483	100.00%	313,483	2,827,331	473,544

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of September 30, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
2,378,140	2,378,140	(Note 2)

Note 1: The above investment income (loss) in mainland China was based on financial statements audited by the Company's auditors.

Note 2: The Company has received the certificate issue by the Industrial Development Bureau, Ministry of Economic Affairs, allowing it to start operating of its headquarters.

Note 3: Above investment amount within the Group were eliminated in the consolidated financial statements.

(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 :

Shareholding Shareholder's Name	Shares	Percentage
Ji Teng Investment Limited	4,500,000	7.20%
Yun Ding Investment Limited	4,050,000	6.48%
CTBC Bank Trusted Custody investment account _Gold Talent Co., Ltd.	3,897,856	6.24%
Jin Hong Investment Limited	3,600,000	5.76%

Note 1: This table is based on the last business day at the end of each quarter, and calculates that the total number of ordinary shares and special shares registration of non-physical securities (including treasury shares) that have been reached more than 5%. As for the share capital recorded in the company's financial report and the number of shares registration of non-physical securities may be have variance due to different calculation basis.

Note 2: The information that shareholders deliver shares to trust is disclosed by the individual trustee who set up the trust account. As for shareholders who handle the declaration of insider equity holdings of more than 10% of their shares in accordance with the Securities Exchange Act, their shareholdings include the shares held by them plus their delivery to the trust and have the right to make decisions on trust property, etc. For information on insider equity declaration, please refer to Market Observation Post.

(14) Segment information:

The Group's identifies its operating segments based on decision of the chief operating decision marker (CODM). The Group's operating segments are in United States, Asia and Europe, etc. Those operating segments are reportable segments. The Revenue from manufacture and supply electronic parts to clients. Since the strategy of each segment is different, it is necessary to separate them for management.

The operating segment's profit or loss is measured by net operating income, and as the basis of performance evaluation. The operating segment accounting policies are similar to those described in note 4 “significant accounting policies”. The Group regards sales and transfers between operating segments as transactions with third parties.

The Group's product revenues from geographical clients were as follows:

	Three months ended September 30, 2020				
	United States	Asia	Europe	Elimination	Total
Revenue from external customers	<u>\$ 470,531</u>	<u>135,332</u>	<u>883,727</u>	<u>-</u>	<u>1,489,590</u>
Reportable segment profit or loss	<u>\$ 171,637</u>	<u>20,365</u>	<u>200,581</u>	<u>-</u>	<u>392,583</u>

	Three months ended September 30, 2019				
	United States	Asia	Europe	Elimination	Total
Revenue from external customers	<u>\$ 484,758</u>	<u>221,579</u>	<u>367,479</u>	<u>-</u>	<u>1,073,816</u>
Reportable segment profit or loss	<u>\$ 100,306</u>	<u>28,920</u>	<u>32,060</u>	<u>-</u>	<u>161,286</u>

	Nine months ended September 30, 2020				
	United States	Asia	Europe	Elimination	Total
Revenue from external customers	<u>\$ 1,187,905</u>	<u>395,650</u>	<u>1,637,988</u>	<u>-</u>	<u>3,221,543</u>
Reportable segment profit or loss	<u>\$ 366,933</u>	<u>30,291</u>	<u>244,272</u>	<u>-</u>	<u>641,496</u>

	Nine months ended September 30, 2019				
	United States	Asia	Europe	Elimination	Total
Revenue from external customers	<u>\$ 1,191,489</u>	<u>633,926</u>	<u>898,197</u>	<u>-</u>	<u>2,723,612</u>
Reportable segment profit or loss	<u>\$ 158,594</u>	<u>4,176</u>	<u>22,543</u>	<u>-</u>	<u>185,313</u>