

**Voltronic Power Technology Corp. and  
Subsidiaries**

**Consolidated Financial Statements for the  
Three Months Ended March 31, 2021 and 2020 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
Voltronic Power Technology Corp.

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Voltronic Power Technology Corp. and its subsidiaries (the Group) as of March 31, 2021 and 2020, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

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

### **Conclusion**

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as at March 31, 2021 and 2020, and of its consolidated financial performance and its consolidated cash flows for the three months then ended March 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Chung Chen Chen and Chao Mei Chen.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

May 6, 2021

Notice to Readers

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

*For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail. Also, as stated in Note 4 to the consolidated financial statements, the additional footnote disclosures that are not required under generally accepted accounting principles were not translated into English.*

# VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	March 31, 2021 (Reviewed)		December 31, 2020 (Audited)		March 31, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 5,535,554	43	\$ 4,886,193	41	\$ 4,257,586	41
Notes receivable (Notes 7 and 19)	37,125	-	29,555	-	24,763	-
Trade receivables (Notes 7 and 19)	2,035,284	16	2,153,150	18	1,715,721	17
Trade receivables from related parties (Notes 19 and 27)	168,859	2	163,299	2	146,231	1
Other receivables (Note 7)	30,724	-	102,784	1	15,935	-
Current tax assets	33,625	-	18,575	-	37,733	-
Inventories (Note 8)	1,638,580	13	1,294,053	11	1,243,543	12
Prepayments (Note 13)	161,994	1	150,856	1	167,593	2
Other financial assets - current (Note 13)	-	-	-	-	1,960	-
Total current assets	<u>9,641,745</u>	<u>75</u>	<u>8,798,465</u>	<u>74</u>	<u>7,611,065</u>	<u>73</u>
<b>NON-CURRENT ASSETS</b>						
Property, plant and equipment (Note 10)	2,519,155	20	2,427,833	20	2,151,821	21
Right-of-use assets (Note 11)	466,653	4	488,755	4	392,839	4
Other intangible assets (Note 12)	27,070	-	26,165	-	13,986	-
Deferred tax assets (Note 4)	105,859	1	128,920	1	128,285	1
Other financial assets - non-current (Note 13)	2,787	-	2,743	-	-	-
Other non-current assets (Notes 13 and 27)	<u>75,877</u>	<u>-</u>	<u>48,329</u>	<u>1</u>	<u>85,686</u>	<u>1</u>
Total non-current assets	<u>3,197,401</u>	<u>25</u>	<u>3,122,745</u>	<u>26</u>	<u>2,772,617</u>	<u>27</u>
<b>TOTAL</b>	<u>\$ 12,839,146</u>	<u>100</u>	<u>\$ 11,921,210</u>	<u>100</u>	<u>\$ 10,383,682</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Note 14)	\$ 2,150,437	17	\$ 1,768,000	15	\$ 1,100,228	10
Contract liabilities - current (Notes 19 and 27)	210,558	1	179,338	1	204,431	2
Notes payable (Note 15)	25	-	29	-	18	-
Trade payables (Note 15)	3,431,774	27	3,320,151	28	2,586,832	25
Trade payables to related parties (Note 27)	3,457	-	1,749	-	2,241	-
Other payables (Note 16)	673,292	5	792,541	7	687,839	7
Current tax liabilities (Note 4)	213,206	2	166,452	1	237,988	2
Lease liabilities - current (Notes 11 and 27)	92,641	1	93,715	1	64,508	1
Other current liabilities (Note 16)	<u>2,577</u>	<u>-</u>	<u>2,139</u>	<u>-</u>	<u>2,285</u>	<u>-</u>
Total current liabilities	<u>6,777,967</u>	<u>53</u>	<u>6,324,114</u>	<u>53</u>	<u>4,886,370</u>	<u>47</u>
<b>NON-CURRENT LIABILITIES</b>						
Deferred tax liabilities (Note 4)	-	-	-	-	9,978	-
Lease liabilities - non-current (Notes 11 and 27)	235,030	2	257,753	2	181,012	2
Other non-current liabilities (Note 16)	<u>803</u>	<u>-</u>	<u>775</u>	<u>-</u>	<u>889</u>	<u>-</u>
Total non-current liabilities	<u>235,833</u>	<u>2</u>	<u>258,528</u>	<u>2</u>	<u>191,879</u>	<u>2</u>
Total liabilities	<u>7,013,800</u>	<u>55</u>	<u>6,582,642</u>	<u>55</u>	<u>5,078,249</u>	<u>49</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 18)</b>						
Share capital						
Ordinary shares	<u>874,194</u>	<u>7</u>	<u>874,354</u>	<u>7</u>	<u>833,015</u>	<u>8</u>
Capital surplus	<u>1,144,500</u>	<u>9</u>	<u>1,154,070</u>	<u>10</u>	<u>1,257,149</u>	<u>12</u>
Retained earnings						
Legal reserve	1,080,287	8	1,080,287	9	867,184	8
Special reserve	343,240	3	343,240	3	184,243	2
Unappropriated earnings	<u>2,811,508</u>	<u>22</u>	<u>2,388,244</u>	<u>20</u>	<u>2,855,042</u>	<u>28</u>
Total retained earnings	<u>4,235,035</u>	<u>33</u>	<u>3,811,771</u>	<u>32</u>	<u>3,906,469</u>	<u>38</u>
Other equity (Notes 18 and 23)	<u>(428,383)</u>	<u>(4)</u>	<u>(501,627)</u>	<u>(4)</u>	<u>(691,200)</u>	<u>(7)</u>
Total equity	<u>5,825,346</u>	<u>45</u>	<u>5,338,568</u>	<u>45</u>	<u>5,305,433</u>	<u>51</u>
<b>TOTAL</b>	<u>\$ 12,839,146</u>	<u>100</u>	<u>\$ 11,921,210</u>	<u>100</u>	<u>\$ 10,383,682</u>	<u>100</u>

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

# VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Notes 19 and 27)	\$ 3,462,582	100	\$ 2,549,971	100
OPERATING COSTS				
Cost of goods sold (Notes 8, 20 and 27)	<u>(2,613,004)</u>	<u>(76)</u>	<u>(1,772,275)</u>	<u>(70)</u>
GROSS PROFIT	<u>849,578</u>	<u>24</u>	<u>777,696</u>	<u>30</u>
OPERATING EXPENSES (Note 20)				
Selling and marketing expenses	(84,336)	(2)	(81,216)	(3)
General and administrative expenses	(99,880)	(3)	(88,089)	(3)
Research and development expenses	(139,825)	(4)	(142,303)	(6)
Expected credit loss (Note 7)	<u>(681)</u>	<u>-</u>	<u>(6,983)</u>	<u>-</u>
Total operating expenses	<u>(324,722)</u>	<u>(9)</u>	<u>(318,591)</u>	<u>(12)</u>
PROFIT FROM OPERATIONS	<u>524,856</u>	<u>15</u>	<u>459,105</u>	<u>18</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 20)	20,919	-	10,662	-
Other income (Note 20)	6,487	-	23,853	1
Other gains and losses (Note 20)	(12,360)	-	22,156	1
Finance costs (Notes 20 and 27)	<u>(10,139)</u>	<u>-</u>	<u>(11,854)</u>	<u>-</u>
Total non-operating income and expenses	<u>4,907</u>	<u>-</u>	<u>44,817</u>	<u>2</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	529,763	15	503,922	20
INCOME TAX EXPENSE (Notes 4 and 21)	<u>(106,862)</u>	<u>(3)</u>	<u>(102,951)</u>	<u>(4)</u>
NET PROFIT FOR THE PERIOD	<u>422,901</u>	<u>12</u>	<u>400,971</u>	<u>16</u>

(Continued)

# VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating of the financial statements of foreign operations (Note 18)	\$ 49,508	1	\$ (37,991)	(1)
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 18 and 21)	<u>(9,902)</u>	<u>-</u>	<u>7,598</u>	<u>-</u>
Other comprehensive income (loss) for the period, net of income tax	<u>39,606</u>	<u>1</u>	<u>(30,393)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 462,507</u>	<u>13</u>	<u>\$ 370,578</u>	<u>15</u>
EARNINGS PER SHARE (Note 22)				
Basic	<u>\$ 4.87</u>		<u>\$ 4.62</u>	
Diluted	<u>\$ 4.84</u>		<u>\$ 4.60</u>	

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

(Concluded)

## VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	Equity Attributable to Owners of the Company						Other Equity		
	Ordinary Shares	Capital Surplus	Retained Earnings		Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Others	Total Equity	
			Legal Reserve	Special Reserve					
BALANCE AT JANUARY 1, 2020	\$ 833,015	\$ 1,257,149	\$ 867,184	\$ 184,243	\$ 2,454,071	\$ (343,240)	\$ (372,507)	\$ 4,879,915	
Share-based payment transactions (Notes 18, 20 and 23)	-	-	-	-	-	-	54,940	54,940	
Net profit for the three months ended March 31, 2020	-	-	-	-	400,971	-	-	400,971	
Other comprehensive (loss) for the three months ended March 31, 2020, net of income tax (Note 18)	-	-	-	-	-	(30,393)	-	(30,393)	
Total comprehensive income for the three months ended March 31, 2020	-	-	-	-	400,971	(30,393)	-	370,578	
BALANCE AT MARCH 31, 2020	<u>\$ 833,015</u>	<u>\$ 1,257,149</u>	<u>\$ 867,184</u>	<u>\$ 184,243</u>	<u>\$ 2,855,042</u>	<u>\$ (373,633)</u>	<u>\$ (317,567)</u>	<u>\$ 5,305,433</u>	
BALANCE AT JANUARY 1, 2021	\$ 874,354	\$ 1,154,070	\$ 1,080,287	\$ 343,240	\$ 2,388,244	\$ (331,469)	\$ (170,158)	\$ 5,338,568	
Share-based payment transactions (Notes 18, 20 and 23)	(160)	(9,570)	-	-	363	-	33,638	24,271	
Net profit for the three months ended March 31, 2021	-	-	-	-	422,901	-	-	422,901	
Other comprehensive income for the three months ended March 31, 2021, net of income tax (Note 18)	-	-	-	-	-	39,606	-	39,606	
Total comprehensive income for the three months ended March 31, 2021	-	-	-	-	422,901	39,606	-	462,507	
BALANCE AT MARCH 31, 2021	<u>\$ 874,194</u>	<u>\$ 1,144,500</u>	<u>\$ 1,080,287</u>	<u>\$ 343,240</u>	<u>\$ 2,811,508</u>	<u>\$ (291,863)</u>	<u>\$ (136,520)</u>	<u>\$ 5,825,346</u>	

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

# VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 529,763	\$ 503,922
Adjustments for:		
Depreciation expenses	68,936	48,760
Amortization expenses	2,309	1,237
Expected credit loss recognized on trade receivables	681	6,983
Finance costs	10,139	11,854
Interest income	(20,919)	(10,662)
Share-based compensation	24,271	54,940
Loss on disposal of property, plant and equipment	326	167
Write-downs of inventories	-	911
Net gain on foreign currency exchange	(92,174)	(50,730)
Changes in operating assets and liabilities		
Notes receivable	(7,570)	8,405
Trade receivables	173,198	406,391
Trade receivables - related parties	(57)	12,553
Other receivables	73,076	31,383
Inventories	(344,699)	(214,435)
Prepayments	(11,138)	6,017
Other financial assets	(44)	13
Contract liabilities	31,220	59,217
Notes payable	(4)	(18)
Trade payables	111,620	(413,567)
Trade payables - related parties	1,708	128
Other payables	(115,930)	(91,205)
Other current liabilities	438	(36)
Cash generated from operations	435,150	372,228
Interest received	19,903	10,972
Interest paid	(10,139)	(11,854)
Income tax paid	(61,999)	(65,368)
Net cash generated from operating activities	382,915	305,978
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(120,554)	(16,004)
Proceeds from the disposal of property, plant and equipment	1,249	34
Increase in refundable deposits	-	(688)
Decrease in refundable deposits	703	-
Payments for intangible assets	(3,168)	(2,716)
Increase in prepayments for equipment	(40,279)	(5,609)
Net cash used in investing activities	(162,049)	(24,983)

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# VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	\$ 334,408	\$ -
Repayment of the principal portion of lease liabilities	(25,737)	(15,994)
Proceeds from guarantee deposits received	<u>22</u>	<u>676</u>
Net cash generated from (used in) financing activities	<u>308,693</u>	<u>(15,318)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>119,802</u>	<u>(10,887)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	649,361	254,790
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>4,886,193</u>	<u>4,002,796</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 5,535,554</u>	<u>\$ 4,257,586</u>

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

(Concluded)

# VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

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### 1. GENERAL INFORMATION

Voltronic Power Technology Corp. (the “Company”) was incorporated in the Republic of China (ROC) in May 2008. The Company mainly manufactures and sells uninterruptible power systems (UPS).

The Company’s shares have been listed on the Taiwan Stock Exchange since March 31, 2014.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on May 6, 2021.

### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Assessed the application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the accounting policies of Voltronic Power Technology Corp. and its subsidiaries (the “Group”).

- b. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note 1)</b>
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 6)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 7)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)

- Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.
- Note 2: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.
- Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.
- Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.
- Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.
- Note 6: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.
- Note 7: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

1) Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

The amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right. The amendments also clarify that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date.

The amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group’s own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Group’s own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 “Financial Instruments: Presentation”, the aforementioned terms would not affect the classification of the liability.

## 2) Amendments to IAS 1 “Disclosure of Accounting Policies”

The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;
- The Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

- a) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
- b) The Group chose the accounting policy from options permitted by the standards;
- c) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;
- d) The accounting policy relates to an area for which the Group is required to make significant judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions; or
- e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

## 3) Amendments to IAS 8 “Definition of Accounting Estimates”

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Group may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the ROC. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language consolidated financial statements shall prevail. However, the consolidated financial statements do not include the English translation of the additional footnote disclosures that are not required under IFRSs but are required by the FSC for their oversight purposes.

##### **a. Statement of compliance**

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

##### **b. Basis of preparation**

The consolidated financial statements have been prepared on the historical cost basis.

##### **c. Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

See Note 9 and Tables 6 and 7 for more information on subsidiaries (including the percentages of ownership and main businesses).

##### **d. Other significant accounting policies**

Except for the explanations below, other explanations of significant accounting policies are described in the significant accounting policies section of the consolidated financial statement for the year ended December 31, 2020.

##### **Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

#### **5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The same critical accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Company's consolidated financial statements for the year ended December 31, 2020.

## 6. CASH AND CASH EQUIVALENTS

	March 31, 2021	December 31, 2020	March 31, 2020
Cash on hand	\$ 1,387	\$ 798	\$ 822
Demand deposits	2,785,149	2,384,587	2,391,883
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	<u>2,749,018</u>	<u>2,500,808</u>	<u>1,864,881</u>
	<u>\$ 5,535,554</u>	<u>\$ 4,886,193</u>	<u>\$ 4,257,586</u>

The market interest rates for cash in bank at the end of the reporting period were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Demand deposits	0.001%-0.350%	0.001%-0.350%	0.001%-0.380%
Time deposits	0.300%-2.850%	0.300%-2.950%	1.730%-2.750%

## 7. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 37,125	\$ 29,555	\$ 24,763
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 37,125</u>	<u>\$ 29,555</u>	<u>\$ 24,763</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 2,043,915	\$ 2,161,072	\$ 1,730,011
Less: Allowance for impairment loss	<u>(8,631)</u>	<u>(7,922)</u>	<u>(14,290)</u>
	<u>\$ 2,035,284</u>	<u>\$ 2,153,150</u>	<u>\$ 1,715,721</u>
<u>Other receivables</u>			
Tax refund receivables	\$ 7,441	\$ 80,225	\$ 5,708
Interest receivables	7,519	6,503	2,295
Others	<u>15,764</u>	<u>16,056</u>	<u>7,932</u>
	<u>\$ 30,724</u>	<u>\$ 102,784</u>	<u>\$ 15,935</u>

## Notes Receivable

### At amortized cost

The average paid of notes receivable was 36 to 125 days.

The Group measures the loss allowance for notes receivables at an amount equal to lifetime ECLs. The expected credit losses on notes receivable are estimated by reference to past default experience of the customer economic conditions of the industry in which the customer operates, well as the forecast and industry outlook. As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group evaluated no allowance for impairment loss was needed for notes receivable.

The following table details the aging analysis of notes receivable:

	March 31, 2021	December 31, 2020	March 31, 2020
1 to 60 days	\$ 27,582	\$ 24,110	\$ 19,034
61 to 90 days	3,859	4,078	2,407
91 to 120 days	<u>5,684</u>	<u>1,367</u>	<u>3,322</u>
	<u>\$ 37,125</u>	<u>\$ 29,555</u>	<u>\$ 24,763</u>

The above aging analysis of notes receivable is based on the journal date.

## Trade Receivables

### At amortized cost

The average credit period of sales of goods was 0 to 180 days.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the customer, the customer's current financial position, economic conditions of the industry in which the customer operates, as well as the GDP forecast and industry outlook. The provision for expected credit losses is based on the number of past due days from the end of the credit term.

The Group writes off a trade receivable when there is information indicating that the customer is experiencing severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

Since the Group purchased insurance individually and the credit rating is evaluated by the insurance company, no impairment loss was needed for trade receivables. As of March 31, 2021, December 31, 2020 and March 31, 2020 the carrying amount of trade receivables was \$1,162,729 thousand, \$1,327,551 thousand and \$843,930 thousand, respectively.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

March 31, 2021

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0.62%	5.93%	44.92%	100%	100%	100%	
Gross carrying amount	\$ 846,151	\$ 33,348	\$ 561	\$ 124	\$ -	\$ 1,002	\$ 881,186
Loss allowance (Lifetime ECLs)	<u>(5,274)</u>	<u>(1,979)</u>	<u>(252)</u>	<u>(124)</u>	<u>-</u>	<u>(1,002)</u>	<u>(8,631)</u>
Amortized cost	<u>\$ 840,877</u>	<u>\$ 31,369</u>	<u>\$ 309</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 872,555</u>

December 31, 2020

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0.59%	3.68%	49.70%	100%	100%	100%	
Gross carrying amount	\$ 783,448	\$ 48,067	\$ 1,012	\$ -	\$ -	\$ 994	\$ 833,521
Loss allowance (Lifetime ECLs)	<u>(4,658)</u>	<u>(1,767)</u>	<u>(503)</u>	<u>-</u>	<u>-</u>	<u>(994)</u>	<u>(7,922)</u>
Amortized cost	<u>\$ 778,790</u>	<u>\$ 46,300</u>	<u>\$ 509</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 825,599</u>

March 31, 2020

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0.65%	4.25%	34.84%	100%	100%	100%	
Gross carrying amount	\$ 772,018	\$ 105,284	\$ 6,053	\$ 2,681	\$ -	\$ 45	\$ 886,081
Loss allowance (Lifetime ECLs)	<u>(4,984)</u>	<u>(4,471)</u>	<u>(2,109)</u>	<u>(2,681)</u>	<u>-</u>	<u>(45)</u>	<u>(14,290)</u>
Amortized cost	<u>\$ 767,034</u>	<u>\$ 100,813</u>	<u>\$ 3,944</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 871,791</u>

The movements of the loss allowance of trade receivables were as follows:

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1	\$ 7,922	\$ 7,368
Add: Net remeasurement of loss allowance	681	6,983
Foreign exchange losses and (gains)	<u>28</u>	<u>(61)</u>
Balance at March 31	<u>\$ 8,631</u>	<u>\$ 14,290</u>



## 8. INVENTORIES

	March 31, 2021	December 31, 2020	March 31, 2020
Raw materials	\$ 955,700	\$ 741,022	\$ 747,999
Supplies	908	1,201	3,586
Semi-finished goods	118,184	87,260	82,608
Work in progress	334,544	231,198	221,283
Finished goods	<u>229,244</u>	<u>233,372</u>	<u>188,067</u>
	<u>\$ 1,638,580</u>	<u>\$ 1,294,053</u>	<u>\$ 1,243,543</u>

The nature of the cost of goods sold is as follows:

	For the Three Months Ended March 31	
	2021	2020
Cost of inventories sold	\$ 2,613,004	\$ 1,771,364
Inventory write-downs	<u>-</u>	<u>911</u>
	<u>\$ 2,613,004</u>	<u>\$ 1,772,275</u>

## 9. SUBSIDIARIES

### Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership			Remark
			March 31, 2021	December 31, 2020	March 31, 2020	
Voltronic Power Technology Corp.	Voltronic International Corp.	Investment activities	100%	100%	100%	a
	Voltronic Power Technology (Vietnam) Company Limited	Design, manufacture and sale of UPS	100%	100%	100%	b
Voltronic International Corp.	Voltronic International H.K. Corp. Limited	Investment activities	100%	100%	100%	a
	Potentia Technology Inc. Limited	Sale of UPS	100%	100%	100%	a
Voltronic International H.K. Corp. Limited	Voltronic Power Technology (Shen Zhen) Corp.	Design, manufacture and sale of UPS	100%	100%	100%	c
	Orchid Power (Shen Zhen) Manufacturing Company	Design, manufacture and sale of UPS	100%	100%	100%	c
	Zhongshan Voltronic Power Electronics Limited	Design, manufacture and sale of UPS	100%	100%	100%	c
Zhongshan Voltronic Power Electronics Limited	Zhongshan Voltronic Precision Inc.	Design, manufacture and sale of UPS related components	100%	100%	100%	c

- The main operations risk is the foreign exchange rate risk.
- The main operating risks are foreign exchange rate risks and government decrees.
- The main operations risks are foreign exchange rate risks, government decrees and political risk arising from the uncertainty in relationship between China and Taiwan.

## 10. PROPERTY, PLANT AND EQUIPMENT

### Assets Used by the Group

	Freehold Land	Buildings	Machinery and Equipment	Transportation	Office Equipment	Leasehold Improvements	Other Equipment	Property under Construction	Total
<b>Cost</b>									
Balance at January 1, 2021	\$ 720,761	\$ 1,197,436	\$ 562,359	\$ 12,275	\$ 66,289	\$ 24,284	\$ 249,924	\$ 89,588	\$ 2,922,916
Additions	-	10,064	16,598	-	734	2,706	10,085	72,049	112,236
Disposals	-	-	(761)	(118)	(794)	-	(12,804)	-	(14,477)
Reclassified (Note)	-	1,032	3,913	-	35	5,410	1,907	-	12,297
Effects of foreign currency exchange differences	-	6,866	4,270	108	446	219	2,221	1,038	15,168
Balance at March 31, 2021	<u>\$ 720,761</u>	<u>\$ 1,215,398</u>	<u>\$ 586,379</u>	<u>\$ 12,265</u>	<u>\$ 66,710</u>	<u>\$ 32,619</u>	<u>\$ 251,333</u>	<u>\$ 162,675</u>	<u>\$ 3,048,140</u>
<b>Accumulated depreciation and impairment</b>									
Balance at January 1, 2021	\$ -	\$ 85,974	\$ 253,289	\$ 6,045	\$ 32,721	\$ 2,086	\$ 114,968	\$ -	\$ 495,083
Depreciation expenses	-	13,622	14,598	381	2,175	2,501	10,491	-	43,768
Disposals	-	-	(476)	(117)	(689)	-	(11,620)	-	(12,902)
Effects of foreign currency exchange differences	-	460	1,409	51	200	22	894	-	3,036
Balance at March 31, 2021	<u>\$ -</u>	<u>\$ 100,056</u>	<u>\$ 268,820</u>	<u>\$ 6,360</u>	<u>\$ 34,407</u>	<u>\$ 4,609</u>	<u>\$ 114,733</u>	<u>\$ -</u>	<u>\$ 528,985</u>
Carrying amounts at December 31, 2020 and January 1, 2021	<u>\$ 720,761</u>	<u>\$ 1,111,462</u>	<u>\$ 309,070</u>	<u>\$ 6,230</u>	<u>\$ 33,568</u>	<u>\$ 22,198</u>	<u>\$ 134,956</u>	<u>\$ 89,588</u>	<u>\$ 2,427,833</u>
Carrying amounts at March 31, 2021	<u>\$ 720,761</u>	<u>\$ 1,115,342</u>	<u>\$ 317,550</u>	<u>\$ 5,905</u>	<u>\$ 32,303</u>	<u>\$ 28,010</u>	<u>\$ 136,600</u>	<u>\$ 162,675</u>	<u>\$ 2,519,155</u>
<b>Cost</b>									
Balance at January 1, 2020	\$ 720,761	\$ 1,135,284	\$ 415,737	\$ 8,936	\$ 46,448	\$ 17,303	\$ 195,097	\$ 699	\$ 2,540,265
Additions	-	-	13,201	-	1,366	123	8,022	-	22,712
Disposals	-	-	(174)	-	(152)	-	(790)	-	(1,116)
Reclassified	-	704	-	-	-	-	-	(704)	-
Effects of foreign currency exchange differences	-	(5,635)	(2,478)	(62)	(268)	(117)	(1,307)	5	(9,862)
Balance at March 31, 2020	<u>\$ 720,761</u>	<u>\$ 1,130,353</u>	<u>\$ 426,286</u>	<u>\$ 8,874</u>	<u>\$ 47,394</u>	<u>\$ 17,309</u>	<u>\$ 201,022</u>	<u>\$ -</u>	<u>\$ 2,551,999</u>
<b>Accumulated depreciation and impairment</b>									
Balance at January 1, 2020	\$ -	\$ 40,927	\$ 204,661	\$ 4,659	\$ 25,656	\$ 12,897	\$ 83,770	\$ -	\$ 372,570
Depreciation expenses	-	8,646	11,615	313	1,513	873	7,642	-	30,602
Disposals	-	-	(138)	-	(152)	-	(625)	-	(915)
Effects of foreign currency exchange differences	-	(207)	(1,019)	(37)	(146)	(103)	(567)	-	(2,079)
Balance at March 31, 2020	<u>\$ -</u>	<u>\$ 49,366</u>	<u>\$ 215,119</u>	<u>\$ 4,935</u>	<u>\$ 26,871</u>	<u>\$ 13,667</u>	<u>\$ 90,220</u>	<u>\$ -</u>	<u>\$ 400,178</u>
Carrying amounts at March 31, 2020	<u>\$ 720,761</u>	<u>\$ 1,080,987</u>	<u>\$ 211,167</u>	<u>\$ 3,939</u>	<u>\$ 20,523</u>	<u>\$ 3,642</u>	<u>\$ 110,802</u>	<u>\$ -</u>	<u>\$ 2,151,821</u>

Note: Reclassified from prepayments for equipment to property, plant and equipment in the amount of \$12,297 thousand.

For the three months ended March 31, 2021 and 2020, no impairment assessment was performed as there was no indication of impairment.

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Buildings	
Main buildings	50 years
Draining and air-conditioning units	3-10 years
Machinery and equipment	3-10 years
Transportation	3-10 years
Office equipment	2-10 years
Leasehold improvements	3-5 years
Other equipment	2-5 years

The unrecognized commitments for acquisition of property, plant and equipment were set out in Note 28.

## 11. LEASE ARRANGEMENTS

### a. Right-of-use assets

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Carrying amounts</u>			
Land	\$ 154,377	\$ 153,965	\$ 154,932
Buildings	311,940	334,296	236,940
Transportation equipment	<u>336</u>	<u>494</u>	<u>967</u>
	<u>\$ 466,653</u>	<u>\$ 488,755</u>	<u>\$ 392,839</u>
		<b>For the Three Months Ended March 31</b>	
		<b>2021</b>	<b>2020</b>
Additions to right-of-use assets		\$ <u>-</u>	\$ <u>16,481</u>
Depreciation charge for right-of-use assets			
Land		\$ 846	\$ 846
Buildings		24,164	17,154
Transportation equipment		<u>158</u>	<u>158</u>
		<u>\$ 25,168</u>	<u>\$ 18,158</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2021 and 2020.

### b. Lease liabilities

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Carrying amounts</u>			
Current	\$ <u>92,641</u>	\$ <u>93,715</u>	\$ <u>64,508</u>
Non-current	\$ <u>235,030</u>	\$ <u>257,753</u>	\$ <u>181,012</u>

Range of discount rate for lease liabilities was as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Buildings	2.64%-6.00%	2.64%-6.00%	2.64%-6.00%
Transportation equipment	2.64%	2.64%	2.64%

### c. Material lease-in activities and terms

The Group leases land for use in operations with lease term of 50 years. The Group does not have bargain purchase options to acquire the leased land at the end of the lease term.

The Group also leases buildings and vehicles used as plants, dormitories and vehicles with lease terms of 2 to 8 years. The Group does not have bargain purchase options to acquire buildings at the end of the lease terms.

d. Other lease information

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Expenses relating to short-term leases	<u>\$ 538</u>	<u>\$ 1,180</u>
Expenses relating to low-value asset leases	<u>\$ 175</u>	<u>\$ 204</u>
Total cash outflow for leases	<u>\$ (30,503)</u>	<u>\$ (20,373)</u>

The Group leases certain plants and transportation equipment which qualify as short-term leases and certain office equipment which qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

All lease commitments with lease terms commencing after the balance sheet dates are as follows:

	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
Lease commitments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,791</u>

## 12. OTHER INTANGIBLE ASSETS

	<b>Computer Software</b>
<u>Cost</u>	
Balance at January 1, 2021	\$ 58,972
Additions	3,168
Effect of foreign currency exchange differences	<u>55</u>
Balance at March 31, 2021	<u>\$ 62,195</u>
<u>Accumulated amortization and impairment</u>	
Balance at January 1, 2021	\$ 32,807
Amortization expenses	2,309
Effect of foreign currency exchange differences	<u>9</u>
Balance at March 31, 2021	<u>\$ 35,125</u>
Carrying amounts at December 31, 2020 and January 1, 2021	<u>\$ 26,165</u>
Carrying amounts at March 31, 2021	<u>\$ 27,070</u>

(Continued)

**Computer  
Software**

Cost

Balance at January 1, 2020	\$ 43,123
Additions	2,716
Effect of foreign currency exchange differences	<u>(40)</u>
Balance at March 31, 2020	<u>\$ 45,799</u>

Accumulated amortization and impairment

Balance at January 1, 2020	\$ 30,608
Amortization expenses	1,237
Effect of foreign currency exchange differences	<u>(32)</u>
Balance at March 31, 2020	<u>\$ 31,813</u>
Carrying amounts at March 31, 2020	<u>\$ 13,986</u> (Concluded)

**For the Three Months Ended  
March 31**

	<b>2021</b>	<b>2020</b>
An analysis of amortization by function		
Operating costs	\$ 69	\$ 80
Selling and marketing expenses	259	147
General and administrative expenses	1,208	830
Research and development expenses	<u>773</u>	<u>180</u>
	<u>\$ 2,309</u>	<u>\$ 1,237</u>

For the amount of the contract liability for purchases of computer software, refer to Note 28.

The computer software are amortized on a straight-line basis over their estimated useful lives of 3 to 5 years.

**13. OTHER ASSETS**

	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
<u>Current</u>			
Prepayments	<u>\$ 161,994</u>	<u>\$ 150,856</u>	<u>\$ 167,593</u>
<u>Other financial assets - current</u>			
Restricted demand deposits (Note 1)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,960</u> (Continued)

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Non-current</u>			
Other assets			
Refundable deposits	\$ 29,170	\$ 29,604	\$ 25,150
Prepayments for equipment	<u>46,707</u>	<u>18,725</u>	<u>60,536</u>
	<u>\$ 75,877</u>	<u>\$ 48,329</u>	<u>\$ 85,686</u>
<u>Other financial assets - non-current</u>			
Restricted demand deposits (Note 2)	<u>\$ 2,787</u>	<u>\$ 2,743</u>	<u>\$ -</u> (Concluded)

Note 1: Restricted account for government grants.

Note 2: Restricted deposits for issuing a performance guarantee.

## 14. BORROWINGS

### Short-term Borrowings

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>\$ 2,150,437</u>	<u>\$ 1,768,000</u>	<u>\$ 1,100,228</u>

The range of weighted average effective interest rates on bank loans was 0.7574%-0.8000%, 0.8000%-0.8028% and 2.32% per annum at March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

## 15. NOTES PAYABLE AND TRADE PAYABLES

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Notes payable</u>			
Operating	<u>\$ 25</u>	<u>\$ 29</u>	<u>\$ 18</u>
<u>Trade payables</u>			
Operating	<u>\$ 3,431,774</u>	<u>\$ 3,320,151</u>	<u>\$ 2,586,832</u>

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

## 16. OTHER LIABILITIES

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Current</u>			
Other payables			
Payables for salaries and bonuses	\$ 286,365	\$ 357,289	\$ 272,297
Payables for employee compensation	139,612	174,878	175,249
Payables for remuneration of directors and supervisors	18,000	14,400	18,000
Payables for commission	83,074	72,806	62,144
Payables for insurance	38,078	35,407	34,327
Payables for sales tax	13,758	27,356	21,287
Payables for purchases of equipment (include building)	22,202	30,520	56,767
Others	<u>72,203</u>	<u>79,885</u>	<u>47,768</u>
	<u>\$ 673,292</u>	<u>\$ 792,541</u>	<u>\$ 687,839</u>
Other liabilities			
Receipts under custody	<u>\$ 2,577</u>	<u>\$ 2,139</u>	<u>\$ 2,285</u>
<u>Non-current</u>			
Other liabilities			
Guarantee deposits	<u>\$ 803</u>	<u>\$ 775</u>	<u>\$ 889</u>

## 17. RETIREMENT BENEFIT PLANS

### Defined Contribution Plans

The Company has a pension plan under the Labor Pension Act (LPA), a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. The employees of the Group in China and Vietnam are members of state-managed retirement benefit plans operated by their local governments. The subsidiaries in China are required to contribute amounts calculated at a certain percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

## 18. EQUITY

### a. Share capital

	March 31, 2021	December 31, 2020	March 31, 2020
Number of shares authorized (in thousands)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Shares authorized	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>87,419</u>	<u>87,435</u>	<u>83,301</u>
Shares issued	<u>\$ 874,194</u>	<u>\$ 874,354</u>	<u>\$ 833,015</u>

Fully paid ordinary shares, which have a par value of NT\$10, carry one vote per share and carry a right to dividends.

Shares authorized include \$20,000 thousand shares for issuance of employee share options.

In the shareholders' meeting held on June 24, 2020, the Company's shareholders approved the transfer of retained earnings of \$41,651 thousand, to 4,165 thousand new shares, with a par value of NT\$10. The transfer was approved by the FSC on August 24, 2020 with September 22, 2020 as the approved subscription base date.

On February 25, 2021, the board of directors approved to withdraw restricted shares. The Company withdraw \$160 thousand, 16 thousand shares, with a par value of \$10, with March 25, 2021 as the effective date, and where the approval of the Ministry of Economic Affairs (MOEA) was obtained on April 19, 2021.

On May 7 and November 6, 2020, the board of directors approved and authorized the chairman with full power to withdraw restricted shares. The Company withdraw \$312 thousand, 31 thousand shares, with a par value of \$10, with June 30 and December 25, 2020 as the effective date, and where the approval of the Ministry of Economic Affairs (MOEA) was obtained on August 7, 2020 and January 12, 2021.

A reconciliation of the number of shares outstanding was as follows:

	<b>Number of Shares (In Thousands of Shares)</b>	<b>Share Capital</b>
Balance at January 1, 2020	<u>83,301</u>	<u>\$ 833,015</u>
Balance at March 31, 2020	<u>83,301</u>	<u>\$ 833,015</u>
Balance at January 1, 2021	87,435	\$ 874,354
Retirement of recognized employee restricted shares (Note 23)	<u>(16)</u>	<u>(160)</u>
Balance at March 31, 2021	<u>87,419</u>	<u>\$ 874,194</u>

b. Capital surplus

	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Premium from issuance ordinary shares	\$ 331,068	\$ 331,068	\$ 414,369
<u>May be used for offset a deficit</u>			
Premium from the issuance of ordinary shares	1,809	1,171	1,043
Premium from employee restricted shares	490,071	490,071	406,621
<u>May not be used for any purpose</u>			
Employee restricted shares	<u>321,552</u>	<u>331,760</u>	<u>435,116</u>
	<u>\$ 1,144,500</u>	<u>\$ 1,154,070</u>	<u>\$ 1,257,149</u>



Note: Capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends, or transferred to share capital limited to a certain percentage of the Company's capital surplus and once a year.

A reconciliation of the capital surplus was as follows:

	<b>Premium from Ordinary Shares</b>	<b>Premium from Employee Restricted Shares</b>	<b>Employee Restricted Shares</b>
Balance at January 1, 2021	\$ 332,239	\$ 490,071	\$ 331,760
Retired employee restricted shares (Notes 1 and 2)	<u>638</u>	<u>-</u>	<u>(10,208)</u>
Balance at March 31, 2021	<u>\$ 332,877</u>	<u>\$ 490,071</u>	<u>\$ 321,552</u>
Balance at January 1, 2020	<u>\$ 415,412</u>	<u>\$ 406,621</u>	<u>\$ 435,116</u>
Balance at March 31, 2020	<u>\$ 415,412</u>	<u>\$ 406,621</u>	<u>\$ 435,116</u>

Note 1: Accumulative stock dividends of \$638 thousand for withdraw restricted stock was recognized as salary expense.

Note 2: Reversal of compensation cost of the restricted shares amounting to \$10,368 thousand, net of retired share capital of \$160 thousand.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for offsetting losses of previous years, (including adjusting the undistributed retained earnings), setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors, refer to employees' compensation and remuneration of directors and supervisors in Note 20g.

Distribution of the compensation may be made by way of a cash dividend or share dividend, where the ratio of the cash dividends distributed shall not be less than 10% of the total bonuses distributed. However, in case where that the bonus per share is less than NT\$0.3, the board of directors may cancel the bonus distribution by submitting such cancellation for resolution at the shareholders' meeting.

The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865 should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2020 and 2019 were proposed by the board of directors on February 25, 2021 and approved in the shareholders' meetings on June 24, 2020, respectively, were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
Legal reserve	\$ 219,714	\$ 213,103
Special reserve	\$ (11,771)	\$ 158,997
Cash dividends	\$ 1,967,296	\$ 1,849,293
Share dividends	\$ -	\$ 41,651
Cash dividends per share (NT\$)	\$ 22.5	\$ 22.2
Share dividends per share (NT\$)	\$ -	\$ 0.5

The appropriation of earnings for 2020 is to be resolved by the shareholders in the shareholders' meeting on June 21, 2021.

The distribution of cash dividends from capital surplus of \$87,435 thousand and \$83,301 thousand were proposed by the board of directors on February 25, 2021 and approved in the shareholders' meeting on June 24, 2020, respectively. The distribution of cash dividends from capital surplus of \$87,435 thousand are subject to resolution in the shareholders' meeting to be held on June 21, 2021.

d. Special reserve

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Balance at January 1	\$ 343,240	\$ 184,243
Balance at March 31	\$ 343,240	\$ 184,243

e. Other equity items

Exchange differences on translating the financial statements of foreign operations

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Balance at January 1	\$ (331,469)	\$ (343,240)
Recognized for the period		
Exchange differences on translating foreign operations	49,508	(37,991)
Income tax related to exchange differences arising on translating to the presentation currency	(9,902)	7,598
Other comprehensive income (loss) from the period	39,606	(30,393)
Balance at March 31	\$ (291,863)	\$ (373,633)

### Employees unearned benefits

In the shareholders' meetings on June 25, 2019, the shareholders approved a restricted shares plan for to employees (refer to Note 23).

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Balance at January 1	\$ (170,158)	\$ (372,507)
Share-based payment expenses recognized	23,270	54,940
Adjustment for retired restricted employee cash dividends (Note)	<u>10,368</u>	<u>-</u>
Balance at March 31	<u>\$ (136,520)</u>	<u>\$ (317,567)</u>

Note: Deducted cost of restricted shares amounting to \$10,368 thousand.

## **19. REVENUE**

	<b>For the Three Months Ended March 31</b>			
	<b>2021</b>	<b>2020</b>		
Revenue from contracts with customers				
Revenue from sale of goods			<u>\$ 3,462,582</u>	<u>\$ 2,549,971</u>
	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>	<b>January 1, 2020</b>
Contract balances				
Notes receivable (Note 7)	<u>\$ 37,125</u>	<u>\$ 29,555</u>	<u>\$ 24,763</u>	<u>\$ 33,168</u>
Trade receivables (Notes 7 and 27)	<u>\$ 2,204,143</u>	<u>\$ 2,316,449</u>	<u>\$ 1,861,952</u>	<u>\$ 2,245,168</u>
Contract liabilities - current				
Sale of goods	<u>\$ 210,558</u>	<u>\$ 179,338</u>	<u>\$ 204,431</u>	<u>\$ 145,214</u>

## **20. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS**

### a. Interest income

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Bank deposits	\$ 20,898	\$ 10,660
Other financial assets - current	-	2
Other financial assets -non current	<u>21</u>	<u>-</u>
	<u>\$ 20,919</u>	<u>\$ 10,662</u>

b. Other income

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Government grants	\$ 4,737	\$ 21,802
Others	<u>1,750</u>	<u>2,051</u>
	<u>\$ 6,487</u>	<u>\$ 23,853</u>

c. Other gains and (losses)

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Loss on disposal of property, plant and equipment	\$ (326)	\$ (167)
Net foreign exchange (losses) gains	(12,145)	22,390
Others	<u>111</u>	<u>(67)</u>
	<u>\$ (12,360)</u>	<u>\$ 22,156</u>

d. Finance costs

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Interest on bank loans	\$ 3,881	\$ 6,742
Interest on lease liabilities	4,053	2,995
Other interest expense	<u>2,205</u>	<u>2,117</u>
	<u>\$ 10,139</u>	<u>\$ 11,854</u>

e. Depreciation and amortization

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
An analysis of depreciation by function		
Operating costs	\$ 42,761	\$ 33,271
Operating expenses	<u>26,175</u>	<u>15,489</u>
	<u>\$ 68,936</u>	<u>\$ 48,760</u>
An analysis of amortization by function		
Operating costs	\$ 69	\$ 80
Operating expenses	<u>2,240</u>	<u>1,157</u>
	<u>\$ 2,309</u>	<u>\$ 1,237</u>

f. Employee benefits expense

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Salary expenses	\$ 450,004	\$ 339,686
Other employee benefits		
Labor and health insurance	5,734	5,550
Other employee benefits	19,290	13,310
Share-based payments (Note 23)	24,271 (Note)	54,940
Post-employment benefits		
Defined contribution plans	<u>19,808</u>	<u>11,197</u>
Total employee benefits expense	<u>\$ 519,107</u>	<u>\$ 424,683</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 334,210	\$ 219,832
Operating expenses	<u>184,897</u>	<u>204,851</u>
	<u>\$ 519,107</u>	<u>\$ 424,683</u>

Note: Share-based payment expense recognized of \$23,270 thousand and accumulated dividends that no need to be returned payout from returned and retired restricted shares of \$1,001 thousand are included in the three months ended March 31, 2021.

g. Employees' compensation and remuneration of directors

According to the Articles of Incorporation of the Company, the Company accrued employees' compensation and remuneration of directors at rates between 3.75% and 11.5% and no higher than 3.75%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. For the three months ended March 31, 2021 and 2020, the employees' compensation and remuneration of directors are as follows:

Accrual rate

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Employees' compensation	5.67%	8.01%
Remuneration of directors	0.68%	0.72%

Amount

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Employees' compensation	<u>\$ 30,000</u>	<u>\$ 40,000</u>
Remuneration of directors	<u>\$ 3,600</u>	<u>\$ 3,600</u>

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

The appropriations of employees' compensation and remuneration of directors for 2020 and 2019 that were resolved by the board of directors on February 25, 2021 and 2020, respectively, are as shown below:

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
	<b>Cash</b>	<b>Cash</b>
Employees' compensation	\$ 105,000	\$ 105,000
Remuneration of directors	14,400	14,400

There is no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2020 and 2019.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gain or loss on foreign currency exchange

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Foreign exchange gains	\$ 11,106	\$ 49,553
Foreign exchange losses	<u>(23,251)</u>	<u>(27,163)</u>
Net (losses) gains	<u>\$ (12,145)</u>	<u>\$ 22,390</u>

## 21. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of tax expense recognized are as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Current tax		
In respect of the current period	\$ (93,482)	\$ (97,790)
Deferred tax		
In respect of the current period	<u>(13,380)</u>	<u>(5,161)</u>
Income tax expense recognized in profit or loss	<u>\$ (106,862)</u>	<u>\$ (102,951)</u>

The applicable tax rate used by the entity in ROC in the three months ended March 31, 2021 and 2020 was 20%. The applicable tax rate used by subsidiaries in China was 25%, except for Voltronic Power Technology (Shen Zhen) Corp. in the three months ended March 31, 2021 and 2020 and Zhongshan Voltronic Power Electronics Limited in the three months ended March 31, 2021, which used the tax rate of 15% due to them owning the high-tech enterprise certificate. Voltronic Power Technology (Vietnam) Company Limited is entitled to income tax incentives based on the Law on Foreign Investment in Vietnam and is entitled to income tax exemption beginning from the first profit-earning year - full exemption in the first two years and half exemption in the next four years (10% tax rate), in the three months ended March 31, 2021 and 2020.

b. Income tax recognized in other comprehensive income

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
<u>Deferred tax</u>		
In respect of the current period		
Translation of foreign operations	<u>\$ (9,902)</u>	<u>\$ 7,598</u>

c. Income tax assessments

The Company's tax returns through 2019 have been assessed by the tax authorities. As of March 31, 2021, the Group has no unsettled lawsuit in related with tax.

## 22. EARNINGS PER SHARE

	<b>Unit: NT\$ Per Share</b>	
	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Basic earnings per share		
Basic earnings per share	<u>\$ 4.87</u>	<u>\$ 4.62</u>
Diluted earnings per share		
Diluted earnings per share	<u>\$ 4.84</u>	<u>\$ 4.60</u>

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for the issuance of bonus shares on September 22, 2020. The basic and diluted earnings per share adjusted retrospectively for the three month ended March 31, 2020 are as follows:

	<b>Unit: NT\$ Per Share</b>	
	<b>Before Retrospective Adjustment</b>	<b>After Retrospective Adjustment</b>
Basic earnings per share	<u>\$ 4.85</u>	<u>\$ 4.62</u>
Diluted earnings per share	<u>\$ 4.83</u>	<u>\$ 4.60</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Net profit for the year	<u>\$ 422,901</u>	<u>\$ 400,971</u>
Weighted average number of ordinary shares used in the computation of basic earnings per share (in thousands)	86,915	86,752
Effect of potentially dilutive ordinary shares		
Employees' compensation or bonuses issued to employees	81	152
Restricted employee share options	<u>425</u>	<u>235</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share (in thousands)	<u>87,421</u>	<u>87,139</u>

If the Company offered to settle the compensation or bonuses paid to employees in cash or shares, the Company assumed that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

### **23. SHARE-BASED PAYMENT ARRANGEMENTS - RESTRICTED SHARES PLAN FOR EMPLOYEES**

On June 25, 2019, the shareholders approved a restricted share plan for employees with a total amount of \$6,820 thousand, consisting of 682 thousand shares. The subscription base date of September 8, 2019 was determined by the board of directors on August 12, 2019. The restrictions on the rights of the employees who acquire the restricted shares but have not met the vesting conditions are as follows:

- a. The employees should provide the restricted shares to the Company or the agency designated by the Company acting as the trust custodian and cooperate in complying with all related procedures and preparing the required documents.
- b. The employees shall not sell, pledge, transfer, donate or, in any other way, dispose of these shares.
- c. The employees which hold equity under the custody of the trust agency do not have the right to attend shareholders' meetings or to engage in motions, speech, and voting therein.
- d. The employees' other rights, which are the same as those of ordinary shareholders of the Company, include but are not limited to the rights to receive dividends, bonuses and capital surplus in shares and to vote on cash increases by share issuance.

The vesting conditions of restricted shares are when an employee received the restricted shares, and the restriction of acquiring the shares would be canceled as follows:

After one year from the grant date with achieved operational goals by individuals and companies: 20%.

After two years from the grant date with achieved operational goals by individuals and companies: 20%.

After three years from the grant date with achieved operational goals by individuals and companies: 60%



The individual performance target is set by the Chairman for different employees of each department. The Company's operating objectives are based on four indicators: Consolidated revenue, combined gross profit margin, combined operating profit and combined operating profit ratio. Each objective contains A and B target conditions respectively, and achieving one of the target conditions is considered as achieving the objective. After each target condition is reached, 25% of the number of shares allocated in the current year can be obtained. The judgment of the achievement of the indicators and standards shall be based on the consolidated financial statements of the first year prior to the expiration of the Company's vested conditions. The target conditions are detailed in the table below.

Operating Objective	Target Condition A	Target Condition B	The Ratio of The Number of Shares to Be Awarded in the Current Year
Revenue	10% (inclusive) or more than the previous year	Higher than the Company's first three annual average	25%
Gross profit (GM%)	Increase by 1% or more from the previous year	Higher than the Company's first three annual average	25%
Operating profit (OPM \$)	10% (inclusive) or more than the previous year	Higher than the Company's first three annual average	25%
Operating profit ratio (OPM %)	Increase by 1% or more from the previous year	Higher than the Company's first three annual average	25%

If an employee fails to meet the vesting conditions, the Company will withdraw the restricted shares.

The aforementioned newly issued restricted employee shares were assessed to have a fair value of NT\$648 per share, based on the market approach. The unearned employee benefits of \$441,936 thousand were recognized on the basis of vesting conditions and expensed on a straight-line basis over the vesting period. Compensation costs of \$24,271 thousand and \$54,940 thousand were recognized within the vesting period for the three months ended March 31, 2021 and 2020.

Information on the restricted share plan for employees was as follows:

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1	520	682
Forfeited (Note)	<u>(16)</u>	<u>-</u>
Balance at March 31	<u><u>504</u></u>	<u><u>682</u></u>

Note: The forfeited shares for the three months ended March 31, 2021 were the shares that were cancelled due to the vesting conditions not being met.

## 24. CASH FLOWS INFORMATION

### a. Non-cash transactions

In addition to those disclosed in other notes, the Group entered into the following non-cash investing and financing activities which were not reflected in the consolidated statements of cash flows for the three months ended March 31, 2021 and 2020:

As of March 31, 2021, December 31, 2020 and March 31, 2020, the un-settled payments for purchases of property, plant and equipment were \$22,202 thousand, \$30,520 thousand and \$56,767 thousand, respectively, and recorded as other payables - payables for purchases of equipment in the consolidated financial statements.

b. Changes in liabilities arising from financing activities

For the three months ended March 31, 2021

	Opening Balance	Cash Flows	Non-cash Changes		Closing Balance
			New Leases	Exchange Rate Impact	
Short-term borrowings	\$ 1,768,000	\$ 334,408	\$ -	\$ 48,029	\$ 2,150,437
Guarantee deposits	775	22	-	6	803
Lease liabilities	<u>351,468</u>	<u>(25,737)</u>	<u>-</u>	<u>1,940</u>	<u>327,671</u>
	<u>\$ 2,120,243</u>	<u>\$ 308,693</u>	<u>\$ -</u>	<u>\$ 49,975</u>	<u>\$ 2,478,911</u>

For the three months ended March 31, 2020

	Opening Balance	Cash Flows	Non-cash Changes		Closing Balance
			New Leases	Exchange Rate Impact	
Short-term borrowings	\$ 1,091,309	\$ -	\$ -	\$ 8,919	\$ 1,100,228
Guarantee deposits	215	676	-	(2)	889
Lease liabilities	<u>246,853</u>	<u>(15,994)</u>	<u>16,481</u>	<u>(1,820)</u>	<u>245,520</u>
	<u>\$ 1,338,377</u>	<u>\$ (15,318)</u>	<u>\$ 16,481</u>	<u>\$ 7,097</u>	<u>\$ 1,346,637</u>

## 25. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while considering operating risks and maximizing the returns to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of equity of the Group (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

Under the recommendations of the key management, to balance the overall capital structure, the Group may adjust the number of new shares issued.

## 26. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

Management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements which are not measured at fair value approximate their fair values.

b. Categories of financial instruments

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 7,832,062	\$ 7,287,103	\$ 6,181,638
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	5,763,975	5,273,915	3,856,887

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, trade receivables from related parties, other receivables, other financial assets - current, other financial assets - non-current and refundable deposits (included in other non-current assets).
- 2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, notes payable, trade payables, trade payables to related parties, other payables, and guarantee deposit received (included in other non-current liabilities) that are measured at amortized cost.

c. Financial risk management objectives and policies

The Group's major financial instruments included trade receivables, trade payables and short-term borrowings, and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (currency risk and interest rate risk), credit risk and liquidity risk.

The corporate treasury function reports regularly to the board of directors, who monitors risks and policies implemented to mitigate risk exposures.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) are set out in Note 29.

Sensitivity analysis

The Group was mainly exposed to the fluctuations in the USD and the RMB.

The following table shows the Group's sensitivity to a 1% increase and decrease in the functional currencies of the Group entities against the relevant foreign currencies (the USD and RMB). A sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency-denominated monetary items, and their translation was adjusted at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicated an increase in pretax profit when the functional currencies of the group entities weakened by 1% against the relevant foreign currency. For a 1% strengthening of the functional currencies of the Group entities against the relevant foreign currency, there would be an equal and opposite impact on pretax profit and the balances below would be negative.

	<b>USD Impact</b>	
	<b>For the Three Months Ended</b>	
	<b>March 31</b>	
	<b>2021</b>	<b>2020</b>
Profit or loss	\$ 17,662	\$ 23,384

  

	<b>RMB Impact</b>	
	<b>For the Three Months Ended</b>	
	<b>March 31</b>	
	<b>2021</b>	<b>2020</b>
Profit or loss	\$ (25,065)	\$ (23,429)

The above impact on profit and loss was mainly attributable to the exposure on USD bank deposits, USD receivables, USD payables, USD bank short-term borrowings, RMB bank deposits and RMB payables at the end of the reporting period.

The Group's sensitivity to the USD decreased during the current period mainly because of an increase in USD bank short-term borrowings. The Group's sensitivity to the RMB increased during the current period mainly because of a increased in RMB payables.

b) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rate risks at the end of the reporting period were as follows:

	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
Interest rate risk on fair value			
Financial assets	\$ 2,749,018	\$ 2,500,808	\$ 1,864,881
Financial liabilities	327,671	351,468	245,520
Interest rate risk on cash flow			
Financial assets	2,787,936	2,387,330	2,393,843
Financial liabilities	2,150,437	1,768,000	1,100,228

Sensitivity analysis

The sensitivity analysis in the next paragraph was based on the exposure of the Group's non-derivative instruments to interest rate risks at the end of the reporting period. A 100 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Had interest rates been 100 basis points higher/lower and all other variables been held constant, the Group's pretax profit for the three months ended March 31, 2021 and 2020 would have increased/decreased by \$1,594 thousand and \$3,234 thousand, respectively, which was mainly attributable to the Group's exposure to interest rate risks on its floating-rate bank deposits and bank short-term borrowings.

The Group's sensitivity to interest rates decreased during the current period mainly because of the increase in floating-rate bank short-term borrowings.

## 2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Group. As of the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation pertain to financial assets recognized in the consolidated balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

To minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. Thus, management believes the Group's credit risk was significantly reduced.

The Group transacts with a large number of unrelated customers and, thus, no concentration of credit risk was observed.

## 3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group had available unutilized short-term bank loan facilities set out in (2) below.

### Liquidity and interest rate risk table for non-derivative financial liabilities

The following tables show the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed-upon repayment periods. The tables were based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows.

For interest flows pertaining to floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

March 31, 2021

	<b>Less than 3 Months</b>	<b>3 Months to 1 Year</b>	<b>Over 1 Year to 5 Years</b>	<b>More than 5 Years</b>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing Lease liabilities	\$ 2,530,357 25,578	\$ 1,082,378 81,468	\$ 803 254,766	\$ - 2,767
Variable interest rate liabilities	<u>1,309,937</u>	<u>844,915</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,865,872</u>	<u>\$ 2,008,761</u>	<u>\$ 255,569</u>	<u>\$ 2,767</u>

Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Lease liabilities	<u>\$ 107,046</u>	<u>\$ 254,766</u>	<u>\$ 2,767</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2020

	<b>Less than 3 Months</b>	<b>3 Months to 1 Year</b>	<b>Over 1 Year to 5 Years</b>	<b>More than 5 Years</b>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing Lease liabilities	\$ 2,304,680 29,739	\$ 1,200,460 78,569	\$ 775 285,066	\$ - 4,391
Variable interest rate liabilities	<u>400,412</u>	<u>1,372,719</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,734,831</u>	<u>\$ 2,651,748</u>	<u>\$ 285,841</u>	<u>\$ 4,391</u>

Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Lease liabilities	<u>\$ 108,308</u>	<u>\$ 285,066</u>	<u>\$ 4,391</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

March 31, 2020

	<b>Less than 3 Months</b>	<b>3 Months to 1 Year</b>	<b>Over 1 Year to 5 Years</b>	<b>More than 5 Years</b>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 1,756,110	\$ 999,660	\$ 889	\$ -
Lease liabilities	23,638	56,733	181,952	10,827
Variable interest rate liabilities	<u>1,105,232</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,884,980</u>	<u>\$ 1,056,393</u>	<u>\$ 182,841</u>	<u>\$ 10,827</u>

Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Lease liabilities	<u>\$ 80,371</u>	<u>\$ 181,952</u>	<u>\$ 10,827</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Financing facilities

	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
Unsecured bank loan facilities			
Amount used	\$ 2,150,437	\$ 1,768,000	\$ 1,100,228
Amount unused	<u>291,218</u>	<u>659,300</u>	<u>1,006,522</u>
	<u>\$ 2,441,655</u>	<u>\$ 2,427,300</u>	<u>\$ 2,106,750</u>

d. Transfers of financial assets

The Group undertakes business in the forfaiting of trade receivables. For the three months end March 31 2021, the trade receivables amounted to US\$14,405 thousand and EUR1,125 thousand; for the three months end March 31 2020, the trade receivables amounted to US\$9,091 thousand and EUR699 thousand.

The aforementioned amounts were fully collected on March 31, 2021 and 2020, respectively. Pursuant to the agreements, losses from commercial disputes (such as sales returns and discounts) are borne by the Group, while losses from credit risk are borne by the bank.

## 27. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which were related parties of the Company, had been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

### a. Related party name and category

Related Name	Related Party Category
RPS. SPA	Essential related parties (whose managing director is the key management personnel of the Group)
RIELLO UPS (ASIA) Co., Ltd.	Essential related parties (whose managing director is the key management personnel of the Group)
RIELLO UPS (SHANGHAI) Co., Ltd.	Essential related parties (whose managing director is the key management personnel of the Group)
FSP Technology Inc.	Key management personnel
WUXI Zhonghan Technology Co., Ltd.	Essential related parties (whose parent company is the key management personnel of the Group)
Ming Fang International Investment Co., Ltd.	Essential related parties

### b. Sales of goods

Line Item	Related Party Category	For the Three Months Ended March 31	
		2021	2020
Sales	Essential related parties	\$ 140,114	\$ 133,203
	Key management personnel	<u>70,401</u>	<u>43,613</u>
		<u>\$ 210,515</u>	<u>\$ 176,816</u>

The selling prices of the goods sold to the related parties in the table above are not comparable as these goods are not sold to other customers in the three months ended March 31, 2021 and 2020. Payment terms of goods sold to related parties are 135-150 days after the end of the month, and 0-180 days for general customers.

### c. Purchases of goods

Related Party Category	For the Three Months Ended March 31	
	2021	2020
Essential related parties	<u>\$ 2,912</u>	<u>\$ 440</u>

The purchase prices of goods purchased from the related parties in the table above are not comparable as these same goods are not purchased from other suppliers in the three months ended March 31, 2021 and 2020. Payment terms of goods purchased from related parties are 150 days after every month end close, and 30-90 days for general suppliers.



d. Contract liabilities

<b>Related Party Category/Name</b>	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
Essential related parties	\$ -	\$ -	\$ 1,501
Key management personnel	<u>-</u>	<u>-</u>	<u>101</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,602</u>

e. Trade receivables from related parties (excluding loans to related parties)

<b>Line Item</b>	<b>Related Party Category</b>	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
Trade receivables from related parties	Essential related parties	\$ 65,190	\$ 73,094	\$ 66,605
	Key management personnel	<u>103,669</u>	<u>90,205</u>	<u>79,626</u>
		<u>\$ 168,859</u>	<u>\$ 163,299</u>	<u>\$ 146,231</u>

The outstanding trade receivables from related parties were unsecured.

The Group measures the loss allowance for trade receivables from related parties at an amount equal to lifetime ECLs. The expected credit losses on trade receivables from related parties are estimated using a provision matrix by reference to past default experience of the related parties, the related parties' current financial position, economic condition of the industry in which the related parties operates, as well as the GDP forecasts and industry outlook. The provision for expected credit losses is based on the number of past due days from the end of the credit term.

The Group writes off a trade receivable from related parties when there is information indicating that the from related parties are experiencing severe financial difficulty and there is no realistic prospect of recovery. For trade receivables from related parties that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables from related parties based on the Group's provision matrix:

March 31, 2021

	<b>Not Past Due</b>	<b>Less than 90 Days</b>	<b>91 to 180 Days</b>	<b>181 to 270 Days</b>	<b>271 to 365 Days</b>	<b>Over 365 Days</b>	<b>Total</b>
Expected credit loss rate	-%	-%	-%	100%	100%	100%	
Gross carrying amount	\$ 168,781	\$ 78	\$ -	\$ -	\$ -	\$ -	\$ 168,859
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 168,781</u>	<u>\$ 78</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,859</u>

December 31, 2020

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	Total
Expected credit loss rate	-%	-%	-%	100%	100%	100%	
Gross carrying amount	\$ 160,471	\$ 2,828	\$ -	\$ -	\$ -	\$ -	\$ 163,299
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-	-
Amortized cost	<u>\$ 160,471</u>	<u>\$ 2,828</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 163,299</u>

March 31, 2020

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	Total
Expected credit loss rate	-%	-%	-%	100%	100%	100%	
Gross carrying amount	\$ 145,764	\$ 467	\$ -	\$ -	\$ -	\$ -	\$ 146,231
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-	-
Amortized cost	<u>\$ 145,764</u>	<u>\$ 467</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,231</u>

f. Trade payables to related parties (excluding loans from related parties)

Line Item	Related Party Category	March 31, 2021	December 31, 2020	March 31, 2020
Trade payables to related parties	Essential related parties	<u>\$ 3,457</u>	<u>\$ 1,749</u>	<u>\$ 2,241</u>

The outstanding trade payables from related parties are unsecured.

g. Lease arrangements - Group is lessee

Line Item	Related Party Category	March 31, 2021	December 31, 2020	March 31, 2020
Lease liabilities	Essential related parties	<u>\$ 4,176</u>	<u>\$ 5,136</u>	<u>\$ 1,492</u>

**For the Three Months Ended March 31**

Related Party Category	2021	2020
Interest expense		
Essential related parties	<u>\$ 31</u>	<u>\$ 11</u>

For the three months ended March 31, 2021 and 2020, the Group rented buildings from key management personnel and other related parties. The rental expenses, which were payable monthly, were based on current market prices.

h. Other transactions with related parties

Line Item	Related Party Category	March 31, 2021	December 31, 2020	March 31, 2020
Refundable deposits	Essential related parties	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 500</u>

i. Compensation of key management personnel

	For the Three Months Ended March 31	
	2021	2020
Short-term employee benefits	\$ 32,427	\$ 30,564
Post-employee benefits	121	179
Share-based payments	<u>6,711</u>	<u>14,178</u>
	<u>\$ 39,259</u>	<u>\$ 44,921</u>

The remunerations of directors and key executives were determined by the remuneration committee on the basis of individual performance and market trends.

## 28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of the end of the reporting period were as follows:

Unrecognized commitments are as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Acquisition of property, plant and equipment	\$ 590,690	\$ 449,920	\$ 18,200
Acquisition of computer software	<u>1,615</u>	<u>-</u>	<u>83</u>
	<u>\$ 592,305</u>	<u>\$ 449,920</u>	<u>\$ 18,283</u>

## 29. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the group entities and the exchange rates between the foreign currencies and the New Taiwan dollars are disclosed. The significant financial assets and liabilities denominated in foreign currencies were as follows:

March 31, 2021

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 148,747	28.5350 (USD:NTD)	\$ 4,244,506
USD	15,876	6.5713 (USD:RMB)	453,037
RMB	520,627	4.3424 (RMB:NTD)	2,260,771
RMB	1,128,095	0.1522 (RMB:USD)	<u>4,898,639</u>
			<u>\$ 11,856,953</u>
			(Continued)

	<b>Foreign Currencies (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In Thousands)</b>
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 91,053	28.5350 (USD:NTD)	\$ 2,598,204
USD	11,668	6.5713 (USD:RMB)	333,143
RMB	1,128,095	4.3424 (RMB:NTD)	4,898,639
RMB	1,097,690	0.1522 (RMB:USD)	<u>4,767,296</u>
			<u>\$ 12,597,282</u>
			(Concluded)

December 31, 2020

	<b>Foreign Currencies (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In Thousands)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 120,476	28.1000 (USD:NTD)	\$ 3,385,376
USD	12,107	6.5249 (USD:RMB)	340,221
RMB	448,313	4.3066 (RMB:NTD)	1,930,705
RMB	1,228,474	0.1533 (RMB:USD)	<u>5,291,943</u>
			<u>\$ 10,948,245</u>

Financial liabilities

Monetary items			
USD	73,914	28.1000 (USD:NTD)	\$ 2,076,983
USD	13,878	6.5249 (USD:RMB)	390,397
RMB	1,061,925	4.3066 (RMB:NTD)	4,573,286
RMB	1,213,924	0.1533 (RMB:USD)	<u>5,229,255</u>
			<u>\$ 12,269,921</u>

March 31, 2020

	<b>Foreign Currencies (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In Thousands)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 126,178	30.2250 (USD:NTD)	\$ 3,813,742
USD	12,656	7.0851 (USD:RMB)	382,517
RMB	259,860	4.2660 (RMB:NTD)	1,108,562
RMB	863,865	0.1411 (RMB:USD)	<u>3,685,245</u>
			<u>\$ 8,990,066</u>
			(Continued)

	<b>Foreign Currencies (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In Thousands)</b>
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 49,070	30.2250 (USD:NTD)	\$ 1,483,137
USD	12,396	7.0851 (USD:RMB)	374,713
RMB	863,865	4.2660 (RMB:NTD)	3,685,245
RMB	809,059	0.1411 (RMB:USD)	<u>3,451,446</u>
			<u>\$ 8,994,541</u> (Concluded)

The Group is mainly exposed to the USD and the RMB. The following information was aggregated by the functional currencies of the group entities, and the exchange rates between the respective functional currencies and the presentation currency were disclosed.

The significant realized and unrealized foreign exchange (losses) gains were as follows:

<b>For the Three Months Ended March 31</b>				
<b>2021</b>			<b>2020</b>	
<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gains (Losses)</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gains (Losses)</b>
NTD	1.000 (NTD:NTD)	\$ (16,648)	1.000 (NTD:NTD)	\$ 27,440
USD	28.1383 (USD:NTD)	(2,047)	30.2217 (USD:NTD)	(2,437)
RMB	4.3259 (RMB:NTD)	2,890	4.3216 (RMB:NTD)	(2,346)
VND	0.0012 (VND:NTD)	<u>3,660</u>	0.0012 (VND:NTD)	<u>(267)</u>
		<u>\$ (12,145)</u>		<u>\$ 22,390</u>

### 30. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

- 1) Financing provided to others: Table 1
- 2) Endorsements/guarantees provided: None
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures):  
None
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: Table 2
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital:  
None

- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 3
  - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4
  - 9) Trading in derivative instruments: None
  - 10) Intercompany relationships and significant intercompany transactions: Table 5
- b. Information on investees: Table 6
  - c. Information on investments in mainland China
    - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 7
    - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Table 8
      - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year
      - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year
      - c) The amount of property transactions and the amount of the resultant gains or losses
      - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes
      - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
      - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services
  - d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)

### **31. SEGMENT INFORMATION**

#### **Financial Information**

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group's reportable single segment is uninterrupted power supply. The related segment financial information was not necessary.

**TABLE 1**

**VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES**

**FINANCING PROVIDED TO OTHERS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2021**  
(In Thousands of New Taiwan Dollars and Foreign Currencies)

No. (Note 1)	Lender	Borrower	Financial Statement Account (Note 6)	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
1	Orchid Power (Shen Zhen) Manufacturing Company	Zhongshan Voltronic Power Electronics Limited	Other receivables from related parties	Yes	\$ 217,120 (RMB 50,000)	\$ 217,120 (RMB 50,000)	\$ 217,120 (RMB 50,000)	4.35	2	\$ -	Operating capital financing funds	\$ -	-	\$ -	\$ 1,185,743	\$ 1,185,743
		Zhongshan Voltronic Power Electronics Limited	Other receivables from related parties	Yes	173,696 (RMB 40,000)	173,696 (RMB 40,000)	173,696 (RMB 40,000)	4.35	2	-	Operating capital financing funds	-	-	-	1,185,743	1,185,743
		Zhongshan Voltronic Power Electronics Limited	Other receivables from related parties	Yes	86,848 (RMB 20,000)	86,848 (RMB 20,000)	- (RMB -)	-	2	-	Operating capital financing funds	-	-	-	1,185,743	1,185,743
		Zhongshan Voltronic Power Electronics Limited	Other receivables from related parties	Yes	369,104 (RMB 85,000)	369,104 (RMB 85,000)	369,104 (RMB 85,000)	3.85	2	-	Operating capital financing funds	-	-	-	1,185,743	1,185,743

- Note 1: Number column as follows:
- a. “0” for the issuer.
  - b. Investees are numbered from “1”.
- Note 2: Number 1 represents business relationship between companies or firms.  
Number 2 represents short-term financing is necessary between companies or firms.
- Note 3: The aggregate financing limit shall not exceed 40% which were audited and attested by certified public accountants.
- Note 4: a. The aggregate financing limit shall not exceed 40% of the net asset value of Voltronic Power Technology.
- b. Financing limit for each borrower for the business relationship, the financing amount on each individual loan shall not exceed 30% of total business transaction amount or 10% of net assets value was in accordance with currently audited or reviewed financial statements by accountant; the lower value is final. The business transaction amount referred to the one with higher purchase or sales amount in the current year starting from one month before application date, for the necessary of short-term financing, the financing amount on each individual loan should not exceed 10% of net asset value in accordance with currently audited or reviewed financial statements by accountant but the restriction shall not apply to inter-company loans of funds between overseas subsidiaries in which the Company holds, directly or indirectly, 100% of the voting shares, nor to loans of fund to the Company by any overseas subsidiary in which the Company holds, directly or indirectly, 100% of the voting shares.
- Note 5: The highest balance for the period and ending balance present in NT\$. Foreign currencies are converted into NT\$; the exchange rate was, RMB1=NT\$4.3424 as of March 31, 2021.
- Note 6: The amount was eliminated upon consolidation.

TABLE 2

VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE THREE MONTHS ENDED MARCH 31, 2021  
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Company Name	Types of Property	Transaction Date	Transaction Amount (Foreign Currencies in Thousands)	Payment Term	Counter-party	Nature of Relationships	Prior Transaction of Related Counter-party				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
Zhongshan Voltronic Power Electronics Limited	New factory of Zhongshan City #1	March 28, 2017	\$ 558,433 (RMB 128,600)	\$ 558,433 (RMB 128,600)	Zhongtian Construction Group Co., Ltd.	-	-	-	-	\$ -	-	For the production of future need	Note
	New factory of Zhongshan City #2	September 25, 2020	801,234 (RMB 184,514)	175,694 (RMB 40,460)	Shenzhen Sunmake Group Limited	-	-	-	-	-	-	For the production of future need	Note

Note: The above amounts of assets accounts and liabilities accounts are converted by exchange rate RMB1 into NT\$4.3424 as of March 31, 2021.



TABLE 3

## VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE THREE MONTHS ENDED MARCH 31, 2021  
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Voltronic Power Technology	RPS. SPA	Essential related parties	(Sales)	\$ (135,869)	(5)	Net 150 days from the end of the month of when invoice is issued	No identical item	0-180 days	\$ 57,812	3	-
	Potentia Technology Inc. Limited	Subsidiary	Purchase	2,373,181	97	Net 270 days from the end of the month of when invoice is issued	No identical item	30-90 days	(5,086,439)	(97)	Note 3
Potentia Technology Inc. Limited	Voltronic Power Technology	Parent company	(Sales)	(2,373,181)	(76)	Net 270 days from the end of the month of when invoice is issued	Note 2	Note 2	5,086,439	90	"
	Voltronic Power Technology (Shen Zhen) Corp.	The same parent company	(Sales)	(277,097)	(9)	Net 270 days from the end of the month of when invoice is issued	Note 2	Note 2	149,619	3	"
	Voltronic Power Technology (Shen Zhen) Corp.	The same parent company	Purchase	914,343	29	Net 270 days from the end of the month of when invoice is issued	No identical item	30-90 days	(3,453,817)	(57)	"
	Zhongshan Voltronic Power Electronics Limited	The same parent company	(Sales)	(229,235)	(7)	Net 270 days from the end of the month of when invoice is issued	Note 2	Note 2	128,790	2	"
	Zhongshan Voltronic Power Electronics Limited	The same parent company	Purchase	1,375,418	44	Net 270 days from the end of the month of when invoice is issued	No identical item	30-90 days	(1,398,585)	(23)	"
	Voltronic Power Technology (Vietnam) Company Limited	The same parent company	(Sales)	(136,375)	(4)	Net 270 days from the end of the month of when invoice is issued	Note 2	Note 2	231,846	2	"
	Voltronic Power Technology (Vietnam) Company Limited	The same parent company	Purchase	218,272	7	Net 270 days from the end of the month of when invoice is issued	No identical item	30-90 days	(148,921)	(1)	"
Voltronic Power Technology (Shen Zhen) Corp.	Potentia Technology Inc. Limited	The same parent company	(Sales)	(914,343)	(87)	Net 270 days from the end of the month of when invoice is issued	No identical item	30-90 days	3,453,817	94	"
	Potentia Technology Inc. Limited	The same parent company	Purchase	277,097	34	Net 270 days from the end of the month of when invoice is issued	No identical item	30-90 days	(149,619)	(14)	"
Zhongshan Voltronic Power Electronics Limited	Potentia Technology Inc. Limited	The same parent company	(Sales)	(1,375,418)	(95)	Net 270 days from the end of the month of when invoice is issued	Note 2	Note 2	1,398,585	83	"
	Potentia Technology Inc. Limited	The same parent company	Purchase	229,235	17	Net 270 days from the end of the month of when invoice is issued	No identical item	30-90 days	(128,790)	(9)	"
	Zhongshan Voltronic Precision Inc.	The same parent company	Purchase	149,817	11	Net 270 days from the end of the month of when invoice is issued	No identical item	30-90 days	(35,375)	(3)	"
Zhongshan Voltronic Precision Inc.	Zhongshan Voltronic Power Electronics Limited	The same parent company	(Sales)	(149,817)	(58)	Net 270 days from the end of the month of when invoice is issued	Note 2	Note 2	35,375	50	"
Voltronic Power Technology (Vietnam) Company Limited	Potentia Technology Inc. Limited	The same parent company	(Sales)	(218,272)	(100)	Net 270 days from the end of the month of when invoice is issued	Note 2	Note 2	148,921	100	"
	Potentia Technology Inc. Limited	The same parent company	Purchase	136,375	99	Net 270 days from the end of the month of when invoice is issued	No identical item	30-90 days	(231,846)	(92)	"

Note 1: Above amounts present in New Taiwan dollars (NT\$). Foreign currency is converted into NT\$ as of March 31, 2021; the amount of income accounts are converted by average exchange rate into New Taiwan dollars (NT\$) as of 2021.

Note 2: There is no sales to unrelated parties.

Note 3: The amount was eliminated upon consolidation.

**TABLE 4****VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES****RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL****MARCH 31, 2021****(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note 2)	Allowance for Impairment Loss	Note
					Amount	Actions Taken			
<u>Trade receivables</u>									
Voltronic Power Technology	FSP Technology Inc.	Key management personnel	\$ 103,669	2.91	\$ -	-	\$ -	\$ -	-
Potentia Technology Inc. Limited	Voltronic Power Technology	Parent company	5,086,439	1.95	-	-	928,088	-	Note 4
	Voltronic Power Technology (Shen Zhen) Corp.	The same parent company	149,619	6.89	-	-	64,699	-	"
	Zhongshan Voltronic Power Electronics Limited	The same parent company	128,790	6.72	-	-	63,081	-	"
	Voltronic Power Technology (Vietnam) Company Limited	The same parent company	231,846	2.28	-	-	71,167	-	"
Voltronic Power Technology (Shen Zhen) Corp.	Voltronic Power Technology	Parent company	172,274	1.95	-	-	49,617	-	"
	Potentia Technology Inc. Limited	The same parent company	3,453,817	1.05	-	-	291,558	-	"
Zhongshan Voltronic Power Electronics Limited	Potentia Technology Inc. Limited	The same parent company	1,398,585	3.37	-	-	433,265	-	"
	Orchid Power (Shen Zhen) Manufacturing Company	The same parent company	127,670	2.23	-	-	30,428	-	"
Orchid Power (Shen Zhen) Manufacturing Company	Voltronic Power Technology (Shen Zhen) Corp.	The same parent company	137,256	1.43	-	-	44,832	-	"
Voltronic Power Technology (Vietnam) Company Limited	Potentia Technology Inc. Limited	The same parent company	148,921	6.27	-	-	81,846	-	"
<u>Other receivables</u>									
Orchid Power (Shen Zhen) Manufacturing Company	Zhongshan Voltronic Power Electronics Limited	The same parent company	762,265 (Note 3)	-	-	-	-	-	"

Note 1: Above amounts present in New Taiwan dollar (NT\$). Foreign currency is converted into NT\$; the exchange rate was US\$1=NT\$28.535, RMB1=NT\$4.3424 as of March 31, 2021.

Note 2: As of April 30, 2021.

Note 3: Including interest receivables \$2,432 thousand and receivables for sales of equipment \$13 thousand.

Note 4: The amount was eliminated upon consolidation.

**TABLE 5**

**VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE THREE MONTHS ENDED MARCH 31, 2021  
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 5)	Payment Terms	% of Total Sales or Assets (Note 3)
1	Potentia Technology Inc. Limited	Voltronic Power Technology	2	Sales	\$ 2,373,181	Net 270 days from the end of the month of when invoice is issued	69
		Voltronic Power Technology	2	Trade receivables from related parties	5,086,439	Net 270 days from the end of the month of when invoice is issued	40
		Voltronic Power Technology (Shen Zhen) Corp.	3	Sales	277,097	Net 270 days from the end of the month of when invoice is issued	8
		Voltronic Power Technology (Shen Zhen) Corp.	3	Trade receivables from related parties	149,619	Net 270 days from the end of the month of when invoice is issued	1
		Orchid Power (Shen Zhen) Manufacturing Company	3	Sales	97,600	Net 270 days from the end of the month of when invoice is issued	3
		Orchid Power (Shen Zhen) Manufacturing Company	3	Trade receivables from related parties	55,508	Net 270 days from the end of the month of when invoice is issued	1
		Zhongshan Voltronic Power Electronics Limited	3	Sales	229,235	Net 270 days from the end of the month of when invoice is issued	7
		Zhongshan Voltronic Power Electronics Limited	3	Trade receivables from related parties	128,790	Net 270 days from the end of the month of when invoice is issued	1
		Voltronic Power Technology (Vietnam) Company Limited	3	Sales	136,375	Net 270 days from the end of the month of when invoice is issued	4
		Voltronic Power Technology (Vietnam) Company Limited	3	Trade receivables from related parties	231,846	Net 270 days from the end of the month of when invoice is issued	2
2	Voltronic Power Technology (Shen Zhen) Corp.	Voltronic Power Technology	2	Sales	75,834	Net 270 days from the end of the month of when invoice is issued	2
		Voltronic Power Technology	2	Trade receivables from related parties	172,274	Net 270 days from the end of the month of when invoice is issued	1
		Potentia Technology Inc. Limited	3	Sales	914,343	Net 270 days from the end of the month of when invoice is issued	26
		Potentia Technology Inc. Limited	3	Trade receivables from related parties	3,453,817	Net 270 days from the end of the month of when invoice is issued	27
3	Orchid Power (Shen Zhen) Manufacturing Company	Voltronic Power Technology (Shen Zhen) Corp.	3	Sales	51,628	Net 270 days from the end of the month of when invoice is issued	1
		Voltronic Power Technology (Shen Zhen) Corp.	3	Trade receivables from related parties	137,256	Net 270 days from the end of the month of when invoice is issued	1
		Zhongshan Voltronic Power Electronics Limited	3	Other receivables from related parties	762,365	The loan period is one year and will be returned in installments according to the financial situation during the period.	6

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 5)	Payment Terms	% of Total Sales or Assets (Note 3)
4	Zhongshan Voltronic Power Electronics Limited	Potentia Technology Inc. Limited	3	Sales	\$ 1,375,418	Net 270 days from the end of the month of when invoice is issued	40
		Potentia Technology Inc. Limited	3	Trade receivables from related parties	1,398,585	Net 270 days from the end of the month of when invoice is issued	11
		Orchid Power (Shen Zhen) Manufacturing Company	3	Sales	59,365	Net 270 days from the end of the month of when invoice is issued	2
		Orchid Power (Shen Zhen) Manufacturing Company	3	Trade receivables from related parties	127,670	Net 270 days from the end of the month of when invoice is issued	1
5	Zhongshan Voltronic Precision Inc.	Voltronic Power Technology (Shen Zhen) Corp.	3	Sales	70,260	Net 270 days from the end of the month of when invoice is issued	2
		Voltronic Power Technology (Shen Zhen) Corp.	3	Trade receivables from related parties	22,368	Net 270 days from the end of the month of when invoice is issued	1
		Orchid Power (Shen Zhen) Manufacturing Company	3	Sales	38,480	Net 270 days from the end of the month of when invoice is issued	1
		Orchid Power (Shen Zhen) Manufacturing Company	3	Trade receivables from related parties	13,482	Net 270 days from the end of the month of when invoice is issued	1
		Zhongshan Voltronic Power Electronics Limited	3	Sales	149,817	Net 270 days from the end of the month of when invoice is issued	4
		Zhongshan Voltronic Power Electronics Limited	3	Trade receivables from related parties	35,375	Net 270 days from the end of the month of when invoice is issued	1
6	Voltronic Power Technology (Vietnam) Company Limited	Potentia Technology Inc. Limited	3	Sales	218,272	Net 270 days from the end of the month of when invoice is issued	6
		Potentia Technology Inc. Limited	3	Trade receivables from related parties	148,921	Net 270 days from the end of the month of when invoice is issued	1

Note 1: Intercompany transactions information between parent company and subsidiaries are noted within the number column as follows:

- “0” for the parent company.
- Subsidiaries are numbered from “1”

Note 2: Parties involved in the transaction have a directional relationship noted by the following:

- “1” represents transactions from parent company to subsidiaries.
- “2” represents transactions from subsidiaries to parent company.
- “3” represents transactions between subsidiaries.

Note 3: The amounts of asset account and liability account are calculated as a percentage of the consolidated total assets. The amounts of income account are calculated as a percentage of the consolidated total sales.

Note 4: Above amounts present in New Taiwan dollar NT\$1. Foreign currency is converted into NT\$ as of March 31, 2021, the amount of income accounts are converted by average exchange rate into New Taiwan dollar NT\$1 as of 2021.

Note 5: The main transaction only expense unidirectional transactions information between intercompany relationship, and the amount was eliminated upon consolidation.

(Concluded)

**TABLE 6**

**VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES**

**INFORMATION ON INVESTEEES**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2021**  
**(In Thousands of New Taiwan Dollars and Foreign Currencies, and Shares)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 2)	Note
				March 31, 2021	December 31, 2020	Number of Stock (Shares)	%	Carrying Value			
Voltronic Power Technology	Voltronic International Corp.	Anguilla	Investment activities	\$ 888,285 (US\$ 28,000)	\$ 888,285 (US\$ 28,000)	28,000	100	\$ 6,107,708	\$ 113,270	\$ 112,828	Note 1
	Voltronic Power Technology (Vietnam) Company Limited	Bac Ninh Province, Vietnam	Design, manufacture and sale of UPS	30,945 (US\$ 1,000)	30,945 (US\$ 1,000)	-	100	89,927	18,298	18,298	Notes 1 and 3
Voltronic International Corp.	Potentia Technology Inc. Limited	Hong Kong	Sale of uninterruptible power systems (UPS)	-	-	-	100	13,701	(9,298)	(9,298)	Note 1
	Voltronic International H.K. Corp. Limited	Hong Kong	Investment activities	888,285 (US\$ 28,000)	888,285 (US\$ 28,000)	217,240	100	6,100,636	122,568	122,568	Note 1

Note 1: The amount of subsidiary was eliminated upon consolidation.

Note 2: Current investment gain or loss recognition is net of reversing prior period unrealized loss of \$720 thousand from upstream transactions and deducts current unrealized loss of \$18 thousand from upstream transaction and unrealized gain of \$260 thousand on disposal of assets between intercompany transaction.

Note 3: This company is a “limited company” without stock issuance.

Note 4: For information of investments in mainland China, refer to Table 7.

VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE THREE MONTHS ENDED MARCH 31, 2021  
(In Thousands of New Taiwan Dollars and Foreign Currencies)

1. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period and repatriations of investment income in the mainland China area:

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2, 3)	Carrying Amount as of March 31, 2021 (Note 2, 3)	Accumulated Repatriation of Investment Income as of March 31, 2021
					Outflow	Inflow						
Voltronic Power Technology (Shen Zhen) Corp.	Design, manufacture and sale of UPS	\$ 64,630 (US\$ 2,000)	b.	\$ 64,630 (US\$ 2,000)	\$ -	\$ -	\$ 64,630 (US\$ 2,000)	\$ 27,648	100	\$ 27,648	\$ 3,315,389	\$ -
Orchid Power (Shen Zhen) Manufacturing Company	Design, manufacture and sale of UPS	30,027 (US\$ 1,000)	b.	30,027 (US\$ 1,000)	-	-	30,027 (US\$ 1,000)	67,331	100	67,331	1,185,743	-
Zhongshan Voltronic Power Electronics Limited	Design, manufacture and sale of UPS	793,628 (US\$ 25,000)	b.	793,628 (US\$ 25,000)	-	-	793,628 (US\$ 25,000)	27,589	100	27,589	1,599,504	-
Zhongshan Voltronic Precision Inc.	Design, manufacture and sale of UPS related components	73,315 (RMB 16,000)	c.	-	-	-	-	(10,471)	100	(10,471)	94,911	-

2. Limit on the amount of investment in the mainland China area:

Accumulated Outflow Remittance for Investment in Mainland China as of March 31, 2021	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 888,285 (Note 4) (US\$ 28,000)	\$ 888,285 (Note 4) (US\$ 28,000)	\$ 3,495,208

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

- a. Directly invest in a company in mainland China.
- b. Through investing in the third area, which then invested in the investee in mainland China.
- c. Other methods.

Note 2: The investment gain or loss and the carrying amount as of March 31, 2021:

The Company invested Zhongshan Voltronic Power Technology (Shen Zhen) Corp., Orchid Power (Shen Zhen) Manufacturing Company and Zhongshan Voltronic Power Electronics Limited through its subsidiary, Voltronic International H.K. Corp. Limited and recognized net income and book value of investee, Zhongshan Voltronic Precision Inc. through subsidiary Zhongshan Voltronic Power Electronics Limited as of March 31, 2021.

Note 3: The amount was calculated based on the financial statements which were audited and attested by certified public accounts engaged by Taiwan’s parent company.

Note 4: The amount was calculated by the actual outflow exchange rate from the each times.

Note 5: The amount was eliminated upon consolidation.

VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES  
FOR THE THREE MONTHS ENDED MARCH 31, 2021  
(In Thousands of New Taiwan Dollars)

a. There were the amounts and percentages of the purchases, also the amounts and percentages displayed in the ending balance of the related payables.

Investee Company	Transaction Type	Purchase/Sale		Transaction Details			Notes/Accounts Receivable (Payable)		Unrealized Loss
		Amount	%	Price	Payment Terms	Comparison with Normal Transactions	Ending Balance	%	
Voltronic Power Technology (Shen Zhen) Corp.	Purchase	\$ 978,772	40	Set by agreement of both parties	Net 270 days from the end of the month of when invoice is issued	No identical item	\$ (2,207,950)	(42)	\$ (18)
Zhongshan Voltronic Power Electronics Limited	Purchase	1,251,362	51	Set by agreement of both parties	Net 270 days from the end of the month of when invoice is issued	No identical item	(2,866,701)	(54)	-

- b. There were the amounts and percentages of the sales, also the amounts and percentages displayed in the ending balance of the related receivables: None.
- c. The amount and percentage of sales and the amount of the resultant gains or losses: None.
- d. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purpose: None.
- e. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None.
- f. Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None.

**TABLE 9****VOLTRONIC POWER TECHNOLOGY CORP.****INFORMATION OF MAJOR SHAREHOLDERS****MARCH 31, 2021**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Juor-Ming Hsieh	8,372,166	9.57

Note 1: On the last business day as of quarter-end, Taiwan Depository & Clearing Company calculated the major shareholders' information, the delivered and dematerialized registration common share and preferred share more than 5 % of the Company. The share capital recorded in the company's consolidated financial report and the actual number of the delivered and dematerialized registration securities amount may be different due to the different preparation and calculation basis.

Note 2: The above information, if the shareholder delivers the shares to the trust will be disclosed by the trustee's trust account to reveal the individual settlor. As for shareholders' declaration in accordance with the Securities and Exchange Act, shareholder holds more than 10% of insider equity holdings, includes their shareholdings and delivered to the trust which they have the power to decide how to allocate trust property. The insider equity holdings' declaration and related information, please refer to the Market Observation Post System website of the Taiwan Stock Exchange.