

**TOPCO SCIENTIFIC CO., LTD.
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 2021 and 2020**

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

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Independent Auditors' Review Report

To the Board of Directors of Topco Scientific Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Topco Scientific Co., Ltd. and its subsidiaries as of June 30, 2021 and 2020, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2021 and 2020, as well as the changes in equity and cash flows for the six months ended June 30, 2021 and 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standard 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the 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 conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$1,556,311 thousand and \$1,459,938 thousand, constituting 6.98% and 7.13% of consolidated total assets as of June 30, 2021 and 2020, respectively, total liabilities amounting to \$527,505 thousand and \$546,351 thousand, constituting 4.36% and 4.87% of consolidated total liabilities as of June 30, 2021 and 2020, respectively, and total comprehensive income amounting to \$44,745 thousand, \$31,950 thousand, \$55,444 thousand and \$76,872 thousand, constituting 7.86%, 4.56%, 5.44% and 8.41% of consolidated total comprehensive income for the three months and six months ended June 30, 2021 and 2020, respectively.

Furthermore, as stated in Note 6(g), the other equity accounted investments of Topco Scientific Co., Ltd. and its subsidiaries in its investee companies of \$1,742,775 thousand and \$1,479,870 thousand as of June 30, 2021 and 2020, respectively, and its equity in net earnings on these investee companies of \$115,760 thousand, \$92,991 thousand, \$215,840 thousand and \$178,266 thousand for the three months and six months ended June 30, 2021 and 2020, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Topco Scientific Co., Ltd. and its subsidiaries as of June 30, 2021 and 2020, and of its consolidated financial performance for the three months and six months ended June 30, 2021 and 2020, as well as its consolidated cash flows for the six months ended June 30, 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 Yiu-Kwan Au and Szu-Chuan Chien.

KPMG

Taipei, Taiwan (Republic of China)
July 30, 2021

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and six months ended June 30, 2021 and 2020

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

		For the three months ended June 30				For the six months ended June 30			
		2021		2020		2021		2020	
		Amount	%	Amount	%	Amount	%	Amount	%
Operating Revenues: (notes 6(v) and 7)									
4110	Net sales revenue	\$ 9,201,752	89	7,749,848	83	17,740,502	89	15,464,018	85
4520	Construction revenue	877,332	8	1,399,792	15	1,583,194	8	2,232,841	12
4800	Other operating revenue	302,070	3	222,185	2	590,347	3	464,818	3
	Operating revenue, net	10,381,154	100	9,371,825	100	19,914,043	100	18,161,677	100
Operating costs: (notes 6(f), 6(r), 7 and 12)									
5110	Cost of sales	8,207,812	79	6,917,340	74	15,882,563	80	13,838,036	76
5500	Construction cost	791,485	8	1,262,866	13	1,464,268	7	2,020,479	11
5800	Other operating costs	105,055	1	54,288	1	192,732	1	121,435	1
		9,104,352	88	8,234,494	88	17,539,563	88	15,979,950	88
5910	Less: Unrealized profit (loss) from sales	(73)	-	(73)	-	(146)	-	(146)	-
	Gross profit	1,276,875	12	1,137,404	12	2,374,626	12	2,181,873	12
Operating expenses: (notes 6(r), 6(w), 7 and 12)									
6100	Selling expenses	306,841	3	278,664	3	630,129	3	554,555	3
6200	Administrative expenses	288,095	3	245,433	3	533,337	3	494,852	3
6300	Research and development expenses	21,443	-	28,318	-	44,704	-	46,926	-
	Total operating expenses	616,379	6	552,415	6	1,208,170	6	1,096,333	6
	Net operating income	660,496	6	584,989	6	1,166,456	6	1,085,540	6
Non-operating income and expenses:									
7100	Interest income	4,350	-	5,434	-	7,737	-	12,506	-
7010	Other income (notes 6(q) and 6(x))	49,784	1	45,627	1	70,920	-	63,723	-
7020	Other gains and losses, net (notes 6(i) and 6(x))	(31,710)	-	(2,358)	-	(38,870)	-	2,178	-
7050	Finance costs	(7,072)	-	(5,784)	-	(14,046)	-	(13,893)	-
7060	Share of profits of associates and joint ventures accounted for using equity method (note 6(g))	115,760	1	92,991	1	215,840	1	178,266	1
7670	Impairment loss (note 6(i))	(10,029)	-	-	-	(10,029)	-	-	-
		121,083	2	135,910	2	231,552	1	242,780	1
	Profit (loss) from continuing operations before tax	781,579	8	720,899	8	1,398,008	7	1,328,320	7
7950	Less: Income tax expenses (note 6(s))	170,157	2	178,845	2	332,296	2	331,566	2
	Profit (loss)	611,422	6	542,054	6	1,065,712	5	996,754	5
8300	Other comprehensive income:								
8310	Items that will not be reclassified to profit or loss								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(17,057)	-	186,557	1	(6,243)	-	(32,183)	-
8349	Less: income tax related to items that will not be reclassified to profit or loss (note 6(s))	-	-	-	-	-	-	-	-
		(17,057)	-	186,557	1	(6,243)	-	(32,183)	-
8360	Items that will be reclassified to profit or loss								
8361	Exchange differences on translation of foreign financial statements	(31,494)	-	(34,342)	-	(50,008)	-	(62,931)	-
8399	Less: income tax related to items that will be reclassified to profit or loss (note 6(s))	(6,287)	-	(6,860)	-	(9,950)	-	(12,584)	-
		(25,207)	-	(27,482)	-	(40,058)	-	(50,347)	-
8300	Other comprehensive income	(42,264)	-	159,075	1	(46,301)	-	(82,530)	-
	Comprehensive income	\$ 569,158	6	701,129	7	1,019,411	5	914,224	5
	Profit, attributable to:								
8610	Profit, attributable to owners of parent	\$ 613,334	6	542,728	6	1,067,736	5	998,502	5
8620	Profit, attributable to non-controlling interests	(1,912)	-	(674)	-	(2,024)	-	(1,748)	-
		\$ 611,422	6	542,054	6	1,065,712	5	996,754	5
	Comprehensive income attributable to:								
	Comprehensive income, attributable to owners of parent	\$ 571,070	6	701,803	7	1,021,435	5	915,972	5
	Comprehensive income, attributable to non-controlling interests	(1,912)	-	(674)	-	(2,024)	-	(1,748)	-
		\$ 569,158	6	701,129	7	1,019,411	5	914,224	5
	Earnings per share: (note 6(u))								
9750	Basic net income per share	\$ 3.38		2.99		5.88		5.50	
9850	Diluted net income per share	\$ 3.36		2.98		5.84		5.46	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the six months ended June 30, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
						Other equity					
				Retained earnings							
				Unappropriated							
	Ordinary	Capital	Legal	retained	Total	Exchange	Unrealized		Total equity	Non-	Total
	shares	surplus	reserve	earnings		differences on	gains	through other	to owners of	controlling	equity
						translation of	(losses) from	comprehensive	parent	interests	
						foreign	financial assets	income			
						financial	measured at fair				
						statements	value				

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the six months ended June 30, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,398,008	1,328,320
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	162,496	143,759
Amortization expense	8,173	6,389
Expected credit loss	3,734	24,382
Net gain on financial assets at fair value through profit or loss	(16,213)	(6,096)
Interest expense	14,046	13,893
Interest income	(7,737)	(12,506)
Dividends income	(35,932)	(38,100)
Share of profit of associates and joint ventures accounted for using equity method	(215,840)	(178,266)
Loss on disposal of property, plant and equipment and others	8,670	746
Impairment loss	10,029	-
Total adjustments to reconcile profit (loss)	(68,574)	(45,799)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in notes and accounts receivable	(865,834)	(893,366)
Decrease in inventories	98,902	313,219
Decrease (increase) in financial assets at fair value through profit or loss	55,005	(122,715)
Decrease (increase) in other current assets	(46,533)	120,317
Decrease (increase) in other current financial assets	(16,593)	9,397
Decrease (increase) in contract assets	(71,692)	34,375
Total changes in operating assets	(846,745)	(538,773)
Changes in operating liabilities:		
Increase in notes and accounts payable	608,654	358,777
Increase (decrease) in contract liabilities	97,060	(133,112)
Increase (decrease) in other current financial liabilities	89,976	(56,943)
Decrease in current provisions	(10,166)	(30,049)
Decrease in current refund liabilities	(5,517)	(962)
Increase (decrease) in other current liabilities	(31,187)	104,963
Decrease in other operating liabilities	(32,182)	(13,294)
Total changes in operating liabilities	716,638	229,380
Total changes in operating assets and liabilities	(130,107)	(309,393)
Total adjustments	(198,681)	(355,192)
Cash inflow generated from operations	1,199,327	973,128
Interest received	9,222	12,007
Dividends received	202,332	162,100
Interest paid	(12,802)	(14,439)
Income taxes paid	(235,364)	(247,611)
Net cash flows from operating activities	1,162,715	885,185
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair valued through other comprehensive income	-	8,767
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	2,184
Proceeds from disposal of property, plant and equipment	728	7,325
Acquisition of property, plant and equipment	(254,985)	(100,795)
Increase in refundable deposits	(30,598)	(618)
Acquisition of intangible assets	(8,785)	(5,303)
Net payment for acquisition of subsidiaries	(17,312)	-
Increase in other non-current assets	(750)	(6,533)
Decrease (increase) in restricted assets	60,128	(9,311)
Net cash flows used in investing activities	(251,574)	(104,284)
Cash flows from (used in) financing activities:		
Decrease in short-term borrowings	(1,140,308)	(346,965)
Proceeds from long-term borrowings	100,150	-
Repayments of long-term borrowings	(49,730)	(31,481)
Increase (decrease) in guarantee deposits received	154	(77)
Payment of lease liabilities	(54,638)	(49,024)
Net cash flows used in financing activities	(1,144,372)	(427,547)
Effect of exchange rate changes on cash and cash equivalents	(42,663)	(53,727)
Net increase (decrease) in cash and cash equivalents	(275,894)	299,627
Cash and cash equivalents at the beginning of period	3,371,555	3,133,630
Cash and cash equivalents at the end of period	\$ 3,095,661	3,433,257

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
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TOPCO SCIENTIFIC CO., LTD. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements

June 30, 2021 and 2020

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

(1) Company history

TOPCO SCIENTIFIC CO., LTD. (the “Company”) was incorporated on February 17, 1990, as a company limited by shares and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company’s registered office is 6F., No. 483, Sec. 2, Tiding Blvd., Neihu District, Taipei City. The Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) engage in the trading of electronics products, high technology products and related materials and components, pollution prevention equipment, the design and installation of water purification and recycling systems, solar energy materials and providing solar energy system integration services, the operation of electricity solar power stations, wholesale of fishery products and cooperate with foreign fishing companies, as well as the operation of tourism factory and restaurant, and retail sales of food products. Please refer to note 14 for related segment information.

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

The consolidated financial statements were approved for issuance by the Board of Directors on July 30, 2021.

(3) New standards, amendments and interpretations adopted:

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2021:

- Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform—Phase 2”
- Amendments to IFRS 16 “Covid-19-Related Rent Concessions beyond June 30, 2021”

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	The amendments narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.	January 1, 2023

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(4) Summary of significant accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2020. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2020.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

The details of the subsidiaries included in the consolidated financial statements are as follows:

Name of Investor	Name of Subsidiary	Principal activity	Percentage of ownership			Description
			June 30, 2021	December 31, 2020	June 30, 2020	
The Company	Taiwan E&M System Inc. (Taiwan E&M)	Sales of electronic material	100%	100%	100%	
"	Topco Group Ltd. (Topco Group)	Investment	100%	100%	100%	
"	Topco International Investment Co., Ltd. (Topco International Investment)	Investment	100%	100%	100%	
"	Topco Investment Co., Ltd. (Topco Investment)	Investment	100%	100%	100%	
"	ECO Technical Services Co., Ltd. (Chien Yueh)	Water purification and construction of dust-proof room	100%	100%	100%	
"	Anyong Biotechnology, Inc. (Anyong Biotechnology)	Aquaculture and strategic partnership with fish processing	100%	100%	100%	
"	Anyong FreshMart. Inc. (Anyong Fresh Mart.)	Wholesale and retail sales of fishery products and supermarket operation	100%	100%	100%	
The Company	Kuan Yueh Technology Engineering Co., Ltd. (Kuan Yueh Technology)	Development of renewable energy project	-%	-%	21%	The Company sold all of Kuan Yueh Technology's shares to Topco International Investment in the forth quarter of 2020.
		Configure pipeline construction and device installation				
"	Xiang Yueh Co., Ltd. (Xiang Yueh)	Waste Disposal	100%	100%	100%	

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of Investor	Name of Subsidiary	Principal activity	Percentage of ownership			Description
			June 30, 2021	December 31, 2020	June 30, 2020	
The Company	Jia Yi Energy Co., Ltd. (Jia Yi Energy)	Manufacture of machinery and electronic spare parts	84%	84%	84%	The Company and Topco International Investment jointly held its entire shares.
"	Yilan Anyong Lohas, Co., Ltd. (Anyong Lohas)	Restaurant and retail sales of food products	100%	100%	100%	
"	General Precise Technology Co., Ltd. (General Precise)	Process and sales of quartz products	100%	100%	100%	
"	Topscience (s) Pte Ltd. (Topscience (s))	Sales of parts of semiconductor and optoelectronic industries	100%	100%	-%	The Company acquired 100% shares of Topscience(s) in the third quarter of 2020. (Note)
Topco Group	Asia Topco Investment Ltd.(Asia Topco)	Investment	100%	100%	100%	
"	Topscience (s)	Sales of parts of semiconductor and optoelectronic industries	-%	-%	100%	Topco Group sold all of Topscience(s)'s shares to the Company in the third quarter of 2020. (Note)
"	Hong Kong Topco Trading Limited (Topco Trading)	Wholesale of semiconductor material and electronic material	100%	100%	100%	(Note)
Asia Topco	Topco Scientific (Shanghai) Co., Ltd. (Topco shanghai)	Wholesale of semiconductor material and electronic material	100%	100%	100%	
"	Suzhou Topco Construction Ltd. (Topco Suzhou)	Water purification and cleanroom construction	100%	100%	100%	
"	Topco Chemical (Z.F.T.Z.) Co., Ltd. (Topco Chemical)	Wholesale and sales of chemical products	100%	100%	100%	(Note)
Topco Shanghai	Shanghai Chongyao Trading Co., Ltd. (Shanghai Chongyao)	Wholesale of semiconductor material and electronic material	98%	98%	98%	Topco Shanghai and Topco Suzhou held its 100% share jointly.(Note)
Topco Suzhou	Shanghai Chongyao	Wholesale of semiconductor material and electronic material	2%	2%	2%	(Note)
"	Topco Engineering (Suzhou) LTD. (Topco Engineering)	Water purification and cleanroom construction	100%	100%	100%	(Note)
Topscience (s)	Topscience Vietnam Co., Ltd. (Topscience Vietnam)	Sales of parts of semiconductor and optoelectronic industries	100%	100%	100%	(Note)
"	Anyong (s) Pte. LTD. (Anyong (s))	Wholesale and retail sales of fishery products	100%	100%	100%	(Note)

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of Investor	Name of Subsidiary	Principal activity	Percentage of ownership			Description
			June 30, 2021	December 31, 2020	June 30, 2020	
Topco International Investment	Cityspace International Co., Ltd. (Cityspace)	Wholesale and sales of cosmetic	67%	67%	67%	
"	Topco Scientific (Japan) Co., Ltd. (Topco Japan)	Sales of facilities of semiconductor and clean room	100%	100%	100%	
"	Kuan Yueh Technology	Development of renewable energy projects Configure pipeline construction and device installation	100%	100%	79%	Topco International acquired 100% shares of Kuan Yueh Technology in the forth quarter of 2020.
"	Jia Yi Energy	Manufacture of machinery and electronic spare parts	16%	16%	16%	
"	Kanbo Biomedical Co., Ltd. (Kanbo Biomedical)	Sales of health food products	100%	100%	100%	
"	DIO Energy GmbH	Development of renewable energy project	100%	100%	100%	
"	Topchem Materials Corp. (Topchem Materials)	Antifouling surface protection, light-blocking material and the manufacture of other chemicals	100%	100%	100%	
Topco Investment	Multi Rich Technology Co., Ltd. (Multi Rich Technology)	Wholesale of fishery products	98%	98%	98%	
"	Ding Yue Solar Co., Ltd. (Ding Yue Solar)	Development of renewable energy projects	100%	100%	100%	
"	Xports Sports Co., Ltd. (Xports Sports)	Sport training	100%	100%	100%	Advanced Fishery Co., Ltd. was renamed as Xports Sports Co., Ltd. in December 2020.
"	Min Jen Restaurant Business Co., Ltd. (Min Jen Restaurant)	Restaurant	69%	69%	69%	
Jia Yi Energy	Jing Chen Energy Co., Ltd. (Jing Chen Energy)	Development of renewable energy projects.	100%	100%	100%	
"	Jing Yang Energy Co., Ltd. (Jing Yang Energy)	"	100%	100%	100%	
"	Jing Yueh Energy Co., Ltd. (Jing Yueh Energy)	"	100%	100%	100%	
Taiwan E&M	Top Vacuum Co., Ltd. (Top Vacuum)	Vacuum pump equipment maintenance	60%	-%	-%	Taiwan E&M acquired 60% shares of Top Vacuum in the first quarter of 2021.

Note: These are non-significant subsidiaries, in which their financial statements have not been reviewed by the CPA.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Lease

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

- the rent concessions occurring as a direct consequence of the COVID-19 pandemic;
- the change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2022; and
- there is no substantive change in other terms and conditions of the lease.

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

(d) Income taxes

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

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

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

(e) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

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

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

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2020. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2020.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(6) Explanation of significant accounts

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2020 consolidated financial statements. Please refer to note 6 of the 2020 annual consolidated financial statements.

(a) Cash and cash equivalents

	June 30, 2021	December 31, 2020	June 30, 2020
Cash on hand	\$ 10,361	9,406	9,990
Checking accounts and demand deposits	2,686,257	2,236,133	2,162,486
Time deposits	399,043	1,126,016	1,260,781
	<u>\$ 3,095,661</u>	<u>3,371,555</u>	<u>3,433,257</u>

Please refer to note 6(y) for the disclosure of the exchange rate risk and the sensitivity analysis of the financial assets and liabilities of the Group.

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

	June 30, 2021	December 31, 2020	June 30, 2020
Mandatorily measured at fair value through profit or loss:			
Beneficiary certificate-Funds	\$ 380,399	434,918	320,361
Unlisted common shares	61,592	50,382	73,322
Foreign unlisted funds	39,281	35,475	30,535
	<u>\$ 481,272</u>	<u>520,775</u>	<u>424,218</u>
Current	\$ 380,399	434,918	320,361
Non-current	100,873	85,857	103,857
	<u>\$ 481,272</u>	<u>520,775</u>	<u>424,218</u>
Held-for-sale financial liabilities:			
Derivatives not for hedging			
Forward exchange contract	\$ -	711	-
	<u>\$ -</u>	<u>711</u>	<u>-</u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Derivative financial instruments

The purpose of trading derivatives not for hedging is to avoid the exposure of currency exchange rate risk arising from operation. The Group does not choose to apply hedge accounting and therefore recognizes the derivatives of held-for-sale financial liability. The detail is summarized as follows:

Forward exchange contract:

	December 31, 2020		
	Contract value (thousand)	Currency	Expiring period
Forward exchange sold	US\$ 1,800	US dollar to New Taiwan Dollar	February 1~8, 2021

(ii) The Group's information of market risk, please refer to note 6(y).

(iii) As of June 30, 2021, December 31 and June 30, 2020, the Group did not provide financial assets as collateral for its loans.

(c) Non-current financial assets at fair value through other comprehensive income

	June 30, 2021	December 31, 2020	June 30, 2020
Equity investments at fair value through other comprehensive income			
Domestic unlisted stock	\$ 998,182	1,004,425	795,183
Total	\$ 998,182	1,004,425	795,183

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

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of June 30, 2021 and 2020.

The Group's information of market risk, please refer to note 6(y).

As of June 30, 2021, December 31 and June 30, 2020, the Group did not provide financial assets as collateral for its loans.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Notes and accounts receivable (including related parties)

	June 30, 2021	December 31, 2020	June 30, 2020
Notes receivable from operating activities	\$ 95,687	31,284	27,334
Accounts receivable from measured as amortized cost	6,484,377	5,661,828	6,072,885
Less: Loss allowance	<u>15,228</u>	<u>13,858</u>	<u>38,392</u>
	<u>\$ 6,564,836</u>	<u>5,679,254</u>	<u>6,061,827</u>
Notes and accounts receivable, net	<u>\$ 6,444,549</u>	<u>5,573,659</u>	<u>5,970,744</u>
Notes and accounts receivable due from related parties, net	<u>\$ 120,287</u>	<u>105,595</u>	<u>91,083</u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information.

The loss allowance provisions were determined as follows:

June 30, 2021			
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 5,804,525	0.09%	5,225
Overdue 0-30 days	726,431	1.00%	7,263
Overdue 31-60 days	20,969	3.00%	629
Overdue 61-90 days	14,048	5.00%	702
Overdue over 91 days	<u>14,091</u>	10.00%	<u>1,409</u>
	<u>\$ 6,580,064</u>		<u>15,228</u>
December 31, 2020			
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 5,263,821	0.09%	4,801
Overdue 0-30 days	363,508	1.00%	3,635
Overdue 31-60 days	13,176	3.00%	395
Overdue 61-90 days	4,682	5.00%	234
Overdue over 91 days	<u>47,925</u>	10.00%	<u>4,793</u>
	<u>\$ 5,693,112</u>		<u>13,858</u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	June 30, 2020		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 5,376,420	0.09%	4,772
Overdue 0-30 days	395,836	1.00%	3,941
Overdue 31-60 days	42,936	3.00%	1,288
Overdue 61-90 days	2,776	5.00%	139
Overdue over 91 days	282,251	10.01%	28,252
	<u>\$ 6,100,219</u>		<u>38,392</u>

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

	For the six months ended June 30,	
	2021	2020
Balance at January 1	\$ 13,858	24,856
Acquisition through a business combination	393	-
Impairment losses recognized (reversed)	1,127	24,382
Transfer to the loss allowance of other receivables	-	(10,228)
Foreign exchange losses	(150)	(618)
Balance at June 30	<u>\$ 15,228</u>	<u>38,392</u>

(e) Other receivables

	June 30, 2021	December 31, 2020	June 30, 2020
Other receivables	\$ 75,666	60,594	108,295
Less: Loss allowance	17,084	14,513	14,507
	<u>\$ 58,582</u>	<u>46,081</u>	<u>93,788</u>

(f) Inventories

	June 30, 2021	December 31, 2020	June 30, 2020
Merchandise inventories	\$ 3,009,526	3,095,882	2,902,899
Work in progress	23,692	16,336	18,064
Raw materials	51,707	19,540	15,322
Goods in transit	46,986	64,056	53,217
	<u>\$ 3,131,911</u>	<u>3,195,814</u>	<u>2,989,502</u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The details of the cost of sales were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2021	2020	2021	2020
Cost of sales	\$ 8,234,429	6,913,079	15,886,511	13,837,492
Provision (reversal) for inventory valuation loss and obsolescence	(26,732)	3,649	(4,238)	(133)
Loss on indemnity of inventory and others	115	612	290	677
	\$ 8,207,812	6,917,340	15,882,563	13,838,036

As of June 30, 2021, December 31 and June 30, 2020, the Group did not provide inventories as collateral for its loans.

(g) Investments accounted for using equity method

- (i) The Group's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
The carrying amount of individually insignificant associates' equity	\$ 1,742,775	1,786,506	1,479,870

	For the three months ended June 30,		For the six months ended June 30,	
	2021	2020	2021	2020
Attributable to the Group				
Profit from continuing operations	\$ 115,760	92,991	215,840	178,266
Other comprehensive income	-	-	-	-
Total comprehensive income	\$ 115,760	92,991	215,840	178,266

- (ii) As of June 30, 2021, December 31 and June 30, 2020, the Group did not provide any investments accounted for using equity method as collaterals for its loans.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) Acquisition of the subsidiary

(i) Acquisition of the subsidiary

In order to provide the integrated equipment peripheral services for semiconductor and optoelectronic customers, the Group obtained the control of Top Vacuum by acquiring 60% of Top Vacuum shares from third parties through its 100%-owned subsidiary Taiwan E&M on January 15, 2021, thereby obtaining the control of Top Vacuum. The main business activity of Top Vacuum is the vacuum pump equipment maintenance.

The main types of consideration transferred, assets acquired, and liabilities assumed on the acquisition date, and the amount of recognized goodwill are summarized as follows:

- 1) The following table summarizes the acquisition-date fair value of each major class of consideration transferred.

Cash	\$ <u><u>45,035</u></u>
------	-------------------------

- 2) Identifiable assets acquired and liabilities assumed

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date.

Cash and cash equivalents	\$ 27,723
Notes and accounts receivable, net	20,725
Inventories, net	34,999
Other current assets	353
Property, plant and equipment	4,121
Right-of-use assets	13,361
Other non-current assets	7,194
Notes and accounts payable	(14,176)
Other current financial liabilities and other current liabilities	(16,899)
Lease liabilities (including current and non-current)	<u>(13,361)</u>
Total identifiable net assets acquired	<u><u>\$ 64,040</u></u>

- 3) Goodwill

Goodwill arising from the acquisition has been recognized as follows.

Consideration transferred	\$ 45,035
Non-controlling interest in the acquiree, if any (proportionate share of the fair value of the identifiable net assets)	25,616
Less: Fair value of identifiable net assets	<u>64,040</u>
Goodwill	<u><u>\$ 6,611</u></u>

Goodwill is mainly derived from Top Vacuum profitability in the semiconductor and optoelectronic equipment repair market and its employee value. It is expected that Top Vacuum and the Group's equipment business will be integrated to generate synergy.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the six months ended June 30, 2021 and 2020 were as follows:

	Land	Buildings and building improvement	Machinery and others	Total
Cost:				
Balance at January 1, 2021	\$ 656,466	1,588,234	1,897,980	4,142,680
Additions	-	400	260,256	260,656
Disposals	-	-	(72,253)	(72,253)
Acquisition through a business combination	-	-	10,375	10,375
Reclassifications	15,307	(15,307)	(190)	(190)
Effect of movements in exchange rates	-	(3,013)	(567)	(3,580)
Balance at June 30, 2021	<u>\$ 671,773</u>	<u>1,570,314</u>	<u>2,095,601</u>	<u>4,337,688</u>
Balance at January 1, 2020	\$ 911,046	1,608,376	1,737,980	4,257,402
Additions	-	21,123	76,211	97,334
Disposals	-	(1,197)	(24,733)	(25,930)
Reclassifications	-	57,210	(52,772)	4,438
Effect of movements in exchange rates	-	(7,001)	(689)	(7,690)
Balance at June 30, 2020	<u>\$ 911,046</u>	<u>1,678,511</u>	<u>1,735,997</u>	<u>4,325,554</u>
Depreciation and impairments loss:				
Balance at January 1, 2021	\$ -	300,849	565,685	866,534
Depreciation	-	26,676	76,381	103,057
Impairment loss	-	-	10,029	10,029
Acquisition through a business combination	-	-	6,254	6,254
Disposals	-	-	(63,536)	(63,536)
Effect of movements in exchange rates	-	(855)	(352)	(1,207)
Balance at June 30, 2021	<u>\$ -</u>	<u>326,670</u>	<u>594,461</u>	<u>921,131</u>
Balance at January 1, 2020	\$ -	265,222	471,018	736,240
Depreciation	-	24,535	69,750	94,285
Disposals	-	(1,197)	(16,313)	(17,510)
Reclassifications	-	18,637	(18,637)	-
Effect of movements in exchange rates	-	(2,017)	(464)	(2,481)
Balance at June 30, 2020	<u>\$ -</u>	<u>305,180</u>	<u>505,354</u>	<u>810,534</u>
Carrying amounts:				
Balance at January 1, 2021	<u>\$ 656,466</u>	<u>1,287,385</u>	<u>1,332,295</u>	<u>3,276,146</u>
Balance at June 30, 2021	<u>\$ 671,773</u>	<u>1,243,644</u>	<u>1,501,140</u>	<u>3,416,557</u>
Balance at January 1, 2020	<u>\$ 911,046</u>	<u>1,343,154</u>	<u>1,266,962</u>	<u>3,521,162</u>
Balance at June 30, 2020	<u>\$ 911,046</u>	<u>1,373,331</u>	<u>1,230,643</u>	<u>3,515,020</u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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In May, 2021, the business premise cannot continue to operate due to demolishing for reconstruction, an impairment loss \$10,029 thousand was charged to the relevant equipment after evaluating the recoverable amount by using the residual market value, recorded as other gains and losses — impairment loss in consolidated statement of comprehensive income.

As of June 30, 2021, December 31 and June 30, 2020, the Group did not provide any property, plant and equipment as collateral for its loans.

(j) Right-of-use assets

The Group leases many assets including land and buildings and vehicles. Information about leases for which the Group as a lessee is presented below:

	<u>Land</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Total</u>
Cost:				
Balance at January 1, 2021	\$ 4,915	510,726	75,681	591,322
Additions	-	60,418	15,839	76,257
Acquisition through a business combination	168	12,885	308	13,361
Disposals	-	(18,341)	(6,999)	(25,340)
Effect of movements in exchange rates	-	(624)	-	(624)
Balance at June 30, 2021	<u>\$ 5,083</u>	<u>565,064</u>	<u>84,829</u>	<u>654,976</u>
Balance at January 1, 2020	\$ 3,333	385,009	57,141	445,483
Additions	1,582	42,112	9,086	52,780
Disposals	-	(10,470)	(4,018)	(14,488)
Effect of movements in exchange rates	-	(609)	-	(609)
Balance at June 30, 2020	<u>\$ 4,915</u>	<u>416,042</u>	<u>62,209</u>	<u>483,166</u>
Depreciation:				
Balance at January 1, 2021	\$ 1,483	102,680	32,316	136,479
Depreciation	558	42,960	12,435	55,953
Disposals	-	(12,405)	(5,315)	(17,720)
Effect of movements in exchange rates	-	(237)	-	(237)
Balance at June 30, 2021	<u>\$ 2,041</u>	<u>132,998</u>	<u>39,436</u>	<u>174,475</u>
Balance at January 1, 2020	\$ 413	49,551	19,411	69,375
Depreciation	535	37,118	10,523	48,176
Disposals	-	(4,420)	(3,987)	(8,407)
Effect of movements in exchange rates	-	(225)	-	(225)
Balance at June 30, 2020	<u>\$ 948</u>	<u>82,024</u>	<u>25,947</u>	<u>108,919</u>
Carrying amount:				
Balance at January 1, 2021	<u>\$ 3,432</u>	<u>408,046</u>	<u>43,365</u>	<u>454,843</u>
Balance at June 30, 2021	<u>\$ 3,042</u>	<u>432,066</u>	<u>45,393</u>	<u>480,501</u>
Balance at January 1, 2020	<u>\$ 2,920</u>	<u>335,458</u>	<u>37,730</u>	<u>376,108</u>
Balance at June 30, 2020	<u>\$ 3,967</u>	<u>334,018</u>	<u>36,262</u>	<u>374,247</u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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(k) Investment property

Investment property comprises properties that are owned by the Group. The leases of investment properties contain an initial non-cancellable lease term of 2 to 3 years. Some leases provide the lessees with options to extend at the end of the terms.

For all investment property for leasing, the rental income is fixed under the contracts.

	<u>Buildings</u>
Carrying amount:	
Balance at January 1, 2021	\$ <u>182,193</u>
Balance at June 30, 2021	\$ <u>173,183</u>
Balance at January 1, 2020	\$ <u>126,075</u>
Balance at June 30, 2020	\$ <u>118,906</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the six months ended June 30, 2021 and 2020. Information on depreciation for the period is discussed in note 12(a). Please refer to note 6(k) of the 2020 annual consolidated financial statements for other related information.

The fair value of the investment property was not significantly different from those disclosed in the note 6(k) of the annual consolidated financial statements for the year ended December 31, 2020.

As of December 31 and June 30, 2020, investment properties of the Group had been pledged as collateral for long-term borrowings, please refer to note 8. As of June 30, 2021, the Group did not provide any investment properties as collateral for its loan.

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

(i) The other current financial assets of the Group were as follows:

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Restricted assets	\$ 894,673	954,464	66,273
Other receivables	58,582	46,081	93,788
Dividends receivables	93,171	-	66,301
	<u>\$ 1,046,426</u>	<u>1,000,545</u>	<u>226,362</u>

As of June 30, 2021 and December 31, 2020, \$615,149 and \$628,838 of the restricted assets are in the account of repatriated offshore funds owing to applying "The Management, Utilization, and Taxation of Repatriated Offshore Funds Act" for the Group in 2020; \$201,431 and \$250,000 of the restricted assets are coming from bank deposits of restricted purpose due to the construction contract conditions; \$1,298 and \$0 of the restricted assets are coming from bank deposits of restricted purpose due to distrained by the court for filling the obligation to pay off debts. The remains of the restricted time deposits are guarantees for construction contracts, etc. Please refer to note 8.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) The other non-current assets of the Group were as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Restricted assets	\$ 33,657	33,994	16,432
Refundable deposits	52,295	20,983	19,837
Computer software cost and others	77,811	55,347	63,665
	<u>\$ 163,763</u>	<u>110,324</u>	<u>99,934</u>

(m) Short-term borrowings

The short-term borrowings of the Group were as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Unsecured bank loans	\$ 254,887	1,387,962	686,734
Loans for purchase of materials	-	7,233	4,640
	<u>\$ 254,887</u>	<u>1,395,195</u>	<u>691,374</u>
Unused short-term credit lines	<u>\$ 8,614,213</u>	<u>7,928,354</u>	<u>5,754,140</u>
Range of interest rates	<u>0.93%~4.15%</u>	<u>0.62%~4.35%</u>	<u>0.70%~3.55%</u>

The Group did not provide assets as collateral for its loans.

For information on the Group's foreign currency risk and liquidity risk, please see note 6(y).

(n) Long-term borrowings

The details were as follows:

June 30, 2021			
Currency	Rate	Maturity year	Amount
Unsecured bank loans	TWD	1.55%~1.97%	2022.12~2036.3
			\$ 638,935
Less: current portion			(62,690)
Total			<u>\$ 576,245</u>
Unused long-term credit lines			<u>\$ 163,850</u>
December 31, 2020			
Currency	Rate	Maturity year	Amount
Unsecured bank loans	TWD	1.55%~2.16%	2022.12~2035.12
			\$ 568,424
Secured bank loans	SGD	0.90%~2.27%	2024.02
			20,482
Less: current portion			(65,747)
Total			<u>\$ 523,159</u>
Unused long-term credit lines			<u>\$ -</u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	June 30, 2020			
	Currency	Rate	Maturity year	Amount
Unsecured bank loans	TWD	1.80%~2.16%	2022.12~2034.12	\$ 515,684
Secured bank loans	SGD	1.15%~2.27%	2024.02	23,364
Less: current portion				(61,571)
Total				<u>\$ 477,477</u>
Unused long-term credit lines				<u>\$ -</u>

- (i) For the six months ended June 30, 2021 and 2020, the Group had the additional long-term borrowings amounting to \$100,150 thousand and \$0 thousand, respectively; the repayment amounted to \$49,730 thousand and \$31,481 thousand, respectively.
- (ii) Considering the significant increase in interest rates and sufficient working capital SGD 825 thousand of secured long-term borrowings was prepaid in May 2021.
- (iii) For the collateral for long-term borrowings, please refer to note 8.
- (o) Lease liabilities

The lease liabilities of the Group were as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Current	<u>\$ 93,195</u>	<u>93,532</u>	<u>87,967</u>
Non-current	<u>\$ 392,307</u>	<u>364,270</u>	<u>288,888</u>

For the maturity analysis, please refer to note 6(y).

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2021	2020	2021	2020
Interest on lease liabilities	<u>\$ 2,327</u>	<u>1,480</u>	<u>4,801</u>	<u>2,996</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 3,498</u>	<u>3,329</u>	<u>6,659</u>	<u>5,142</u>
Expenses relating to short-term leases	<u>\$ 3,933</u>	<u>5,469</u>	<u>9,624</u>	<u>11,750</u>
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 3,813</u>	<u>5,438</u>	<u>8,320</u>	<u>7,591</u>
Covid-19-related rent concessions (recognized as other income)	<u>\$ (399)</u>	<u>(372)</u>	<u>(635)</u>	<u>(372)</u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	For the six months ended June 30,	
	2021	2020
Total cash outflow for leases	\$ 83,407	76,131

(i) Real estate leases

As of June 30, 2021, December 31 and June 30, 2020, the Group leases land and buildings for its office space, erecting solar power generation equipment and retail stores. The leases of office space typically run for a period of 1 to 20 years, of erecting solar power generation equipment for 20 years, and of retail stores for 1 to 5 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases require the Group to make payments that relate to the property taxes levied on the lessor and insurance payments made by the lessor; these amounts are generally determined annually.

(ii) Other leases

The Group leases vehicles, with lease terms of 1 to 5 years. In some cases, the Group has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term.

The Group also leases IT equipment with contract terms of 1 to 3 years. These leases are short-term or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(p) Provisions

	June 30, 2021	December 31, 2020	June 30, 2020
Warranties	\$ 122,174	156,642	164,078
Onerous contracts	36,685	12,383	-
Total	\$ 158,859	169,025	164,078

There were no significant changes in provisions for the six months ended June 30, 2021 and 2020. Please refer to note 6(p) of the consolidated financial statements for the year ended December 31, 2020 for other related information.

Provisions related to construction revenue are assessed based on historical experience. The aforementioned provisions are expected to settle the majority of the liability over the next year.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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A provision for onerous contracts is recognized when the Group expects the unavoidable costs of performing the obligations under a construction contract exceed the economic benefits expected to be received under the contract. Because the cost of performing a construction contract had exceeded the economic benefits expected, the Group recognized the provisions to response the cost of the construction contract.

(q) Operating leases

There were no significant changes in operating lease for the six months ended June 30, 2021 and 2020. Please refer to note 6(q) of the consolidated financial statements for the year ended December 31, 2020 for other related information.

(r) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2020 and 2019.

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

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Administrative expenses	\$ <u>591</u>	<u>776</u>	<u>1,181</u>	<u>1,552</u>

(ii) Defined contribution plans

- 1) The domestic Group entities' expenses under the pension plan cost of the Bureau of Labor Insurance were as follows:

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Operating cost and expenses	\$ <u>11,057</u>	<u>10,083</u>	<u>21,741</u>	<u>20,378</u>

- 2) Other subsidiaries' pension expenses, basic endowment insurance expenses and social welfare expenses were as follows:

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Operating cost and expenses	\$ <u>3,960</u>	<u>637</u>	<u>8,009</u>	<u>3,128</u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(s) Income taxes

(i) Income tax expenses

1) The components of income tax were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2021	2020	2021	2020
Current tax expense	\$ <u>170,157</u>	<u>178,845</u>	<u>332,296</u>	<u>331,566</u>

2) The amounts of income tax recognized in other comprehensive income were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2021	2020	2021	2020
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign financial statements	\$ <u>(6,287)</u>	<u>(6,860)</u>	<u>(9,950)</u>	<u>(12,584)</u>

(ii) The ROC tax authorities have examined the income tax returns of Chien Yueh through 2018; and also those of the Company, as well as General Precise, Topco Investment, Jia Yi Energy, Kuan Yueh Technology, Anyong Biotechnology, Topco International Investment, Anyong Lohas, Taiwan E&M, Multi Rich Technology, Cityspace, Anyong FreshMart, Min Jen Restaurant, Xports Sports, Xiang Yueh, Kanbo Biomedical, Jing Chen Energy, Jing Yueh Energy, Jing Yang Energy, Topchem Materials, Ding Yue Solar and Top Vacuum through 2019.

(t) Capital and other equities

Except for the following disclosure, there was no significant change for capital and other equity for the six months ended June 30, 2021 and 2020. For the related information, please refer to note 6(t) of the consolidated financial statements for the year ended December 31, 2020.

(i) Common stock

According to the Company's articles of incorporation, which was amended on June 22, 2020, the registered capital has increased to \$2,200,000, with all related procedures having been completed in July 2020.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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As of June 30, 2021, December 31 and June 30, 2020, The total value of authorized ordinary shares were both amounted to \$2,200,000 (both including \$100,000 for the issuance of employee stock options). the number of authorized ordinary shares were both 220,000 thousand shares, respectively, with par value of New Taiwan dollars \$10 per share. As of that date, 181,700 thousand of ordinary shares were issued. All issued shares were paid up upon issuance.

(ii) Capital surplus

The balances of capital surplus were as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Capital premium	\$ 2,339,175	2,339,175	2,339,175
Stock option-fair value differences of associates and joint ventures accounted under equity method	1,185	1,185	1,185
Others	419	419	316
	<u><u>\$ 2,340,779</u></u>	<u><u>2,340,779</u></u>	<u><u>2,340,676</u></u>

(iii) Retained earnings

According to the Company's articles of incorporation, 10% of annual net earnings (net of incomes taxes), after deducting accumulated deficits, must be set aside as legal reserve. In addition, a special reserve shall be set aside in accordance with applicable laws and regulations. The remaining profit, together with the beginning balance of undistributed retained earnings, can be distributed according to the distribution plan proposed by the board of directors and submitted during the stockholders' meeting for approval. The distribution of earnings or legal reserve and capital surplus, by way of cash, shall be decided during the Board meeting, approved by more than half of the directors, with two thirds of directors in attendance; thereafter, to be reported in the shareholders' meeting of the Company.

According to the Company's dividend policy, the type of dividends should be determined after considering the remaining portion of retained earnings, the business environment, etc. The dividends could be paid whether by cash or stock. No less than 10% of total stockholders' dividends may be distributed in the form of cash dividends. Any remaining profit didn't be distributed in the form of cash dividends could be distributed in the form of stock dividends according to the Company's articles proposed by the board of directors and submitted to the stockholders' meeting for approval.

1) Earnings distribution

The amount of cash dividends of appropriations of earnings for 2020 and 2019 had been approved in the Board meeting held on March 16, 2021 and March 27, 2020, respectively. The other appropriation items of earnings for 2020 had been proposed in the Board meeting held on March 16, 2021, and it is expected that a regular shareholders' meeting will be held on August 18, 2021. In addition, the other appropriation items of earnings for 2019 had been approved in the regular shareholders' meeting on June 22, 2020. The content is as follows:

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	2020		2019	
	Amount per share NT (dollars)	Total amount	Amount per share NT (dollars)	Total amount
Dividends distributed to common shareholders:				
Cash dividends	\$ 8.0	<u>1,453,597</u>	6.5	<u>1,181,047</u>

The information earning distribution can be accessed from the Market Observation Post System.

(iv) Other equity

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2021	\$ (100,032)	749,068	649,036
Exchange differences on foreign operations:			
The Group	(40,058)	-	(40,058)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income:			
The Group	-	(6,243)	(6,243)
Balance at June 30, 2021	<u>\$ (140,090)</u>	<u>742,825</u>	<u>602,735</u>
	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2020	\$ (103,736)	540,930	437,194
Exchange differences on foreign operations:			
The Group	(50,347)	-	(50,347)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income:			
The Group	-	(32,183)	(32,183)
Balance at June 30, 2020	<u>\$ (154,083)</u>	<u>508,747</u>	<u>354,664</u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(u) Earnings per share

The calculation of basic and diluted earnings per share were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2021	2020	2021	2020
Basic earnings per share:				
Profit attributable to ordinary shareholders of the Company	\$ <u>613,334</u>	<u>542,728</u>	<u>1,067,736</u>	<u>998,502</u>
Weighted-average number of outstanding ordinary shares (thousands)	<u>181,700</u>	<u>181,700</u>	<u>181,700</u>	<u>181,700</u>
Basic earnings per share (dollars)	\$ <u>3.38</u>	<u>2.99</u>	<u>5.88</u>	<u>5.50</u>
Diluted earnings per share:				
Profit attributable to ordinary shareholders of the Company	\$ <u>613,334</u>	<u>542,728</u>	<u>1,067,736</u>	<u>998,502</u>
Weighted-average number of outstanding ordinary shares (thousands)	181,700	181,700	181,700	181,700
Effect of dilutive potential ordinary shares (thousands)				
Effect of employee share bonuses	<u>655</u>	<u>507</u>	<u>1,161</u>	<u>1,015</u>
Weighted-average number of ordinary shares (after adjustment of potential diluted ordinary shares)	<u>182,355</u>	<u>182,207</u>	<u>182,861</u>	<u>182,715</u>
Diluted earnings per share (dollars)	\$ <u>3.36</u>	<u>2.98</u>	<u>5.84</u>	<u>5.46</u>

(v) Revenue from contracts with customers

(i) Details of revenue

	For the three months ended June 30, 2021			
	Semiconductor and electronics divisions	Environmental engineering group	Other divisions	Total
Primary geographical markets:				
Taiwan	\$ 4,852,536	323,799	161,863	5,338,198
China	4,085,848	616,836	21	4,702,705
Others	<u>339,690</u>	<u>-</u>	<u>561</u>	<u>340,251</u>
	<u>\$ 9,278,074</u>	<u>940,635</u>	<u>162,445</u>	<u>10,381,154</u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the three months ended June 30, 2021				
	Semiconductor and electronics divisions	Environment al engineering group	Other divisions	Total
Major products / services:				
Semiconductor and optoelectronic industries	\$ 9,278,074	-	-	9,278,074
Water purification and construction of dust-proof room	-	940,635	-	940,635
Others	-	-	162,445	162,445
	<u><u>\$ 9,278,074</u></u>	<u><u>940,635</u></u>	<u><u>162,445</u></u>	<u><u>10,381,154</u></u>
Timing of revenue recognition				
Products transferred at a point in time	\$ 9,004,132	36,977	160,643	9,201,752
Services transferred over time	273,942	26,326	1,802	302,070
Constructions transferred over time	-	877,332	-	877,332
	<u><u>\$ 9,278,074</u></u>	<u><u>940,635</u></u>	<u><u>162,445</u></u>	<u><u>10,381,154</u></u>
For the three months ended June 30, 2020				
	Semiconductor and electronics divisions	Environment al engineering group	Other divisions	Total
Primary geographical markets:				
Taiwan	\$ 4,304,574	507,720	142,579	4,954,873
China	3,202,427	937,769	-	4,140,196
Others	276,686	-	70	276,756
	<u><u>\$ 7,783,687</u></u>	<u><u>1,445,489</u></u>	<u><u>142,649</u></u>	<u><u>9,371,825</u></u>
Major products / services:				
Semiconductor and optoelectronic industries	\$ 7,783,687	-	-	7,783,687
Water purification and construction of dust-proof room	-	1,445,489	-	1,445,489
Others	-	-	142,649	142,649
	<u><u>\$ 7,783,687</u></u>	<u><u>1,445,489</u></u>	<u><u>142,649</u></u>	<u><u>9,371,825</u></u>
Timing of revenue recognition				
Products transferred at a point in time	\$ 7,580,008	29,833	140,007	7,749,848
Services transferred over time	203,679	16,470	2,036	222,185
Constructions transferred over time	-	1,399,186	606	1,399,792
	<u><u>\$ 7,783,687</u></u>	<u><u>1,445,489</u></u>	<u><u>142,649</u></u>	<u><u>9,371,825</u></u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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For the six months ended June 30, 2021				
	Semiconductor and electronics divisions	Environmental engineering group	Other divisions	Total
Primary geographical markets:				
Taiwan	\$ 9,656,698	550,332	301,859	10,508,889
China	7,580,184	1,185,797	21	8,766,002
Others	638,222	-	930	639,152
	<u>\$ 17,875,104</u>	<u>1,736,129</u>	<u>302,810</u>	<u>19,914,043</u>
Major products / services:				
Semiconductor and optoelectronic industries	\$ 17,875,104	-	-	17,875,104
Water purification and construction of dust-proof room	-	1,736,129	-	1,736,129
Others	-	-	302,810	302,810
	<u>\$ 17,875,104</u>	<u>1,736,129</u>	<u>302,810</u>	<u>19,914,043</u>
Timing of revenue recognition				
Products transferred at a point in time	\$ 17,340,594	103,144	296,764	17,740,502
Services transferred over time	534,510	49,791	6,046	590,347
Constructions transferred over time	-	1,583,194	-	1,583,194
	<u>\$ 17,875,104</u>	<u>1,736,129</u>	<u>302,810</u>	<u>19,914,043</u>
For the six months ended June 30, 2020				
	Semiconductor and electronics divisions	Environmental engineering group	Other divisions	Total
Primary geographical markets:				
Taiwan	\$ 8,668,718	838,973	267,178	9,774,869
China	6,337,224	1,515,773	-	7,852,997
Others	533,104	-	707	533,811
	<u>\$ 15,539,046</u>	<u>2,354,746</u>	<u>267,885</u>	<u>18,161,677</u>
Major products / services:				
Semiconductor and optoelectronic industries	\$ 15,539,046	-	-	15,539,046
Water purification and construction of dust-proof room	-	2,354,746	-	2,354,746
Others	-	-	267,885	267,885
	<u>\$ 15,539,046</u>	<u>2,354,746</u>	<u>267,885</u>	<u>18,161,677</u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the six months ended June 30, 2020				
	Semiconductor and electronics divisions	Environmental engineering group	Other divisions	Total
Timing of revenue recognition				
Products transferred at a point in time	\$ 15,115,114	87,291	261,613	15,464,018
Services transferred over time	423,932	36,621	4,265	464,818
Constructions transferred over time	-	2,230,834	2,007	2,232,841
	<u><u>\$ 15,539,046</u></u>	<u><u>2,354,746</u></u>	<u><u>267,885</u></u>	<u><u>18,161,677</u></u>

(ii) Contract balance

	June 30, 2021	December 31, 2020	June 30, 2020
Notes and accounts receivable (including related parties)	\$ 6,580,064	5,693,112	6,100,219
Less: allowance for impairment	15,228	13,858	38,392
Total	<u><u>\$ 6,564,836</u></u>	<u><u>5,679,254</u></u>	<u><u>6,061,827</u></u>
Contract assets — construction	<u><u>\$ 559,369</u></u>	<u><u>487,677</u></u>	<u><u>547,046</u></u>
Contract liabilities — construction	\$ 559,644	312,178	397,552
Contract liabilities — unearned revenue	273,448	185,721	211,137
Total	<u><u>\$ 833,092</u></u>	<u><u>497,899</u></u>	<u><u>608,689</u></u>

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

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There were no significant changes during the six months ended June 30, 2021 and 2020 periods.

(w) Remuneration to employees, directors and supervisors

According to the Company's articles of incorporation, earning shall first be offset against any deficit, then, a minimum of 4% net profit before tax will be distributed as employee remuneration and a maximum of 3% will be allocated as directors' remuneration. Employees who are entitled to receive the abovementioned employee remuneration, in share or cash, include those of the subsidiaries of the Company who meet certain specific requirements.

For the three months and six months ended June 30, 2021 and 2020, the Company estimated its employees' remuneration amounted to \$46,104, \$30,072, \$81,991 and \$55,261, respectively. The directors' and supervisors' remuneration amounted to \$15,368, \$7,693, \$27,330 and \$14,137, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating expenses during the six months ended June 30, 2021 and 2020. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholder' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. Shares distributed to employees as employee remuneration are calculated based on the closing price of the Company's ordinary shares on the day before the approval by the Board of Directors. Related information would be available at the Market Observation Post System website.

For the years ended December 31, 2020 and 2019, the remunerations to employees amounted to \$151,770 and \$93,268, respectively, and the remunerations to directors and supervisors amounted to \$50,590 and \$23,859, respectively. There are no differences between the amount approved in the Board of Directors' meeting and those recognized in the financial statements. Related information would be available at the Market Observation Post System website.

(x) Non-operating income and expenses

(i) Other income

The details of other income were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2021	2020	2021	2020
Dividends income	\$ 35,932	38,100	35,932	38,100
Government grants	3,498	4,574	20,955	20,555
Other	10,354	2,953	14,033	5,068
	<u>\$ 49,784</u>	<u>45,627</u>	<u>70,920</u>	<u>63,723</u>

(ii) Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2021	2020	2021	2020
Foreign currency exchange losses, net	\$ (24,754)	(14,608)	(37,991)	(2,327)
Gains on financial assets at fair value through profit or loss, net	5,208	13,758	16,213	6,096
Loss on disposal of property, plant and equipment	(4,754)	(877)	(7,989)	(1,095)
Other	(7,410)	(631)	(9,103)	(496)
	<u>\$ (31,710)</u>	<u>(2,358)</u>	<u>(38,870)</u>	<u>2,178</u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(y) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(y) of the consolidated financial statements for the year ended December 31, 2020.

(i) Credit risk

1) Credit risk – exposure to credit risk

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

2) Concentration to credit risk

The customers of the Group are diverse instead of concentrating on specific customers; therefore, the Group has not suffered any significant credit loss. The Group periodically evaluates the financial positions of these customers to reduce the credit risk of accounts receivables.

3) Receivables and debt securities

For credit risk exposure of notes and accounts receivables, please refer to note 6(d). Other financial assets at amortized cost includes other receivables, please refer to note 6(e).

These financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected credit losses. The loss allowance provisions were determined as follows:

	For the six months ended	
	June 30,	
	2021	2020
Balance at January 1	\$ 14,513	4,279
Impairment loss recognized	2,607	-
Transfers from accounts receivable	-	10,228
Amounts written off	(36)	-
Balance at June 30	<u><u>\$ 17,084</u></u>	<u><u>14,507</u></u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments.

	<u>Carrying Amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>1 ~ 2 years</u>	<u>Over 2 years</u>
June 30, 2021					
Non-derivative financial liabilities					
Short-term and long-term borrowings	\$ 893,822	(893,822)	(317,577)	(85,967)	(490,278)
Notes and accounts payable (including related parties)	6,568,998	(6,568,998)	(6,568,998)	-	-
Accrued expenses and other payables	795,696	(795,696)	(795,696)	-	-
Lease liabilities (including current and non-current)	485,502	(526,810)	(100,615)	(78,065)	(348,130)
Dividends payable	<u>1,454,732</u>	<u>(1,454,732)</u>	<u>(1,454,732)</u>	<u>-</u>	<u>-</u>
	<u>\$ 10,198,750</u>	<u>(10,240,058)</u>	<u>(9,237,618)</u>	<u>(164,032)</u>	<u>(838,408)</u>
December 31, 2020					
Non-derivative financial liabilities					
Short-term and long-term borrowings	\$ 1,984,101	(1,984,101)	(1,460,942)	(88,247)	(434,912)
Notes and accounts payable (including related parties)	5,946,168	(5,946,168)	(5,946,168)	-	-
Accrued expenses and other payables	684,851	(684,851)	(684,851)	-	-
Lease liabilities (including current and non-current)	457,802	(495,101)	(99,820)	(71,420)	(323,861)
Derivative financial liabilities					
Forward exchange contract:	711				
Outflow	-	(50,598)	(50,598)	-	-
Inflow	<u>-</u>	<u>49,887</u>	<u>49,887</u>	<u>-</u>	<u>-</u>
	<u>\$ 9,073,633</u>	<u>(9,110,932)</u>	<u>(8,192,492)</u>	<u>(159,667)</u>	<u>(758,773)</u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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	<u>Carrying Amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>1 ~ 2 years</u>	<u>Over 2 years</u>
June 30, 2020					
Non-derivative financial liabilities					
Short-term and long-term borrowings	\$ 1,230,422	(1,230,422)	(752,945)	(60,252)	(417,225)
Notes and accounts payable (including related parties)	6,076,916	(6,076,916)	(6,076,916)	-	-
Accrued expenses and other payables	546,841	(546,841)	(546,841)	-	-
Lease liabilities (including current and non-current)	376,855	(404,655)	(93,060)	(65,713)	(245,882)
Dividends payable	1,182,235	(1,182,235)	(1,182,235)	-	-
	<u>\$ 9,413,269</u>	<u>(9,441,069)</u>	<u>(8,651,997)</u>	<u>(125,965)</u>	<u>(663,107)</u>

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

(iii) Currency risk

1) Exposure to foreign currency risk

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

(in thousands)

	<u>June 30, 2021</u>			<u>December 31, 2020</u>			<u>June 30, 2020</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>
Financial assets									
USD	\$ 102,719	USD/TWD= 27.86	2,861,751	121,251	USD/TWD= 28.48	3,453,238	88,054	USD/TWD= 29.63	2,609,040
USD	73,966	USD/CNY= 6.4655	2,060,681	52,177	USD/CNY= 6.5067	1,485,992	65,714	USD/CNY= 7.0699	1,947,103
JPY	3,452,176	JPY/TWD= 0.2521	870,294	3,527,839	JPY/TWD= 0.2763	974,742	3,785,732	JPY/TWD= 0.2751	1,041,455
JPY	914,987	JPY/CNY= 0.0585	230,647	717,910	JPY/CNY= 0.0631	198,279	738,872	JPY/CNY= 0.0656	203,138
Financial liabilities									
USD	\$ 68,531	USD/TWD= 27.86	1,909,274	85,176	USD/TWD= 28.48	2,425,812	68,237	USD/TWD= 29.63	2,021,862
USD	75,653	USD/CNY= 6.4655	2,107,680	56,099	USD/CNY= 6.5067	1,597,693	60,881	USD/CNY= 7.0699	1,803,901
JPY	3,297,427	JPY/TWD= 0.2521	831,281	3,186,385	JPY/TWD= 0.2763	880,398	3,194,508	JPY/TWD= 0.2751	878,809
JPY	564,302	JPY/CNY= 0.0585	142,247	417,079	JPY/CNY= 0.0631	115,193	378,689	JPY/CNY= 0.0656	104,025

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, account and other receivables, current restricted assets, loans and borrowings, and account and other payables that are denominated in foreign currency. An appreciation (depreciation) of 5% of each major foreign currency against Group entities' functional currency as of June 30, 2021 and 2020 would have influenced the net profit before tax as follows. The analysis is performed on the same basis for both periods.

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
USD (against the TWD)		
Appreciation 5%	\$ 47,624	29,359
Depreciation 5%	(47,624)	(29,359)
JPY (against the TWD)		
Appreciation 5%	1,951	8,132
Depreciation 5%	(1,951)	(8,132)
USD (against the CNY)		
Appreciation 5%	(2,350)	7,160
Depreciation 5%	2,350	(7,160)
JPY (against the CNY)		
Appreciation 5%	4,420	4,956
Depreciation 5%	(4,420)	(4,956)

3) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. Foreign exchange gains (losses) (including realized and unrealized portions) were as follows:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Foreign exchange gains (losses) (including realized and unrealized portions)	\$ <u>(24,754)</u>	<u>(14,608)</u>	<u>(37,991)</u>	<u>(2,327)</u>

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Interest rate analysis

The details of financial assets and liabilities exposed to interest rate risk were as follows:

	Carrying amount	
	June 30, 2021	June 30, 2020
Variable rate instruments:		
Financial assets	\$ 3,101,017	2,418,538
Financial liabilities	839,745	1,171,548

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding the assets and liabilities with variable interest rates, the analysis is on the basis of the assumption that the amount of assets and liabilities outstanding at the reporting date were outstanding throughout the year. The rate of change is expressed as the interest rate increase or decrease by 0.25% when reporting to management internally, which also represents management of the Group's assessment on the reasonably possible interval of interest rate change.

If the interest rate had increased or decreased by 0.25%, the net profit before tax would have decreased or increased by the amounts listed below for the six months ended June 30, 2021 and 2020, respectively, which would be mainly resulted from the bank savings, time deposits with variable interest rates and short-term and long-term borrowings with variable interest rates.

	June 30, 2021	June 30, 2020
Interest rate increased by 0.25%	\$ 2,827	1,559
Interest rate decreased by 0.25%	(2,827)	(1,559)

(v) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities disclosure of fair value information is not required:

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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	June 30, 2021				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non derivative financial assets mandatorily measured at fair value through profit or loss-beneficiary certificate Funds	\$ 380,399	380,399	-	-	380,399
Non derivative financial assets mandatorily measured at fair value through profit or loss-unlisted common shares	61,592	-	-	61,592	61,592
Non derivative financial assets mandatorily measured at fair value through profit or loss-foreign unlisted funds	<u>39,281</u>	-	-	39,281	39,281
Subtotal	<u>481,272</u>				
Financial assets at fair value through other comprehensive income	<u>998,182</u>	-	-	998,182	998,182
Financial assets measured at amortized cost					
Cash and cash equivalents	3,095,661	-	-	-	-
Notes and accounts receivable (including related parties)	6,564,836	-	-	-	-
Other current financial assets	1,046,426	-	-	-	-
Other non-current assets (refundable deposits and pledged asset-time deposits)	<u>85,952</u>	-	-	-	-
Subtotal	<u>10,792,875</u>				
Total	<u><u>\$ 12,272,329</u></u>				
Financial liabilities measured at amortized cost					
Long-term and short-term borrowings	\$ 893,822	-	-	-	-
Notes and accounts payable (including related parties)	6,568,998	-	-	-	-
Accrued expenses and other payables	795,696	-	-	-	-
Lease liabilities (including current and non-current)	485,502	-	-	-	-
Dividends payable	<u>1,454,732</u>	-	-	-	-
Subtotal	<u>10,198,750</u>				
Total	<u><u>\$ 10,198,750</u></u>				

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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	December 31, 2020				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non derivative financial assets mandatorily measured at fair value through profit or loss-beneficiary certificate funds	\$ 434,918	434,918	-	-	434,918
Non derivative financial assets mandatorily measured at fair value through profit or loss-unlisted common shares	50,382	-	-	50,382	50,382
Non derivative financial assets mandatorily measured at fair value through profit or loss-foreign unlisted funds	<u>35,475</u>	-	-	35,475	35,475
Subtotal	<u>520,775</u>				
Financial assets at fair value through other comprehensive income	<u>1,004,425</u>	-	-	1,004,425	1,004,425
Financial assets measured at amortized cost					
Cash and cash equivalents	3,371,555	-	-	-	-
Notes and accounts receivable (including related parties)	5,679,254	-	-	-	-
Other current financial assets	1,000,545	-	-	-	-
Other non-current assets (refundable deposits and pledged assets-time deposits)	<u>54,977</u>	-	-	-	-
Subtotal	<u>10,106,331</u>				
Total	<u><u>\$ 11,631,531</u></u>				
Financial liabilities at fair value through profit and loss					
Derivative financial liabilities	\$ <u>711</u>	-	711	-	711
Financial liabilities measured at amortized cost					
Long-term and short-term borrowings	1,984,101	-	-	-	-
Notes and accounts payable (including related parties)	5,946,168	-	-	-	-
Accrued expenses and other payables	684,851	-	-	-	-
Lease liabilities (including current and non-current)	<u>457,802</u>	-	-	-	-
Subtotal	<u>9,072,922</u>	-	-	-	-
Total	<u><u>\$ 9,073,633</u></u>				

(Continued)

TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	June 30, 2020				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non derivative financial assets mandatorily measured at fair value through profit or loss-beneficiary certificate Funds	\$ 320,361	320,361	-	-	320,361
Non derivative financial assets mandatorily measured at fair value through profit or loss-unlisted common shares	73,322	-	-	73,322	73,322
Non derivative financial assets mandatorily measured at fair value through profit or loss-foreign unlisted funds	<u>30,535</u>	-	-	30,535	30,535
Subtotal	<u>424,218</u>				
Financial assets at fair value through other comprehensive income	<u>795,183</u>	-	-	795,183	795,183
Financial assets measured at amortized cost					
Cash and cash equivalents	3,433,257	-	-	-	-
Notes and accounts receivable (including related parties)	6,061,827	-	-	-	-
Other current financial assets	226,362	-	-	-	-
Other non-current assets (refundable deposits and pledged assets-time deposits)	<u>36,269</u>	-	-	-	-
Subtotal	<u>9,757,715</u>				
Total	<u><u>\$ 10,977,116</u></u>				
Financial liabilities measured at amortized cost					
Long-term and short-term borrowings	\$ 1,230,422	-	-	-	-
Notes and accounts payable (including related parties)	6,076,916	-	-	-	-
Accrued expenses and other payables	546,841	-	-	-	-
Dividends payable	376,855	-	-	-	-
Lease liabilities (including current and non-current)	<u>1,182,235</u>	-	-	-	-
Total	<u><u>\$ 9,413,269</u></u>				

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Valuation techniques for financial instruments not measured at fair value

The Group valuation techniques and assumptions used for financial instrument not measured at fair value are as follows:

a) Financial liabilities measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

Financial instruments traded in active markets are based on quoted market prices. The quoted price of a financial instrument obtained from main exchanges and the government bond with high trading volume can be used as a basis to determine the fair value of the listed companies' equity instrument and the debt instrument of the quoted price in an active market.

b) Derivative financial instruments

Fair value of forward exchange contracts is usually determined by the forward currency exchange rate.

4) Transfer from one level to another

There were no transfers from one level to another in the six months ended June 30, 2021 and 2020.

5) Reconciliation of Level 3 fair value

	Financial assets at fair value through profit or loss		Financial assets at fair value through other comprehensive income	
	Equity investment without quoted price	Debt investment without quoted price	Equity investment without quoted price	Total
Balance at January 1, 2021	\$ -	85,857	1,004,425	1,090,282
Total gains and losses recognized:				
In profit (loss)	-	15,016	-	15,016
In other comprehensive income	-	-	(6,243)	(6,243)
Balance at June 30, 2021	<u>\$ -</u>	<u>100,873</u>	<u>998,182</u>	<u>1,099,055</u>
Balance at January 1, 2020	\$ 17,956	85,298	829,550	932,804
Total gains and losses recognized:				
In profit (loss)	2,854	1,772	-	4,626
In other comprehensive income	-	-	(32,183)	(32,183)
Proceeds of capital reduction of investment	-	(4,023)	(2,184)	(6,207)
Balance at June 30, 2020	<u>\$ 20,810</u>	<u>83,047</u>	<u>795,183</u>	<u>899,040</u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 6) The quantified information on significant unobservable inputs (level 3) used in fair value measurement

The Group's financial instruments that use level 3 input to measure fair values include financial assets at fair value through other comprehensive income—equity instruments and financial assets at fair value through profit or loss—equity securities investment.

Most of fair value measurements of the Group which are categorized as equity investment into level 3 have single significant unobservable inputs, and equity investments without quoted price have several significant unobservable inputs. Significant unobservable inputs of equity investments without quoted price are independent of each other.

The quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter relationships between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income—equity investment without quoted price	Comparable market approach	Price Book ratio multiples. (8.47~70.21, 9.13~73.63 and 6.11~58.71 respectively on June 30, 2021, December 31 and June 30, 2020)	The higher the multiple is, the higher the fair value will be.
		Lack of Marketability discount rate (20% all on June 30, 2021, December 31 and June 30, 2020)	The higher the Lack of Marketability discount rate is, the lower the fair value will be.
	Net asset value method	Net asset value	Inapplicable
Financial assets at fair value through profit or loss—equity investment without quoted price	Comparable market approach	Price Book ratio multiples. (9.77 on June 30, 2020)	The higher the multiple is, the higher the fair value will be.
		Lack of Marketability discount rate (20% on June 30, 2020)	The higher the Lack of Marketability discount rate is, the lower the fair value will be.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Item	Valuation technique	Significant unobservable inputs	Inter relationships between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss — debt investment without quoted price	Net asset value method	Net asset value method	Inapplicable
7) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions			

For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

		Move up or	Impacts of fair value change on net income or loss		Impacts of fair value change on other comprehensive income	
	Input	down	Favorable change	Unfavorable change	Favorable change	Unfavorable change
June 30, 2021						
Financial assets at fair value through other comprehensive income						
Equity investment without quoted price	P/B ratio	5%	\$ -	-	49,910	49,910
	Lack of marketability discount	5%	\$ -	-	62,383	62,383
June 30, 2020						
Financial assets at fair value through other comprehensive income						
Equity investment without quoted price	P/B ratio	5%	\$ -	-	50,187	50,187
	Lack of marketability discount	5%	\$ -	-	62,750	62,750
June 30, 2020						
Financial assets at fair value through other comprehensive income			-	-	-	-
Equity investment without quoted price	P/B ratio	5%	\$ -	-	39,820	39,820
	Lack of marketability discount	5%	\$ -	-	49,686	49,686
Financial assets at fair value through profit or loss						
Equity investment without quoted price	P/B ratio	5%	\$ 1,044	1,044	-	-
	Lack of marketability discount	5%	\$ 1,299	1,299	-	-

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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(z) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(z) of the consolidated financial statements for the year ended December 31, 2020.

(aa) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2020. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2020. Please refer to note 6(aa) of the consolidated financial statements for the year ended December 31, 2020 for further details.

(ab) Investing and financial activities not affecting the current cash flow

The Group's investing and financial activities, which did not affect its current cash flow in the six months ended June 30, 2021 and 2020, included the acquisition of right-of-use assets through lease. Please refer to note 6(j) for details.

Reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2021	Cash flows	Non-cash changes				June 30, 2021
			Acquisition through businesses combination	Additions of leases	Cancellation of leases	Foreign exchange movement	
Short term borrowings	\$ 1,395,195	(1,140,308)	-	-	-	-	254,887
Long term borrowings	588,906	50,420	-	-	-	(391)	638,935
Lease liabilities	457,802	(54,638)	13,361	77,047	(7,672)	(398)	485,502
Guarantee deposits received	7,788	154	-	-	-	-	7,942
Total liabilities from financing activities	<u>\$ 2,449,691</u>	<u>(1,144,372)</u>	<u>13,361</u>	<u>77,047</u>	<u>(7,672)</u>	<u>(789)</u>	<u>1,387,266</u>

	January 1, 2020	Cash flows	Non-cash changes				June 30, 2020
			Additions of leases	Cancellation of leases	Foreign exchange movement		
Short term borrowings	\$ 1,038,339	(346,965)	-	-	-		691,374
Long term borrowings	571,794	(31,481)	-	-	(1,265)		539,048
Lease liabilities	379,933	(49,024)	52,780	(6,457)	(377)		376,855
Guarantee deposits received	2,224	(77)	-	-	-		2,147
Total liabilities from financing activities	<u>\$ 1,992,290</u>	<u>(427,547)</u>	<u>52,780</u>	<u>(6,457)</u>	<u>(1,642)</u>		<u>1,609,424</u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(7) Related-party transactions:

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

<u>Name of related party</u>	<u>Relationship with the Group</u>
Topco Quartz Products Co., Ltd. (Topco Quartz)	An associate
Fortune Energy Corporation (Fortune)	An associate
Tai Ying Resource Industrial Corp. (Tai Ying)	An associate
Shin-Etsu Handotai Taiwan Co., Ltd. (Shin-Etsu Handotai Taiwan)	The Company is the institutional director of the related party
Shin-Etsu Opto Electronic Co., Ltd. (Shin-Etsu Opto Electronic)	The Company is the institutional director of the related party

(b) Transactions with key management personnel

Key management personnel compensation comprised:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	\$ 59,159	51,001	114,719	97,180
Post-employment benefits	725	772	1,464	1,548
	<u>\$ 59,884</u>	<u>51,773</u>	<u>116,183</u>	<u>98,728</u>

(c) Significant transactions with related party

(i) Sales

1) The amounts of significant sales by the Group to related parties were as follows:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Associates	\$ 39,743	26,651	69,961	60,534
Other related parties	10,868	7,230	20,742	16,349
	<u>\$ 50,611</u>	<u>33,881</u>	<u>90,703</u>	<u>76,883</u>

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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- 2) The amounts of significant construction revenue and rendering of services by the Group to related parties were as follows:

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2021	2020	2021	2020
合併公司具聯合控制者				
Associates:				
Topco Quartz	\$ 54,646	45,786	109,313	96,888
Other related parties:				
Shin-Etsu Handotai Taiwan	67,225	63,790	129,597	121,707
Other related parties	173	103	354	258
	<u>\$ 122,044</u>	<u>109,679</u>	<u>239,264</u>	<u>218,853</u>

Sales prices for related parties were similar to those of the third-party customers. The collection period was within 30 to 90 days after monthly closing, and within 30 to 90 days after monthly closing for third-party customers. The terms of services provided to related parties is based on the contracts signed between both parties, and there is no significant difference between the related parties and the third-parties. Accounts receivable from related parties were uncollateralized, and no provisions for doubtful debt were required after the assessment by the management.

(ii) Purchases

The amounts of significant purchases by the Group from related parties were as follows:

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Associates	\$ 166,455	190,183	356,592	324,180
Other related parties:				
Shin-Etsu Handotai Taiwan	1,891,218	1,566,427	3,435,077	3,166,338
Other related parties	3,507	4,471	5,839	7,176
	<u>\$ 2,061,180</u>	<u>1,761,081</u>	<u>3,797,508</u>	<u>3,497,694</u>

Purchase prices from related parties were similar to those from third-party suppliers. The payment period was within 30 to 90 days after monthly closing for related parties, and within 30 to 90 days after monthly closing for third-related.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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(iii) Receivables from Related Parties

The receivables from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
	Associates:			
Accounts receivable	Topco Quartz	\$ 69,453	55,069	51,375
	Other related parties:			
Accounts receivable	Shin-Etsu Handotai Taiwan	50,652	50,403	39,599
Accounts receivable	Other related parties	182	123	109
		<u>\$ 120,287</u>	<u>105,595</u>	<u>91,083</u>

(iv) Payables to Related Parties

The payables to related parties were as follows:

<u>Accounts</u>	<u>Relationship</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
	Associates :			
Accounts payable	Topco Quartz	\$ 174,499	234,731	196,461
Accounts payable	Others	4,427	-	-
	Other related parties:			
Accounts payable	Shin-Etsu Handotai Taiwan	1,945,247	1,477,148	1,577,922
Accounts payable	Other related parties	4,880	1,794	6,455
		<u>\$ 2,129,053</u>	<u>1,713,673</u>	<u>1,780,838</u>

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(8) Pledged assets:

The carrying values of pledged assets were as follows:

<u>Assets</u>	<u>Subject</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Other current financial assets	Guarantees for construction contracts, coupons, credit card readers and courses	\$ 76,795	75,626	66,273
Other non-current assets – time deposits	Lease for plant, and guarantees for long term borrowings	33,657	33,994	16,432
Investment properties	Guarantees for long term borrowings	-	60,975	61,552
		<u>\$ 110,452</u>	<u>170,595</u>	<u>144,257</u>

(9) Commitments and contingencies:

(a) The Group's unrecognized contractual commitments were as follow:

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Commitments for construction contracts	\$ <u>896,237</u>	<u>783,764</u>	<u>1,094,512</u>
Bank guarantees to construction contracts	\$ <u>633,803</u>	<u>807,232</u>	<u>851,309</u>

(b) The Group's unused and outstanding letters for purchasing were as follow:

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Unused and outstanding letters of credit	\$ <u>2,114,882</u>	<u>1,234,474</u>	<u>1,480,575</u>

(c) Refer to note 13(a) for the disclosure of guarantees provided to associates by the Group.

(10) Losses Due to Major Disasters: None

(11) Subsequent Events:

In order to expand the scope of operations related to circular economy and environmental engineering consulting, and to integrate with the green energy environmental engineering business, the Company made a resolution of the provisional Board of Directors on July 13, 2021 to acquire Unitech Engineering Co., Ltd (hereinafter referred to as Unitech Engineering) shares from third parties at \$560 New Taiwan Dollars per share, totaling 786,000 shares and 78.60% of ownership of Unitech Engineering's equity, with an investment amount of \$440,160, and therefore obtained the control of Unitech Engineering.

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Furthermore, The Group signed a transaction contract with the third party on July 13, 2021. Both parties agreed to complete the transfer of transaction target on the agreed date of both parties within 30 days from the date of contract signed. As of the financial reporting date, the settlement of equity transfer was completed and the investment payment amounting to \$398,384 has been paid.

(12) Other:

- (a) The followings are the summary statement of current period employee benefits, depreciation and amortization expenses by function:

By function By item	For the three months ended June 30,					
	2021			2020		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefit expenses						
Salaries	55,817	367,810	423,627	47,699	323,720	371,419
Labor and health insurance	5,937	18,853	24,790	3,864	14,100	17,964
Pension	1,773	13,835	15,608	1,510	9,986	11,496
Others	2,135	15,735	17,870	1,600	13,603	15,203
Depreciation	25,127	57,021	82,148	23,995	48,148	72,143
Amortization	20	4,671	4,691	-	3,142	3,142

By function By item	For the six months ended June 30,					
	2021			2020		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefit expenses						
Salaries	107,679	722,229	829,908	95,040	626,606	721,646
Labor and health insurance	11,153	41,058	52,211	7,796	33,188	40,984
Pension	3,359	27,572	30,931	3,058	22,000	25,058
Others	4,035	31,653	35,688	3,232	29,561	32,793
Depreciation	49,594	112,902	162,496	46,873	96,886	143,759
Amortization	37	8,136	8,173	-	6,389	6,389

- (b) Seasonality of operations

The Group's operations were not affected by seasonality or cyclicity factors.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The followings were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the six months ended June 30, 2021:

- (i) Loans to other parties: None
- (ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars and foreign currencies)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Anyong Fresh Mart.	(Note 2)	(Note 3)	9,000	9,000	612	-	0.09 %	(Note 3)	Y	-	-
"	"	Topchem Materials	(Note 2)	(Note 3)	100,000	100,000	47,000	-	0.99 %	(Note 3)	Y	-	-
"	"	Jing Chen Energy	(Note 2)	(Note 3)	109,516	109,516	67,948	-	1.08 %	(Note 3)	Y	-	-
"	"	Jing Yang Energy	(Note 2)	(Note 3)	87,000	87,000	74,290	-	0.86 %	(Note 3)	Y	-	-
"	"	Topscience(s)	(Note 2)	(Note 3)	225,515	207,625	178,572	-	2.05 %	(Note 3)	Y	-	-
"	"	JiaYi Energy	(Note 2)	(Note 3)	232,177	232,177	33,752	-	2.29 %	(Note 3)	Y	-	-
"	"	Chien Yueh	(Note 2)	(Note 3)	3,014,864	3,014,864	1,072,098	-	29.73 %	(Note 3)	Y	-	-
"	"	Jing Yueh Energy	(Note 2)	(Note 3)	158,257	158,257	150,305	-	1.56 %	(Note 3)	Y	-	-
"	"	Kuan Yueh Technology	(Note 2)	(Note 3)	640,383	640,383	457,391	-	6.31 %	(Note 3)	Y	-	-
"	"	Topco Chemical	(Note 2)	(Note 3)	197,280	129,270	1,727	-	1.27 %	(Note 3)	Y	-	Y
"	"	Topco Shanghai	(Note 2)	(Note 3)	414,643	126,050	126,050	-	1.24 %	(Note 3)	Y	-	Y
"	"	Topco Suzhou	(Note 2)	(Note 3)	699,727	655,993	205,629	-	6.47 %	(Note 3)	Y	-	Y
"	"	Shanghai Chongyao	(Note 2)	(Note 3)	1,224,994	945,497	902,407	-	9.32 %	(Note 3)	Y	-	Y
"	"	Topco Engineering	(Note 2)	(Note 3)	352,150	352,150	89,810	-	3.47 %	(Note 3)	Y	-	Y

Note 1: The Company is coded as “0”, and its subsidiaries are coded consecutively in a numerical order starting from “1”

Note 2: Investee companies which have 50% of ordinary shares, directly or indirectly, owned by the Company.

Note 3: According to the Company’s “Operational Procedures for Making Endorsements/Guarantees”, the total amount of endorsements/guarantees for others shall not exceed \$16,226,344, which is 160% of the net value of the Company’s latest financial reports, and the amount of endorsements/guarantees for a single enterprise shall not exceed \$10,141,465, which is the net value of the Company’s latest financial reports.

Note 4: The maximum amount of sharing guarantees and endorsements is CNY 70,000, the maximum amount for guarantees and endorsements are for Shanghai Chongyao CNY 10,000, Topco Chemical CNY 30,000, and Topco Engineering CNY 30,000, respectively.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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- (iii) Securities held as of June 30, 2021 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Fund: Mega Diamond Money Market Fund	None	Current financial assets at fair value through profit or loss	586	7,419	-	7,419	
The Company	Stock: Eversol Corporation	None	Non-current financial assets at fair value through other comprehensive income	230	-	8.21	-	
"	Shin-Etsu Opto Electronic	The company is the institutional directors of the related party	"	2,000	103,860	10	103,860	
"	Shin-Etsu Handotai Taiwan	"	"	12,000	842,520	8	842,520	
"	Everglory Resource Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	2,000	28,680	8.18	28,680	
"	ProMOS Technologies Inc.	"	"	71	2,161	0.16	2,161	
"	Top Taiwan V Venture Capital Co., Ltd.	"	Non-current financial assets at fair value through profit or loss	569	780	4.07	780	
"	Grand Fortune	"	"	3,000	43,590	4.12	43,590	
The Company	Other: LEAP FUND L.P.	None	Non-current financial assets at fair value through profit or loss	-	39,281	12.22	39,281	
Topco International Investment	Stock: Win Win Precision Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	734	15,459	1.61	15,459	
"	Mylight Technology Co., Ltd. (Mylight)	"	"	250	-	0.76	-	
"	Archers Inc.	"	"	625	-	1.93	-	
"	Ultramed Technology Co., Ltd.	"	"	100	2,054	5.26	2,054	
"	Sunergy development corporation	Topco International Investment is the institutional directors of the related party	"	285	60	19.00	60	
"	Mycropore Corporation Ltd.	None	"	400	3,388	2.39	3,388	
"	Syu Yang Technology Corporation	"	Non-current financial assets at fair value through profit or loss	30	-	10	-	
Topco Investment	Fund: Jih Sun Money Market	None	Current financial assets at fair value through profit or loss	146	2,191	-	2,191	
"	Taishin 1699 Money Market Fund	"	"	3,080	42,085	-	42,085	
Topco Investment	Stock: Mylight	None	Non-current financial assets at fair value through other comprehensive income	250	-	0.76	-	
"	Hun Chun Venture Capital Corporation	"	Non-current financial assets at fair value through profit or loss	2,098	17,222	5.75	17,222	
Taiwan E&M	Fund: Taishin Ta-Chong Money Market	None	Current financial assets at fair value through profit or loss	3,679	52,737	-	52,737	
"	Mega Diamond Money Market Fund	"	"	4,176	52,898	-	52,898	
"	Franklin U.S. Government Money Fund	"	"	4,187	43,726	-	43,726	
"	FSITC Taiwan Money Market Fund	"	"	3,266	50,469	-	50,469	
Anyong Fresh Mart.	Fund: Jih Sun Money Market	None	Current financial assets at fair value through profit or loss	472	7,068	-	7,068	
"	KGI Victory Money Market Fund	"	"	2,999	35,034	-	35,034	
Ding Yue Solar	Fund: FSITC Money Market	None	Current financial assets at fair value through profit or loss	9	1,543	-	1,543	
Anyong Lohas	Jih Sun Money Market	None	Current financial assets at fair value through profit or loss	2,349	35,164	-	35,164	
Anyong Biotechnology	Fund: Taishin 1699 Money Market	None	Current financial assets at fair value through profit or loss	3,664	50,065	-	50,065	

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Company Name	Counter party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/(Sale)	Amount	Percentage of total purchases/(sales)	Payment terms	Unit price	Payment Terms	Ending Balance	Percentage of total notes/accounts receivable (payable)	
The Company	Topco Quartz	The Company's investment accounted for using equity method	Purchase	336,354	3 %	Net 60 days from the end of the month of delivery	-	-	Accounts Payable (162,282)	(5)%	
"	"	"	Sale	(109,406)	1 %	Net 60 days from the end of the month of delivery	-	-	Accounts Receivable 39,844	1 %	
"	Shin-Etsu Handotai Taiwan	The company is the institutional directors of the related party	Sale	(141,522)	1 %	Net 30 days from the end of the month of delivery	-	-	Accounts Receivable 49,020	1 %	
Topco Shanghai	Shin-Etsu Handotai Taiwan	The company is the institutional directors of the related party	Purchase	3,410,183	79 %	Net 90 days from the end of the month of delivery	-	-	Accounts Payable (1,935,352)	(87)%	

- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None
- (ix) Trading in derivative instruments: Trading in derivative products, please refer to note 6(b).
- (x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company name	Counter party	Relationship (Note 2)	Intercompany transactions				Percentage of the consolidated net revenue or total assets
				Accounts name	Amount	Terms		
0	The Company	Topco Shanghai	1	Sales Revenue	53,207	There is no significant difference of price between general customers. The collection period is net 60 days from the end of the month of delivery.		0.27 %
"	"	"	1	Accounts Receivable	15,515	"		0.07 %
"	"	Topco Trading	1	Sales Revenue	6,433	There is no significant difference of price between general customers. The collection period is net 60 days from the end of the month of delivery		0.03 %

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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No. (Note 1)	Company name	Counter party	Relationship (Note 2)	Intercompany transactions			
				Accounts name	Amount	Terms	Percentage of the consolidated net revenue or total assets
"	"	Topco Suzhou	1	Other non-operating income	3,178	Based on the agreement between both parties	0.02 %
"	Jia Yi Energy	Kuan Yueh Technology	3	Operating Revenue	43,660	Based on the agreement between both parties	0.22 %
"	"	"	3	Amounts due to customers for contract work	40,147	"	0.18 %
"	"	Jing Yang Energy	3	Operating Revenue	11,170	"	0.06 %
"	"	"	3	Accounts Receivable	3,203	"	0.01 %
2	Anyong Biotechnology	Anyong Fresh Mart.	3	Sales Revenue	10,454	There is no significant difference of price between general customers. The collection period is net 30 days from the end of the month of delivery.	0.05 %
2	Anyong Biotechnology	Anyong Fresh Mart.	3	Accounts Receivable	4,206	There is no significant difference of price between general customers. The collection period is net 30 days from the end of the month of delivery.	0.02 %
3	Topchem Materials	The Company	2	Sales Revenue	17,416	There is no significant difference of price between general customers. The collection period is net 60 days from the end of the month of delivery.	0.09 %
"	"	"	2	Accounts Receivable	3,894	"	0.02 %
4	Chien Yueh	The Company	2	Operating Revenue	5,427	There is no significant difference of price between general customers. The collection period is net 60 days from the end of the month of delivery.	0.03 %
"	"	Kuan Yueh Technology	3	Operating Revenue	11,818	"	0.06 %
"	"	"	3	Accounts Receivable	23,131	"	0.10 %
5	Anyong Fresh Mart.	The Company	2	Sales Revenue	6,254	"	0.03 %
6	Anyong Lohas	Anyong Fresh Mart.	3	Sales Revenue	8,142	"	0.04 %
7	Taiwan E&M	Topscience(s).	3	Sales Revenue	3,572	"	0.02 %

Note 1: The numbers filled in as follows:

- 1.0 represents the Company.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Relationship with the transactions labeled as follows:

- 1 represents the transactions from the parent company to its subsidiaries.
- 2 represents the transactions between the subsidiaries and the parent company.
- 3 represents the transactions between subsidiaries.

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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(b) Information on investees:

The following is the information on investees for the six months ended June 30, 2021 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars and foreign currencies)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2021			Net income (losses) of investee	Share of profits/ losses of investee	Note
				June 30, 2021	December 31, 2020	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	Topco Quartz	Hsinchu County	Manufacture and repair of quartz equipment, quartz tube e.g.	99,232	99,232	13	40%	1,368,721	487,346	195,080	
	Taiwan E&M	Hsinchu City	Sales of electronic material	425,000	425,000	42,500	100%	479,989	31,305	31,305	Note 2
	Fortune	Taipei City	Clean up of waste and environmental management service	149,600	149,600	14,960	25%	257,734	58,528	14,653	
	Topco Group	Samoa	Investment activities	493,981	493,981	15,518	100%	2,342,183	297,580	297,580	Note 2
	Topsience(s)	Singapore	Sales of parts of semiconductor and optoelectronic industries	336,108	279,278	3,153	100%	350,644	15,025	15,025	"
	Topco International Investment	Taipei City	Investment activities	430,000	395,000	47,493	100%	403,173	28,238	28,226	"
	Topco Investment	Taipei City	Investment activities	260,000	260,000	11,000	100%	86,836	(12,323)	(12,323)	"
	Chien Yueh	Taipei City	Water purification and construction of dust-proof room	320,000	320,000	37,500	100%	367,884	(1,947)	(5,020)	"
	Winaico	Germany	Oversea Holding Company	184,929	184,929	5,000	28%	-	-	-	
	Anyong Biotechnology	Taipei City	Aquaculture and strategic partnership with fish processing	490,629	490,629	25,000	100%	107,966	(21,973)	(21,973)	Note 2
	Winfull Bio-tech Co., Ltd.	Tainan City	Manufacture of organic fertilizer	35,000	35,000	3,500	39%	-	-	-	
	Anyong Fresh Mart.	Taipei City	Wholesale and retail sales of fishery products and supermarket operation	554,350	554,350	30,800	100%	104,867	(14,403)	(14,398)	Note 2
	Jia Yi Energy	Taipei City	Manufacture of machinery and electronic spare parts	215,000	215,000	23,745	84%	172,998	4,437	421	"
	Xiang Yueh	Taipei City	Waste disposal	66,370	46,370	4,000	100%	28,871	(7,698)	(7,698)	"
	Anyong Lohas	Yilan County	Restaurant and retail sales of food products	317,000	317,000	21,700	100%	46,439	(10,777)	(10,777)	"
	General Precise	Hsinchu County	Process and sales of quartz products	14,301	14,301	1,000	100%	29,438	4,251	4,251	"
								6,147,743		514,352	
Topco Group	Asia Topco	Mauritius	Investment activities	364,576 (USD13,086)	364,576 (USD13,086)	13,086	100%	2,077,726	280,336	Investment gains (losses) recognized by Topco Group	Note 2
	Topco Trading	Hong Kong	Wholesale of semiconductor material and electronic material	41,790 (USD1,500)	41,790 (USD1,500)	1,500	100%	249,182	17,236	"	"
Topsience(s)	Topsience Vietnam	Vietnam	Sales of parts of semiconductor and optoelectronic industries	36,218 (USD1,300)	12,537 (USD450)	-	100%	29,356	(1,607)	Investment gains (losses) recognized by Topsience(s)	Note 2
	Anyong (s)	Singapore	Wholesale and retail sales of fishery products	-	-	-	100%	-	-	"	"

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2021			Net income (losses) of investee	Share of profits/ losses of investee	Note
				June 30, 2021	December 31, 2020	Shares (thousands)	Percentage of ownership	Carrying value			
Topco International Investment	Cityspace	Taipei City	Wholesale sales of cosmetics	12,000	12,000	1,267	67%	16,101	1,824	Investment gains (losses) recognized by Topco International Investment	Note 2
	Topco Japan	Japan	Sales of facilities of semiconductor and clean room	15,094	15,094	5	100%	2,911	255	"	"
	Kuan Yueh Technology	Taipei City	Development of renewable energy projects / Configure pipeline construction and device installation	149,640	149,640	16,439	100%	175,800	7,258	"	"
	Jia Yi Energy	Taipei City	Manufacture of machinery and electronic spare parts	24,000	24,000	4,585	16%	48,348	4,437	"	"
	Kanbo Biomedical	Taipei City	Sales of health food products	6,287	6,287	1,000	100%	1,375	(17)	"	"
	Ruey Sheng Industrial Co., Ltd.	Samoa	Investment activities	4,197	4,197	142	36%	-	-	"	"
	DIO	Germany	Development of renewable energy project	23,849	23,849	592	100%	(124)	-	"	Note 2
	Topchem Materials	Taipei City	Antifouling surface protection, light-blocking material and the manufacture of other chemicals	31,000	31,000	5,000	100%	72,872	11,614	"	"
	Fortune	Taipei City	Clean up of waste and environmental management service	771	771	40	0.07%	724	58,528	"	"
Topco Investment	Tai Ying Resource	Kaohsiung City	Clean up of waste	114,620	114,620	8,906	40%	103,829	17,893	Investment gains (losses) recognized by Topco International Investment	"
	Multi Rich Technology	Taipei City	Wholesale of fishery products	20,500	20,500	2,050	98%	2,512	(395)	Investment gains (losses) recognized by Topco Investment	Note 2
	Ding Yue Solar	Taipei City	Development of renewable energy project	9,000	9,000	900	100%	4,097	(37)	"	"
	Xports Sports	Taipei City	Sport training	29,299	29,299	450	100%	4,451	(21)	"	"
	Min Jen Restaurant	Taipei City	Restaurant	110,000	110,000	11,000	69%	1,499	(17,149)	"	"
	Fei Da Intelligent Co., Ltd.	Taipei City	Manpower dispatch	5,500	5,500	500	20%	3,898	(4,290)	"	"
Jia Yi energy	STARX INC.	Hsinchu City	Precision instrument manufacturing	8,000	8,000	8,626	26%	7,869	(402)	"	"
	Jing Chen Energy	Taipei City	Development of renewable energy project	71,050	71,050	7,586	100%	65,987	2,350	Investment gains (losses) recognized by Jia Yi energy	Note 2
	Jing Yang Energy	Taipei City	"	70,497	70,497	7,195	100%	72,570	(4,271)	"	"
	Jing Yueh Energy	Taipei City	"	82,161	82,161	7,513	100%	81,643	3,863	"	Note 2
Taiwan E&M	Top Vacuum	Hsinchu City	Vacuum pump equipment maintenance	45,035	-	6,000	60%	49,140	7,905	Investment gains (losses) recognized by Taiwan E&M	Note 2

Note 1: The amounts in foreign currencies were translated into New Taiwan Dollars at the exchange rates at the ending date of the reporting period.

Note 2: The aforementioned transactions had been written-off upon the preparation of the consolidated financial statements.

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(c) Information on investment in mainland China:

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

(In Thousands of US Dollars and CNY)

Name of investee	Main businesses and products	Total amount of paid-in capital (Note 3)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2021 (Note 3)	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2021 (Note 3)	Net income (losses) of the investee	Percentage of ownership	Investment gains (losses) (Note 2)	Book value (Note 3)	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Topco Shanghai	Wholesale of electronic material and equipment	244,889 (USD8,790) (Note 4)	Note 1	-	-	-	-	220,057 (USD7,810)	100 %	220,057 (USD7,810)	1,375,895 (USD49,386)	276,141 (USD9,335)
Shanghai Chongyao	"	56,017 (RMB13,000) (Note 4)	Note 5	Note 5	-	-	-	(17,447) (RMB(4,008))	100 %	(17,447) (RMB(4,008))	219,439 (RMB50,925)	-
Topco Suzhou	Water purification and construction of dust-proof room	75,222 (USD2,700)	Note 1	75,222 (USD2,700)	-	-	75,222 (USD2,700)	36,777 (USD1,305)	100 %	36,777 (USD1,305)	568,270 (USD20,397)	-
Topco Chemical	wholesale and sales of chemical products	12,341 (USD443)	Note 1	12,341 (USD443)	-	-	12,341 (USD443)	23,761 (USD843)	100 %	23,761 (USD843)	114,863 (USD4,123)	-
Topco Engineering	Water purification and construction of dust-proof room	86,180 (RMB20,000)	Note 6	Note 6	-	-	-	7,399 (RMB1,700)	100 %	7,399 (RMB1,700)	91,316 (RMB21,192)	-

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of June 30, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
172,537 (USD6,193) (Note 7)	459,216 (USD16,483)	(Note 8)

Note 1 : Investment in Mainland China companies through an investee established in a third region.

Note 2 : The investment gains (losses) of Topco Shanghai and Topco Suzhou were recognized based on the financial statements which have been reviewed by the CPA; and the investment gains (losses) of Shanghai Chongyao, Topco Chemical, and Topco Engineering were recognized based on the financial statements prepared by the subsidiaries and not reviewed by the CPA.

Note 3 : The amounts in New Taiwan Dollars were translated at the exchange rate of USD 1:27.86 and CNY 1:4.309, respectively, as of June 30, 2021.

Note 4 : Including the capital increase transferred from retained earnings amounting to USD1,990.

Note 5 : Shanghai Chongyao is jointly invested by Topco Shanghai and is Topco Suzhou, both of which are the sub-subsidiary of the Company.

Note 6 : Topco Engineering is invested by Topco Suzhou, which is the sub-subsidiary of the Company.

Note 7 : Including the written-off investment funds of USD3,050.

Note 8 : The Company has acquired proof of compliance regarding the operational scope of the corporate headquarters issued by the Ministry of Economic Affairs. Therefore, there is no restriction to the Company's investing amount in Mainland China.

(iii) Significant transactions:

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

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TOPCO SCIENTIFIC CO., LTD. AND SUBSIDIARIES
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- (d) Major shareholders holding more than 5% of ownership for the six months ended June 30, 2021:
None

(14) Segment information:

The Group's operating segment information and reconciliation were as follows:

For the three months ended June 30, 2021					
	Semiconductor and electronics division	Environmental engineering group	Other divisions	Adjustment and elimination	Total
Revenue					
Revenue from external customers	\$ 9,278,074	940,635	162,445	-	10,381,154
Intersegment revenues	-	-	-	-	-
Total revenue	<u>\$ 9,278,074</u>	<u>940,635</u>	<u>162,445</u>	<u>-</u>	<u>10,381,154</u>
Reportable segment profit or loss	<u>\$ 642,874</u>	<u>51,269</u>	<u>87,436</u>	<u>-</u>	<u>781,579</u>
For the three months ended June 30, 2020					
	Semiconductor and electronics division	Environmental engineering group	Other divisions	Adjustment and elimination	Total
Revenue					
Revenue from external customers	\$ 7,783,687	1,445,489	142,649	-	9,371,825
Intersegment revenues	-	-	-	-	-
Total revenue	<u>\$ 7,783,687</u>	<u>1,445,489</u>	<u>142,649</u>	<u>-</u>	<u>9,371,825</u>
Reportable segment profit or loss	<u>\$ 536,706</u>	<u>113,728</u>	<u>70,465</u>	<u>-</u>	<u>720,899</u>
For the six months ended June 30, 2021					
	Semiconductor and electronics division	Environmental engineering group	Other divisions	Adjustment and elimination	Total
Revenue					
Revenue from external customers	\$ 17,875,104	1,736,129	302,810	-	19,914,043
Intersegment revenues	-	-	-	-	-
Total revenue	<u>\$ 17,875,104</u>	<u>1,736,129</u>	<u>302,810</u>	<u>-</u>	<u>19,914,043</u>
Reportable segment profit or loss	<u>\$ 1,200,210</u>	<u>40,742</u>	<u>157,056</u>	<u>-</u>	<u>1,398,008</u>
For the six months ended June 30, 2020					
	Semiconductor and electronics division	Environmental engineering group	Other divisions	Adjustment and elimination	Total
Revenue					
Revenue from external customers	\$ 15,539,046	2,354,746	267,885	-	18,161,677
Intersegment revenues	-	-	-	-	-
Total revenue	<u>\$ 15,539,046</u>	<u>2,354,746</u>	<u>267,885</u>	<u>-</u>	<u>18,161,677</u>
Reportable segment profit or loss	<u>\$ 1,070,845</u>	<u>150,333</u>	<u>107,142</u>	<u>-</u>	<u>1,328,320</u>