Yageo Corporation and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2021 and 2020 and Independent Auditors' Review Report

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Yageo Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Yageo Corporation (the "Company") and its subsidiaries (collectively, the "Group") as of June 30, 2021 and 2020, the related consolidated statements of comprehensive income for the three months ended June 30, 2021 and 2020 and for the six months ended June 30, 2021 and 2020, the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2021 and 2020, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 13 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of June 30, 2021 and 2020, combined total assets of these non-significant subsidiaries were NT$15,955,382 thousand and NT$15,207,981 thousand, respectively, representing 8.06% and 8.16%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT$2,333,976 thousand and NT$1,639,310 thousand, respectively, representing 1.81% and 1.33%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2021 and 2020, the amounts of combined comprehensive income of these subsidiaries were NT$533,213 thousand and NT$819,114 thousand, respectively, representing 18.94% and 41.13%, respectively, of the consolidated total comprehensive income; for the six months ended June 30, 2021 and 2020, the amounts of combined comprehensive income of these subsidiaries were NT$935,869 thousand and NT$1,275,089 thousand, respectively, representing 12.99% and 31.02%, respectively, of the consolidated total comprehensive income. In addition, as disclosed in Notes 14 and 36 to the consolidated financial statements, certain investments accounted for using the equity method in the consolidated financial statements were not reviewed. The aggregate carrying amount of these investments was NT$828,462 thousand and NT$1,033,117 thousand as of June 30, 2021 and 2020, respectively, and the share of profit of associates accounted for using the equity method was NT$23,382 thousand and NT$21,303 thousand for the three months ended June 30, 2021 and 2020, respectively; the share of profit of associates accounted for using the equity method was NT$47,390 thousand and NT$26,348 thousand for the six months ended June 30, 2021 and 2020, respectively.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and associates as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2021 and 2020, its consolidated financial performance for the three months ended June 30, 2021 and 2020, and its consolidated financial performance and 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.

Other Matter

We did not review the financial statements of KEMET Corporation, a subsidiary included in the consolidated financial statements of the Group, but such statements were reviewed by other auditors. Our conclusion, insofar as it relates to the amounts included for KEMET Corporation, is based solely on the report of other auditors. The total assets of KEMET Corporation constituted 22.33% of consolidated total assets as of June 30, 2020, and total revenues constituted 6.96% of consolidated total revenues for the period from June 15, 2020 (date of consolidation) to June 30, 2020.

Emphasis of Matter

As described in Note 16 to the accompanying consolidated financial statements, the comparative figures of KEMET Corporation have been restated as if the initial accounting was completed at the acquisition date.

The engagement partners on the reviews resulting in this independent auditors' review report are Yung-Hsiang Chao and Cheng-Tsai Tsai.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 11, 2021

<u>*Notice to Readers*</u>

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

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

YAGEO CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	June 30, 2021 (Reviewed)		December 31, 2020 (Audited)		June 30, 2020 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 30,686,140	16	$ 22,885,193	12	$ 29,338,069	16
Financial assets at fair value through profit or loss - current (Note 7)	910,982	1	963,229	1	14,916	-
Financial assets at amortized cost - current (Note 9)	9,943,960	5	15,346,004	8	8,875,757	5
Financial assets for hedging - current (Note 10)	102,237	-	148,783	-	-	-
Notes receivable (Note 11)	28,794	-	38,702	-	71,531	-
Trade receivables (Notes 11, 31 and 32)	18,770,676	10	13,973,718	8	15,633,402	8
Other receivables (Note 31)	863,040	-	650,821	-	668,198	-
Inventories (Notes 12 and 32)	17,687,453	9	14,523,280	8	15,978,326	9
Prepayments	897,690	-	837,323	1	833,550	1
Other current assets	542,114	-	572,369	-	746,945	-
Total current assets	80,433,086	41	69,939,422	38	72,160,694	39
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	474,799	-	302,698	-	118,207	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	1	-	1	-	1	-
Financial assets at amortized cost - non-current (Note 9)	8,071,610	4	3,805,377	2	3,758,587	2
Financial assets for hedging - non-current (Note 10)	383,783	-	5,340	-	-	-
Investments accounted for using the equity method (Note 14)	5,304,495	3	5,236,897	3	6,411,353	3
Property, plant and equipment (Notes 15 and 32)	42,035,834	21	41,543,575	22	38,557,843	21
Right-of-use assets	1,149,823	1	1,063,143	1	1,167,075	1
Goodwill (Note 16)	36,207,569	18	38,526,685	21	39,129,614	21
Other intangible assets (Note 17)	19,781,734	10	20,518,241	11	20,812,847	11
Deferred tax assets (Note 24)	3,644,545	2	3,767,533	2	3,768,792	2
Refundable deposits	140,927	-	146,924	-	154,139	-
Other non-current assets	265,973	-	502,086	-	289,507	-
Total non-current assets	117,461,093	59	115,418,500	62	114,167,965	61
TOTAL	$ 197,894,179	100	$ 185,357,922	100	$ 186,328,659	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 18)	$ 36,159,999	18	$ 38,051,650	21	$ 32,296,868	18
Short-term bills payable (Note 18)	11,777,089	6	499,905	-	499,985	-
Financial liabilities at fair value through profit or loss - current (Note 7)	138,842	-	75,354	-	56,751	-
Financial liabilities for hedging - current (Note 10)	-	-	-	-	271,708	-
Notes payable	5,043	-	5,360	-	5,998	-
Trade payables (Note 31)	16,443,590	8	13,053,532	7	11,796,823	7
Other payables (Notes 20 and 31)	16,601,527	9	10,542,220	6	18,491,426	10
Current tax liabilities (Notes 4 and 24)	2,461,142	1	2,749,574	1	2,143,747	1
Lease liabilities - current	277,118	-	280,063	-	295,254	-
Current portion of long-term borrowings (Note 18)	761,978	1	1,520,146	1	-	-
Other current liabilities	359,077	-	624,970	-	474,411	-
Total current liabilities	84,985,405	43	67,402,774	36	66,332,971	36
NON-CURRENT LIABILITIES						
Financial liabilities for hedging - non-current (Note 10)	510,479	-	135,882	-	124,032	-
Bonds payable (Note 19)	10,629,034	5	5,104,794	3	5,073,788	3
Long-term borrowings (Notes 18 and 32)	22,454,719	11	33,331,000	18	39,937,868	21
Deferred tax liabilities (Notes 4 and 24)	3,881,128	2	4,166,929	2	4,427,115	2
Lease liabilities - non-current	789,652	1	697,469	-	760,365	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	2,892,748	2	3,071,962	2	2,962,609	2
Guarantee deposits received	297,673	-	223,291	-	309,223	-
Other non-current liabilities	2,613,518	1	2,779,414	2	2,904,505	2
Total non-current liabilities	44,068,951	22	49,510,741	27	56,499,505	30
Total liabilities	129,054,356	65	116,913,515	63	122,832,476	66
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital						
Ordinary shares	4,988,839	3	4,969,433	3	4,936,670	2
Capital collected in advance	-	-	408	-	22,084	-
Total share capital	4,988,839	3	4,969,841	3	4,958,754	2
Capital surplus						
Issuance of ordinary shares	20,324,893	10	21,257,914	11	21,219,271	11
From share of changes in capital surplus of associates	1,575,118	1	1,581,364	1	2,782,114	2
From employee share options	3,123	-	7,035	-	13,640	-
Equity component of convertible bonds issued by the Company	252,844	-	252,844	-	252,844	-
Total capital surplus	22,155,978	11	23,099,157	12	24,267,869	13
Retained earnings						
Legal reserve	7,331,396	4	7,331,396	4	7,331,396	4
Special reserve	2,945,827	1	2,945,827	1	2,945,827	2
Unappropriated earnings	44,088,613	22	36,725,189	20	30,437,388	16
Total retained earnings	54,365,836	27	47,002,412	25	40,714,611	22
Other equity						
Exchange differences on translation of the financial statements of foreign operations	(8,740,085)	(4)	(4,665,523)	(2)	(4,031,635)	(2)
Unrealized gain on financial assets at FVTOCI	81,998	-	71,291	-	59,149	-
Gain (loss) on hedging instruments	257,107	-	350,307	-	(77,100)	-
Total other equity	(8,400,980)	(4)	(4,243,925)	(2)	(4,049,586)	(2)
Treasury shares	(4,300,707)	(2)	(2,421,552)	(1)	(2,421,552)	(1)
Total equity attributable to owners of the Company	68,808,966	35	68,405,933	37	63,470,096	34
NON-CONTROLLING INTERESTS	30,857	-	38,474	-	26,087	-
Total equity	68,839,823	35	68,444,407	37	63,496,183	34
TOTAL	$ 197,894,179	100	$ 185,357,922	100	$ 186,328,659	100

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

(With Deloitte & Touche auditors’ review report dated August 11, 2021)

YAGEO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Note 31)								
Net sales	$ 27,711,544	100	$ 13,469,710	100	$ 51,460,572	100	$ 23,493,196	100
OPERATING COSTS (Notes 12, 23 and 31)								
Cost of goods sold	16,354,190	59	7,500,879	56	30,826,647	60	13,484,511	58
GROSS PROFIT	11,357,354	41	5,968,831	44	20,633,925	40	10,008,685	42
OPERATING EXPENSES (Notes 23 and 31)								
Selling and marketing expenses	1,303,870	5	780,294	6	2,571,694	5	1,488,644	6
General and administrative expenses	1,525,442	5	621,913	4	2,939,870	6	1,217,351	5
Research and development expenses	584,401	2	247,566	2	1,159,160	2	420,048	2
Expected credit loss (gain) (Note 11)	1,126	-	(7,358)	-	(4,528)	-	(6,113)	-
Total operating expenses	3,414,839	12	1,642,415	12	6,666,196	13	3,119,930	13
PROFIT FROM OPERATIONS	7,942,515	29	4,326,416	32	13,967,729	27	6,888,755	29
NON-OPERATING INCOME AND EXPENSES								
Finance costs (Note 23)	(237,655)	(1)	(151,513)	(1)	(512,005)	(1)	(253,421)	(1)
Share of profit of associates and joint ventures	98,867	-	94,274	1	191,368	-	131,662	1
Interest income	226,555	1	184,291	1	436,235	1	350,236	1
Rental income (Note 31)	7,945	-	8,169	-	16,864	-	16,202	-
Loss on financial instruments at fair value through profit or loss	(46,335)	-	(493,047)	(4)	(203,390)	-	(232,194)	(1)
Other gains and losses (Note 23)	363,066	1	204,106	2	917,179	2	142,824	1
Total non-operating income and expenses	412,443	1	(153,720)	(1)	846,251	2	155,309	1
INCOME BEFORE INCOME TAX	8,354,958	30	4,172,696	31	14,813,980	29	7,044,064	30
INCOME TAX EXPENSE (Notes 4 and 24)	2,009,636	7	870,081	6	3,452,667	7	1,391,135	6
NET PROFIT FOR THE PERIOD	6,345,322	23	3,302,615	25	11,361,313	22	5,652,929	24

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YAGEO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income (Note 22)	$ -	-	$ (21)	-	$ -	-	$ 5,122	-
Share of the other comprehensive income of associates accounted for using the equity method (Note 22)	7,043	-	3,350	-	11,773	-	1,577	-
	7,043	-	3,329	-	11,773	-	6,699	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations (Note 22)	(4,124,922)	(15)	(1,517,113)	(11)	(5,044,247)	(10)	(1,802,772)	(8)
Gain/(loss) on hedging instruments	(37,657)	-	(77,100)	(1)	(93,200)	-	(77,100)	-
Share of the other comprehensive loss of associates and joint ventures accounted for using the equity method (Note 22)	(55,847)	-	(41,092)	-	(44,162)	-	(48,028)	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4 and 24)	681,060	2	320,834	2	1,013,229	2	379,353	2
	(3,537,366)	(13)	(1,314,471)	(10)	(4,168,380)	(8)	(1,548,547)	(6)
Other comprehensive loss for the period, net of income tax	(3,530,323)	(13)	(1,311,142)	(10)	(4,156,607)	(8)	(1,541,848)	(6)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 2,814,999	10	$ 1,991,473	15	$ 7,204,706	14	$ 4,111,081	18
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	$ 6,331,362	23	$ 3,293,242	25	$ 11,336,395	22	$ 5,643,556	24
Non-controlling interests	13,960	-	9,373	-	24,918	-	9,373	-
	$ 6,345,322	23	$ 3,302,615	25	$ 11,361,313	22	$ 5,652,929	24
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	$ 2,801,836	10	$ 1,982,601	15	$ 7,180,406	14	$ 4,102,209	18
Non-controlling interests	13,163	-	8,872	-	24,300	-	8,872	-
	$ 2,814,999	10	$ 1,991,473	15	$ 7,204,706	14	$ 4,111,081	18

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YAGEO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 25)								
Basic	$12.82		$ 7.01		$22.95		$12.59	
Diluted	$12.54		$ 6.95		$22.42		$12.48	

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

(With Deloitte & Touche auditors' review report dated August 11, 2021) (Concluded)

YAGEO CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company														
	Capital (Notes 22)				Retained Earnings				Other Equity						
	Common Shares	Capital Collected in Advance	Total	Capital Surplus (Notes 22 and 28)	Legal Reserve (Note 22)	Special Reserve (Note 22)	Unappropriated Earnings (Note 22)	Total	Exchange Differences on Translation of the Financial Statements of Foreign Operations (Note 22)	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Note 22)	Gain (Loss) on Hedging Instruments (Note 22)	Treasury Stock (Note 22)	Total	Non-controlling Interests (Note 22)	Total Equity
BALANCE, JANUARY 1, 2020	$ 4,290,478	$ 12,093	$ 4,302,571	$ 5,393,515	$ 6,619,525	$ 1,647,658	$ 33,213,246	$ 41,480,429	$ (2,560,689)	$ 52,457	$ -	$ (2,421,552)	$ 46,246,731	$ -	$ 46,246,731
Appropriation of 2019 earnings															
Legal reserve	-	-	-	-	711,871	-	(711,871)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	1,298,169	(1,298,169)	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(6,409,381)	(6,409,381)	-	-	-	-	(6,409,381)	-	(6,409,381)
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	(48,806)	-	-	-	-	-	-	-	-	(48,806)	-	(48,806)
Issuance of ordinary shares to participate in overseas depositary receipts	634,000	-	634,000	18,617,790	-	-	-	-	-	-	-	-	19,251,790	-	19,251,790
Equity component of convertible bonds issued by the Company	-	-	-	252,844	-	-	-	-	-	-	-	-	252,844	-	252,844
Recognition of employee share options by the Company	12,192	9,991	22,183	64,125	-	-	-	-	-	-	-	-	86,308	-	86,308
Net profit for the six months ended June 30, 2020	-	-	-	-	-	-	5,643,556	5,643,556	-	-	-	-	5,643,556	9,373	5,652,929
Other comprehensive income (loss) for the six months ended June 30, 2020, net of income tax	-	-	-	-	-	-	-	-	(1,470,946)	6,699	(77,100)	-	(1,541,347)	(501)	(1,541,848)
Non-controlling interests	-	-	-	(11,599)	-	-	-	-	-	-	-	-	(11,599)	17,215	5,616
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	7	7	-	(7)	-	-	-	-	-
BALANCE AT JUNE 30, 2020	$ 4,936,670	$ 22,084	$ 4,958,754	$ 24,267,869	$ 7,331,396	$ 2,945,827	$ 30,437,388	$ 40,714,611	$ (4,031,635)	$ 59,149	$ (77,100)	$ (2,421,552)	$ 63,470,096	$ 26,087	$ 63,496,183
BALANCE, JANUARY 1, 2021	$ 4,969,433	$ 408	$ 4,969,841	$ 23,099,157	$ 7,331,396	$ 2,945,827	$ 36,725,189	$ 47,002,412	$ (4,665,523)	$ 71,291	$ 350,307	$ (2,421,552)	$ 68,405,933	$ 38,474	$ 68,444,407
Appropriation of 2020 earnings															
Cash dividends distributed by the Company	-	-	-	-	-	-	(3,967,351)	(3,967,351)	-	-	-	-	(3,967,351)	-	(3,967,351)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(31,917)	(31,917)
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	(6,246)	-	-	(6,686)	(6,686)	-	-	-	-	(12,932)	-	(12,932)
Issuance of share dividends from capital surplus	-	-	-	(991,838)	-	-	-	-	-	-	-	-	(991,838)	-	(991,838)
Recognition of employee share options by the Company	19,406	(408)	18,998	54,905	-	-	-	-	-	-	-	-	73,903	-	73,903
Net profit for the six months ended June 30, 2021	-	-	-	-	-	-	11,336,395	11,336,395	-	-	-	-	11,336,395	24,918	11,361,313
Other comprehensive income (loss) for the six months ended June 30, 2021, net of income tax	-	-	-	-	-	-	-	-	(4,074,562)	11,773	(93,200)	-	(4,155,989)	(618)	(4,156,607)
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	(1,879,155)	(1,879,155)	-	(1,879,155)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	1,066	1,066	-	(1,066)	-	-	-	-	-
BALANCE AT JUNE 30, 2021	$ 4,988,839	$ -	$ 4,988,839	$ 22,155,978	$ 7,331,396	$ 2,945,827	$ 44,088,613	$ 54,365,836	$ (8,740,085)	$ 81,998	$ 257,107	$ (4,300,707)	$ 68,808,966	$ 30,857	$ 68,839,823

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

(With Deloitte & Touche auditors' review report dated August 11, 2021)

YAGEO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2021	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 14,813,980	$ 7,044,064
Adjustments for:		
Expected credit loss recognized on trade receivables	(4,528)	(6,113)
Depreciation expense	2,594,361	1,411,811
Amortization expense	281,468	121,094
Amortization of prepayments	8,714	1,478
Net loss on fair value change of financial assets and liabilities at fair value through profit or loss, net	203,390	232,194
Finance costs	512,005	253,421
Interest income	(436,235)	(350,236)
Dividend income	(2,559)	(4,680)
Share of profit of associates and joint ventures, net	(191,368)	(131,662)
Net loss on disposal of property, plant and equipment, net	41,583	2,051
Reversal of write-downs of inventories	(7,136)	(411,729)
Net (gain) loss on foreign currency exchange	(20,447)	41,728
Changes in operating assets and liabilities		
Financial assets mandatorily classified at fair value through profit or loss	(98,567)	(558,359)
Notes receivable	9,908	88,227
Trade receivables	(4,676,451)	(1,082,964)
Trade receivables of related parties	(128,603)	(270,003)
Other receivables	(148,699)	(326,934)
Other receivables of related parties	(1,823)	(6,149)
Inventories	(3,572,527)	(1,087,631)
Prepayments	(69,081)	15,535
Other current assets	30,255	1,674,496
Notes payable	(317)	1,195
Trade payables	2,634,522	1,036,064
Trade payables of related parties	788,607	116,122
Other payables	1,547,180	(1,576,119)
Other payables of related parties	(1,741)	-
Other current liabilities	(268,838)	13,472
Net defined benefit liabilities	(179,214)	(135,238)
Cash generated from operations	13,657,839	6,105,135
Interest received	374,538	322,299
Dividend received	2,559	4,680
Interest paid	(463,635)	(204,108)
Income tax paid	(3,903,912)	(655,472)
Net cash generated from operating activities	9,667,389	5,572,534

(Continued)

YAGEO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2021	**2020**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	$ (4,669,553)	$ (6,112,089)
Proceeds from sale of financial assets at amortized cost	5,652,464	1,503,989
Purchase of financial assets at fair value through profit or loss	(177,824)	(217,767)
Proceeds from sale of financial assets at fair value through profit or loss	22,759	528,446
Net cash inflow on disposal of associate	24,752	-
Acquisition of subsidiaries	-	(41,191,689)
Payments for property, plant and equipment	(4,901,344)	(1,959,751)
Proceeds from disposal of property, plant and equipment	282,846	12,961
Increase in refundable deposits	-	(554)
Decrease in refundable deposits	5,997	3,318
Payments for intangible assets	(132,465)	(879)
Net cash used in investing activities	(3,892,368)	(47,434,015)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (repayment of) short-term borrowings	(1,892,486)	12,783,504
Proceeds from short-term bills payable	11,277,184	200,104
Proceeds from issuance of convertible bonds	5,492,805	5,345,724
Proceeds from long-term borrowings	22,314,114	57,105,193
Repayments of long-term borrowings	(33,948,563)	(38,602,290)
Proceeds from guarantee deposits received	89,979	140,024
Refund of guarantee deposits received	(15,631)	(27,087)
Proceeds from issuance of ordinary shares	-	19,251,790
Proceeds from employee share options	73,903	86,308
Payments for buy-back of ordinary shares	(1,879,155)	-
Changes in non-controlling interests	(31,917)	5,616
Net cash generated from financing activities	1,480,233	56,288,886
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	545,693	(1,242,607)
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,800,947	13,184,798
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	22,885,193	16,153,271
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 30,686,140	$ 29,338,069

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

(With Deloitte & Touche auditors' review report dated August 11, 2021) (Concluded)

1. GENERAL INFORMATION

Yageo Corporation (the "Company") was incorporated in 1987 in the Republic of China (ROC). The Company's shares are traded on the Taiwan Stock Exchange. The Company manufactures and sells passive components.

In June 2020, the Company acquired 100% equity interest of KEMET Corporation in a cash settlement amounting to US$1,636,052 thousand.

The consolidated financial statements of the Company and its subsidiaries, collectively referred to as the "Group", are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on August 11, 2021.

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

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies:

   - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform - Phase 2"

     The Group elected to apply the practical expedient provided in the amendments to deal with the changes in the basis for determining contractual cash flows of financial assets, financial liabilities or lease liabilities resulting from the interest rate benchmark reform. The changes are accounted for by updating the effective interest rate at the time the basis is changed, provided the changes are necessary as a direct consequence of the reform and the new basis is economically equivalent to the previous basis.

     For the hedging relationships that are subject to the reform, the Group applies the following temporary exceptions:

     a) The changes to the hedging relationship that are needed to reflect the changes required by the reform are treated as a continuation of the existing hedging relationship.

     b) If an alternative benchmark rate that is reasonably expected to be separately identifiable within a period of 24 months, the Group designates the rate as a non-contractually specified risk component.

c) After a cash flow hedging relationship is amended, the amount accumulated in the gain/(loss) on hedging instruments of cash flow hedge is deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.

d) The Group allocates the hedged items of a group hedge that is subject to the reform to subgroups based on whether the hedged items have been changed to reference an alternative benchmark rate, and designates the hedged benchmark rate separately.

b. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 1)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 2)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

1) Annual Improvements to IFRS Standards 2018-2020

Several standards, including IFRS 9 "Financial Instruments", were amended in the annual improvements. IFRS 9 requires the comparison of the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, with that of the cash flows under the original financial liability when there is an exchange or modification of debt instruments. The new terms and the original terms are substantially different if the difference between those discounted present values is at least 10%. The amendments to IFRS 9 clarify that the only fees that should be included in the above assessment are those fees paid or received between the borrower and the lender.

2) Amendments to IFRS 3 "Reference to the Conceptual Framework"

The amendments replace the references to the Conceptual Framework of IFRS 3 and specify that the acquirer shall apply IFRIC 21 "Levies" to determine whether the event that gives rise to a liability for a levy has occurred at the acquisition date.

3) Amendments to IAS 16 "Property, Plant and Equipment: Proceeds before Intended Use"

The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of those items is measured in accordance with IAS 2 "Inventories". Any proceeds from selling those items and the cost of those items are recognized in profit or loss in accordance with applicable standards.

The amendments are applicable only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021. The Group shall restate its comparative information when it initially applies the aforementioned amendments.

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

1) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated.

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

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

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

3) Amendments to IAS 1 “Disclosure of Accounting Policies”

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

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

- The Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and

- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

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

a) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

b) The Group chose the accounting policy from options permitted by the standards;

c) The accounting policy was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS that specifically applies;

d) The accounting policy relates to an area for which the Group is required to make significant judgments or assumptions in applying an accounting policy, and the Group discloses those judgments or assumptions; or

e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

4) Amendments to IAS 8 "Definition of Accounting Estimates"

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

5) Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporary differences arise on initial recognition. The Group will recognize a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations on January 1, 2022, and recognize the cumulative effect of initial application in retained earnings at that date. The Group will apply the amendments prospectively to transactions other than leases and decommissioning obligations that occur on or after January 1, 2022.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 13, Tables 8 and 9 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2020.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Taxation

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Refer to the consolidated financial statements for the year ended December 31, 2020.

6. CASH AND CASH EQUIVALENTS

	June 30, 2021	December 31, 2020	June 30, 2020
Cash on hand	$ 1,944	$ 2,373	$ 2,328
Demand deposits	27,015,731	18,615,016	22,347,620
Cash equivalents (investments with original maturities of 3 months or less)			
Short-term bills	169,302	219,105	311,796
Time deposits	3,499,163	4,048,699	6,676,325
	$ 30,686,140	$ 22,885,193	$ 29,338,069

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2021	December 31, 2020	June 30, 2020
Financial assets at fair value through profit or loss (FVTPL) - current			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	$ 137,797	$ 68,536	$ 14,916

(Continued)

	June 30, 2021	December 31, 2020	June 30, 2020
Non-derivative financial assets			
Overseas listed shares			
Canoo Inc.	$ 277,028	$ 393,410	$ -
Hybrid financial assets			
Structured deposits	496,157	501,283	-
	$ 910,982	$ 963,229	$ 14,916
Financial assets at FVTPL - non-current			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Overseas listed shares			
Sanshin Electronics Co., Ltd.	$ 27,236	$ 28,593	$ 21,177
Ryosan Co., Ltd.	16,165	16,421	19,427
The 77 Bank Ltd.	9,281	11,717	13,317
Hagiwara Electric Holdings Co., Ltd.	6,020	6,756	5,606
	58,702	63,487	59,527
Overseas unlisted shares			
SK Tech Co., Ltd.	641	656	623
Nyuzen Machidukuri Kahihatsu.	28	29	30
NTT Card Solution Inc.	-	4,789	4,775
Techno Plaza Miyagi Inc.	-	-	7,148
	669	5,474	12,576
Domestic unlisted shares			
Hsin Bung International Co., Ltd.	33,622	33,622	33,622
Jihsun Securities Investment Trust Co., Ltd.	12,000	12,000	12,000
Linko International Golf & Country Club	482	482	482
	46,104	46,104	46,104
Foreign public funds			
PIMCO Mortgage Opportunities and Bond Fund Institutional Class.	83,720	-	-
Foreign private funds			
Wise Road Industry Investment Fund I, L.P.	199,764	187,633	-
New Epoch Investment Partners Limited.	85,840	-	-
	285,604	187,633	-
	$ 474,799	$ 302,698	$ 118,207
Financial liabilities at FVTPL - current			
Financial liabilities mandatorily classified as at FVTPL			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	$ 137,226	$ 70,506	$ 36,819
Convertible options (Note 19)	1,616	4,848	19,932
	$ 138,842	$ 75,354	$ 56,751

(Concluded)

At the end of the period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
June 30, 2021			
Buy	USD/CNY	2021.07.02	USD10,000/CNY63,990
Buy	EUR/USD	2021.07.02-2021.09.24	EUR106,000/USD126,781
Buy	USD/NTD	2021.07.06-2021.06.14	USD638,100/NTD17,594,316
Sell	USD/CNY	2021.07.02-2021.02.23	USD192,819/CNY1,246,462
Sell	USD/NTD	2021.07.06-2021.07.30	USD97,000/NTD2,730,584
Sell	USD/JPY	2021.07.12-2021.08.24	USD46,949/JPY5,491,025
Sell	USD/THB	2021.07.21-2021.11.22	USD40,500/THB1,274,881
Sell	USD/GBP	2021.07.30	USD5,039/GBP7,000
December 31, 2020			
Buy	USD/NTD	2021.01.06-2021.09.28	USD468,150/NTD13,150,151
Buy	USD/JPY	2021.01.28	USD211,000/JPY21,817,400
Buy	EUR/USD	2021.03.24	EUR6,000/USD7,352
Sell	USD/NTD	2021.01.07	USD8,500/NTD240,108
Sell	USD/THB	2021.01.21-2021.02.22	USD12,000/THB360,981
Sell	USD/EUR	2021.01.21	USD5,903/EUR5,000
Sell	USD/CNY	2021.01.20-2021.02.26	USD22,000/CNY144,218
June 30, 2020			
Buy	USD/NTD	2020.07.13-2020.12.30	USD504,000/NTD14,946,003
Buy	EUR/USD	2020.07.24	EUR6,000/USD6,745
Sell	USD/JPY	2020.07.01	USD1,000/JPY107,100
Sell	USD/THB	2020.07.22-2020.08.21	USD14,500/THB460,011

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2021	December 31, 2020	June 30, 2020
Non-current			
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)	$ 1	$ 1	$ 1

Investments in equity instruments at FVTOCI

	June 30, 2021	December 31, 2020	June 30, 2020
Non-current			
Domestic investments			
Listed shares and emerging market shares			
TA-I Technology Co., Ltd.	$ 1	$ 1	$ 1

These investments in equity instruments are held for medium to long-term strategic purposes and expected to profit through long-term investments. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2021	December 31, 2020	June 30, 2020
Current			
Domestic investments			
Time deposits with original maturities of more than 3 months	$ 9,943,960	$ 15,060,924	$ 8,875,757
Financial products (b)	-	285,080	-
	$ 9,943,960	$ 15,346,004	$ 8,875,757
Non-current			
Foreign investments			
Corporate bonds (a)	$ 6,647,855	$ 3,805,377	$ 3,758,587
Time deposits with original maturities of more than 1 year	1,423,755	-	-
	$ 8,071,610	$ 3,805,377	$ 3,758,587

a. At the end of the period, corporate bonds bought by the Group were as follows:

Period	Purchase Amount (In Thousands)	Coupon Rate	Rate of Effective Interest
August to October 2017	US$ 66,600	3.25%-5.50%	2.93%-3.66%
August to November 2018	US$ 6,695	4.10%-4.88%	3.84%-3.95%
March to December 2019	US$ 10,590	1.14%-6.08%	2.85%-6.80%
March to December 2020	US$ 28,550	1.27%-6.38%	1.17%-6.84%
October 2019	EUR 8,000	6.13%	2.51%
January to June 2021	US$ 51,700	2.30%-7.50%	1.89%-3.66%
February to June 2021	RMB 389,000	2.95%-3.24%	2.95%-3.24%

From February to March 2020, part of the bonds were sold to manage credit concentration risk; the bonds were sold at fair value of $19,003 thousand.

b. The trading partners of the Group are financial institutions with good credit ratings, and the short-term financial products invested in are with bank guaranteed principal and interests. The credit risk has been assessed by investigating the final capital destination and its impacts on principal and interests. After assessing that the time deposits have low credit risk, no allowance for loss is recognized.

10. HEDGING FINANCIAL INSTRUMENTS

	June 30, 2021	December 31, 2020	June 30, 2020
Financial assets - current			
Cash flow hedges			
Foreign exchange forward contracts	$ 102,237	$ 148,783	$ -
Financial assets - non-current			
Cash flow hedges			
Foreign exchange forward contracts	$ -	$ 5,340	$ -
Net investment in a foreign operation hedges			
Cross-currency swap contracts	383,783	-	-
	$ 383,783	$ 5,340	$ -
Financial liabilities - current			
Cash flow hedges			
Foreign exchange forward contracts	$ -	$ -	$ 271,708
Financial liabilities - non-current			
Cash flow hedges			
Cross-currency swap contracts	$ 506,453	$ 95,999	$ 124,032
Foreign exchange forward contracts	4,026	-	-
Net investment in a foreign operation hedges			
Cross-currency swap contracts	-	39,883	-
	$ 510,479	$ 135,882	$ 124,032

Cash flow hedges

The Group entered into foreign exchange forward contracts and cross-currency swap contracts, which were used to partially hedge foreign exchange rate risks associated with certain highly probable forecast transactions and exchange rate fluctuations of foreign currency denominated assets and liabilities. The hedge ratio was adjusted in response to the changes in the financial market and capped at 100%.

On the basis of economic relationships, the Group expects that the value of foreign exchange forward contracts, cross-currency swap contracts and the value of hedged forecast transaction will change in opposite directions in response to movements in foreign exchange rates.

The main source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty's own credit risk on the fair value of the foreign exchange forward contracts and cross-currency swap contracts. No other sources of ineffectiveness emerged from these hedging relationships. Refer to Note 22 for information about gain (loss) on hedging instruments and transferred to initial carrying amount of hedged items for the six months ended June 30, 2021 and 2020.

The following table summarized the information relating to the hedges of foreign currency risk.

June 30, 2021

Hedging Instruments	**Contract Amount (In Thousands of US$)**	**Maturity**
Foreign exchange forward contracts	US$ 91,937	2021.07-2022.08
Cross-currency swap contracts	US$ 469,765	2024.09

The rate of interest paid and rate of interest received under cross-currency swap contracts were 4.94% and 6.25%, respectively.

The amount of accumulated losses on hedging instruments in other equity was $(93,200) thousand due to the Group's continuing hedges.

December 31, 2020

Hedging Instruments	**Contract Amount (In Thousands of US$)**	**Maturity**
Foreign exchange forward contracts	US$ 74,685	2021.01-2022.02
Cross-currency swap contracts	US$ 494,490	2024.09

The rate of interest paid and rate of interest received under cross-currency swap contracts were 4.94% and 6.25%, respectively.

The amount of accumulated losses on hedging instruments in other equity was $350,307 thousand due to the Group's continuing hedges.

June 30, 2020

Hedging Instruments	**Contract Amount (In Thousands of US$)**	**Maturity**
Foreign exchange forward contracts	US$ 81,740	2020.07-2021.06
Cross-currency swap contracts	US$ 519,215	2024.09

The rate of interest paid and rate of interest received under cross-currency swap contracts were 4.94% and 6.25%, respectively.

The amount of accumulated losses on hedging instruments in other equity was $(77,100) thousand due to the Group's continuing hedges.

11. NOTES RECEIVABLE AND TRADE RECEIVABLES

	June 30, 2021	December 31, 2020	June 30, 2020
Notes receivable			
At amortized cost			
Gross carrying amount	$ 28,794	$ 38,702	$ 71,531
Notes receivable - operating	$ 28,794	$ 38,702	$ 71,531
Trade receivables			
At amortized cost			
Gross carrying amount	$ 18,466,882	$ 13,857,127	$ 15,510,829
Less: Allowance for impairment loss	(70,691)	(129,291)	(171,665)
	18,396,191	13,727,836	15,339,164
Trade receivables - related party (Note 31)			
At amortized cost			
Gross carrying amount	374,485	245,882	294,238
	$ 18,770,676	$ 13,973,718	$ 15,633,402

Trade Receivables

The average credit period of sales of goods was 30-90 days. No interest was charged on trade receivables. The Group adopted a policy of dealing with major customers that the Group could use other publicly available financial information or its own trading records to rate and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

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

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

The aging of trade receivables was as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Current term	$ 17,963,190	$ 12,938,436	$ 14,537,320
Past due			
1-60 days	759,942	977,198	962,068
61-90 days	25,184	30,670	54,350
91-181 days	20,132	33,061	58,047
More than 181 days	72,919	123,644	193,282
	$ 18,841,367	$ 14,103,009	$ 15,805,067

The above aging schedule was based on the past due days from end of credit term.

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

	For the Six Months Ended June 30	
	2021	2020
Balance at January 1	$ 129,291	$ 130,752
Acquisitions through business combinations	-	58,704
Less: Net remeasurement of loss allowance	(4,528)	(6,113)
Less: Amounts written off	(28,932)	(7,441)
Foreign exchange gains and losses	(25,140)	(4,237)
Balance at June 30	$ 70,691	$ 171,665

The trade receivables pledged as collateral for bank borrowings are set out in Note 32.

12. INVENTORIES

	June 30, 2021	December 31, 2020	June 30, 2020
Finished goods and merchandise	$ 5,187,744	$ 4,552,273	$ 5,404,126
Work in progress	3,389,692	3,270,893	3,679,813
Raw materials	7,725,822	5,756,725	5,374,054
Supplies	178,099	175,358	897,435
Inventory in transit	1,206,096	768,031	622,898
	$ 17,687,453	$ 14,523,280	$ 15,978,326

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

	April 1 to June 30, 2021	April 1 to June 30, 2020	January 1 to June 30, 2021	January 1 to June 30, 2020
Cost of inventories sold	$ 16,291,923	$ 7,803,360	$ 30,833,783	$ 13,896,240
Inventory write-downs (reversed)	62,267	(302,481)	(7,136)	(411,729)
	$ 16,354,190	$ 7,500,879	$ 30,826,647	$ 13,484,511

The inventories pledged as collateral for bank borrowings are set out in Note 32.

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

			Proportion of Ownership (%)			
Investor	Investee	Nature of Activities	June 30, 2021	December 31, 2020	June 30, 2020	Remark
Yageo Corporation	Yageo Holding (Bermuda) Ltd.	Investment	100.00	100.00	100.00	
	Ko-Shin Investment Limited.	Investment	100.00	100.00	100.00	a.
	Brightking Holdings Limited	Holding company	100.00	100.00	100.00	
	Yageo Corporation (South Asia)	Selling electronic components	100.00	100.00	100.00	a.
	Yageo Europe Holding B.V.	Holding company	100.00	100.00	100.00	
	Yageo America LLC.	Selling electronic components	-	-	100.00	a. c.
	Yageo South Asia (M) Sdn. Bhd.	Selling electronic components	100.00	100.00	100.00	a.
	Pulse Electronics Corporation	Holding company	100.00	100.00	100.00	
	Yageo Holding Hungary LLC	Holding company	100.00	100.00	100.00	
Yageo Holding (Bermuda) Ltd.	Yageo (Hong Kong) Limited	Investment	100.00	100.00	100.00	
	Yageo USA (H.K.) Limited	Selling passive components	100.00	100.00	100.00	
	Ko-E Holding (Cayman)	Holding company	97.35	97.35	97.35	
	Vitrohm Holding GmbH	Investment	100.00	100.00	100.00	a.
	Yageo Korea	Sales of resistors	100.00	100.00	100.00	a.
	Yageo Japan	Sales of resistors	100.00	100.00	100.00	a.
	Hsu Tai International (H.K.) Ltd.	Investment	100.00	100.00	100.00	a.
Brightking Holdings Limited	Brightking Enterprise (H.K.) Co., Ltd.	Selling overvoltage and overcurrent protection electronic components	100.00	100.00	100.00	a.
Pulse Electronics Corporation	Egston Holding GmbH	Holding company	100.00	100.00	100.00	
Yageo Holding Hungary LLC	KEMET Corporation	Selling electronic components	100.00	100.00	100.00	
Yageo (Hong Kong) Limited	Yageo Electronics (China) Co., Ltd.	Manufacturing and selling Passive components	100.00	100.00	100.00	
	Yageo Electronics (Dongguan) Co., Ltd.	Manufacturing and selling Passive components	100.00	100.00	100.00	a.
	Yageo (Suzhou) Trade Co., Ltd.	Selling passive components	100.00	100.00	100.00	a.
	Yageo Components (Suzhou) Co., Ltd.	Manufacturing and selling Passive components	100.00	100.00	100.00	a.
Ko-E Holding (Cayman)	Ko-E (H.K.) Limited	Selling electronic components	100.00	100.00	100.00	
	Ko-E Electronics Trade Co., Ltd.	Selling electronic components	100.00	100.00	100.00	a.
	Ko-E Electronic (Hong Kong) Limited	Selling electronic components	100.00	-	-	a. d.
Brightking Enterprise (H.K.) Co., Ltd.	Bestbright Electronics Co., Ltd.	Manufacturing and selling overvoltage and overcurrent protection electronic components	100.00	100.00	100.00	a.
	Brightking Electronics Co., Ltd.	Manufacturing and selling overvoltage and overcurrent protection electronic components	100.00	100.00	100.00	a.
	Bestbright Electronics Co., Ltd. (Taiwan)	Manufacturing and selling overvoltage and overcurrent protection electronic components	100.00	100.00	100.00	a. b.
	Huizhou Lien Shun Electronics Co., Ltd.	Manufacturing and selling overvoltage protection electronic components	28.37	28.37	28.37	a.
Ko-E (H.K.) Limited	Ko-E Technology (Shenzhen) Co., Ltd.	Selling electronic components	100.00	100.00	100.00	a.
Bestbright Electronics Co., Ltd.	Brightking (Shenzhen) Co., Ltd.	Selling overvoltage and overcurrent protection electronic components	100.00	100.00	100.00	a.
	Ceramate Technical (Suzhou) Co., Ltd.	Manufacturing and selling overvoltage and overcurrent protection electronic components	100.00	100.00	100.00	a.

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%) June 30, 2021	December 31, 2020	June 30, 2020	Remark
	Zhejiang Bestbright Electronics Co., Ltd.	Manufacturing and selling overvoltage and overcurrent protection electronic components	100.00	100.00	100.00	a.
Brightking (Shenzhen) Co., Ltd.	Brightking (Shanghai) Co., Ltd.	Selling overvoltage and overcurrent protection electronic components	100.00	100.00	100.00	a.
	Brightking (Beijing) Co., Ltd.	Selling overvoltage and overcurrent protection electronic components	100.00	100.00	100.00	a.
	Huizhou Lien Shun Electronics Co., Ltd.	Manufacturing and selling overvoltage protection electronic components	71.63	71.63	71.63	a.
KEMET Corporation	KEMET Electronics Corporation	Manufacturing and selling electronic components	100.00	100.00	100.00	
KEMET Electronics Corporation	TOKIN Corporation	Manufacturing and selling electronic components	100.00	100.00	100.00	
	Yageo America LLC.	Selling electronic components	100.00	100.00	-	a. c.

(Concluded)

Remarks:

a. The Company is an immaterial subsidiary; its financial statements have not been reviewed.

b. The dissolution of the Bestbright Electronics Co., Ltd. (Taiwan) was approved, but the liquidation process has not been completed.

c. The Group had organizational restructuring in December 2020, and Yageo America Corporation, a subsidiary that was originally 100% owned by the Company, was changed to KEMET Electronics Corporation. Yageo America Corporation has changed its name to Yageo America LLC. in January 2021.

d. Established in the second quarter of 2021.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2021	December 31, 2020	June 30, 2020
Investments in associates	$ 5,250,929	$ 5,172,954	$ 6,360,100
Investments in joint ventures	53,566	63,943	51,253
	$ 5,304,495	$ 5,236,897	$ 6,411,353

a. Investments in associates

	June 30, 2021	December 31, 2020	June 30, 2020
Material associates			
Chilisin Electronics Corp.	$ 3,885,701	$ 3,822,025	$ 5,034,277
Associates that are not individually material			
Kaimei Electronic Corp.	685,477	638,616	621,454
Global Testing Corporation Limited (GTCL)	260,459	247,195	257,422
Nippon Yttrium Co., Ltd.	236,815	261,291	252,250
Strong Components Co., Ltd.	110,417	108,125	96,393
NT Sales Co., Ltd.	39,492	37,288	40,456

(Continued)

	June 30, 2021	December 31, 2020	June 30, 2020
Belkin International Enterprises Ltd. (Samoa)	$ 32,568	$ 33,005	$ 33,109
Guo Chuang Electronics (Dongguan) Co., Ltd. (Note)	-	25,409	24,739
	1,365,228	1,350,929	1,325,823
	$ 5,250,929	$ 5,172,954	$ 6,360,100

(Concluded)

Note: Cancelled in March 2021.

Material associates

Name of Associate	Proportion of Ownership and Voting Rights		
	June 30, 2021	December 31, 2020	June 30, 2020
Chilisin Electronics Corp.	11.50%	11.75%	11.87%

Refer to Table 8 "Information on Investees" and Table 9 "Information on Investments in Mainland China" for the nature of activities, principal places of business and countries of incorporation of the associates.

Fair values (Level 1) of investments in associates with available published price quotations are summarized as follows:

Name of Associate	June 30, 2021	December 31, 2020	June 30, 2020
Chilisin Electronics Corp.	$ 3,061,265	$ 3,394,670	$ 2,727,860
Kaimei Electronic Corp.	1,222,981	910,773	488,624
GTCL	69,953	66,275	62,023
	$ 4,354,199	$ 4,371,718	$ 3,278,507

Investments in Chilisin Electronics Corp. and Kaimei Electronic Corp. were accounted for using the equity method since the Group had significant influence over it.

Except for partial associates that are not individually material, investments which were accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on financial statements which have been reviewed.

b. Investments in joint ventures

	June 30, 2021	December 31, 2020	June 30, 2020
Joint ventures that are not individually material			
KEMET Jianghai Electronics Components Co., Ltd.	$ 53,566	$ 63,943	$ 51,253

Name of Joint ventures	June 30, 2021	December 31, 2020	June 30, 2020
	Proportion of Ownership and Voting Rights		
KEMET Jianghai Electronics Components Co., Ltd.	50%	50%	50%

KEMET Electronics Corporation, a subsidiary of the Company, entered into a joint venture agreement with Jianghai (Nantong) Film Capacitor Co., Ltd., for the establishment of KEMET Jianghai Electronics Components Co., Ltd. KEMET Electronics Corporation acquired 50% equity interest of KEMET Jianghai Electronics Components Co., Ltd. and represented the same number of seats on the board of directors as Jianghai (Nantong) Film Capacitor Co., Ltd.

15. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2021	December 31, 2020	June 30, 2020
Assets used by the Group	$ 41,894,796	$ 41,400,268	$ 38,417,995
Assets leased under operating leases	141,038	143,307	139,848
	$ 42,035,834	$ 41,543,575	$ 38,557,843

a. Assets used by the Group

	Freehold Land	Buildings	Machinery Equipment	Other Equipment	Construction in Progress and Unaccepted Equipment	Total
Cost						
Balance at January 1, 2021	$ 3,701,270	$ 22,130,685	$ 71,831,948	$ 5,514,598	$ 6,127,525	$ 109,306,026
Additions	1,325	372,589	1,300,713	82,001	2,682,460	4,439,088
Disposals	(6,343)	(95,505)	(1,089,318)	(189,394)	-	(1,380,560)
Effects of foreign currency exchange differences	(149,047)	(448,366)	(1,271,340)	(112,093)	(82,971)	(2,063,817)
Reclassifications	-	805,420	1,619,718	268,790	(2,866,110)	(172,182)
Balance at June 30, 2021	$ 3,547,205	$ 22,764,823	$ 72,391,721	$ 5,563,902	$ 5,860,904	$ 110,128,555
Accumulated depreciation and impairment						
Balance at January 1, 2021	$ 203,808	$ 10,460,872	$ 53,585,258	$ 3,655,820	$ -	$ 67,905,758
Disposals	(200,000)	(75,053)	(680,973)	(100,105)	-	(1,056,131)
Depreciation expense	-	541,571	1,667,399	256,301	-	2,465,271
Effects of foreign currency exchange differences	-	(156,960)	(903,887)	(20,292)	-	(1,081,139)
Balance at June 30, 2021	$ 3,808	$ 10,770,430	$ 53,667,797	$ 3,791,724	$ -	$ 68,233,759
Carrying amount at June 30, 2021	$ 3,543,397	$ 11,994,393	$ 18,723,924	$ 1,772,178	$ 5,860,904	$ 41,894,796
Carrying amount at December 31, 2020 and January 1, 2021	$ 3,497,462	$ 11,669,813	$ 18,246,690	$ 1,858,778	$ 6,127,525	$ 41,400,268
Cost						
Balance at January 1, 2020	$ 1,678,745	$ 14,389,830	$ 37,860,672	$ 3,102,427	$ 2,675,567	$ 59,707,241
Additions	-	4,897	83,201	57,411	2,232,152	2,377,661
Disposals	-	(13,100)	(190,907)	(35,079)	-	(239,086)
Acquisitions through business combinations	1,863,534	6,885,555	30,492,062	3,734,560	2,762,683	45,738,394
Transfers to assets leased under operating leases	(1,980)	(10,851)	-	-	-	(12,831)
Effects of foreign currency exchange differences	(35,437)	(379,061)	(984,779)	(82,344)	(246,253)	(1,727,874)
Reclassifications	-	611,945	942,065	45,119	(1,632,891)	(33,762)
Balance at June 30, 2020	$ 3,504,862	$ 21,489,215	$ 68,202,314	$ 6,822,094	$ 5,791,258	$ 105,809,743

(Continued)

	Freehold Land	Buildings	Machinery Equipment	Other Equipment	Construction in Progress and Unaccepted Equipment	Total
Accumulated depreciation and impairment						
Balance at January 1, 2020	$ 203,808	$ 6,848,016	$ 29,928,811	$ 2,352,036	$ -	$ 39,332,671
Disposals	-	(12,866)	(181,022)	(30,186)	-	(224,074)
Depreciation expense	-	389,571	859,392	136,467	-	1,385,430
Acquisitions through business combinations	-	3,030,695	22,630,147	2,287,532	-	27,948,374
Transfers to assets leased under operating leases	-	(3,557)	-	-	-	(3,557)
Effects of foreign currency exchange differences	-	(156,571)	(826,295)	(75,286)	-	(1,058,152)
Reclassifications	-	1,835	7,782	1,439	-	11,056
Balance at June 30, 2020	$ 203,808	$ 10,097,123	$ 52,418,815	$ 4,672,002	$ -	$ 67,391,748
Carrying amount at June 30, 2020	$ 3,301,054	$ 11,392,092	$ 15,783,499	$ 2,150,092	$ 5,791,258	$ 38,417,995

(Concluded)

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

Buildings	
Main buildings	40-56 years
Engineering system	40-56 years
Others	1-20 years
Machinery equipment	1-20 years
Other equipment	1-20 years

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 32.

b. Assets leased under operating leases

	Land	Buildings	Total
Cost			
Balance at January 1, 2021	$ 1,980	$ 227,491	$ 229,471
Effects of foreign currency exchange differences	-	(2,305)	(2,305)
Balance at June 30, 2021	$ 1,980	$ 225,186	$ 227,166
Accumulated depreciation and impairment			
Balance at January 1, 2021	$ -	$ 86,164	$ 86,164
Depreciation expense	-	2,786	2,786
Effects of foreign currency exchange differences	-	(2,822)	(2,822)
Balance at June 30, 2021	$ -	$ 86,128	$ 86,128
Carrying amount at June 30, 2021	$ 1,980	$ 139,058	$ 141,038
Carrying amount at December 31, 2020 and January 1, 2021	$ 1,980	$ 141,327	$ 143,307

(Continued)

	Land	Buildings	Total
Cost			
Balance at January 1, 2020	$ -	$ 214,531	$ 214,531
Transfers from assets used by the Group	1,980	10,851	12,831
Effects of foreign currency exchange differences	-	(6,551)	(6,551)
Balance at June 30, 2020	$ 1,980	$ 218,831	$ 220,811
Accumulated depreciation and impairment			
Balance at January 1, 2020	$ -	$ 77,828	$ 77,828
Depreciation expense	-	1,973	1,973
Transfers from assets used by the Group	-	3,557	3,557
Effects of foreign currency exchange differences	-	(2,395)	(2,395)
Balance at June 30, 2020	$ -	$ 80,963	$ 80,963
Carrying amount at June 30, 2020	$ 1,980	$ 137,868	$ 139,848

(Concluded)

Operating leases relate to lease of the property owned by the Group with lease terms between 1 to 5 years. All operating lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating lease payments was as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Not later than 1 year	$ 8,048	$ 22,113	$ 19,337
Later than 1 year and not later than 5 years	1,849	983	7,968
	$ 9,897	$ 23,096	$ 27,305

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

Buildings	
Main buildings	50-56 years

16. GOODWILL

	For the Six Months Ended June 30	
	2021	2020
Cost		
Balance at January 1	$ 38,526,685	$ 21,377,750
Acquisitions through business combinations (Note 27)	-	18,034,381
Effect of foreign currency exchange differences	(2,319,116)	(282,517)
Balance at June 30	$ 36,207,569	$ 39,129,614

In the second quarter of 2021, the Group received the valuation report which indicated that the fair value of other current assets, property, plant and equipment, intangible assets, other non-current assets, current liabilities and non-current liabilities of KEMET Corporation at the date of acquisition was $23,157,308 thousand. The 2020 comparative figures have been restated as if the initial accounting was completed at the acquisition date.

The balances of the items on the consolidated balance sheets before and after the adjustments are the following:

	Acquisition Date (Provisional Amount)	Acquisition Date (Fair Value)
Goodwill adjustments	$ 31,453,468	$ 18,034,381
Other current assets	14,535,243	15,789,591
Property, plant and equipment	16,732,267	17,790,020
Intangible assets	1,635,090	16,613,291
Other non-current assets	3,026,584	3,012,159
Current liabilities	(12,217,506)	(12,239,047)
Non-current liabilities	(13,973,457)	(17,808,706)

17. OTHER INTANGIBLE ASSETS

	Computer Software	Patents and Proprietary Technology	Customer Relationships	Trademark	Others	Total
Cost						
Balance at January 1, 2021	$ 2,122,931	$ 2,075,731	$ 1,397,579	$ 16,853,158	$ 111,092	$ 22,560,491
Additions	2,960	-	-	-	129,505	132,465
Disposals	-	(8,651)	-	-	-	(8,651)
Reclassifications	9,658	-	-	-	164,573	174,231
Effects of foreign currency exchange differences	(67,417)	(76,857)	(79,081)	(596,922)	(7,354)	(827,631)
Balance at June 30, 2021	$ 2,068,132	$ 1,990,223	$ 1,318,498	$ 16,256,236	$ 397,816	$ 22,030,905

(Continued)

	Computer Software	Patents and Proprietary Technology	Customer Relationships	Trademark	Others	Total
Accumulated amortization						
Balance at January 1, 2021	$ 1,555,505	$ 225,319	$ 249,282	$ -	$ 12,144	$ 2,042,250
Amortization expense	81,396	101,287	69,045	-	29,740	281,468
Disposals	-	(8,651)	-	-	-	(8,651)
Effects of foreign currency exchange differences	(32,533)	(14,093)	(18,410)	-	(860)	(65,896)
Balance at June 30, 2021	$ 1,604,368	$ 303,862	$ 299,917	$ -	$ 41,024	$ 2,249,171
Carrying amount at June 30, 2021	$ 463,764	$ 1,686,361	$ 1,018,581	$ 16,256,236	$ 356,792	$ 19,781,734
Carrying amount at December 31, 2020 and January 1, 2021	$ 567,426	$ 1,850,412	$ 1,148,297	$ 16,853,158	$ 98,948	$ 20,518,241
Cost						
Balance at January 1, 2020	$ 329,371	$ 739,902	$ 1,055,883	$ 2,854,305	$ 16,246	$ 4,995,707
Additions	879	-	-	-	-	879
Acquisitions through business combinations	119,277	1,409,956	360,659	14,775,695	-	16,665,587
Reclassifications	22,397	-	-	-	-	22,397
Effects of foreign currency exchange differences	(3,218)	(20,147)	(5,154)	(211,152)	-	(239,671)
Balance at June 30, 2020	$ 468,706	$ 2,129,711	$ 1,411,388	$ 17,418,848	$ 16,246	$ 21,444,899
Accumulated amortization						
Balance at January 1, 2020	$ 253,748	$ 81,792	$ 124,607	$ -	$ -	$ 460,147
Acquisitions through business combinations	52,296	-	-	-	-	52,296
Amortization expense	24,133	41,406	55,555	-	-	121,094
Effects of foreign currency exchange differences	(1,394)	(73)	(18)	-	-	(1,485)
Balance at June 30, 2020	$ 328,783	$ 123,125	$ 180,144	$ -	$ -	$ 632,052
Carrying amount at June 30, 2020	$ 139,923	$ 2,006,586	$ 1,231,244	$ 17,418,848	$ 16,246	$ 20,812,847

(Concluded)

The trademark and other intangible assets acquired through business combinations. Various studies including industrial characteristics, product life cycle studies and enterprise characteristics have been performed by management of the Group, which supported their opinion that there is no foreseeable limit to the period over which the trademarked products are expected to generate net cash flows. Therefore, the trademark and partial other intangible assets are considered to have an indefinite useful life. The trademark and partial other intangible assets will not be amortized until their useful life are determined to be finite. However, they will be tested for impairment annually whenever there are an indication that they may be impaired or not.

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	1-5 years
Patents and proprietary technology	10-18 years
Customer relationships	9.5-21 years
Others	15 years

18. BORROWINGS

a. Short-term borrowings

	June 30, 2021	December 31, 2020	June 30, 2020
Unsecured borrowings			
Line of credit borrowings	$ 36,159,999	$ 38,051,650	$ 32,296,868

The range of effective interest rates on short-term bank loans was 0.35%-3.00%, 0.50%-2.65% and 0.54%-3.25% per annum at June 30, 2021, December 31, 2020 and June 30, 2020, respectively.

b. Short-term bills payable

	June 30, 2021	December 31, 2020	June 30, 2020
Commercial paper	$ 11,700,000	$ 500,000	$ 500,000
Repurchase agreements collateralized by bonds	91,030	-	-
Less: Unamortized discount on bills payable	(13,941)	(95)	(15)
	$ 11,777,089	$ 499,905	$ 499,985

Outstanding short-term bills payable were as follows:

June 30, 2021

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
Commercial paper						
CBF Bills	$ 2,600,000	$ 3,355	$ 2,596,645	0.398%-0.838%	-	$ -
TFC Bills	2,300,000	2,646	2,297,354	0.358%-0.838%	-	-
Mega Bills	2,300,000	2,864	2,297,136	0.398%-0.838%	-	-
Taching Bills	2,300,000	2,931	2,297,069	0.398%-0.838%	-	-
IBFC Bills	1,200,000	870	1,199,130	0.378%	-	-
Grand Bills	1,000,000	1,275	998,725	0.358%	-	-
	$ 11,700,000	$ 13,941	$ 11,686,059			$ -

December 31, 2020

Promissory Institutions	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
Commercial paper						
Mega Bills	$ 500,000	$ 95	$ 499,905	0.882%	-	$ -

June 30, 2020

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
Commercial paper						
Mega Bills	$ 500,000	$ 15	$ 499,985	0.882%	-	$ -

c. Long-term borrowings

	June 30, 2021	December 31, 2020	June 30, 2020
Secured borrowings			
Bank loans	$ 5,092,506	$ 29,414,545	$ 38,104,239
Unsecured borrowings			
Line of credit borrowings	18,124,191	5,436,601	1,833,629
Less: Current portions	(761,978)	(1,520,146)	-
	$ 22,454,719	$ 33,331,000	$ 39,937,868

The range of effective interest rates on long-term bank loans was 0.6050%-1.3750%, 0.6050%-1.7970% and 0.6050%-2.3764% per annum at June 30, 2021, December 31, 2020 and June 30, 2020, respectively.

Creditor	Credit Lines	Credit Period	Interest Rate	Repayment Agreement
TFC Bank Co., Ltd. (1)	$ 3,000,000	Five years after the date of first borrowing	Variable interest rate based on the two-year fixed deposit of Chunghwa Post Co., Ltd. and the actual receipt must not be less than 1%	Three-year grace period. Monthly installments after expiration of grace period
CTBC Bank Co., Ltd.	5,000,000	Machinery equipment: Ten years after the date of first borrowing Revolving fund: Seven years after the date of first borrowing	Variable interest rate based on the two-year fixed deposit of Chunghwa Post Co., Ltd. and the actual receipt must not be less than 1%	Three-year grace period. Monthly installments after expiration of grace period
Mega International Commercial Bank	4,000,000	Machinery equipment: Seven years after the date of first borrowing Factory building: Ten years after the date of first borrowing	Variable interest rate based on the two-year fixed deposit of Chunghwa Post Co., Ltd. and the actual receipt must not be less than 0.8%	Three-year grace period. Monthly installments after expiration of grace period
Chang Hwa Commercial Bank, Ltd.	560,000	Seven years after the date of first borrowing	Variable interest rate based on the two-year fixed deposit of Chunghwa Post Co., Ltd. and the actual receipt must not be less than 1%	Three-year grace period. Monthly installments after expiration of grace period
Chang Hwa Commercial Bank, Ltd.	2,000,000	Seven years after the date of first borrowing	Variable interest rate based on the two-year fixed deposit of Chunghwa Post Co., Ltd. and the actual receipt must not be less than 1.5%	Three-year grace period. Monthly installments after expiration of grace period

(Continued)

Creditor	Credit Lines	Credit Period	Interest Rate	Repayment Agreement
Bank of Taiwan and twenty one other financial institutions (2)	A: $41,000,000 A-1: Mid-term demand loan $25,600,000 A-2: Commercial paper guarantee $20,500,000 The total credit lines of A-1 and A-2 do not exceed $41,000,000	Five years after the date of first borrowing	A-1: Fixed rate based on a specific average rate of notes transacted in Taiwan A-2: TAIBIR 02 as benchmark interest rate	Sixty months after the date of first borrowing
	B: $7,500,000	Three years after the date of first borrowing	Fixed rate based on a specific average rate of notes transacted in Taiwan	Repay every six months from 1 year after the date of first borrowing
Jihsun Bank	$ 300,000	2023.09.10	Not lower than the bank's index line index interest rate + 0.17% mobile interest calculation	Repay at maturity
Bank SinoPac Co., Ltd.	1,500,000	2020.03.25-2022.03.25	Continuous price negotiation	Repay at maturity
MUFG Bank, Ltd. Hong Kong Branch	US$ 30,000	Two years from the date of first borrowing	Based on bank	Two years from the date of first borrowing
DBS Bank, Ltd.	US$ 100,000	Two or three years from the date of first borrowing	Based on bank	Two or three years from the date of first borrowing
MUFG Bank, Ltd.	3,500,000	Three years from the date of first borrowing	Fixed rate of 0.89% for the first year, and 0.90% for the second and third year	Three years from the date of first borrowing
Ceska Sporitelna	EUR 4,500	2018.2.14- 2023.11.30	Fixed interest rate 1.375%	Monthly installments since December 31, 2018
Sumitomo Mitsui Trust Bank, Ltd., MHBK Bank and DBJ Bank	¥ 11,000,000	2021.02.26-2024.09.30	0.57%+3 month JPY TIBOR	Repay JPY737,000 half-yearly
Sumitomo Mitsui Trust Bank, Ltd., MHBK Bank and DBJ Bank	¥ 16,500,000	2021.02.26-2024.09.30	0.65%+3 month JPY TIBOR	Repay on due date
Second interest-free loan from the Portuguese government	€ 2,500	2017.01.01-2025.09.01	Governmental interest-free loan	Repay EUR200 thousand in February and August each year
Second interest-free loan from the Portuguese government	€ 900	2019.02.01-2026.09.01	Governmental interest-free loan	From March 1, 2021, repay EUR100 thousand in March and September each year

1) The Company will have to maintain its interim and annual current ratios, debt ratios, and interest coverage ratios at percentages specifies in the agreement.

2) The Company pledged the freehold land, office buildings and machinery equipment of the factory located in the administrative office in Xindian, New Taipei City, the Nan-Zi Branch, the Da-fa industrial estate and a capacitor-line factory in a village in Dashe, Kaohsiung City as collateral for loans. The Company will have to maintain its interim and annual current ratios, debt ratios and interest coverage ratios at percentages specified in the agreement.

19. BONDS PAYABLE

	June 30, 2021	December 31, 2020	June 30, 2020
Overseas convertible bonds	$ 5,387,040	$ 5,387,040	$ 5,387,040
Unsecured domestic bonds	5,500,000	-	-
Less: Discounts on bonds payable	(258,006)	(282,246)	(313,252)
	$ 10,629,034	$ 5,104,794	$ 5,073,788

a. Overseas convertible bonds

On March 2, 2020, the Corporation's board of directors resolved to issue overseas unsecured convertible bonds for the fifth time. This proposal was approved and became effective under the letter issued by the FSC dated March 26, 2020 (Financial-Supervisory-Securities-Corporate Issue No.10903342431). The bonds with a duration of 5 years were listed on the Singapore Stock Exchange on May 26, 2020. This zero-coupon overseas convertible bonds have a face value of US$180,000 thousand.

Bondholders may request the Company to convert the bonds into the Company's ordinary shares at any time within the period from the following day after three months from the issuance date to 10 days prior to maturity, or the date on which the bondholder exercises the right to buy back or until the fifth business day before the Company exercises the early redemption right. The conversion price ($485 per share) at the time of issuance is determined by 30% premium to closing price of the Company's ordinary shares on the Taiwan Stock Exchange. Number of shares converted should be decided by face value of the bonds at a fixed exchange rate of US$1: NT$29.928, which is to be divided by the conversion price per share on the conversion date. The conversion price after the issuance of convertible bonds will be adjusted according to the anti-dilution clause of the Conversion Rules of the Company. As of June 30, 2020, the conversion price has been adjusted to $468.64 per share.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - equity component of convertible bonds. The effective interest rate of the liability component was 1.22% per annum on initial recognition.

Proceeds from issuance (less transaction costs of $41,316 thousand)	$ 5,345,724
Equity component (less transaction costs allocated to the equity component of $1,963 thousand)	(252,844)
Buy-back/redemption rights derivative instruments	(24,242)
Liability component at the date of issue (less transaction costs allocated to the liability component of $39,353 thousand)	5,068,638
Interest charged at an effective interest rate of 1.22%	67,351
Liability component at June 30, 2021	$ 5,135,989

b. Unsecured domestic bonds

On May 3, 2021, the Company issued five-year unsecured domestic bonds with an aggregate principal amount of $5,500,000 thousand and an annual simple interest rate of 0.68%. The principal will be repaid in a lump sum on May 3, 2026.

20. OTHER LIABILITIES

	June 30, 2021	December 31, 2020	June 30, 2020
Current			
Other payables			
Payables for dividends	$ 4,966,875	$ 7,686	$ 6,417,067
Payables for salaries or bonuses	3,131,932	3,059,080	2,223,499
Payables for compensation of employees and remuneration of directors	1,688,228	1,161,032	900,222
Payables for purchases of equipment	570,418	1,032,674	1,145,622
Payables for annual leave	153,242	132,045	438,288
Others	6,090,832	5,147,962	7,364,887
	16,601,527	10,540,479	18,489,585
Other payables - related party (Note 31)	-	1,741	1,841
	$ 16,601,527	$ 10,542,220	$ 18,491,426

21. RETIREMENT BENEFIT PLANS

For the three months ended June 30, 2021 and 2020, the pension expenses of defined benefit plans were $38,129 thousand and $9,265 thousand, respectively. For the six months ended June 30, 2021 and 2020, the pension expenses of defined benefit plans were $80,265 thousand and $16,106 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2020 and 2019, respectively.

22. EQUITY

a. Share capital

1) Ordinary shares

	June 30, 2021	December 31, 2020	June 30, 2020
Shares authorized (in thousands of shares)	4,000,000	4,000,000	4,000,000
Shares authorized	$ 40,000,000	$ 40,000,000	$ 40,000,000
Shares issued and fully paid (in thousands of shares)	4,988,884	496,943	493,667
Shares issued and fully paid	$ 4,988,839	$ 4,969,433	$ 4,936,670

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

The movements of the ordinary shares were due to the exercise of employee share options.

2) Global depositary receipts

The Company's global depositary receipts (GDRs) as of June 30, 2021 were as follows:

	GDRs (In Thousand Units)	Equivalent Ordinary Shares (In Thousand Shares)
Initial offering	5,000	25,000
Converted from overseas convertible bonds	34,981	174,903
Net increase due to capital increase or capital reduction	81,552	407,763
Reissued within authorized units	66,912	334,561
GDRs transferred to ordinary shares	(188,415)	(942,075)
Outstanding GDRs issued	30	152

The owners of GDRs have the same rights as holders of ordinary shares, except that the GDR owners should exercise, through a depositary trust company, the following beneficial interests subject to the terms of the depositary agreements and the relevant Taiwan laws and regulations:

a) Exercise voting rights;
b) Convert the GDRs into ordinary shares; and
c) Receive dividends and exercise preemptive rights or other rights and interests.

b. Capital surplus

	June 30, 2021	December 31, 2020	June 30, 2020
May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)			
Issuance of ordinary shares	$ 19,547,719	$ 20,479,562	$ 20,338,996
May only be used to offset a deficit			
Transferring from employee share options to issuance of ordinary shares due to exercise and expiration	780,297	778,352	880,275
May not be used for any purpose			
Share of changes in capital surplus of associates or subsidiaries (2)	1,575,118	1,581,364	2,782,114
Equity component of convertible bonds	252,844	252,844	252,844
Employee share options	-	7,035	13,640
	$ 22,155,978	$ 23,099,157	$ 24,267,869

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

2) Such capital surplus arises from the effect of changes in ownership interests in subsidiaries resulted from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the Company's Articles of Incorporation (the "Articles"), when the Company has earnings for the year, the Company shall appropriate for remuneration of directors at 3% or less and for employees' bonus of at least 2% of the earnings. Then, the Company shall make payments for taxes and offset past years' deficit, if any. The remaining profit shall be distributed in the following order:

1) Legal reserve is appropriated at 10% of the remaining profit until the legal reserve equals the Company's paid-in capital.

2) Special reserve is appropriated or reversed in accordance with the laws and regulations.

3) Appropriations for dividends and bonuses, of at least 10% of the remaining profit after appropriations for legal reserve and special reserve, may be proposed by the Company's board of directors and approved at the shareholders' meeting. However, if the earnings distribution proposal is for the distribution of dividend and bonus in cash entirely or partially, it shall be resolved by the board of directors with the attendance of more-than-two-thirds of the directors and consent of the majority of attending directors; also it shall be reported in the shareholders' meeting.

The Company's dividend policy takes into account the Company's current and future competitiveness in the domestic and foreign markets, the investment environment and cash requirements. The policy authorizes the Company's board to propose an earnings distribution in the form of shares or in cash appropriately in accordance with the laws and regulations, with the board's proposal subject to approval at the shareholders' meeting. For the policies on distribution of the compensation of employees and remuneration of directors and supervisors set forth in the Articles, refer to e. compensation of employees and remuneration of directors in Note 23.

If the Company has no loss, the legal reserve and the Company's additional paid-in capital as stipulated in Paragraph 1, Article 241 of the Company Law can be distributed to the shareholders proportionally according to the resolution of the Board of Directors with the attendance of more than two-thirds of the directors and the consent of the majority of attending directors; also, it shall be reported in the shareholders meeting.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2020 and 2019 were as follows:

	2020	2019
Legal reserve	$ 1,289,970	$ 711,871
Special reserve	$ 1,649,104	$ 1,298,169
Cash dividends	$ 3,967,351	$ 6,409,381
Cash dividends per share (NT$)	$ 8.00	$ 15.00

The above 2020 and 2019 appropriations for cash dividends were resolved by the Company's board of directors on April 22, 2021 and February 26, 2020, respectively; the other proposed appropriations for 2019 were resolved by the shareholders in their meeting on June 5, 2020.The Group suspends its originally scheduled shareholders' meeting in response to the FCS's announcement: "Measures for Public Companies to Postpone Shareholders' Meetings for Pandemic Prevention ". The shareholders' meeting was held on July 7, 2021. However, the voting result by electronic transmission on the other proposed appropriation for 2020 has not reached the legal resolution threshold and the Group has not adjusted the related amount accordingly.

On April 22, 2021, the Company's board of directors resolved to issue cash dividends of $991,838 thousand from capital surplus, at NT$2 per share, and plus the above cash dividends at NT$8 per share. The total cash dividends at NT$10 per share was issued for 2020.

d. Special reserve

	For the Six Months Ended June 30	
	2021	**2020**
Balance at January 1	$ 2,945,827	$ 1,647,658
Appropriations in respect of		
Debits to other equity items	-	1,298,169
Balance at June 30	$ 2,945,827	$ 2,945,827

e. Other equity items

1) Exchange differences on translation of the financial statements of foreign operations

	For the Six Months Ended June 30	
	2021	**2020**
Balance at January 1	$ (4,665,523)	$ (2,560,689)
Recognized for the year		
Exchange differences on translation of the financial statements of foreign operations	(4,039,232)	(1,478,990)
Share from associates accounted for using the equity method	(35,330)	(38,422)
Disposal of foreign operations	-	46,466
Balance at June 30	$ (8,740,085)	$ (4,031,635)

	Amount Before Tax	**Related Income Tax**	**Amount After Tax**
Balance at January 1, 2020	$ (3,200,862)	$ 640,173	$ (2,560,689)
Other comprehensive income (loss) recognized for the year	(1,850,299)	379,353	(1,470,946)
Balance at June 30, 2020	$ (5,051,161)	$ 1,019,526	$ (4,031,635)

(Continued)

	Amount Before Tax	Related Income Tax	Amount After Tax
Balance at January 1, 2021	$ (5,843,521)	$ 1,177,998	$ (4,665,523)
Other comprehensive income (loss) recognized for the year	(5,087,791)	1,013,229	(4,074,562)
Balance at June 30, 2021	$ (10,931,312)	$ 2,191,227	$ (8,740,085)

(Concluded)

2) Unrealized valuation gain/(loss) on financial assets at FVTOCI

	For the Six Months Ended June 30	
	2021	2020
Balance at January 1	$ 71,291	$ 52,457
Recognized for the year		
Unrealized gain - equity instruments	-	5,122
Share from associates accounted for using the equity method	11,773	1,577
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	(1,066)	(7)
Balance at June 30	$ 81,998	$ 59,149

3) Gain (loss) on hedging instruments

Cash flow hedges

	For the Six Months Ended June 30	
	2021	2020
Balance at January 1	$ 350,307	$ -
Recognized for the year		
Loss on changes in the fair value of hedging instruments	(93,200)	(77,100)
Balance at June 30	$ 257,107	$ (77,100)

f. Non-controlling interests

	For the Six Months Ended June 30	
	2021	2020
Balance at January 1	$ 38,474	$ -
Share in profit for the year	24,918	9,373
Other comprehensive loss during the year		
Exchange difference on translation of the financial statements of foreign operations	(618)	(501)
Issuance of subsidiary’s ordinary shares for cash	-	17,215
Cash dividends distributed by subsidiaries	(31,917)	-
Balance at June 30	$ 30,857	$ 26,087

g. Treasury shares

To boost employee morale, the Company's board resolved on July 17, 2018, to buy back up to 4,500 thousand ordinary shares with the buyback price ranging from NT$632.80 to NT$1,616.80 from July 19 to September 17, 2018 on the Taiwan Stock Exchange. As of September 17, 2018, the last day of the buyback period, the Company bought back 2,965 thousand shares at a total amount of $2,421,552 thousand.

To boost employee morale, the Company's board resolved on May 13, 2021, to buy back up to 4,000 thousand ordinary shares with the buyback price ranging from NT$409.50 to NT$655.00 from May 17 to July 13, 2021 on the Taiwan Stock Exchange. As of June 10, 2021, the Company bought back 4,000 thousand shares at a total amount of $1,879,155 thousand.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as rights to dividends and to vote.

23. NET INCOME FOR THE PERIOD

a. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	**2020**	**2021**	**2020**
Loss on disposal of property, plant and equipment	$ (29,004)	$ (2,211)	$ (41,583)	$ (2,051)
Net foreign exchange gains	44,888	268,221	645,641	251,014
Dividend income	2,559	4,680	2,559	4,680
Other gains	354,649	27,807	354,649	36,055
Other losses	(10,026)	(94,391)	(44,087)	(146,874)
	$ 363,066	$ 204,106	$ 917,179	$ 142,824

b. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	**2020**	**2021**	**2020**
Interest on bank loans	$ 145,240	$ 146,173	$ 402,432	$ 247,878
Interest on bond payable	69,628	190	70,399	309
Interest on short-term bills	22,094	5,150	37,668	5,150
Other finance costs	693	-	1,506	84
	$ 237,655	$ 151,513	$ 512,005	$ 253,421

c. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
An analysis of depreciation by function				
Operating costs	$ 1,085,783	$ 648,509	$ 2,218,943	$ 1,237,125
Operating expenses	169,916	104,159	375,418	174,686
	$ 1,255,699	$ 752,668	$ 2,594,361	$ 1,411,811
An analysis of amortization by function				
Operating costs	$ 61,863	$ 3,840	$ 84,999	$ 4,062
Operating expenses	84,809	59,057	200,478	116,340
Other expenses	2,352	828	4,705	2,170
	$ 149,024	$ 63,725	$ 290,182	$ 122,572

d. Employee benefit expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Post-employment benefits				
Defined contribution plan	$ 91,904	$ 61,502	$ 187,029	$ 115,140
Defined benefit plans (Note 21)	38,129	9,265	80,265	16,106
	130,033	70,767	267,294	131,246
Other employee benefits	2,934,227	1,925,160	5,773,413	3,760,842
Total employee benefit expense	$ 3,064,260	$ 1,995,927	$ 6,040,707	$ 3,892,088
An analysis of employee benefit expense by function				
Operating costs	$ 1,850,831	$ 1,158,018	$ 3,670,165	$ 2,368,051
Operating expenses	1,213,429	837,909	2,370,542	1,524,037
	$ 3,064,260	$ 1,995,927	$ 6,040,707	$ 3,892,088

e. Compensation of employees and remuneration of directors

The Company accrued compensation of employees and remuneration of directors at rates of no less than 2% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the three months ended and the six months ended June 30, 2021 and 2020, were as follows:

Accrual rate

	For the Six Months Ended June 30	
	2021	**2020**
Compensation of employees	3%	3%
Remuneration of directors	3%	3%

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	**2020**	**2021**	**2020**
Employees' compensation	$ 229,057	$ 111,432	$ 395,778	$ 191,679
Remuneration of directors	$ 229,057	$ 111,432	$ 395,778	$ 191,679

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

The compensation of employees and remuneration of directors for the years ended December 31, 2020 and 2019, which were approved by the Company's board of directors on March 11, 2021 and February 26, 2020, respectively, were as follows:

	For the Year Ended December 31			
	2020		**2019**	
	Cash	**Shares**	**Cash**	**Shares**
Compensation of employees	$ 447,114	$ -	$ 258,432	$ -
Remuneration of directors	447,114	-	258,432	-

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

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

f. Gain or loss on foreign currency exchange

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Foreign exchange gains	$ 681,652	$ 972,629	$ 1,848,081	$ 1,315,129
Foreign exchange losses	(636,764)	(704,408)	(1,202,440)	(1,064,115)
	$ 44,888	$ 268,221	$ 645,641	$ 251,014

24. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Current tax				
In respect of current year	$ 2,158,784	$ 956,119	$ 2,832,203	$ 1,440,105
Adjustments for prior years	353,723	88,669	357,673	53,453
	2,512,507	1,044,788	3,189,876	1,493,558
Deferred tax				
In respect of current year	(465,398)	(81,114)	300,264	(8,830)
Adjustments for prior years	(37,473)	(93,593)	(37,473)	(93,593)
	(502,871)	(174,707)	262,791	(102,423)
Income tax expense recognized in profit or loss	$ 2,009,636	$ 870,081	$ 3,452,667	$ 1,391,135

b. Income tax recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Deferred tax				
In respect of the current year				
Translation of foreign operations	$ (681,060)	$ (320,834)	$ (1,013,229)	$ (379,353)
Total income tax recognized in other comprehensive income	$ (681,060)	$ (320,834)	$ (1,013,229)	$ (379,353)

c. Income tax assessments

The Company's income tax returns through 2018 have been assessed by the tax authorities.

25. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	**2020**	**2021**	**2020**
Basic earnings per share	$ 12.82	$ 7.01	$ 22.95	$ 12.59
Diluted earnings per share	$ 12.54	$ 6.95	$ 22.42	$ 12.48

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

Net Profit for the Year

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	**2020**	**2021**	**2020**
Earnings used in the computation of basic earnings per share	$ 6,331,361	$ 3,293,242	$ 11,336,395	$ 5,643,556
Effect of potentially dilutive ordinary shares				
Interest on convertible bonds (after tax)	12,497	-	24,956	-
Net gain on financial instrument at fair value through profit or loss	(2,155)	-	(3,232)	-
Earnings used in the computation of diluted earnings per share	$ 6,341,703	$ 3,293,242	$ 11,358,119	$ 5,643,556

The weighted average number of ordinary shares outstanding (in thousands of shares) is as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	**2020**	**2021**	**2020**
Weighted average number of ordinary shares used in the computation of basic earnings per share	493,974	469,798	493,983	448,146
Effect of potentially dilutive ordinary shares:				
Convertible bonds	11,495	-	11,495	-
Employee share options	-	2,830	-	2,830
Compensation of employees	413	884	1,191	1,095
Weighted average number of ordinary shares used in the computation of diluted earnings per share	505,882	473,512	506,669	452,071

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

26. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee share option plan in 2014

Please refer to the consolidated financial statements for the year ended December 31, 2020 for the employee share option plan in 2014.

Information on employee share options was as follows:

	For the Six Months Ended June 30			
	2021		2020	
	Number of Options (In Thousands of Units)	Weighted-average Exercise Price ($)	Number of Options (In Thousands of Units)	Weighted-average Exercise Price ($)
Balance at January 1	2,042	$38.90	5,369	$40.20
Options exercised	(1,900)	38.90	(2,219)	38.90-40.20
Options expired	(142)	-	-	-
Balance at June 30	-	-	3,150	38.90
Options exercisable, end of period	-		3,150	

Information about outstanding options was as follows:

	June 30	
	2021	2020
Range of exercise price (NT$)	$ -	$ 38.90
Weighted-average remaining contractual life (in years)	-	3.83

27. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
KEMET Corporation	Manufacturing and selling electronic components	June 2020	100.00	$ 49,228,815

In order to continue the expansion of the Group's activities in passive components and expand the scale of business and market visibility, the Company acquired KEMET Corporation in 2020. Due to the acquisition, the Group has benefited from the related synergies, entered into high-specification markets and strengthened its development in niche markets, such as automotive electronics and industrial specifications.

b. Consideration transferred

	KEMET Corporation
Cash	$ 49,228,815

c. Assets acquired and liabilities assumed at the date of acquisition

	KEMET Corporation
Current assets	
Cash and cash equivalents	$ 8,037,126
Other current assets	15,789,591
Non-current assets	
Property, plant and equipment	17,790,020
Intangible assets	16,613,291
Other non-current assets	3,012,159
Current liabilities	(12,239,047)
Non-current liabilities	(17,808,706)
	$ 31,194,434

d. Goodwill recognized on acquisitions

	KEMET Corporation
Consideration transferred	$ 49,228,815
Less: Fair value of identifiable net assets acquired	(31,194,434)
Goodwill recognized on acquisitions	$ 18,034,381

The goodwill recognized in the acquisitions of KEMET Corporation mainly represents the control premium included in the cost of the combinations. In addition, the consideration paid for the combinations effectively included amounts attributed to the benefits of expected synergies, revenue growth and future market development. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

e. Net cash outflow on the acquisition of subsidiaries

	KEMET Corporation
Consideration paid in cash	$ 49,228,815
Less: Cash and cash equivalent balances acquired	(8,037,126)
	$ 41,191,689

f. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition date, which are included in the consolidated statements of comprehensive income, were as follows:

	KEMET Corporation
Revenue	$ 1,635,793
Profit	$ 99,016

Had these business combinations been in effect at the beginning of the fiscal year, the Group's revenue would have been $21,070,354 thousand and $39,932,165 thousand for the three months and the six months ended June 30, 2020, respectively, and the profit would have been $3,495,268 thousand and $5,836,477 thousand for the three months and the six months ended June 30, 2020, respectively. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2020, nor is it intended to be a projection of future results.

28. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On March 27, 2020, the Group subscribed for additional new share of Ko-E Holding (Cayman) at percentage different from its existing ownership percentage, reducing its continuing interest from 100% to 97.35%.

	Ko-E Holding (Cayman)
Cash consideration received	$ 5,616
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	(17,215)
Differences recognized from equity transactions	$ (11,599)
Line items adjusted for equity transactions	
Capital surplus	$ (11,599)

The above transactions were accounted for as equity transactions, since the Group did not cease to have control over the subsidiary.

29. CAPITAL MANAGEMENT

The goal, policies and procedures as well as the composition of the Group's capital management are the same as those stated in Note 29 to the Group's consolidated financial statements for the year ended December 31, 2020.

30. FINANCIAL INSTRUMENTS

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

June 30, 2021

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Overseas convertible bonds	$ 5,135,989	$ 5,132,580	$ -	$ -	$ 5,132,580

December 31, 2020

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Overseas convertible bonds	$ 5,104,794	$ 5,129,348	$ -	$ -	$ 5,129,348

June 30, 2020

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Overseas convertible bonds	$ 5,073,788	$ 5,114,264	$ -	$ -	$ 5,114,264

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

June 30, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 137,797	$ -	$ 137,797
Overseas listed shares	335,730	-	-	335,730
Domestic unlisted shares	-	-	46,104	46,104
Overseas unlisted shares	-	-	669	669
Foreign public funds	83,720	-	-	83,720
Foreign private funds	-	-	285,604	285,604
Structured deposits	-	-	496,157	496,157
	$ 419,450	$ 137,797	$ 828,534	$ 1,385,781
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 1	$ -	$ -	$ 1
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 138,842	$ -	$ 138,842
Financial assets for hedging				
Net investment in a foreign operation hedges				
Cross-currency swap contracts	$ -	$ 383,783	$ -	$ 383,783
Cash flow hedges				
Foreign exchange forward contracts	-	102,237	-	102,237
	$ -	$ 486,020	$ -	$ 486,020
Financial liabilities for hedging				
Cash flow hedges				
Cross-currency swap contracts	$ -	$ 506,453	$ -	$ 506,453
Foreign exchange forward contracts	-	4,026	-	4,026
	$ -	$ 510,479	$ -	$ 510,479

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 68,536	$ -	$ 68,536
Overseas listed shares	456,897	-	-	456,897
Domestic unlisted shares	-	-	46,104	46,104
Overseas unlisted shares	-	-	5,474	5,474
Foreign private funds	-	-	187,633	187,633
Structured deposits	-	-	501,283	501,283
	$ 456,897	$ 68,536	$ 740,494	$ 1,265,927
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 1	$ -	$ -	$ 1
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 75,354	$ -	$ 75,354
Financial assets for hedging				
Cash flow hedges				
Foreign exchange forward contracts	$ -	$ 154,123	$ -	$ 154,123
Financial liabilities for hedging				
Cash flow hedges				
Cross-currency swap contracts	$ -	$ 95,999	$ -	$ 95,999
Net investment in a foreign operation hedges				
Cross-currency swap contracts	-	39,883	-	39,883
	$ -	$ 135,882	$ -	$ 135,882

June 30, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 14,916	$ -	$ 14,916
Overseas listed shares	59,527	-	-	59,527
Overseas unlisted shares	-	-	12,576	12,576
Domestic unlisted shares	-	-	46,104	46,104
	$ 59,527	$ 14,916	$ 58,680	$ 133,123
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 1	$ -	$ -	$ 1

(Continued)

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 56,751	$ -	$ 56,751
Financial liabilities for hedging				
Cash flow hedges				
Foreign exchange forward contracts	$ -	$ 271,708	$ -	$ 271,708
Cross-currency swap contracts	-	124,032	-	124,032
	$ -	$ 395,740	$ -	$ 395,740

(Concluded)

There were no transfers between Levels 1 and 2 in the current and prior period.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the six months ended June 30, 2021

	Financial Assets at FVTPL
	Equity Instruments and Other Financial Instruments
Financial assets	
Balance at January 1, 2021	$ 740,494
Purchases	108,320
Recognized in profit or loss	(3,073)
Sales	(6,639)
Effects of foreign currency exchange differences	(10,568)
Balance at June 30, 2021	$ 828,534

For the six months ended June 30, 2020

	Financial Assets at FVTPL
	Equity Instruments
Financial assets	
Balance at January 1, 2020	$ 87,686
Acquisitions through business combinations	12,576
Sales	(41,582)
Balance at June 30, 2020	$ 58,680

3) Valuation techniques and inputs used for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow. Future cash flows are estimated on the basis of observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Derivatives - cross-currency swap contracts	Use the evaluation information provided by the banks and evaluate using the discounted cash flow method, future cash flows are estimated on the basis of observable forward exchange rates and contract interest rates at the end of the reporting period, discounted at a rate that reflects the credit risk of various banks.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of unlisted equity securities - ROC were determined using the income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees. An increase in long-term revenue growth rates or long-term pre-tax operating margin or a decrease in WACC or discount for the lack of marketability used in isolation would result in increases in fair value.

The foreign private funds held by the Group were valued using the asset-based approach and were based on the net asset value measured at fair value and the investment agreement.

The structured deposits were valued using the future cash flows.

c. Categories of financial instruments

	June 30, 2021	December 31, 2020	June 30, 2020
Financial assets			
FVTPL			
Mandatorily classified as at FVTPL	$ 1,385,781	$ 1,265,927	$ 133,123
Financial assets for hedging	486,020	154,123	-
Financial assets at amortized cost (1)	68,505,147	56,846,739	58,499,683
Financial assets at FVTOCI			
Equity instruments	1	1	1
Financial liabilities			
FVTPL			
Mandatorily classified as at FVTPL	138,842	75,354	56,751
Financial liabilities for hedging	510,479	135,882	395,740
Amortized cost (2)	115,130,652	102,331,898	108,411,979

1) The balances included financial assets at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, trade receivables (including related parties)and other receivables (including related parties) and refundable deposits.

2) The balances included financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, trade payables (including related parties) and other payables (including related parties), current portion of long-term borrowings, bonds payable, long-term borrowings and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables, and borrowings. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Group's impartment financial activities are reviewed by the board of directors in accordance with related standard and internal controls. In executing financial plan, the Group have to obey the related financial operating procedures regarding financial risk management and segregation of duties.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Group entered into foreign exchange forward contracts to manage its exposure to foreign currency risk.

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

a) Foreign currency risk

The Group had foreign currency denominated sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposing to foreign currency risk at the end of the reporting period are set out in Note 35.

<u>Sensitivity analysis</u>

The Group assessed the foreign currency risk of its significant assets and liabilities as well as taking unexpired exchange forward contracts into consideration.

The Group was mainly exposed to the USD, EUR and JPY.

The following table details the Group's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign exchange forward contracts designated as cash flow hedges, and adjusts their translation at the end of the year for a 1% change in foreign currency rates. A negative number below indicates an increase (a decrease) in pre-tax profit associated with New Taiwan dollars strengthening 1% against the relevant currency. For a 1% weakening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be positive.

	USD Impact		**EUR Impact**		**JPY Impact**	
	For the Six Months Ended June 30		**For the Six Months Ended June 30**		**For the Six Months Ended June 30**	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Profit or loss	$ (245,063)	$ (153,292)	$ (10,447)	$ (8,495)	$ 8,577	$ 87,734

The analysis of profit or loss of the table was mainly attributable to the exposure to outstanding USD, EUR and JPY which were not hedged, at the end of the reporting period.

The Group's sensitivity to foreign currency exchange increased during the current period mainly due to the addition of the USD-denominated net assets.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate.

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

	June 30, 2021	**December 31, 2020**	**June 30, 2020**
Fair value interest rate risk			
Financial assets	$ 21,684,035	$ 23,419,185	$ 19,622,465
Financial liabilities	82,849,589	79,485,027	78,864,128
Cash flow interest rate risk			
Financial assets	27,015,731	18,615,016	22,347,620

The Group's fixed-term time deposits, bank borrowings, short-term bills and bonds payable are exposed to fair value interest rate risk; however, this expected risk is insignificant.

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year was outstanding for the whole year. A 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher and all other variables were held constant, the Group's variable-rate financial assets for the six months ended June 30, 2021 and 2020 would have resulted in cash inflows by $135,079 thousand and $111,738 thousand, respectively.

The Group's sensitivity to interest rates increased during the current period mainly due to the increased in variable-rate financial assets from the current period.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the period.

If equity prices had been 1% lower, the pre-tax profit for the six months ended June 30, 2021 and 2020 would have decreased by $4,662 thousand and $1,182 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL.

The Group's sensitivity to investments in equity securities has increased during the current period mainly due to the increase in financial assets at FVTPL.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the year, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group, could be equal to the total of the following:

a) The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets; and

b) The amount of contingent liabilities in relation to financial guarantee issued by the Group.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

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

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Ongoing credit evaluation is performed on the financial condition of trade receivables.

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

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of June 30, 2021, December 31, 2020 and June 30, 2020, the Group had available unutilized short-term bank loan facilities of $33,810,891 thousand, $21,390,460 thousand and $11,509,248 thousand, respectively.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The table below summarizes the maturity profile of the Group's financial liabilities based on undiscounted contractual payments but did not include the financial liabilities with carrying amounts that approximated contractual cash flows:

	Carrying Amount	Contractual Cash Flows	Within 1 Year	More than 1 Year
June 30, 2021				
Short-term borrowings	$ 36,159,999	$ 36,261,472	$ 36,261,472	$ -
Short-term bills payable	11,777,089	11,791,030	11,791,030	-
Long-term borrowings	23,216,697	23,539,648	766,799	22,772,849
Bonds payable	10,629,034	10,816,756	37,400	10,779,356
	$ 81,782,819	$ 82,408,906	$ 48,856,701	$ 33,552,205
December 31, 2020				
Short-term borrowings	$ 38,051,650	$ 38,126,996	$ 38,126,996	$ -
Short-term bills payable	499,905	500,000	500,000	-
Long-term borrowings	34,851,146	35,137,173	1,520,146	33,617,027
Bonds payable	5,104,794	5,104,794	-	5,104,794
	$ 78,507,495	$ 78,868,963	$ 40,147,142	$ 38,721,821
June 30, 2020				
Short-term borrowings	$ 32,296,868	$ 32,386,044	$ 32,386,044	$ -
Short-term bills payable	499,985	500,000	500,000	-
Long-term borrowings	39,937,868	40,987,830	-	40,987,830
Bonds payable	5,073,788	5,073,788	-	5,073,788
	$ 77,808,509	$ 78,947,662	$ 32,886,044	$ 46,061,618

b) Liquidity and interest rate risk tables for derivative financial liabilities

The following table detailed the Group's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the period.

June 30, 2021

	On Demand or Less than 3 Months	3 Months to 6 Months	Over 6 Months to 12 Months	1 Year to 5 Years
Gross settled				
Foreign exchange forward contracts				
Inflows	$ 22,806,647	$ 6,216,903	$ 5,874,707	$ 299,956
Outflows	(22,495,537)	(6,136,738)	(5,703,335)	(285,312)
	$ 311,110	$ 80,165	$ 171,372	$ 14,644
Net settled				
Cross-currency swap contracts				
Inflows	$ -	$ -	$ -	$ 13,092,351
Outflows	-	-	-	(13,182,675)
	$ -	$ -	$ -	$ (90,324)

December 31, 2020

	On Demand or Less than 3 Months	3 Months to 6 Months	Over 6 Months to 12 Months	1 Year to 5 Years
Gross settled				
Foreign exchange forward contracts				
Inflows	$ 18,527,740	$ 3,482,102	$ 1,274,741	$ 307,896
Outflows	(18,411,708)	(3,325,222)	(1,159,990)	(288,755)
	$ 116,032	$ 156,880	$ 114,751	$ 19,141
Net settled				
Cross-currency swap contracts				
Inflows	$ -	$ -	$ -	$ 14,096,920
Outflows	-	-	-	(15,196,500)
	$ -	$ -	$ -	$ (1,099,580)

June 30, 2020

	On Demand or Less than 3 Months	3 Months to 6 Months	Over 6 Months to 12 Months
Gross settled			
Foreign exchange forward contracts			
Inflows	$ 15,601,834	$ 556,256	$ 1,650,070
Outflows	(15,672,077)	(626,983)	(1,740,036)
	$ (70,243)	$ (70,727)	$ (89,966)

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category:

Related Party Name	Related Party Category
Chilisin Electronics Corp.	Associate
Kaimei Electronic Corp.	Associate
Teapo Electronics (H.K.) Ltd.	Subsidiary of associate
Teapo Electronics (Dongguan) Co., Ltd.	Subsidiary of associate
Dongguan Zhiguo Electronics Co., Ltd.	Subsidiary of associate
Ralec Electronic Corporation	Subsidiary of associate
ASJ Pte. Limited (ASJ Pte.)	Subsidiary of associate
ASJ Components (M) Sdn. Bhd.	Subsidiary of associate
CRL Components (S) Pte. Ltd.	Subsidiary of associate
Guo Chuang Electronics (Dongguan)	Associate
KEMET Jianghai Electronics Components Co., Ltd.	Associate
Nippon Yttrium Co., Ltd.	Associate
NT Sales Co., Ltd.	Associate
Bothhand Enterprise Inc.	Subsidiary of associate
Deyang Bothhand Electronics Co., Ltd.	Subsidiary of associate
Shenzhen Chilisin Electronics Co., Ltd.	Subsidiary of associate
Suzhou Kaimei Electronic Co., Ltd.	Subsidiary of associate
Ferroxcube Electronics (Dongguan) Limited	Subsidiary of associate
Ferroxcube Hong Kong Limited	Subsidiary of associate
Ferroxcube Polska Sp. Z.o.o.	Subsidiary of associate
Ferroxcube Deutschland GmbH	Subsidiary of associate
Ferroxcube International Holding B.V.	Subsidiary of associate
Chilisin International Ltd.	Subsidiary of associate
Ralec Technology (Kunshan) Limited	Subsidiary of associate
Hsin Bung International Co., Ltd.	Substantial related party
Yixin International Co., Ltd.	Substantial related party
Yixin Trading (Shenzhen) Co., Ltd.	Substantial related party
Suzhou Xingguo Electronics Co., Ltd.	Substantial related party
Yageo Professional Competition Development Association	Substantial related party
Yageo Foundation	Substantial related party

b. Sales of goods

Line Items	Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2021	2020	2021	2020
Sales	Associate	$ 411,629	$ 82,192	$ 786,257	$ 85,163
	Substantial related party	86,683	21,355	165,111	48,081
		$ 498,312	$ 103,547	$ 951,368	$ 133,244

c. Purchases of goods

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Associate	$ 653,344	$ 21,601	$ 818,920	$ 32,351
Substantial related party	271,411	189,916	479,483	363,561
	$ 924,755	$ 211,517	$ 1,298,403	$ 395,912

d. Receivables from related parties

Line Items	Related Party Category/Name	June 30, 2021	December 31, 2020	June 30, 2020
Trade receivable	Associate	$ 269,912	$ 190,997	$ 266,118
	Substantial related party	104,573	54,885	28,120
		$ 374,485	$ 245,882	$ 294,238
Other receivables	Associate/Chilisin Electronics Corp.	$ -	$ 44	$ 89,342
	Associate/others	7,851	-	14,063
	Substantial related party	27	6,011	-
		$ 7,878	$ 6,055	$ 103,405

The outstanding trade receivables from related parties are unsecured. For the six months ended June 30, 2021 and 2020, no impairment loss was recognized for trade receivables from related parties.

e. Payables to related parties

Line Items	Related Party Category	June 30, 2021	December 31, 2020	June 30, 2020
Trade payables	Associate	$ 791,981	$ 187,203	$ 81,499
	Substantial related party	275,318	91,489	163,590
		$ 1,067,299	$ 278,692	$ 245,089
Other payables	Associate/NT Sales Co., Ltd.	$ -	$ 1,739	$ 1,839
	Associate/others	-	2	2
		$ -	$ 1,741	$ 1,841

The outstanding trade payables from related parties are unsecured.

The payment terms for the trade receivable from (trade payable to) related parties were based on the terms of the related contracts. Other related-party transactions were conducted under normal terms.

f. Lease arrangements - Group is lessor

The Group leases out office and plant to its associate - Kaimei Electronic Corp., Teapo Electronics (Dongguan) Co., Ltd. and Dongguan Zhiguo Electronics Co., Ltd. under operating leases with lease terms of one year. The lease arrangement would be automatically extended for one year if the arrangement is not terminated in writing by at least one party not later than three months prior to expiration date. As of June 30, 2021, December 31, 2020 and June 30, 2020, the balances of the gross lease payments receivable were $4,323 thousand, $8,097 thousand and $21,553 thousand, respectively.

Lease income was as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
Related Party Category/Name	**2021**	**2020**	**2021**	**2020**
Associates/Teapo Electronics (Dongguan) Co., Ltd.	$ 7,175	$ 6,124	$ 14,066	$ 12,114
Associates/others	262	364	523	514
	$ 7,437	$ 6,488	$ 14,589	$ 12,628

All the terms and conditions of above rental contracts conformed to normal business practice.

g. Disposals of property, plant and equipment

	Proceeds		Gain (Loss) on Disposal	
	For the Three Months Ended June 30		For the Three Months Ended June 30	
Related Party Category/Name	**2021**	**2020**	**2021**	**2020**
Associates/KEMET Jianghai Electronics Components Co., Ltd.	$ -	$ 1,832	$ -	$ 180
Associate/Chilisin Electronics Corp.	-	33	-	33
	$ -	$ 1,865	$ -	$ 213

	Proceeds		Gain (Loss) on Disposal	
	For the Six Months Ended June 30		For the Six Months Ended June 30	
Related Party Category/Name	**2021**	**2020**	**2021**	**2020**
Associates/KEMET Jianghai Electronics Components Co., Ltd.	$ -	$ 1,832	$ -	$ 180
Associate/Chilisin Electronics Corp.	-	33	-	33
	$ -	$ 1,865	$ -	$ 213

h. Other transactions with related parties

Line Items	Related Party Category	For the Three Months Ended June 30 2021	For the Three Months Ended June 30 2020	For the Six Months Ended June 30 2021	For the Six Months Ended June 30 2020
Other expenses	Substantial related party	$ 1,000	$ -	$ 2,000	$ 1,000
	Associates	-	7	7	14
		$ 1,000	$ 7	$ 2,007	$ 1,014

i. Compensation of key management personnel

	For the Three Months Ended June 30 2021	For the Three Months Ended June 30 2020	For the Six Months Ended June 30 2021	For the Six Months Ended June 30 2020
Short-term employee benefits	$ 153,257	$ 96,081	$ 303,614	$ 189,830
Post-employment benefits	270	297	540	486
	$ 153,527	$ 96,378	$ 304,154	$ 190,316

The remuneration of directors and key executives, as determined by the remuneration committee, was based on the performance of individuals and market trends.

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	June 30, 2021	December 31, 2020	June 30, 2020
Property, plant and equipment, net	$ 2,484,084	$ 2,768,940	$ 5,655,399
Trade receivables	1,354,011	1,353,873	1,379,562
Inventories	131,919	147,158	121,497
	$ 3,970,014	$ 4,269,971	$ 7,156,458

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and unrecognized commitments of the Group as of June 30, 2021, December 31, 2020 and June 30, 2020, were as follows:

a. Significant unrecognized commitments

Unrecognized commitments were as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Acquisition of property, plant and equipment	$ 2,183,304	$ 2,141,203	$ 2,704,716

b. Contingencies

Contingent liabilities

1) Refer to Table 2 about the endorsements/guarantees and between the company and subsidiaries.

2) In December 2015, the Taiwan Fair Trade Commission (TFTC) notified TOKIN Corporation (TOKIN) of its decision to impose an administrative fine on TOKIN for violation of the Taiwan Fair Trade Act as it affected the function of the tantalum capacitor market. TOKIN filed its appeal against the TFTC’s decision with the Taipei High Administrative Court in January 2016 and obtained a favorable judgment. TFTC appealed to the Taiwan Administrative Supreme Court. In December 2019, the Taiwan Administrative Supreme Court directed the TFTC to recalculate the fine. The case is currently under trial. The Group has recognized related liabilities and believes the compensatory damages would not significantly affect its financial condition and business operations.

3) In August 2013, Continental GA, a German company, filed a lawsuit against KEMET Electronics GmbH, subsidiary of the Group, for damages in a German court due to abnormal capacitor issues. The Group was opposed to the claims made by Continental GA. In May 2020, as encouraged by the judge, the Group and Continental GA began conducting settlement discussions. The settlement is still in progress. The Group has recognized related liabilities and believes the compensatory damages would not significantly affect its financial condition and business operations.

34. OTHER ITEMS

On June 30, 2021, the board of directors of the Company resolved the acquisition of 100% of the interest of Chilisin Electronics Corp. in a share exchange, and it is estimated that the exchange ratio is 0.2002 ordinary shares of the Company for 1 ordinary share of Chilisin Electronics Corp. This share exchange proposal has yet to be resolved at the extraordinary shareholders’ meeting scheduled on September 7, 2021.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between foreign currencies and respective functional currencies were as follows:

June 30, 2021

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 353,124	27.8700 (USD:NTD)	$ 9,841,566
USD	336,230	6.4606 (USD:RMB)	9,370,641
USD	339,938	7.7647 (USD:HKD)	9,474,017
USD	102,422	0.8409 (USD:EUR)	2,854,496
USD	5,031	51.7100 (USD:MKD)	140,222
USD	66,169	32.0219 (USD:THB)	1,844,041
USD	6,578	8.5083 (USD:SEK)	183,327
USD	6,657	1.3442 (USD:SGD)	185,530
USD	138,629	110.4500(USD:JPY)	3,863,110
USD	616	21.4190 (USD:CZK)	17,168
USD	16,063	0.7229 (USD:GBP)	447,671
EUR	45,806	33.1430 (EUR:NTD)	1,518,148
EUR	1,397	7.6829 (EUR:RMB)	46,300
EUR	2,104	1.1892 (EUR:USD)	69,733
EUR	3,389	25.4715 (EUR:CZK)	112,323
EUR	709	1.9554 (EUR:BGN)	23,498
EUR	376	61.4935 (EUR:MKD)	12,463
EUR	2,305	10.1181 (EUR:SEK)	76,394
JPY	168,413	0.2523 (JPY:NTD)	42,491
JPY	61,485	0.0585 (JPY:RMB)	15,516
JPY	541,480	0.0091 (JPY:USD)	137,329
HKD	9,483	0.8320 (HKD:RMB)	34,035
RMB	177,141	4.3138 (RMB:NTD)	764,151
RMB	302,741	0.1548 (RMB:USD)	1,306,108
SGD	2,200	0.7439 (SGD:USD)	45,611
			$ 42,425,889
Non-monetary items			
Investments accounted for using the equity method			
USD	10,514	27.8700 (USD:NTD)	$ 293,027
Financial liabilities			
Monetary items			
USD	153,422	27.8700 (USD:NTD)	$ 4,275,871
USD	221,674	6.4606 (USD:RMB)	6,177,996
USD	579	7.7647 (USD:HKD)	16,137
USD	10,510	0.8409 (USD:EUR)	292,913

(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
USD	$ 94,379	110.4500 (USD:JPY)	$ 2,630,016
USD	383	1.6443 (USD:BGN)	10,674
USD	667	51.7100 (USD:MKD)	18,590
USD	8,144	32.0219 (USD:THB)	226,962
USD	2,379	0.7229 (USD:GBP)	66,302
EUR	1,429	7.6829 (EUR:RMB)	47,361
EUR	346	33.1430 (EUR:NTD)	11,467
EUR	1,706	1.1892 (EUR:USD)	56,542
EUR	10,275	131.3471 (EUR:JPY)	340,502
EUR	9,568	25.4715 (EUR:CZK)	317,117
EUR	1,242	61.4935 (EUR:MKD)	41,166
JPY	1,966,852	0.2523 (JPY:NTD)	496,237
JPY	1,568,216	0.0585 (JPY:RMB)	395,751
JPY	638,181	0.2899 (JPY:THB)	161,013
HKD	9,340	0.8320 (HKD:RMB)	33,522
HKD	8,492	0.1288 (HKD:USD)	30,483
RMB	196,182	0.1548 (RMB:USD)	846,383
SGD	1,177	0.7439 (SGD:USD)	24,402
			$ 16,517,407

(Concluded)

December 31, 2020

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 316,825	28.508 (USD:NTD)	$ 9,032,047
USD	388,364	6.5398 (USD:RMB)	11,071,596
USD	258,195	7.7518 (USD:HKD)	7,360,628
USD	69,350	0.8137 (USD:EUR)	1,976,944
USD	585	73.045 (USD:INR)	16,678
USD	11,439	50.00 (USD:MKD)	326,126
USD	63,511	29.969 (USD:THB)	1,810,477
USD	16,063	0.7326 (USD:GBP)	457,923
USD	6,823	8.1873 (USD:SEK)	194,511
USD	6,658	1.3213 (USD:SGD)	189,806
USD	109,096	103.16 (USD:JPY)	3,109,575
EUR	857	8.0368 (EUR:RMB)	30,024
EUR	29,179	35.0335 (EUR:NTD)	1,022,242
EUR	18,989	1.2289 (EUR:USD)	665,251
EUR	511	26.2063 (EUR:CZK)	17,902
EUR	922	1.9547 (EUR:BGN)	32,301
EUR	2,305	10.0614 (EUR:SEK)	80,753

(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
JPY	$ 152,486	0.0634 (JPY:RMB)	$ 42,143
JPY	182,516	0.2763 (JPY:NTD)	50,429
JPY	33,039,814	0.0097 (JPY:USD)	9,136,420
HKD	9,597	0.8436 (HKD:RMB)	35,292
HKD	12,676	3.6776 (HKD:NTD)	46,617
RMB	141,679	0.1529 (RMB:USD)	617,561
RMB	32,215	15.7742 (RMB:JPY)	140,432
SGD	2,096	0.7568 (SGD:USD)	45,221
BGN	3,988	0.6287 (BGN:USD)	71,477
			$ 47,580,376
Non-monetary items			
Investments accounted for using equity method			
USD	9,829	28.508 (USD:NTD)	$ 280,200
RMB	5,829	1.1853 (RMB:HKD)	25,409
			$ 305,609
Financial liabilities			
Monetary items			
USD	107,647	28.508 (USD:NTD)	$ 3,068,801
USD	1,107,180	6.5398 (USD:RMB)	31,563,815
USD	33,114	0.8137 (USD:EUR)	943,973
USD	83,851	103.16 (USD:JPY)	2,390,014
USD	441	1.5906 (USD:BGN)	12,572
USD	844	50.00 (USD:MKD)	24,062
USD	4,247	29.969 (USD:THB)	121,067
EUR	6,061	8.0368 (EUR:RMB)	212,341
EUR	16,418	1.2289 (EUR:USD)	575,180
EUR	9,403	26.2063 (EUR:CZK)	329,411
EUR	1,339	61.445 (EUR:MKD)	46,913
JPY	1,794,171	0.2763 (JPY:NTD)	495,729
JPY	1,748,411	0.0634 (JPY:RMB)	483,214
JPY	35,648,133	0.0097 (JPY:USD)	9,857,693
JPY	305,092	0.2905 (JPY:THB)	84,304
HKD	5,403	0.8436 (HKD:RMB)	19,869
HKD	15,077	0.129 (HKD:USD)	55,446
RMB	208,372	0.1529 (RMB:USD)	908,267
GBP	1,648	1.1107 (GBP:EUR)	64,126
SGD	960	0.7568 (SGD:USD)	20,712
BGN	11,993	4.1115 (BGN:RMB)	214,949
BGN	5,458	0.6287 (BGN:USD)	97,824
			$ 51,590,282

(Concluded)

June 30, 2020

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 323,796	29.66 (USD:NTD)	$ 9,603,789
USD	283,276	7.0742 (USD:RMB)	8,401,966
USD	127,102	7.7500 (USD:HKD)	3,769,848
USD	5,324	0.8921 (USD:EUR)	157,917
USD	1,449	75.5570 (USD:INR)	42,983
USD	458	23.9110 (USD:CZK)	13,584
EUR	13,988	1.1210 (EUR:USD)	465,085
EUR	22,856	33.2489 (EUR:NTD)	759,937
EUR	5,867	26.8042 (EUR:CZK)	195,066
EUR	2,554	7.9302 (EUR:RMB)	84,918
JPY	84,535	0.2754 (JPY:NTD)	23,281
HKD	9,496	0.9128 (HKD:RMB)	36,342
HKD	7,541	3.8271 (HKD:NTD)	28,860
RMB	141,535	0.1414 (RMB:USD)	592,870
			$ 24,176,446
Non-monetary items			
Investments accounted for using the equity method			
USD	9,795	29.66 (USD:NTD)	$ 290,531
RMB	5,901	1.0955 (RMB:HKD)	24,739
			$ 315,270
Financial liabilities			
Monetary items			
USD	88,878	29.66 (USD:NTD)	$ 2,636,121
USD	131,972	7.0742 (USD:RMB)	3,914,289
USD	1,895	0.8921 (USD:EUR)	56,208
USD	1,830	23.9110 (USD:CZK)	54,276
EUR	352	7.9302 (EUR:RMB)	11,704
EUR	7,305	26.8042 (EUR:CZK)	242,876
EUR	433	84.6990 (EUR:INR)	14,398
EUR	1,626	117.3690 (EUR:RSD)	54,066
EUR	10,000	1.1210 (EUR:USD)	332,489
JPY	1,569,003	0.2754 (JPY:NTD)	432,103
JPY	1,450,317	0.0657 (JPY:RMB)	399,505
JPY	28,875,833	0.0093 (JPY:USD)	7,965,052
HKD	11,564	0.1290 (HKD:USD)	44,245
RMB	159,719	0.1414 (RMB:USD)	669,849
			$ 16,827,181

For the three months and the six months ended June 30, 2021 and 2020, realized and unrealized net foreign exchange gains (losses) were $44,888 thousand, $268,221 thousand, $645,641 thousand and $251,014 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others. (Table 1)

2) Endorsements/guarantees provided. (Table 2)

3) Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities). (Table 3)

4) Marketable securities acquired or disposed of at costs or prices at least NT$300 million or 20% of the paid-in capital. (Table 4)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital. (Table 5)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital. (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 6)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 7)

9) Trading in derivative instruments. (Notes 7, 10 and 30)

10) Intercompany relationships and significant intercompany transactions. (Table 10)

b. Information on investees. (Table 8)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 9)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (Table 6)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Table 6)

c) The amount of property transactions and the amount of the resultant gains or losses. (Eliminated from the consolidated financial statements)

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes. (Table 2)

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds. (Table 1)

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receiving of services. (None)

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 11)

37. SEGMENT INFORMATION

Information reported to the chief operating decision maker for resource allocation and the assessment of segment performance is solely based on the financial information of each plant owned by the Group. Each plant has similar economic features as well as manufacturing procedures. In addition, products are sold by the Group in a centralized way. Thus, the Group is reported as a single segment. The Group’s revenues and operating results in 2021 and 2020 are shown in the consolidated statements of comprehensive income for 2021 and 2020.

TABLE 1

YAGEO CORPORATION AND SUBSIDIARIES

FINANCINGS PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period (Foreign Currency in Thousands)	Ending Balance (Foreign Currency in Thousands)	Amount Actually Drawn (Foreign Currency in Thousands)	Interest Rate	Nature for Financing (Note 3)	Transaction Amounts	Reason for Financing	Allowance for Impairment Loss	Collateral		Financing Limits for Each Borrowing Company (Note 1)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
0	Yageo Corporation	Kuo-Shin Investment Limited	Receivables from related parties	Yes	$ 2,000,000	$ 2,000,000	$ -	1.04%	b	$ -	For revolving fund	$ -	None	$ -	$ 27,523,586	$ 27,523,586
		TOKIN Corporation	Receivables from related parties	Yes	JPY 21,987,500	-	-	-	b	-	For revolving fund	-	None	-	27,523,586	27,523,586
1	Yageo Holding (Bermuda) Ltd.	TOKIN Corporation	Receivables from related parties	Yes	JPY 2,362,500	-	-	-	b	-	For revolving fund	-	None	-	US$ 1,851,845	US$ 1,851,845
		Yageo Europe Holding B.V.	Loans to subsidiaries considered as a component of investment	Yes	EUR 172,956	EUR 172,956	EUR 172,956	-	b	-	For revolving fund	-	None	-	US$ 1,851,845	US$ 1,851,845
		Brightking Holdings Ltd.	Receivables from related parties	Yes	US$ 5,000	US$ 5,000	US$ 2,200	1.5%	b	-	For revolving fund	-	None	-	US$ 1,851,845	US$ 1,851,845
2	Vitrohm Holding GmbH	Yageo Holding (Bermuda) Ltd.	Receivables from related parties	Yes	EUR 6,405	EUR 6,405	EUR 6,405	1.25%	b	-	For revolving fund	-	None	-	EUR 13,280	EUR 13,280
3	Yageo USA (H.K.) Limited	Yageo Holding (Bermuda) Ltd.	Receivables from related parties	Yes	US$ 50,000	US$ 50,000	US$ 50,000	0.5%	b	-	For revolving fund	-	None	-	US$ 612,024	US$ 612,024
		Yageo Corporation	Receivables from related parties	Yes	US$ 400,000	US$ 400,000	US$ 300,000	0.5%	b	-	For revolving fund	-	None	-	US$ 612,024	US$ 612,024
4	Yageo (Suzhou) Trade Co., Ltd.	Yageo Electronics (China) Co., Ltd.	Receivables from related parties	Yes	RMB 300,000	RMB 300,000	RMB 293,555	2%	b	-	For revolving fund	-	None	-	RMB 986,298	RMB 986,298
5	Yageo Europe Holding B.V.	Yageo USA (H.K.) Limited	Receivables from related parties	Yes	US$ 52,000	US$ 52,000	US$ 52,000	0.5%	b	-	For revolving fund	-	None	-	EUR 66,985	EUR 66,985
6	Brightking Enterprise (H.K.) Co., Ltd.	Brightking Electronics Co., Ltd.	Other receivables - related parties	Yes	US$ 320	US$ 320	US$ 270	0.5%	b	-	For revolving fund	-	None	-	1,662,664	1,662,664
7	Bestbright Electronics Co., Ltd.	Zhejiang Bestbright Electronics Co., Ltd.	Other receivables - related parties	Yes	RMB 5,000	RMB 5,000	RMB 1,200	3.85%	b	-	For revolving fund	-	None	-	RMB 585,501	RMB 585,501
8	Kuo-Shin Investment Limited	Brightking Electronics Co., Ltd.	Receivables from related parties	Yes	200,000	200,000	115,000	1.5%	b	-	For revolving fund	-	None	-	487,656	487,656
9	Yageo Holding Hungary LLC	KEMET Corporation	Receivables from related parties	Yes	US$ 150,000	US$ 150,000	US$ 150,000	2.25%	b	-	For revolving fund	-	None	-	US$ 1,903,687	US$ 1,903,687
10	Pulse Components. Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	Receivables from related parties	Yes	US$ 18,000	US$ 18,000	US$ 18,000	-	a	US$ 29,333	-	-	None	-	US$ 29,333	US$ 29,333
11	Pulse Electronics (Singapore) Pte. Ltd.	TOKIN Corporation	Receivables from related parties	Yes	JPY 3,150,000	-	-	-	b	-	For revolving fund	-	None	-	US$ 125,322	US$ 125,322
		Brightking Electronics Co., Ltd.	Receivables from related parties	Yes	US$ 1,000	-	-	-	b	-	For revolving fund	-	None	-	US$ 125,322	US$ 125,322
		Yageo Corporation	Receivables from related parties	Yes	US$ 50,000	US$ 50,000	US$ 50,000	0.5%	b	-	For revolving fund	-	None	-	US$ 125,322	US$ 125,322
12	TOKIN Corp.	KEMET Corporation	Receivables from related parties	Yes	JPY 13,750,000	JPY 11,000,000	JPY 11,000,000	2.13636%	b	-	For revolving fund	-	None	-	JPY 34,577,191	JPY 34,577,191
		KEMET Corporation	Receivables from related parties	Yes	JPY 16,500,000	JPY 16,500,000	JPY 16,500,000	2.38636%	b	-	For revolving fund	-	None	-	JPY 34,577,191	JPY 34,577,191
13	KEMET Electronics Corporation	KEMET Electronics Bulgaria EAD	Receivables from related parties	Yes	EUR 4,000	EUR 4,000	EUR 3,160	2.50%	b	-	For revolving fund	-	None	-	US$ 1,100,991	US$ 1,100,991
		KEMET Electronics Italia SRL	Receivables from related parties	Yes	EUR 26,376	EUR 26,376	EUR 26,376	-	b	-	For revolving fund	-	None	-	US$ 1,100,991	US$ 1,100,991
14	EGSTON System Electronics Eggenburg GmbH	EGSTON System Electronic spol.sr.o.	Receivables from related parties	Yes	EUR 8,500	EUR 5,100	EUR 4,100	1.962%	b	-	For revolving fund	-	None	-	US$ 8,347	US$ 8,347
15	EGSTON Automotive Eggenburg GmbH	EGSTON Holding GmbH	Receivables from related parties	Yes	EUR 1,500	EUR 1,500	EUR 900	1.962%	b	-	For revolving fund	-	None	-	US$ 3,212	US$ 3,212

(Continued)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period (Foreign Currency in Thousands)	Ending Balance (Foreign Currency in Thousands)	Amount Actually Drawn (Foreign Currency in Thousands)	Interest Rate	Nature for Financing (Note 3)	Transaction Amounts	Reason for Financing	Allowance for Impairment Loss	Collateral		Financing Limits for Each Borrowing Company (Note 1)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
16	EGSTON Far East GmbH	EGSTON System Electronics Eggenburg GmbH	Receivables from related parties	Yes	EUR 2,500	EUR 2,200	EUR 930	1.962%	b	$ -	For revolving fund	$ -	None	$ -	US$ 3,291	US$ 3,291
17	Maxtop Profits Limited	Pulse Component Ltd.	Receivables from related parties	Yes	US$ 13,500	US$ 13,500	US$ 12,090	2.441%	b	-	For revolving fund	-	None	-	US$ 26,204	US$ 26,204
		Acadia Electronics Co., Ltd	Receivables from related parties	Yes	US$ 13,000	US$ 12,000	US$ 10,410	2.441%	b	-	For revolving fund	-	None	-	US$ 26,204	US$ 26,204
18	Pulse Finland Oy	Pulse Electronics Korea YH	Receivables from related parties	Yes	EUR 5,000	EUR 5,000	EUR 4,992	0.5%	b	-	For revolving fund	-	None	-	US$ 8,796	US$ 8,796

Note 1: For the Company and its domestic investees (Kuo-Shin Investment Limited) business relationship, financing limit to each borrowing company is the amount of business operation (based on the previous year's actual sales and purchase amount when the loan contract was awarded). The financing limit to the counterparty which has short-term loan need is 40% of its net worth presented in the latest financial statements audited or reviewed by auditors. According to the financing procedure for Company's overseas investees, maximum financing amount that can be made by Yageo Holding (Bermuda) Ltd., Yageo USA (H.K.) Limited, Yageo (Suzhou) Trade Co., Ltd., Yageo Holding Hungary LLC, Vitrohm Holding GmbH, Yageo Europe Holding B.V., Brightking Enterprise (H.K.) Co., Ltd., Bestbright Electronics Co., Ltd., Pulse Electronics (Singapore) Pte. Ltd., Egston System Electronics Eggenburg GmbH, Egston Automotive Eggenburg GmbH, Egston Far East GmbH, Maxtop Profits Limited, TOKIN Corp. and KEMET Electronics Corporation is 100% of each net worth presented in the latest financial statements audited or reviewed by auditors. For Pulse Finland Oy, the maximum financing amount that can be made is limited to 200% of each net worth presented in the latest financial statements audited or reviewed by auditors. For Pulse Components Ltd., the maximum financing amount that can be made is limited to the transaction amount between the two parties in the past year or expected in the next year.

Note 2: For the Company and its domestic investees (Kuo-Shin Investment Limited) the financing amount to each counterparty is limited to 40% of its net worth presented in the latest financial statements audited or reviewed by auditors. According to the financing procedures for Company's overseas investees, maximum financing amount that can be made by Yageo Holding (Bermuda) Ltd., Yageo USA (H.K.) Limited, Yageo (Suzhou) Trade Co., Ltd., Yageo Holding Hungary LLC, Vitrohm Holding GmbH, Yageo Europe Holding B.V., Brightking Enterprise (H.K.) Co., Ltd., Bestbright Electronics Co., Ltd., Pulse Electronics (Singapore) Pte. Ltd., Egston System Electronics Eggenburg GmbH, Egston Automotive Eggenburg GmbH, Egston Far East GmbH, Maxtop Profits Limited, TOKIN Corp. and KEMET Electronics Corporation is 100% of each net worth presented in the latest financial statements audited or reviewed by auditors. For Pulse Finland Oy, the maximum financing amount that can be made is 200% of each net worth presented in the latest financial statements audited or reviewed by auditors. For Pulse Components Ltd., the maximum financing amount that can be made is limited to the transaction amount between the two parties in the past year or expected in the next year.

Note 3: Reasons for financing are as follows:

a. Business relationship.

b. For financing. According to Letter No. 0980000271 issued by the FSC on January 15, 2009, which revised article 3 of the operating procedures of the regulation on financing provided and endorsement/guarantee provided, the overseas investees in which the Company has 100% ownership and voting rights directly and indirectly, the financing amount to each counterparty is not subject to the short-term financing limit. However, the limits and the terms for the financing should still be specified by the financing procedures.

Note 4: The currency exchange rates on June 30, 2021 of NTD to HKD, USD, JPY, EUR and RMB were 1:3.5893, 1:27.87, 1:0.2523, 1:33.143 and 1:4.3138, respectively; the currency exchange rates of USD to HKD, JPY, EUR, and RMB were 1:0.1288, 1:0.0091, 1:1.1892 and 1:0.1548, respectively.

Note 5: All intercompany financing loans have been eliminated upon consolidation.

(Concluded)

YAGEO CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 1)	Maximum Balance for the Period (Foreign Currency in Thousands)	Ending Balance (Foreign Currency in Thousands)	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Note 2)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship										
0	Yageo Corporation	Yageo Holding (Bermuda) Ltd.	Subsidiary	$ 68,808,966	$ 8,301,940 (US$ 262,000 NT$ 1,000,000)	$ 8,301,940 (US$ 262,000 NT$ 1,000,000)	$ 895,602 (US$ 32,135)	$ -	12.07%	$ 103,213,449	Yes	No	No
		The shared borrowing facilities of Yageo Electronics (China) Co., Ltd., and Yageo Electronics (Dongguan) Co., Ltd.	Subsidiary	68,808,966	111,480 (US$ 4,000)	111,480 (US$ 4,000)	-	-	0.16%	103,213,449	Yes	No	Yes
		The shared borrowing facilities of Yageo USA (H.K.) Limited and Yageo Holding (Bermuda) Ltd.	Subsidiary	68,808,966	55,740 (US$ 2,000)	55,740 (US$ 2,000)	-	-	0.08%	103,213,449	Yes	No	No
		Kuo-Shin Investment Limited	Subsidiary	68,808,966	500,000	500,000	-	-	0.73%	103,213,449	Yes	No	No
		Brightking Electronics Co., Ltd.	Subsidiary	68,808,966	32,787 (US$ 100 NT$ 30,000)	32,787 (US$ 100 NT$ 30,000)	400	-	0.05%	103,213,449	Yes	No	No
		TOKIN Corporation	Subsidiary	68,808,966	6,938,250 (JPY 27,500,000)	6,938,250 (JPY 27,500,000)	6,566,360 (JPY 26,026,000)	-	10.08%	103,213,449	Yes	No	No
1	TOKIN Corporation	TOKIN Electronics (Thailand) Co., Ltd.	Subsidiary	8,723,825	108,743 (JPY 431,006)	108,743 (JPY 431,006)	-	-	3.27%	13,085,738	Yes	No	No
		TOKIN Electronics (Thailand) Co., Ltd.	Subsidiary	8,723,825	285,449 (JPY 1,131,389)	285,449 (JPY 1,131,389)	-	-	1.25%	13,085,738	Yes	No	No
2	KEMET Corporation, The Forest Electric Company	KEMET Electronics Corporation/The Forest Electric Company/KEMET Electronics Marketing Services Singapore	Subsidiary	48,568,213	2,090,250 (US$ 75,000)	2,090,250 (US$ 75,000)	-	-	4.30%	72,852,320	Yes	No	No

Note 1: For the Company and its overseas investees, endorsements or guarantees to each counterparty are limited to 100% of its net worth presented in the latest financial statements.

Note 2: Maximum endorsements/guarantees allowed for the Company and its overseas investees are 150% of its net worth presented in the latest financial statements.

Note 3: The endorsements/guarantees were based on the currency exchange rates on June 30, 2021, of NTD to USD and JPY, which were 1:27.87 and 1:0.2523, respectively.

YAGEO CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2021
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2021				Note
				Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note)	
Yageo Corporation	Shares							
	Linko International Golf & Country Club	-	Financial assets at FVTPL - non-current	-	$ 482	0.10	$ 482	1
	Bonds							
	Bnp Paribas	-	Financial assets at amortized cost - non-current	-	554,538	-	554,538	2
	Qnb Finance Ltd	-	Financial assets at amortized cost - non-current	-	280,397	-	280,397	2
	China National Chemical Corp	-	Financial assets at amortized cost - non-current	-	202,322	-	202,322	2
	Citigroup Global Markets Holdings	-	Financial assets at amortized cost - non-current	-	138,042	-	138,042	2
	Lenovo Group Ltd.	-	Financial assets at amortized cost - non-current	-	111,726	-	111,726	2
	Proven Glory Capital Ltd.	-	Financial assets at amortized cost - non-current	-	111,698	-	111,698	2
	Goldman Sachs BDC Inc.	-	Financial assets at amortized cost - non-current	-	87,127	-	87,127	2
Kuo-Shin Investment Limited.	Shares							
	Hsin Bung International Co., Ltd.	-	Financial assets at FVTPL - non-current	2,761	33,622	16.59	33,622	1
	Jihsun Securities Investment Trust Co., Ltd.	-	Financial assets at FVTPL - non-current	1,560	12,000	4.00	12,000	1
	Ta-I Technology Co., Ltd.	-	Financial assets at FVTOCI - non-current	-	1	-	1	1
Yageo Holding (Bermuda) Ltd.	Shares							
	Canoo Inc.	-	Financial assets at FVTPL - current	1,000	277,028	0.42	277,028	1
	Bonds							
	Chailease Int'L Finance Corp	-	Financial assets at amortized cost - non-current	-	557,400	-	557,400	2
	Bnp Paribas	-	Financial assets at amortized cost - non-current	-	280,400	-	280,400	2
	Emirates NBD	-	Financial assets at amortized cost - non-current	-	280,400	-	280,400	2
	Societe Generale	-	Financial assets at amortized cost - non-current	-	155,975	-	155,975	2
	Citigroup Global Markets Holdings Inc.	-	Financial assets at amortized cost - non-current	-	139,350	-	139,350	2
	Citigroup Global Markets Inc.	-	Financial assets at amortized cost - non-current	-	138,043	-	138,043	2
	China Huarong International Holdings	-	Financial assets at amortized cost - non-current	-	82,727	-	82,727	2
	Lenovo Group Ltd	-	Financial assets at amortized cost - non-current	-	56,581	-	56,581	2
	Cdbl Funding 1	-	Financial assets at amortized cost - non-current	-	20,899	-	20,899	2
	Greenland Glb Invst	-	Financial assets at amortized cost - non-current	-	19,489	-	19,489	2
	Mirae Asset Daewoo Co	-	Financial assets at amortized cost - non-current	-	18,184	-	18,184	2
	National Australia Bank	-	Financial assets at amortized cost - non-current	-	16,730	-	16,730	2
	Ford Motor Credit Co LLC	-	Financial assets at amortized cost - non-current	-	16,692	-	16,692	2
	Bright Galaxy Intl Ltd	-	Financial assets at amortized cost - non-current	-	16,682	-	16,682	2
	Cicc Hk Finance 2016 Mtn	-	Financial assets at amortized cost - non-current	-	16,437	-	16,437	2

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2021				Note
				Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note)	
	Shimao Property Holdings Limited	-	Financial assets at amortized cost - non-current	-	$ 14,045	-	$ 14,045	2
	Indonesia Asahan Alumini	-	Financial assets at amortized cost - non-current	-	14,000	-	14,000	2
	Sino Ocean Land IV	-	Financial assets at amortized cost - non-current	-	13,935	-	13,935	2
	Mizuho Financial Group	-	Financial assets at amortized cost - non-current	-	13,928	-	13,928	2
	Bluestar Fin Holdings	-	Financial assets at amortized cost - non-current	-	12,550	-	12,550	2
	Ind & Comm Bk Chn/London	-	Financial assets at amortized cost - non-current	-	12,542	-	12,542	2
	Korea Expressway Corp	-	Financial assets at amortized cost - non-current	-	11,169	-	11,169	2
	Chalco Hk Investment	-	Financial assets at amortized cost - non-current	-	11,161	-	11,161	2
	Wells Fargo Bank Na	-	Financial assets at amortized cost - non-current	-	11,155	-	11,155	2
	Aozora Bank	-	Financial assets at amortized cost - non-current	-	11,153	-	11,153	2
	Lotte Property & Develop	-	Financial assets at amortized cost - non-current	-	11,151	-	11,151	2
	Hyundai Capital America	-	Financial assets at amortized cost - non-current	-	11,148	-	11,148	2
	Icbcil Finance Co Ltd	-	Financial assets at amortized cost - non-current	-	11,140	-	11,140	2
	Azure Nova International	-	Financial assets at amortized cost - non-current	-	11,130	-	11,130	2
	Nonghyup Bank	-	Financial assets at amortized cost - non-current	-	11,128	-	11,128	2
	Qnb Finance Ltd	-	Financial assets at amortized cost - non-current	-	10,028	-	10,028	2
	Charming Light Invst Ltd	-	Financial assets at amortized cost - non-current	-	9,748	-	9,748	2
	China Grt Wall Intl III	-	Financial assets at amortized cost - non-current	-	9,739	-	9,739	2
	American Express Co	-	Financial assets at amortized cost - non-current	-	8,364	-	8,364	2
	Huarong Finance II	-	Financial assets at amortized cost - non-current	-	8,359	-	8,359	2
	Rhb Bank	-	Financial assets at amortized cost - non-current	-	8,349	-	8,349	2
	Saudi International Bond	-	Financial assets at amortized cost - non-current	-	8,344	-	8,344	2
	Mitsubishi Ufj Fin Grp	-	Financial assets at amortized cost - non-current	-	6,965	-	6,965	2
	Mitsubishi Ufj Lease&Fin	-	Financial assets at amortized cost - non-current	-	6,688	-	6,688	2
	Daimler Finance Na Llc	-	Financial assets at amortized cost - non-current	-	5,575	-	5,575	2
	Asb Finance Ltd	-	Financial assets at amortized cost - non-current	-	5,567	-	5,567	2
	Foreign public fund							
	PIMCO Mortgage Opportunities and Bond Fund Institutional Class	-	Financial assets at FVTPL - non-current	199	55,740	0.35	55,740	1
	Foreign private fund							
	Wise Road Industry Investment Fund I, L.P.	-	Financial assets at FVTPL - non-current	-	199,764	1.83	199,764	1
	New Epoch Investment Partners Limited	-	Financial assets at FVTPL - non-current	-	85,840	0.22	85,840	1
Yageo Europe Holding B.V.	Bonds							
	QNBK	-	Financial assets at amortized cost - non-current	-	280,401	-	280,401	2
	Bank of America Corp.	-	Financial assets at amortized cost - non-current	-	259,540	-	259,540	2
	Goldman Sachs Group Inc.	-	Financial assets at amortized cost - non-current	-	257,456	-	257,456	2
	AT&T Inc.	-	Financial assets at amortized cost - non-current	-	254,346	-	254,346	2
	Lenovo Group Ltd	-	Financial assets at amortized cost - non-current	-	251,296	-	251,296	2
	Proven Glory Capital Ltd.	-	Financial assets at amortized cost - non-current	-	251,122	-	251,122	2
	Citigroup Inc.	-	Financial assets at amortized cost - non-current	-	239,208	-	239,208	2
	Morgan Stanley	-	Financial assets at amortized cost - non-current	-	231,342	-	231,342	2
	Lloyds Banking Group Perp	-	Financial assets at amortized cost - non-current	-	155,141	-	155,141	2
	Credit Agricole S.A.	-	Financial assets at amortized cost - non-current	-	154,782	-	154,782	2
	HSBC Holdings PLC	-	Financial assets at amortized cost - non-current	-	152,473	-	152,473	2

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2021 Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note)	Note
	Goldman Sachs BDC Inc.	-	Financial assets at amortized cost - non-current	-	$ 145,504	-	$ 145,504	2
	DBS Group Holdings Ltd.	-	Financial assets at amortized cost - non-current	-	142,726	-	142,726	2
	AVNET Inc.	-	Financial assets at amortized cost - non-current	-	115,713	-	115,713	2
	Argentum Netherlands BV for Swiss Re Ltd	-	Financial assets at amortized cost - non-current	-	85,616	-	85,616	2
	Foreign public fund							
	PIMCO Mortgage Opportunities and Bond Fund Institutional Class	-	Financial assets at FVTPL - non - current	100	27,980	0.18	27,980	1
Ko-E Technology (Shenzhen) Co., Ltd.	Structured deposits							
	Qianyuan-Hengying Open-ended Net Value Daily RMB Financial Product	-	Financial assets at FVTPL - current	-	280,437	-	280,437	1
	Qianyuan-Ririxingao Open-ended Asset Portfolio Daily RMB Financial Product	-	Financial assets at FVTPL - current	-	215,720	-	215,720	1
Tokin Corporation	Shares							
	Sanshin Electronics Co Ltd.	-	Financial assets at FVTPL - non-current	50	27,236	0.21	27,236	1
	Ryosan Co Ltd.	-	Financial assets at FVTPL - non-current	32	16,165	0.13	16,165	1
	The 77 Bank Ltd.	-	Financial assets at FVTPL - non-current	30	9,281	0.04	9,281	1
	Hagiwara Electric Holdings Co Ltd.	-	Financial assets at FVTPL - non-current	10	6,020	0.11	6,020	1
	SK Tech Co., Ltd.	-	Financial assets at FVTPL - non-current	13	641	5.95	641	1
	Nyuzen Machidukuri Kahihatsu	-	Financial assets at FVTPL - non-current	-	28	1.00	28	1
	Tohoku Magnet Institute	-	Financial assets at FVTPL - non-current	57	-	2.84	-	1
	Aiwa Seimitsu	-	Financial assets at FVTPL - non-current	2	-	5.00	-	1
	Sendai Port Trade Promotion Center	-	Financial assets at FVTPL - non-current	-	-	0.23	-	1
	Neo Photonics Corporation	-	Financial assets at FVTPL - non-current	1	-	-	-	1
Pulse Electronics Corporation.	Bonds							
	Chailease Int'L Finance Corp	-	Financial assets at amortized cost - non-current	-	100,289	-	100,289	2

Note 1: The listed ordinary shares and foreign public fund are valued by their closing prices as of June 30, 2021. The unlisted ordinary shares are determined using the discounted cash flow method. The debt investments with no active market are valued by the evaluated information provided by the Company. The foreign private fund is valued using the asset-based approach. The structured deposits are valued using the future cash flows.

Note 2: The carrying amount is calculated at amortized cost.

(Concluded)

TABLE 4

YAGEO CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount (In Thousands)	Shares/Units	Amount	Carrying Value	Gain/Loss on Disposal	Shares/Units	Amount (In Thousands)
Yageo Holding (Bermuda) Ltd.	USD Principal Guarantee Note Linked to Short-Term Interest Rate	Financial assets at amortized cost - current	-	-	-	US$ 10,000	-	$ -	-	US$ 10,000	US$ 10,000	$ -	-	$ -

Note: The marketable securities mentioned in this table refer to shares, bonds, beneficiary certificates, and securities derived from the above items.

TABLE 5

YAGEO CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE PROPERTIES AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Types of Property	Transaction Date	Transaction Amount	Payment Term	Counterparty	Nature of Relationships	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
Yageo Corporation	Plant Construction	January 6, 2021	$ 510,000	Based on the terms in the purchase order	Yankey Engineering Co., Ltd.	Non-related parties	-	-	-	$ -	Price comparison and price negotiation	Manufacturing purpose	-

TABLE 6

YAGEO CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Related Party	Nature of Relationships	Transaction Details (Note)				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount (Foreign Currency in Thousands)	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Foreign Currency in Thousands)	% to Total	
Yageo Corporation	Yageo Corporation (South Asia)	Subsidiary	Sale	$ (883,721)	(4)	T/T 90 days	$ -	-	$ 166,321	2	-
	Yageo Europe Holding B.V	Subsidiary	Sale	(964,579)	(5)	Offset account T/T 45 days	-	-	215,075	3	-
	Yageo USA (H.K.) Limited	Subsidiary	Sale	(10,937,138)	(56)	Offset account T/T 90 days	-	-	1,787,173	22	-
	Yageo Electronics (China) Co., Ltd.	Subsidiary	Sale	(1,311,345)	(7)	T/T 90 days	-	-	1,287,052	16	-
			Purchase	6,519,970	42	T/T 90 days	-	-	(5,659,273)	(54)	-
	Yageo Electronics (Dongguan) Co., Ltd.	Subsidiary	Sale	(1,934,744)	(10)	Offset account T/T 90 days	-	-	-	-	-
			Purchase	5,596,420	36	Offset account T/T 90 days	-	-	(2,070,844)	(20)	-
	Ko-E Electronics Trade Co., Ltd.	Subsidiary	Sale	(387,952)	(2)	T/T 90 days	-	-	226,515	3	-
	Ko-E (H.K.) Limited	Subsidiary	Sale	(229,344)	(1)	T/T 90 days	-	-	121,358	1	-
Yageo Electronics (China) Co., Ltd.	Yageo (Suzhou) Trade Co., Ltd.	Associate	Sale	RMB (31,780)	(2)	T/T 90 days	-	-	RMB 3,094	-	-
	Ko-E (H.K.) Limited	Associate	Sale	RMB (223,968)	(11)	T/T 90 days	-	-	RMB 167,741	9	-
	Yageo Europe Holding B.V	Associate	Sale	RMB (111,907)	(5)	T/T 90 days	-	-	RMB 40,726	2	-
Yageo USA (H.K.) Limited	Yageo Electronics (Dongguan) Co., Ltd.	Associate	Sale	HK$ (866,067)	(26)	T/T 90 days	-	-	HK$ 773,680	30	-
	Yageo (Suzhou) Trade Co., Ltd.	Associate	Sale	HK$ (609,560)	(18)	T/T 90 days	-	-	HK$ 707,573	28	-
	Ko-E (H.K.) Limited	Associate	Sale	HK$ (888,040)	(27)	T/T 90 days	-	-	HK$ 662,678	26	-
Yageo (Suzhou) Trade Co., Ltd.	Ko-E Technology (Shenzhen) Co., Ltd.	Associate	Sale	RMB (325,574)	(57)	T/T 65 days	-	-	RMB 257,268	67	-
Bestbright Electronics Co., Ltd.	Ko-E Technology (Shenzhen) Co., Ltd.	Associate	Sale	RMB (180,493)	(70)	T/T 30-60 days	-	-	RMB 116,095	78	-
	Brightking (Shanghai) Co., Ltd	Associate	Sale	RMB (26,866)	(10)	T/T 30-60 days	-	-	RMB 4,532	3	-
Dongguan Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	Sale	US$ (28,183)	(11)	T/T 90 days	-	-	US$ 46,980	44	-
Mian Yang Pulse Electronics Co., Ltd.	Pulse Electronics Inc.	Parent company	Sale	US$ (8,495)	(3)	T/T 90 days	-	-	US$ 7,383	7	-
	Pulse Electronics (Singapore) Pte. Ltd	Parent company	Sale	US$ (28,309)	(11)	T/T 90 days	-	-	US$ 10,676	10	-
Pulse (Suzhou) Wireless Products Co., Ltd.	Pulse Electronics Inc.	Parent company	Sale	US$ (5,314)	(2)	T/T 90 days	-	-	US$ 3,189	3	-
	Pulse Electronics (Singapore) Pte. Ltd	Parent company	Sale	US$ (9,704)	(4)	T/T 90 days	-	-	US$ 2,899	3	-
Suining Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	Sale	US$ (22,334)	(8)	T/T 90 days	-	-	US$ 13,581	13	-
Pulse Components. Ltd.	Pulse Electronics Inc.	Parent company	Sale	US$ (5,521)	(2)	T/T 90 days	-	-	US$ 992	1	-
	Pulse Electronics (Singapore) Pte. Ltd	Parent company	Sale	US$ (15,856)	(6)	T/T 90 days	-	-	US$ 6,946	7	-
Egston System Electronic spol.s.r.o.	Egston System Electronics Eggenburg GmbH	Associate	Sale	US$ (27,830)	(10)	T/T 30 days	-	-	US$ 3,314	3	-
	Egston Automotive Eggenburg GmbH	Associate	Sale	US$ (18,635)	(7)	T/T 30 days	-	-	US$ 6,306	6	-
Egston Electronics Zhuhai Ltd.	Egston Far East GmbH	Associate	Sale	US$ (4,343)	(2)	T/T 60 days	-	-	US$ 1,516	1	-
KEMET Electronics Oy	KEMET Electronics Corporation	Parent company	Sale	US$ (3,639)	(1)	Net 60 days	-	-	US$ 6,423	0.7	-
P.T.KEMET Electronics Indonesia	KEMET Electronics Corporation	Parent company	Sale	US$ (3,700)	(1)	Net 60 days	-	-	US$ 3,080	0.3	-

(Continued)

Company Name	Related Party	Nature of Relationships	Transaction Details (Note)				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount (Foreign Currency in Thousands)	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Foreign Currency in Thousands)	% to Total	
Shanghai Arcotronics Components & Machineries Co., Ltd.	KEMET Electronics Corporation	Parent company	Sale	US$ (10,515)	(3)	Net 60 days	$ -	-	US$ 6,325	0.7	-
	KEMET Electronics (Suzhou) Co., Ltd.	Associate	Sale	US$ (6,887)	(2)	Net 60 days	-	-	US$ 2,477	0.3	-
KEMET Electronics Macedonia DOOEL Skopje	KEMET Electronics Corporation	Parent company	Sale	US$ (3,834)	(1)	Net 60 days	-	-	US$ 10	-	-
KEMET Electronics Bulgaria EAD	KEMET Electronics Corporation	Parent company	Sale	US$ (5,424)	(2)	Net 60 days	- -	-	US$ 83	-	-
KEMET Electronics Italia S.r.l.	KEMET Electronics Corporation	Parent company	Sale	US$ (10,120)	(3)	Net 60 days	-	-	US$ 5,952	0.7	-
KEMET Electronics Portugal, S.A.	KEMET Electronics Corporation	Parent company	Sale	US$ (12,869)	(4)	Net 60 days	-	-	US$ 16,501	1.9	-
TOKIN Corporation	KEMET Electronics Corporation	Parent company	Sale	US$ (21,787)	(7)	45 days after monthly closing by netting	-	-	US$ 14,995	1.7	-
	TOKIN Hong Kong Ltd.	Subsidiary	Sale	US$ (17,137)	(90.8)	90 days after monthly closing by netting	-	-	US$ 8,400	207.1	-
	TOKIN Taiwan Co., Ltd.	Subsidiary	Sale	US$ (72,224)	(95.1)	60 days after monthly closing by netting	-	-	US$ 20,142	57.5	-
KEMET de Mexico, S.A. de C.V.	KEMET Electronics Corporation	Parent company	Sale	US$ (34,411)	(11)	Net 30 days	-	-	US$ 31,111	3.5	-
KEMET Electronics (Suzhou) Co., Ltd.	KEMET Electronics Corporation	Parent company	Sale	US$ (44,545)	(14)	Net 60 days	-	-	US$ 40,373	4.6	-
KEMET Electronics Corporation	KEMET Electronics Marketing (S) Pte Ltd.	Subsidiary	Sale	US$ (103,726)	(33)	Net 60 days	-	-	US$ 38,692	4.4	-
	KEMET Electronics (Suzhou) Co., Ltd.	Subsidiary	Sale	US$ (18,688)	(6)	Net 60 days	-	-	US$ (40,373)	(4.6)	-
	TOKIN Electronics (Thailand) Co., Ltd.	Subsidiary	Sale	US$ (10,895)	(3)	Net 60 days	-	-	US$ 2,780	0.3	-
TOKIN Electronics (Xiamen) Corporation	TOKIN Corporation	Parent company	Sale	US$ (20,776)	(85.5)	Net 90 days	-	-	US$ 11,079	30.2	-
TOKIN Electronics (Vietnam) Co., Ltd.	TOKIN Corporation	Parent company	Sale	US$ (26,579)	(98.4)	Net 90 days	-	-	US$ 15,026	48.1	-
TOKIN Electronics (Thailand) Co., Ltd.	TOKIN Corporation	Parent company	Sale	US$ (63,774)	(100)	Net 180 days	-	-	US$ 63,737	39	-

Note: All intercompany transactions have been eliminated upon consolidation.

(Concluded)

YAGEO CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2021
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Related Party	Nature of Relationships	Ending Balance (Foreign Currency in Thousands)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Yageo Corporation	Yageo Corporation (South Asia)	Subsidiary	$ 166,522 (Note 5)	21.23	$ -	-	$ 166,522	$ -
	Yageo Europe Holding B.V.	Subsidiary	215,075	13.42	-	-	150,077	-
	Yageo USA (H.K.) Limited.	Subsidiary	1,787,644 (Note 5)	13.81	-	-	1,787,644	-
	Ko-E Electronics Trade Co., Ltd.	Subsidiary	226,791 (Note 5)	6.39	-	-	128,399	-
	Yageo Electronics (China) Co., Ltd.	Subsidiary	1,315,314 (Note 5)	2.61	-	-	120,131	-
	Ko-E (H.K.) Limited	Subsidiary	121,358	4.01	-	-	40,192	-
Yageo Holding (Bermuda) Ltd.	Yageo Europe Holding B.V.	Associate	US$ 205,679 (Note 1)	-	-	-	-	-
Yageo Electronics (China) Co., Ltd.	Ko-E (H.K.) Limited	Associate	RMB 167,741	1.90	-	-	RMB 40,226	-
	Pulse (Suzhou) Wireless Products Co., Ltd.	Associate	RMB 159,224	0.50	-	-	RMB 4,765	
	Yageo Europe Holding B.V.	Associate	RMB 40,726	3.92	-	-	RMB 16,586	-
	Yageo Corporation	Ultimate parent company	RMB 1,311,900	1.22	-	-	RMB 276,809	-
Yageo USA (H.K.) Limited	Yageo (Suzhou) Trade Co., Ltd.	Associate	HK$ 707,573	1.68	-	-	HK$ 91,504	-
	Yageo Holding (Bermuda) Ltd.	Parent company	HK$ 395,903 (Note 2)	-	-	-	-	-
	Yageo Corporation	Ultimate parent company	HK$ 2,351,764 (Note 2)	-	-	-	HK$ 244,345	-
	Yageo Electronics (Dongguan) Co., Ltd.	Associate	HK$ 773,680	2.27	-	-	HK$ 147,516	-
	Ko-E (H.K.) Limited	Associate	HK$ 662,678	3.19	-	-	HK$ 91,504	-
Yageo Electronics (Dongguan) Co., Ltd.	Yageo Corporation	Ultimate parent company	RMB 480,051	3.17	-	-	RMB 244,345	-
Yageo (Suzhou) Trade Co., Ltd.	Yageo Electronics (China) Co., Ltd.	Associate	RMB 305,028 (Note 2)	-	-	-	RMB 297,163	-
	Ko-E Technology (Shenzhen) Co., Ltd.	Associate	RMB 257,268	1.81	-	-	RMB 45,547	-
Kuo-Shin Investment Limited	Brightking Electronics Co., Ltd.	Associate	115,772 (Note 2)	-	-	-	-	-

(Continued)

Company Name	Related Party	Nature of Relationships	Ending Balance (Foreign Currency in Thousands)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Vitrohm Holding GmbH	Yageo Holding (Bermuda) Ltd.	Parent company	EUR 6,445 (Note 2)	-	$ -	-	$ -	$ -
Yageo Europe Holding B.V.	Yageo USA (H.K.) Limited	Associate	EUR 44,555 (Note 2)	-	-	-	-	-
Yageo Holding Hungary LLC	KEMET Corporation	Subsidiary	US$ 153,572 (Note 2)	-	-	-	-	-
Bestbright Electronics Co., Ltd.	Ko-E Technology (Shenzhen) Co., Ltd.	Associate	RMB 116,095	1.85	-	-	RMB 38,586	-
Dongguan Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	US$ 46,980	2.05	-	-	US$ 3,356	-
	Pulse Electronics GmbH	Associate	US$ 19,287	0.48	-	-	-	-
Mianyang Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	US$ 10,676	5.13	-	-	US$ 1,420	-
	Pulse Electronics Inc.	Parent company	US$ 7,383	1.58	-	-	-	-
Suining Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	US$ 13,581	4.11	-	-	US$ 5,193	-
Pulse Components. Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	US$ 24,946 (Note 2)	1.43	-	-	US$ 2,988	-
Egston System Electronic spol.s.r.o.	Egston System Electronics Eggenburg GmbH	Associate	US$ 3,314	15.73	-	-	-	-
	Egston Automotive Eggenburg GmbH	Associate	US$ 6,306	6.80	-	-	-	-
Evox Rifa Pte Ltd.	KEMET Electronics Marketing (S) Pte Ltd.	Associate	US$ 6,657 (Note 5)	-	-	-	-	-
KEMET de Mexico, S.A. de C.V.	KEMET Electronics Corporation	Parent company	US$ 31,111 (Note 5)	-	-	-	US$ 8,513	-
KEMET Electronics (Suzhou) Co., Ltd.	KEMET Electronics Corporation	Parent company	US$ 40,373 (Note 5)	-	-	-	US$ 14,000	-
KEMET Electronics AB	KEMET Electronics Corporation	Parent company	US$ 6,578 (Note 5)	-	-	-	-	-
KEMET Electronics Corporation	KEMET Electronics Marketing (S) Pte Ltd.	Subsidiary	US$ 38,692 (Note 5)	-	-	-	US$ 35,000	-
KEMET Electronics GmbH	KEMET Electronics Corporation	Parent company	US$ 26,696 (Note 5)	-	-	-	US$ 1,188	-
KEMET Electronics Italia S.r.l.	KEMET Electronics Corporation	Parent company	US$ 5,952 (Note 5)	-	-	-	US$ 1,783	-

(Continued)

Company Name	Related Party	Nature of Relationships	Ending Balance (Foreign Currency in Thousands)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
KEMET Electronics Limited	KEMET Electronics Corporation	Parent company	US$ 12,863 (Note 5)	-	$ -	-	US$ 348	$ -
KEMET Electronics Macedonia DOOEL Skopje	KEMET Electronics Corporation	Parent company	US$ 4,473 (Note 5)	-	-	-	US$ 2,350	-
KEMET Electronics Oy	KEMET Electronics Corporation	Parent company	US$ 6,423 (Note 5)	-	-	-	US$ 594	-
KEMET Electronics Portugal, S.A.	KEMET Electronics Corporation	Parent company	US$ 16,501 (Note 5)	-	-	-	US$ 3,914	-
Shanghai Arcotronics Components & Machineries Co., Ltd.	KEMET Electronics Corporation	Parent company	US$ 6,325 (Note 5)	-	-	-	US$ 4,500	-
TOKIN Corporation	KEMET Electronics Corporation	Parent company	US$ 14,995 (Note 5)	-	-	-	US$ 2,584	-
	TOKIN Electronics (Suzhou) Co., Ltd.	Subsidiary	US$ 12,181 (Note 5)		-	-	US$ 1,936	-
	TOKIN Hong Kong Ltd.	Subsidiary	US$ 8,400 (Note 5)	3.5	-	-	US$ 2,371	-
	TOKIN Taiwan Co., Ltd.	Subsidiary	US$ 20,142 (Note 5)	6.5	-	-	US$ 14,913	-
TOKIN Electronics (Xiamen) Corporation	TOKIN Corporation	Parent company	US$ 11,079 (Note 5)	4.2	-	-	US$ 3,193	-
TOKIN Electronics (Thailand) Co., Ltd.	TOKIN Corporation	Parent company	US$ 63,737 (Note 5)	2.1	-	-	US$ 18,276	-
TOKIN Electronics (Vietnam) Co., Ltd.	TOKIN Corporation	Parent company	US$ 15,026 (Note 5)	4.2	-	-	US$ 4,732	-

Note 1: Loans to subsidiaries were considered a component of investment.

Note 2: Considered financing and other receivables.

Note 3: Considered financing.

Note 4: Considered other receivables.

Note 5: Including other receivables.

Note 6: All intercompany transactions have been eliminated upon consolidation.

(Concluded)

YAGEO CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2021			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				June 30, 2021 (Foreign Currency in Thousands)	December 31, 2020 (Foreign Currency in Thousands)	Shares (In Thousands)	Percentage of Ownership	Carrying Value			
Yageo Corporation	Yageo Holding (Bermuda) Ltd.	Bermuda	Investment	US$ 139,747	US$ 94,747	90,000	100.00	$ 51,610,909	$ 2,982,956	$ 2,982,956	Subsidiary
	Kuo-Shin Investment Limited	Taipei	Investment	1,612,059	1,612,059	89,300	100.00	1,192,181	31,831	31,831	Subsidiary
	Brightking Holdings Ltd.	Cayman Islands	Holding company	3,328,253	3,328,253	45,608	100.00	3,104,052	81,902	52,539	Subsidiary
	Yageo Corporation (South Asia)	Singapore	Electronic component selling	SGD 780	SGD 780	-	100.00	755,927	55,262	55,262	Subsidiary
	Yageo Europe Holding B.V.	Netherlands	Holding company	US$ 147,757	US$ 147,757	-	100.00	2,350,742	226,512	226,512	Subsidiary
	Yageo South Asia (M) Sdn. Bhd.	Malaysia	Electronic component selling	-	-	-	100.00	1,596	280	280	Subsidiary
	Pulse Electronics Corporation	America	Holding company	US$ 721,461	US$ 721,461	25,574	100.00	25,216,292	1,258,069	1,198,480	Subsidiary
	Yageo Holding Hungary LLC	Hungary	Holding company	49,257,636	49,257,636	-	100.00	53,040,951	4,673,129	4,658,340	Subsidiary
	Chilisin Electronics Corp.	Hsinchu	Inductor manufacturing and selling	1,468,855	1,468,855	25,276	9.59	3,223,918	907,112	88,032	Associate
	GTCL	Singapore	Holding company	60,603	60,603	8,232	23.39	204,811	65,671	15,357	Associate
	Kaimei Electronic Corp.	New Taipei City	Capacitor manufacturing and selling	1,064,737	1,064,737	8,125	5.98	567,851	592,010	35,408	Associate
	Strong Components Co., Ltd.	Kaohsiung	Electronic component manufacturing and selling	79,384	79,384	6,530	31.42	110,417	11,876	3,732	Associate
Kuo-Shin Investment Limited	Chilisin Electronics Corp.	Hsinchu	Inductor manufacturing and selling	263,814	263,814	5,034	1.91	661,783	907,112	17,531	Associate
	GTCL	Singapore	Holding company	50,078	50,078	1,839	5.22	45,751	65,671	3,430	Associate
	Kaimei Electronic Corp.	New Taipei City	Capacitor manufacturing and selling	93,575	93,575	1,818	1.34	117,626	592,010	7,923	Associate
Yageo Holding (Bermuda) Ltd.	Yageo (Hong Kong) Limited	Hong Kong	Investment	HK$ 1,316,340	HK$ 1,316,340	1,030,499	100.00	US$ 859,469	US$ 62,609	US$ 62,609	Subsidiary
	Yageo USA (H.K.) Limited	Hong Kong	Passive component selling	HK$ 8,000	HK$ 8,000	-	100.00	US$ 612,024	US$ 16,127	US$ 16,127	Subsidiary
	Ko-E Holding (Cayman)	Cayman Islands	Holding company	US$ 6,815	US$ 6,815	6,815	97.35	US$ 40,460	US$ 33,355	US$ 32,472	Subsidiary
	Vitrohm Holding GmbH	Germany	Investment	EUR 15,849	EUR 15,849	-	100.00	US$ 15,793	US$ 647	US$ 647	Subsidiary
	Belkin International	Samoa	Investment	US$ 1,104	US$ 1,104	1,104	46.00	US$ 1,169	US$ 25	US$ 12	Associate
	Yageo Korea	Korea	Sales of resistors	US$ 236	US$ 236	-	100.00	US$ 3,819	US$ 12	US$ 12	Subsidiary
	Yageo Japan	Japan	Sales of resistors	US$ 339	US$ 339	-	100.00	US$ 375	US$ 95	US$ 95	Subsidiary
	Hsu Tai International (H.K.) Ltd.	Hong Kong	Investment	US$ 2,400	US$ 2,400	1	100.00	US$ 1,108	US$ (2)	US$ (2)	Subsidiary
Brightking Holdings Ltd.	Brightking Enterprise (H.K.) Co., Ltd.	Hong Kong	Selling overvoltage and overcurrent protection electronic components	600,165	600,165	153,968	100.00	1,662,663	14,289	14,289	Subsidiary
Pulse Electronics Corporation	Egston Holding GmbH	Austria	Holding company	US$ 22,030	US$ 22,030	-	100.00	US$ 38,237	US$ 7,412	US$ 7,412	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount: June 30, 2021 (Foreign Currency in Thousands)	Original Investment Amount: December 31, 2020 (Foreign Currency in Thousands)	As of June 30, 2021: Shares (In Thousands)	As of June 30, 2021: Percentage of Ownership	As of June 30, 2021: Carrying Value	Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
Ko-E Holding (Cayman)	Ko-E (H.K.) Limited	Hong Kong	Electronic components selling	US$ 4,662	US$ 4,662	-	100.00	US$ 32,350	US$ 31,549	US$ 31,549	Subsidiary
	Ko-E Electronics Trade Co., Ltd.	New Taipei City	Electronic components selling	US$ 1,481	US$ 1,481	4,500	100.00	US$ 4,015	US$ 1,913	US$ 1,913	Subsidiary
	Ko-E Electronic (Hong Kong) Limited	Hong Kong	Electronic Components selling	US$ 646	US$ -	5,000	100.00	US$ 657	US$ 11	US$ 11	Subsidiary
Brightking Enterprise (H.K.) Co., Ltd.	Brightking Electronics Co., Ltd.	New Taipei City	Manufacturing and selling overvoltage and overcurrent protection electronic components	129,393	129,393	12,939	100.00	(81,990)	(18,912)	(18,912)	Subsidiary
	Bestbright Electronics Co., Ltd. (Taiwan)	New Taipei City	Manufacturing and selling overvoltage and overcurrent protection electronic components	101	101	10	100.00	-	(1)	(1)	Subsidiary
Yageo Holding Hungary LLC	KEMET Corporation	America	Electronic components selling	US$ 1,636,052	US$ 1,636,052	1	100.00	US$ 1,742,314	US$ 163,958	US$ 163,958	Subsidiary
KEMET Corporation	KEMET Electronics Corporation	America	Electronic components manufacturing and selling	US$ 290,391	US$ 290,391	1	100.00	US$ 1,100,991	US$ 150,104	US$ 150,104	Subsidiary
KEMET Electronics Corporation	TOKIN Corporation	Japan	Electronic components manufacturing and selling	US$ 200,358	US$ 200,358	467,866	100.00	US$ 314,652	US$ 25,802	US$ 25,802	Subsidiary
	Yageo America LLC. (Note 3)	America	Electronic components selling	US$ 3,317	US$ 3,317	1	100.00	US$ 6,831	US$ 59	US$ 59	Subsidiary
TOKIN Corporation	NT Sales Co., Ltd.	Japan	Electronic components selling	JPY 297,335	JPY 297,335	264	33.00	US$ 1,417	US$ 397	US$ 131	Associate
	Nippon Yttrium Co., Ltd.	Japan	Electronic components selling	JPY 123,168	JPY 123,168	240	30.00	US$ 8,497	US$ 2,913	US$ 874	Associate

Note 1: For information on investments in mainland China, refer to Table 9.

Note 2: All the above investment account and share of profit or loss relevant to subsidiaries have been eliminated upon consolidation.

Note 3: The Group had organizational restructuring in December 2020, and Yageo America Corporation, a subsidiary that was originally 100% owned by the Company, was changed to KEMET Electronics Corporation. Yageo America Corporation has changed its name to Yageo America LLC. in January 2021.

(Concluded)

YAGEO CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee Company	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 (US$ in Thousands) (Note 3)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2021 (US$ in Thousands) (Note 3)	Net Income (Losses) of the Investee Company (Note 4)	Percentage of Ownership	Share of Profits/Losses (Note 4)	Carrying Amount as of June 30, 2021 (Note 3)	Accumulated Inward Remittance of Earnings as of June 30, 2021 (Note 3)
					Outflow (Note 3)	Inflow (Note 3)						
Yageo Electronics (Dongguan) Co., Ltd.	Passive components manufacturing and selling	US$ 53,250 ($ 1,484,078)	Indirect: Through a company registered in a third region	US$ 46,510 ($ 1,296,234)	$ -	$ -	US$ 46,510 ($ 1,296,234)	HK$ 83,797 ($ 304,376)	100.00	HK$ 75,835 ($ 275,455)	HK$ 948,887 ($ 3,405,840)	US$ 61,915 ($ 1,725,571)
Yageo Electronics (China) Co., Ltd.	Passive components manufacturing and selling	US$ 301,977 ($ 8,416,099)	Indirect: Through a company registered in a third region	US$ 204,977 ($ 5,712,709)	-	-	US$ 204,977 ($ 5,712,709)	HK$ 311,577 ($ 1,131,741)	100.00	HK$ 357,940 ($ 1,300,145)	HK$ 4,414,750 ($ 15,845,862)	US$ 117,160 ($ 3,265,249)
Yageo Components (Suzhou) Co., Ltd.	Passive components manufacturing and selling	US$ 5,000 ($ 139,350)	Indirect: Through a company registered in a third region	US$ 5,000 ($ 139,350)	-	-	US$ 5,000 ($ 139,350)	HK$ 1,407 ($ 5,111)	100.00	HK$ 1,347 ($ 4,893)	HK$ 106,888 ($ 383,653)	-
Yageo (Suzhou) Trade Co., Ltd.	Passive components selling	US$ 5,000 ($ 139,350)	Indirect: Through a company registered in a third region	US$ 5,000 ($ 139,350)	-	-	US$ 5,000 ($ 139,350)	HK$ 50,105 ($ 181,996)	100.00	HK$ 50,105 ($ 181,996)	HK$ 1,173,141 ($ 4,210,755)	-
Compostar Technology (Dongguan) Co., Ltd. (Note 7)	Passive components manufacturing and selling	US$ 1,500 ($ 41,805)	Indirect: Through a company registered in a third region	US$ 1,164 ($ 32,441)	-	-	US$ 1,164 ($ 32,441)	-	-	-	-	-
Compostar Technology (Suzhou) Co., Ltd.	Passive components manufacturing and selling	US$ 5,150 ($ 143,531)	Indirect: Through a company registered in a third region	US$ 5,150 ($ 143,531)	-	-	US$ 5,150 ($ 143,531)	-	-	-	-	-
Guo Chuang Electronics (Dongguan) Co., Ltd. (Note 8)	Passive components manufacturing and selling	US$ 1,709 ($ 47,630)	Indirect: Through a company registered in a third region	US$ 789 ($ 21,989)	-	-	US$ 789 ($ 21,989)	HK$ (1) ($ (4))	-	-	-	-
Ko-E Technology (Shenzhen) Co., Ltd.	Electronic components selling	US$ 3,500 ($ 97,545)	Indirect: Through a company registered in a third region	US$ 3,150 ($ 87,791)	-	-	US$ 3,150 ($ 87,791)	HK$ 77,123 ($ 280,134)	97.35	HK$ 75,079 ($ 272,709)	HK$ 143,332 ($ 514,462)	-
Guo Ray Electronics Co., Ltd. (Note 7)	Marketing of electronic components	US$ 1,000 ($ 27,870)	Indirect: Through a company registered in a third region	US$ 460 ($ 12,820)	-	-	US$ 460 ($ 12,820)	-	-	-	-	-
Chen-Xin Electronic (Chiao-Tao) Co., Ltd. (Note 7)	Manufacture and marketing of passive components	HK$ 1,000 ($ 3,589)	Indirect: Through a company registered in a third region	US$ 59 ($ 1,644)	-	-	US$ 59 ($ 1,644)	-	-	-	-	-
Chen Xin (Dongguan)	Production of passive components	US$ 1,000 ($ 27,870)	Indirect: Through a company registered in a third region	US$ 460 ($ 12,820)	-	-	US$ 460 ($ 12,820)	-	-	-	-	-
Bestbright Electronics Co., Ltd.	Manufacturing and selling overvoltage and overcurrent protection electronic components	342,073	Indirect: Through a company registered in a third region	US$ 110,301 ($ 3,074,089)	-	-	US$ 110,301 ($ 3,074,089)	81,027	100.00	81,027	2,525,732	-
Brightking (Shenzhen) Co., Ltd.	Selling overvoltage and overcurrent protection electronic components	94,380	Indirect: Through a company registered in a third region	-	-	-	-	(26,824)	100.00	(26,824)	565,217	-
Brightking (Shanghai) Co., Ltd.	Selling overvoltage and overcurrent protection electronic components	29,249	Indirect: Through a company registered in a third region	-	-	-	-	1,469	100.00	1,469	169,914	-
Brightking (Beijing) Co., Ltd	Selling overvoltage and overcurrent protection electronic components	18,876	Indirect: Through a company registered in a third region	-	-	-	-	(3,750)	100.00	(3,750)	30,239	-
Huizhou Lien Shun Electronics Co., Ltd.	Manufacturing and selling overvoltage and overcurrent protection electronic components	130,395	Indirect: Through a company registered in a third region	US$ 1,603 ($ 44,676)	-	-	US$ 1,603 ($ 44,676)	40,103	100.00	40,103	(13,190)	-
Ceramate Technical (Suzhou) Co., Ltd.	Manufacturing and selling overvoltage and overcurrent protection electronic components	81,661	Indirect: Through a company registered in a third region	-	-	-	-	(6,801)	100.00	(6,801)	(6,610)	-

(Continued)

Investee Company	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 (US$ in Thousands) (Note 3)	Investment Flows: Outflow (Note 3)	Investment Flows: Inflow (Note 3)	Accumulated Outflow of Investment from Taiwan as of June 30, 2021 (US$ in Thousands) (Note 3)	Net Income (Losses) of the Investee Company (Note 4)	Percentage of Ownership	Share of Profits/Losses (Note 4)	Carrying Amount as of June 30, 2021 (Note 3)	Accumulated Inward Remittance of Earnings as of June 30, 2021 (Note 3)
Zhejiang Bestbright Electronics Co., Ltd.	Manufacturing and selling overvoltage and overcurrent protection electronic components	$ 186,642	Indirect: Through a company registered in a third region	$ -	$ -	$ -	$	$ (313)	100.00	$ (313)	$ 203,624	$ -
Pulse Electronics (Dongguan) Co., Ltd.	Manufacturing automotive electronic components	HK$ 197,297 ($ 708,158)	Indirect: Through a company registered in a third region	US$ 383,032 ($ 10,675,102)	-	-	US$ 383,032 ($ 10,675,102)	223,021	100.00	223,021	1,516,573	-
Mian Yang Pulse Electronics Co., Ltd.	Manufacturing automotive electronic components	US$ 2,100 ($ 58,527)	Indirect: Through a company registered in a third region	US$ 37,012 ($ 1,031,524)	-	-	US$ 37,012 ($ 1,031,524)	145,340	100.00	145,340	431,078	-
Suining Pulse Electronics Co., Ltd.	Manufacturing automotive electronic components	US$ 500 ($ 13,935)	Indirect: Through a company registered in a third region	US$ 37,445 ($ 1,043,592)	-	-	US$ 37,445 ($ 1,043,592)	48,066	100.00	48,066	197,100	-
Pulse (Suzhou) Wireless Products Co., Ltd.	Manufacturing automotive electronic components	US$ 25,300 ($ 705,111)	Indirect: Through a company registered in a third region	US$ 21,788 ($ 607,232)	-	-	US$ 21,788 ($ 607,232)	53,801	100.00	53,801	241,597	-
Pulse Electronics (ShenZhen) Co., Ltd	Manufacturing automotive electronic components	US$ 650 ($ 18,116)	Indirect: Through a company registered in a third region	US$ 3,533 ($ 98,465)	-	-	US$ 3,533 ($ 98,465)	(1,839)	100.00	(1,839)	14,207	-
Shengsheng Technology (Suzhou) Co., Ltd.	Manufacturing automotive electronic components	US$ 9,000 ($ 250,830)	Indirect: Through a company registered in a third region	US$ 9,656 ($ 269,113)	-	-	US$ 9,656 ($ 269,113)	(3,631)	100.00	(3,631)	25,844	-
Egston Electronics Zhuhai Ltd	Manufacturing automotive electronic components	US$ 2,340 ($ 65,216)	Indirect: Through a company registered in a third region	US$ 19,748 ($ 550,377)	-	-	US$ 19,748 ($ 550,377)	12,770	100.00	12,770	111,031	-
KEMET Electronics (Suzhou) Co., Ltd.	Automotive electronic components manufacturing and selling	US$ 26,667 ($ 743,209)	Indirect: Through a company registered in a third region	US$ 208,750 ($ 5,817,863)	-	-	US$ 208,750 ($ 5,817,863)	US$ 4,536 ($ 127,875)	100.00	US$ 4,536 ($ 127,875)	US$ 100,179 ($ 2,791,977)	US$ 5,395 ($ 150,359)
Shanghai Arcotronics Components & Machineries Co., Ltd.	Manufacturing automotive electronic components	US$ 32,600 ($ 140,630)	Indirect: Through a company registered in a third region	-	-	-	-	US$ 1,943 ($ 54,779)	100.00	US$ 1,943 ($ 54,779)	US$ 16,963 ($ 472,752)	-
KEMET Jianghai Electronics Components Co., Ltd	Manufacturing automotive electronic components	US$ 16,000 ($ 445,920)	Indirect: Through a company registered in a third region	US$ 16,666 ($ 464,481)	-	-	US$ 16,666 ($ 464,481)	US$ (644) ($ (18,154))	50.00	US$ (322) ($ (9,077))	US$ 1,922 ($ 53,566)	-
TOKIN Electronics (Xiamen) Corporation	Manufacturing automotive electronic components	US$ 31,000 ($ 863,970)	Indirect: Through a company registered in a third region	US$ 57,825 ($ 1,611,583)	-	-	US$ 57,825 ($ 1,611,583)	US$ (2,097) ($ (59,119))	100.00	US$ (2,097) ($ (59,119))	US$ 24,968 ($ 695,860)	-

Accumulated Investment in Mainland China as of June 30, 2021 (US$ in Thousands) (Note 3)	Investment Amounts Authorized by Investment Commission, MOEA (US$ in Thousands) (Note 3)	Upper Limit on Investment
$32,888,774 (US$1,180,078)	$37,022,480 (US$1,328,399) (Note 1)	(Note 2)

Note 1: Investment Commission of MOEA approved the transfer of earnings to capital of Yageo Electronics (Dongguan) Co., Ltd. and Yageo Electronics (China) Co., Ltd. amounting to US$6,740 thousand and US$97,000 thousand, respectively.

Note 2: Referred to under Order No. 11020419960 issued by the MOEA on May 27, 2021, the Company obtained the operational headquarters certification documents issued by the Industrial Bureau of the MOEA with validity period from May 26, 2021 to May 25, 2024. Therefore, the investment in mainland China is not restricted.

Note 3: The currency exchange rates on June 30, 2021, of NTD to HKD and USD, which were 1:3.5893 and 1:27.870, respectively.

Note 4: The currency exchange rates in 2021, of NTD to HKD and USD, which were 1:3.6323 and 1:28.190, respectively.

Note 5: Compostar Technology (Suzhou) Co., Ltd., Chen-Xin Electronic (Chiao-Tao) Co., Ltd. and Chen Xin (Dongguan) have been liquidated and the liquidation was approved by Investment Commission of MOEA.

Note 6: All the above investment account and share of profit or loss relevant to subsidiaries have been eliminated on consolidation.

Note 7: It has been canceled in the third quarter of 2019.

Note 8: Guo Chuang Electronics (Dongguan) Co., Ltd. has been canceled in March 2021.

(Concluded)

TABLE 10

YAGEO CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(Amounts in Thousands of New Taiwan Dollars)

No.	Company Name	Counterparty	Nature of Relationship (Note 1)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets
0	Yageo Corporation	Yageo Corporation (South Asia) Pte. Ltd.	a.	Receivables from related parties	$ 166,522	T/T 90 days	-
		Yageo Europe Holding B.V.	a.	Receivables from related parties	215,075	Offset account T/T 45 days	-
		Yageo USA (H.K.) Limited	a.	Receivables from related parties	1,787,644	Offset account T/T 90 days	1
		Yageo Electronics (China) Co., Ltd.	a.	Receivables from related parties	1,315,314	T/T 90 days	1
		Ko-E Electronics Trade Co., Ltd.	a.	Receivables from related parties	226,791	T/T 90 days	-
		Ko-E (H.K.) Limited	a.	Receivables from related parties	121,358	T/T 60 days	-
		Yageo Corporation (South Asia) Pte. Ltd.	a.	Sales	883,721	T/T 90 days	2
		Yageo Europe Holding B.V.	a.	Sales	964,579	Offset account T/T 45 days	2
		Yageo USA (H.K.) Limited	a.	Sales	10,937,138	Offset account T/T 90 days	21
		Yageo Electronics (China) Co., Ltd.	a.	Sales	1,311,345	T/T 90 days	3
		Yageo Electronics (Dongguan) Co., Ltd.	a.	Sales	1,934,744	Offset account T/T 90 days	4
		Ko-E Electronics Trade Co., Ltd.	a.	Sales	387,952	T/T 90 days	1
		Ko-E (H.K.) Limited	a.	Sales	229,344	T/T 90 days	-
1	Yageo Holding (Bermuda) Ltd.	Yageo Europe Holding B.V.	c.	Receivables from related parties	5,732,267	Financing	3
2	Yageo Electronics (China) Co., Ltd.	Pulse (Suzhou) Wireless Products Co., Ltd.	c.	Receivables from related parties	686,859	T/T 90 days	-
		Ko-E (H.K.) Limited	c.	Receivables from related parties	723,607	T/T 90 days	-
		Yageo Europe Holding B.V.	c.	Receivables from related parties	175,687	T/T 90 days	-
		Yageo Corporation	b.	Receivables from related parties	5,659,273	T/T 90 days	3
		Yageo (Suzhou) Trade Co., Ltd.	c.	Sales	138,499	T/T 90 days	-
		Ko-E (H.K.) Limited	c.	Sales	976,074	T/T 90 days	2
		Yageo Europe Holding B.V.	c.	Sales	487,703	T/T 90 days	1
		Yageo Corporation	b.	Sales	6,519,970	T/T 90 days	13
3	Yageo USA (H.K.) Limited	Yageo Corporation	b.	Receivables from related parties	8,361,000	Financing	4
		Yageo Holding (Bermuda) Ltd.	b.	Receivables from related parties	1,393,500	Financing	1
		Yageo (Suzhou) Trade Co., Ltd.	c.	Receivables from related parties	2,539,942	T/T 90 days	1
		Yageo Electronics (Dongguan) Co., Ltd.	c.	Receivables from related parties	2,777,169	T/T 90 days	1
		Ko-E (H.K.) Limited	c.	Receivables from related parties	2,378,551	T/T 90 days	1
		Yageo Electronics (Dongguan) Co., Ltd.	c.	Sales	3,145,814	T/T 90 days	6
		Yageo (Suzhou) Trade Co., Ltd.	c.	Sales	2,214,106	T/T 90 days	4
		Ko-E (H.K.) Limited	c.	Sales	3,225,628	T/T 90 days	6
4	Yageo Electronics (Dongguan) Co., Ltd.	Yageo Corporation	b.	Receivables from related parties	2,070,844	Offset account T/T 90 days	1
		Yageo Corporation	b.	Sales	5,596,420	Offset account T/T 90 days	11

(Continued)

No.	Company Name	Counterparty	Nature of Relationship (Note 1)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets
5	Yageo (Suzhou) Trade Co., Ltd.	Yageo Electronics (China) Co., Ltd.	c.	Receivables from related parties	$ 1,266,339	Financing	1
		Ko-E Technology (Shenzhen) Co., Ltd.	c.	Receivables from related parties	1,109,804	T/T 65 days	1
		Ko-E Technology (Shenzhen) Co., Ltd.	c.	Sales	1,418,883	T/T 65 days	3
6	Vitrohm Holding GmbH	Yageo Holding (Bermuda) Ltd.	b.	Receivables from related parties	212,266	Financing	-
7	Kuo-Shin Investment Limited	Brightking Electronics Co., Ltd.	c.	Receivables from related parties	115,000	Financing	-
8	Yageo Europe Holding B.V.	Yageo USA (H.K.) Limited	c.	Receivables from related parties	1,449,240	Financing	1
9	Yageo Holding Hungary LLC	KEMET Corporation	a.	Receivables from related parties	4,180,500	Financing	2
10	Bestbright Electronics Co., Ltd.	Ko-E Technology (Shenzhen) Co., Ltd.	c.	Receivables from related parties	500,811	T/T 30-60 days	-
		Ko-E Technology (Shenzhen) Co., Ltd.	c.	Sales	786,608	T/T 30-60 days	2
		Brightking (Shanghai) Co., Ltd.	b.	Sales	117,084	T/T 30-60 days	-
11	Dongguan Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	b.	Receivables from related parties	1,309,345	T/T 90 days	1
		Pulse Electronics GmbH	c.	Receivables from related parties	537,523	T/T 90 days	-
		Pulse Electronics (Singapore) Pte. Ltd.	b.	Sales	794,474	T/T 90 days	2
12	Mianyang Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	b.	Receivables from related parties	297,534	T/T 90 days	-
		Pulse Electronics Inc.	b.	Receivables from related parties	205,772	T/T 90 days	-
		Pulse Electronics (Singapore) Pte. Ltd.	b.	Sales	798,028	T/T 90 days	2
		Pulse Electronics Inc.	b.	Sales	239,487	T/T 90 days	-
13	Pulse (Suzhou) Wireless Products Co., Ltd.	Pulse Electronics Inc.	b.	Sales	149,807	T/T 90 days	-
		Pulse Electronics (Singapore) Pte. Ltd.	b.	Sales	273,568	T/T 90 days	1
14	Suining Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	b.	Receivables from related parties	378,500	T/T 90 days	-
		Pulse Electronics (Singapore) Pte. Ltd.	b.	Sales	629,599	T/T 90 days	1
15	Pulse Components. Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	b.	Receivables from related parties	193,594	T/T 90 days	-
		Pulse Electronics (Singapore) Pte. Ltd.	b.	Sales	446,968	T/T 90 days	1
		Pulse Electronics Inc.	b.	Sales	155,634	T/T 90 days	-
16	Egston System Electronic Eggenburg GmbH	Egston Automotive Eggenburg GmbH	c.	Receivables from related parties	127,423	T/T 30 days	-
17	Egston System Electronic spol.s.r.o.	Egston Automotive Eggenburg GmbH	c.	Receivables from related parties	175,759	T/T 30 days	-
		Egston System Electronics Eggenburg GmbH	c.	Sales	784,535	T/T 30 days	2
		Egston Automotive Eggenburg GmbH	c.	Sales	525,313	T/T 60 days	1
18	Egston Electronics Zhuhai Ltd.	EGSTON Far East GmbH	c.	Sales	122,420	T/T 60 days	-

(Continued)

No.	Company Name	Counterparty	Nature of Relationship (Note 1)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets
19	Evox Rifa Pte Ltd.	KEMET Electronics Marketing (S) Pte Ltd.	c.	Receivables from related parties	$ 185,525	Net 60 days	-
20	P.T. KEMET Electronics Indonesia	KEMET Electronics Corporation	b.	Sales	104,314	Net 60 days	-
21	Shanghai Arcotronics Components & Machineries Co., Ltd.	KEMET Electronics Corporation	b.	Receivables from related parties	176,292	Net 60 days	-
		KEMET Electronics Corporation	b.	Sales	296,428	Net 60 days	1
		KEMET Electronics (Suzhou) Co., Ltd.	c.	Sales	194,136	Net 60 days	-
22	KEMET Electronics Protugal, S.A.	KEMET Electronics Corporation	b.	Receivables from related parties	459,871	Net 60 days	-
		KEMET Electronics Corporation	b.	Sales	362,789	Net 60 days	1
23	KEMET Electronics AB	KEMET Electronics Corporation	b.	Receivables from related parties	183,327	Net 60 days	-
24	KEMET Electronics Oy	KEMET Electronics Corporation	b.	Receivables from related parties	179,002	Net 60 days	-
		KEMET Electronics Corporation	b.	Sales	102,573	Net 60 days	-
25	KEMET Electronics Bulgaria EAD	KEMET Electronics Corporation	b.	Sales	152,901	Net 60 days	-
26	KEMET Electronics Italia S.r.l.	KEMET Electronics Corporation	b.	Receivables from related parties	165,886	Net 60 days	-
		KEMET Electronics Corporation	b.	Sales	285,279	Net 60 days	1
27	KEMET de Mexico, S.A. de C.V.	KEMET Electronics Corporation	b.	Receivables from related parties	867,076	Net 30 days	-
		KEMET Electronics Corporation	b.	Sales	970,044	Net 30 days	2
28	KEMET Electronics Corporation	KEMET Electronics Bulgaria EAD	a.	Receivables from related parties	104,732	Financing	-
		KEMET Electronics Italia SRL	a.	Receivables from related parties	874,180	Financing	-
		KEMET Electronics Marketing (S) Pte Ltd.	a.	Receivables from related parties	1,078,355	Net 60 days	1
		KEMET Electronics Marketing (S) Pte Ltd.	a.	Sales	2,924,025	Net 60 days	6
		KEMET Electronics (Suzhou) Co., Ltd.	a.	Sales	526,827	Net 60 days	1
		TOKIN Electronics (Thailand) Co., Ltd.	a.	Sales	307,139	Net 60 days	1
29	KEMET Electronics GmbH	KEMET Electronics Corporation	b.	Receivables from related parties	744,015	Net 60 days	-
30	KEMET Electronics Macedonia DOOEL Skopje	KEMET Electronics Corporation	b.	Receivables from related parties	124,670	Net 60 days	-
		KEMET Electronics Corporation	b.	Sales	108,068	Net 60 days	1
31	KEMET Electronics (Suzhou) Co., Ltd.	KEMET Electronics Corporation	b.	Receivables from related parties	1,125,192	Net 60 days	1
		KEMET Electronics Corporation	b.	Sales	1,255,710	Net 60 days	2
32	KEMET Electronics Limited	KEMET Electronics Corporation	b.	Receivables from related parties	358,489	Net 60 days	-

(Continued)

No.	Company Name	Counterparty	Nature of Relationship (Note 1)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets
33	TOKIN Corporation	KEMET Corporation	b.	Receivables from related parties	$ 6,938,250	Financing	3
		KEMET Electronics Corporation	b.	Receivables from related parties	417,918	45 days after monthly closing by netting	-
		TOKIN Electronics (Suzhou) Co., Ltd.	c.	Receivables from related parties	339,494	45 days after monthly closing by netting	-
		TOKIN Hong Kong Ltd.	a.	Receivables from related parties	234,098	90 days after monthly closing by netting	-
		TOKIN Taiwan Co., Ltd.	a.	Receivables from related parties	561,362	60 days after monthly closing by netting	-
		KEMET Electronics Corporation	b.	Sales	614,172	45 days after monthly closing by netting	1
		TOKIN Hong Kong Ltd.	a.	Sales	483,093	90 days after monthly closing by netting	1
		TOKIN Taiwan Co., Ltd.	a.	Sales	2,036,004	60 days after monthly closing by netting	4
34	TOKIN Electronics (Xiamen) Corporation	TOKIN Corporation	b.	Receivables from related parties	308,761	Net 90 days	-
		TOKIN Corporation	b.	Sales	585,664	Net 90 days	1
		TOKIN Singapore Pte Ltd	c.	Sales	263,298	Net 30 days	1
35	TOKIN Electronics (Vietnam) Co., Ltd.	TOKIN Corporation	b.	Receivables from related parties	418,762	Net 90 days	-
		TOKIN Corporation	b.	Sales	749,270	Net 90 days	1
36	TOKIN Electronics (Thailand) Co., Ltd.	TOKIN Corporation	b.	Receivables from related parties	1,776,346	Net 180 days	1
		TOKIN Corporation	b.	Sales	1,797,802	Net 180 days	3

Note 1: The flow of related-party transactions is as follows:

a. From the parent company to its subsidiary.
b. From a subsidiary to its parent company.
c. Between subsidiaries.

Note 2: The intercompany transactions have been eliminated upon consolidation.

(Concluded)

TABLE 11

YAGEO CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
JUNE 30, 2021

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Tie-Min Chen	37,000,660	7.41
CTBC Bank as Custodian for PRC Holding Limited	35,053,556	7.02
CTBC Bank as Custodian for Dominant Investment Holdings Ltd.	34,991,943	7.01

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

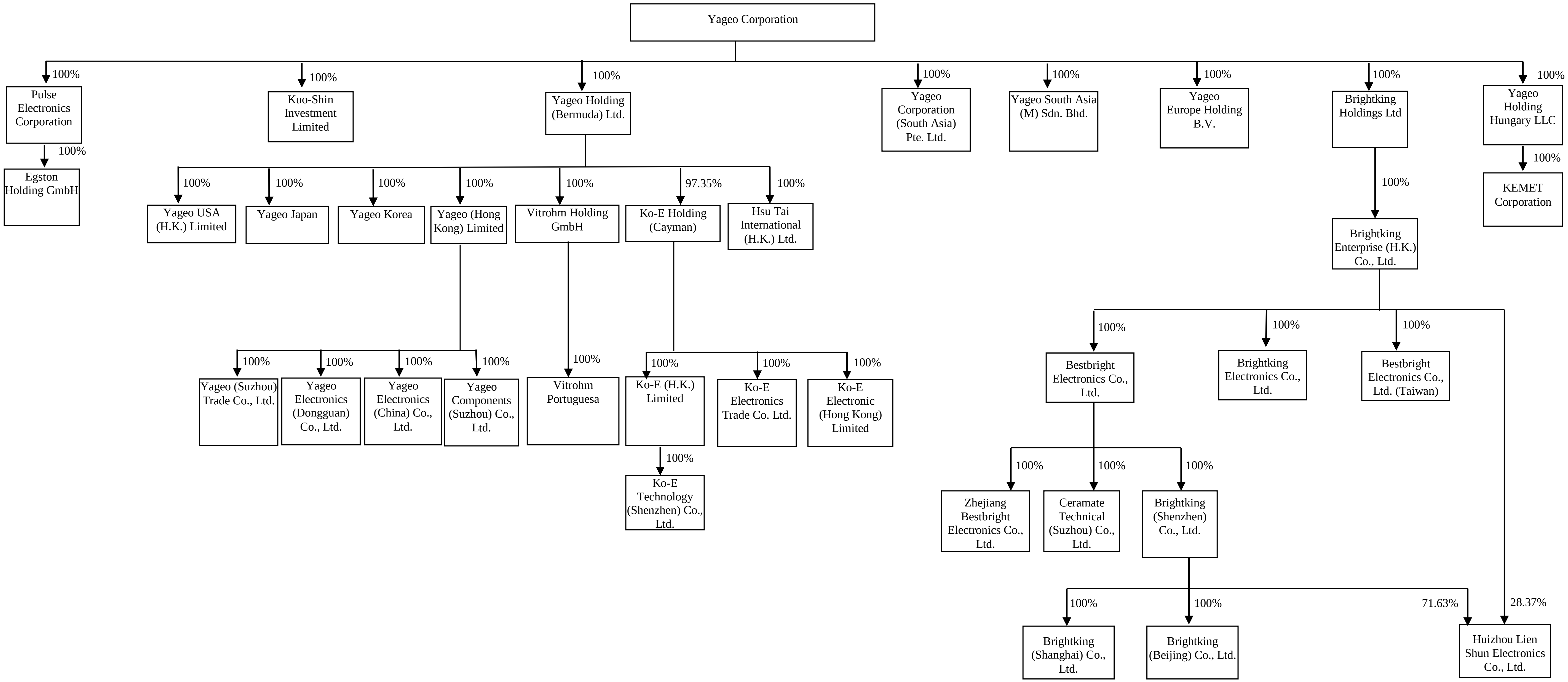
Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, refer to Market Observation Post System.

TABLE 12

YAGEO CORPORATION AND SUBSIDIARIES

THE GROUP'S ORGANIZATION CHART
JUNE 30, 2021 AND 2020

2021



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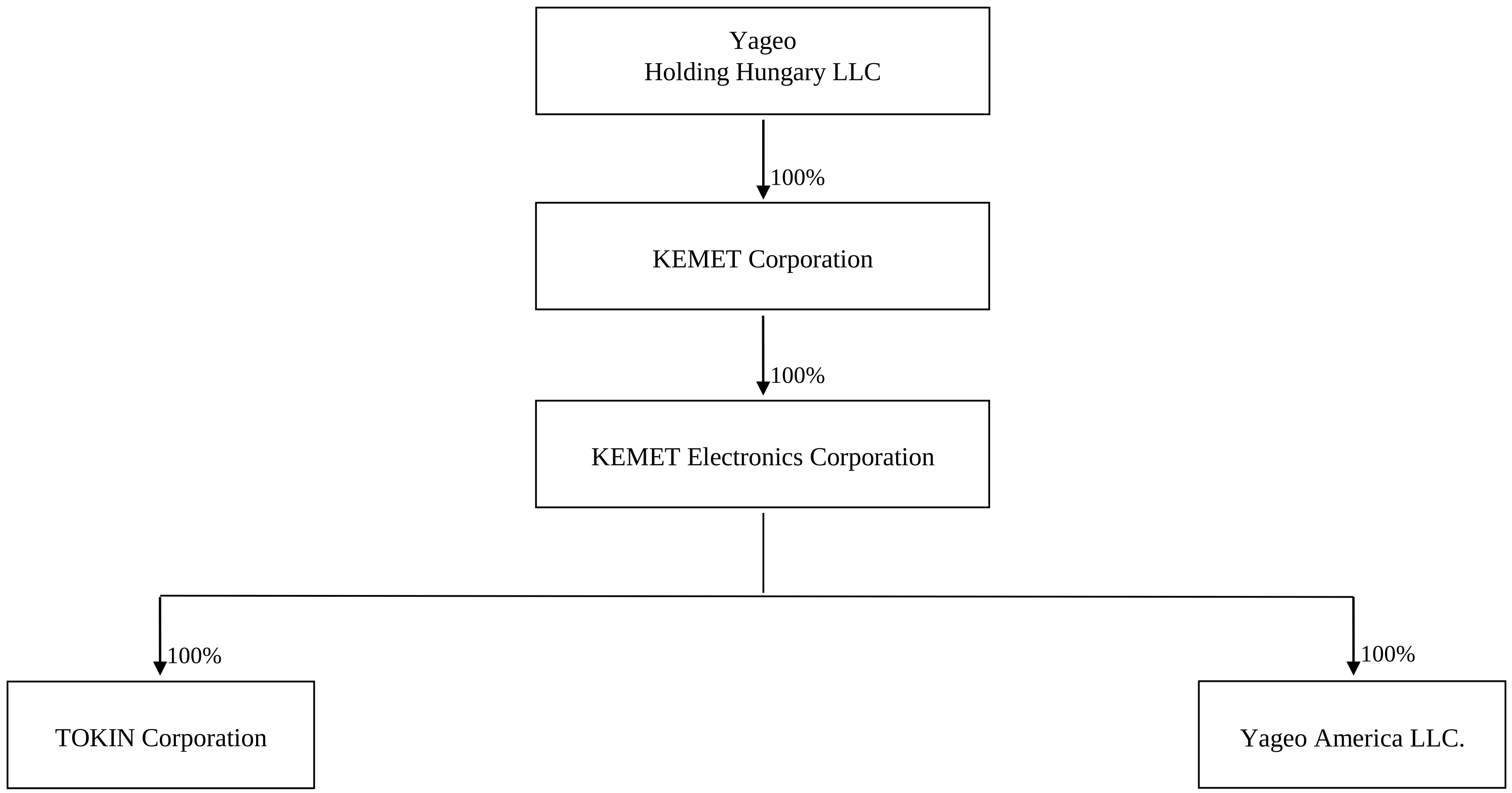
YAGEO CORPORATION AND SUBSIDIARIES

THE GROUP'S ORGANIZATION CHART
JUNE 30, 2021 AND 2020

2021



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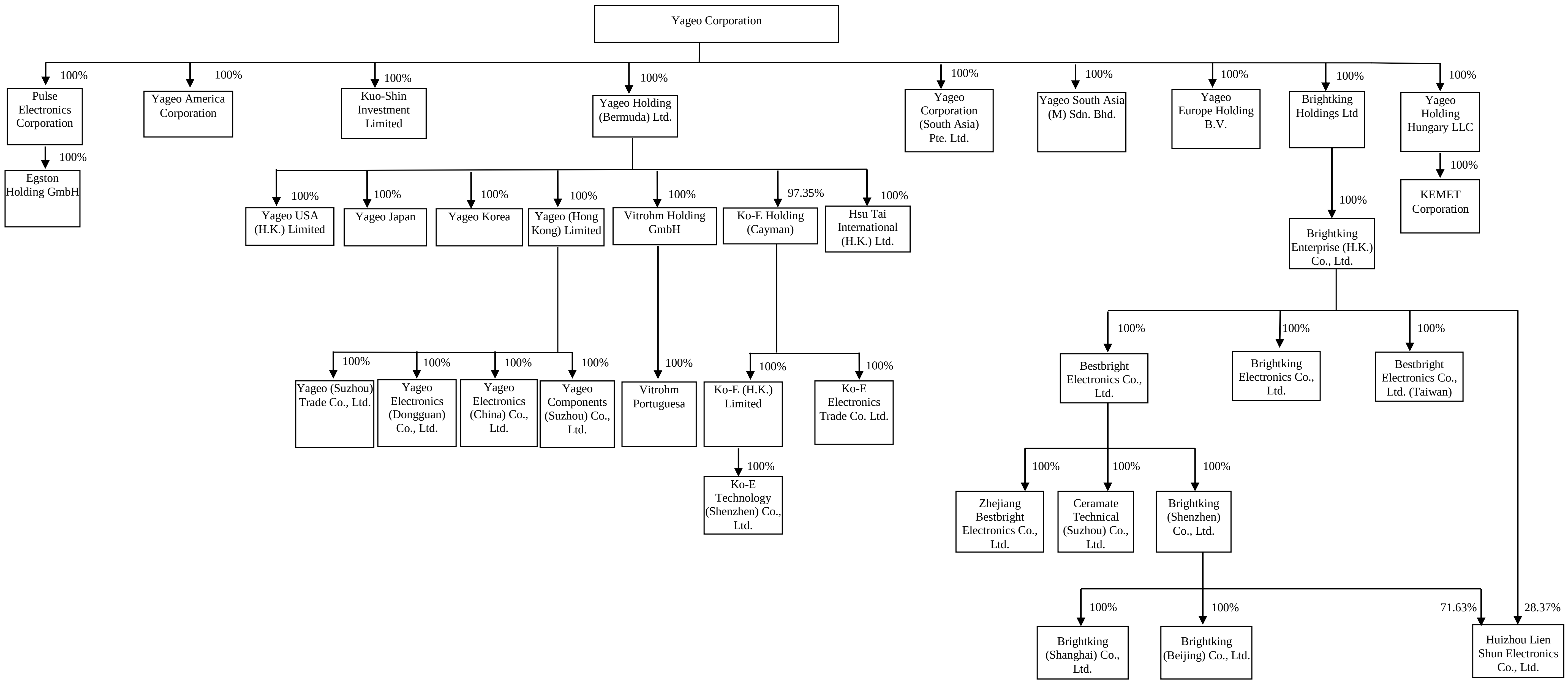
YAGEO CORPORATION AND SUBSIDIARIES
THE GROUP'S ORGANIZATION CHART
JUNE 30, 2021 AND 2020

2020



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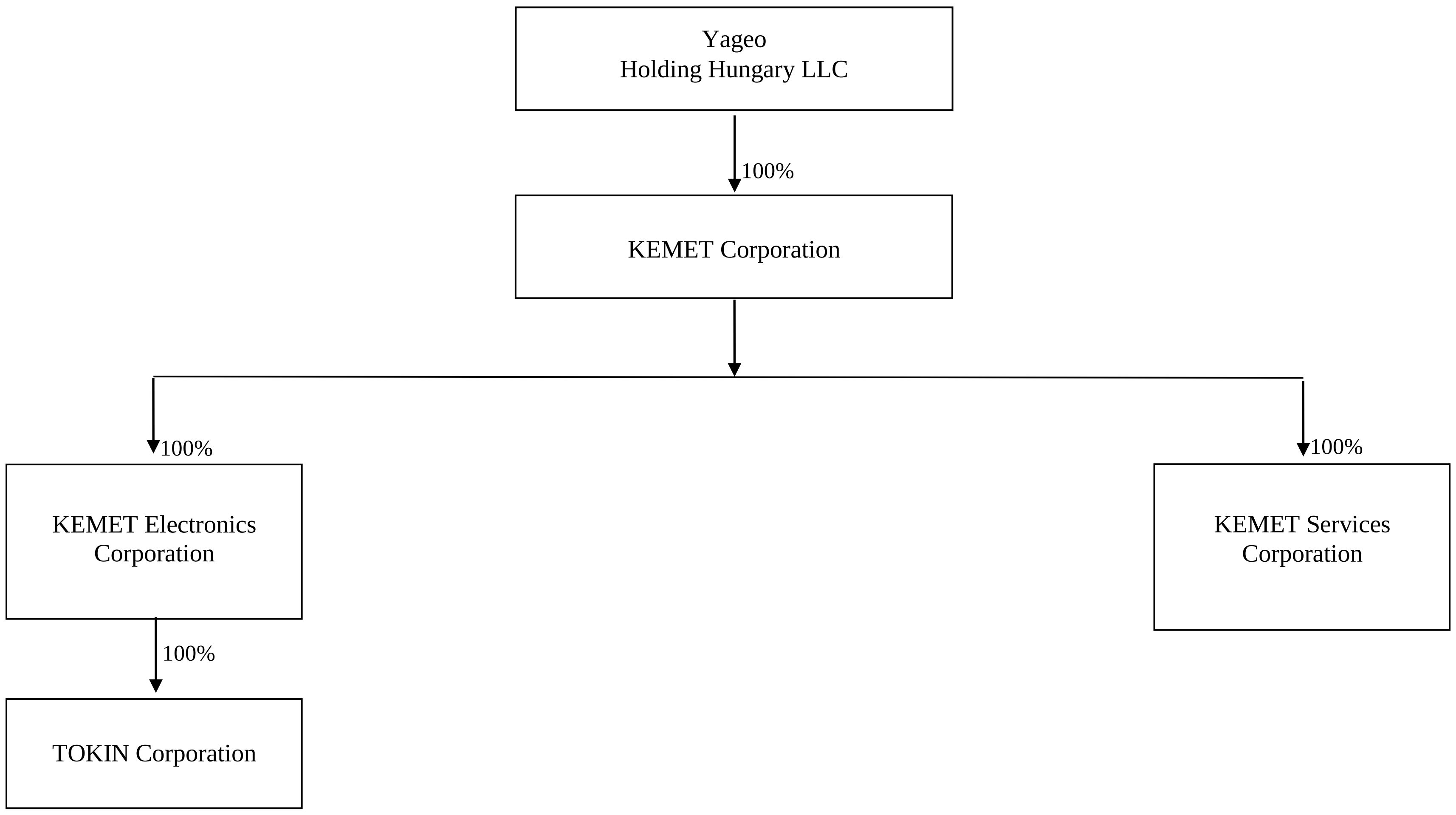
YAGEO CORPORATION AND SUBSIDIARIES

THE GROUP'S ORGANIZATION CHART
JUNE 30, 2021 AND 2020

2020



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