INNOLUX CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REVIEW REPORT

JUNE 30, 2021 AND 2020

INDEPENDENT AUDITORS' REVIEW REPORT

To the Board of Directors and Shareholders of Innolux Corporation:

Introduction

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

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that causes 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 at June 30, 2021 and 2020, and of its consolidated financial performance for the three-month and six-month periods then ended and its consolidated cash flows for the six-month periods then ended in accordance with "Regulations Governing the Preparation of Financial Reports by

Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission.

PricewaterhouseCoopers, Taiwan

August 3, 2021

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

INNOLUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2021, DECEMBER 31, 2020 AND JUNE 30, 2020
(Expressed in thousands of New Taiwan dollars)
(The consolidated balance sheets as of June 30, 2021 and 2020 are reviewed, not audited)

	Assets	Notes	June 30, 2021	December 31, 2020	June 30, 2020
	Current Assets				
1100	Cash and cash equivalents	6(1)	$ 26,824,569	$ 26,532,083	$ 27,708,669
1110	Financial assets at fair value through profit or loss - current	6(2)	18,878,814	706,299	106,935
1136	Financial assets at amortized cost - current	6(4)	19,379,602	42,687,746	18,488,388
1170	Accounts receivable, net	6(5)	61,205,711	49,897,758	40,946,921
1180	Accounts receivable, net - related parties	7	1,808,053	2,224,157	2,358,731
1200	Other receivables	6(2)	2,528,419	2,980,756	1,362,989
130X	Inventory	6(7)	35,082,841	30,865,270	35,416,089
1410	Prepayments		2,401,724	3,119,861	3,737,258
1479	Other current assets	8	149,642	148,377	84,908
11XX	**Total current assets**		168,259,375	159,162,307	130,210,888
	Non-current assets				
1510	Financial assets at fair value through profit or loss - non-current	6(2)	3,884,903	3,480,182	3,309,579
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	11,622,873	4,887,681	4,195,990
1535	Financial assets at amortized cost - non - current	6(4)	54,550,981	-	-
1550	Investments accounted for under equity method	6(8)	1,518,772	1,246,234	1,419,140
1600	Property, plant and equipment	6(9), 7 and 8	168,691,782	178,901,675	186,095,248
1755	Right-of-use assets	6(10)	5,412,081	5,547,909	5,851,642
1760	Investment property, net	6(11)	485,549	499,444	513,338
1780	Intangible assets	6(12)	17,526,548	17,506,984	17,543,546
1840	Deferred income tax assets		4,538,764	7,121,962	7,069,105
1990	Other non-current assets	6(9) and 8	5,339,806	1,205,459	1,292,994
15XX	**Total non-current assets**		273,572,059	220,397,530	227,290,582
1XXX	**Total assets**		$ 441,831,434	$ 379,559,837	$ 357,501,470

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INNOLUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2021, DECEMBER 31, 2020 AND JUNE 30, 2020
(Expressed in thousands of New Taiwan dollars)
(The consolidated balance sheets as of June 30, 2021 and 2020 are reviewed, not audited)

	Liabilities and Equity	Notes	June 30, 2021	December 31, 2020	June 30, 2020
	Current Liabilities				
2100	Short-term borrowings	6(13)	$ -	$ -	$ 5,200,000
2120	Financial liabilities at fair value through profit or loss - current	6(2)	921,053	3,222,134	1,071,720
2170	Accounts payable		51,415,040	45,839,540	51,454,080
2180	Accounts payable - related parties	7	1,892,420	1,720,931	2,036,655
2200	Other payables	6(14) and 7	35,591,469	25,677,541	25,595,891
2230	Current income tax liabilities		1,966,245	1,581,635	1,733,903
2250	Provisions - current	6(19) and 9	7,154,308	6,152,983	7,001,735
2280	Lease liabilities - current		528,856	201,073	449,088
2320	Long-term liabilities, current portion	6(15)(16)	4,485,507	19,367,206	10,544,471
2399	Other current liabilities		5,857,654	5,407,605	4,336,382
21XX	**Total current liabilities**		109,812,552	109,170,648	109,423,925
	Non-current liabilities				
2530	Corporate bonds payable	6(15)	494,291	5,374,293	7,625,705
2540	Long-term borrowings	6(16)	39,284,942	20,384,502	14,355,418
2570	Deferred income tax liabilities		2,314,063	1,608,990	1,358,121
2580	Lease liabilities - non-current		4,719,546	4,894,091	4,787,054
2600	Other non-current liabilities	6(17)	4,554,824	560,267	647,482
25XX	**Total non-current liabilities**		51,367,666	32,822,143	28,773,780
2XXX	**Total liabilities**		161,180,218	141,992,791	138,197,705
	Equity attributable to owners of the parent				
	Share capital	6(20)			
3110	Share capital - common stock		102,483,196	97,110,720	97,110,720
3130	Certificate of entitlement to new shares from convertible bond		2,530,883	2,293,612	-
3200	Capital surplus	6(21)	102,792,458	99,707,996	99,420,775
	Retained earnings	6(22)			
3310	Legal reserve		8,062,551	7,870,713	7,870,713
3320	Special reserve		6,059,671	7,325,437	7,325,437
3350	Unappropriated retained earnings		60,114,690	29,120,853	17,152,587
3400	Other equity interest	6(23)	(1,599,670)	(6,059,671)	(9,144,848)
3500	Treasury shares	6(20)	-	-	(618,580)
31XX	**Equity attributable to owners of the parent**		280,443,779	237,369,660	219,116,804
36XX	**Non-controlling interests**		207,437	197,386	186,961
3XXX	**Total equity**		280,651,216	237,567,046	219,303,765
3X2X	**Total liabilities and equity**		$ 441,831,434	$ 379,559,837	$ 357,501,470

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

INNOLUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except for earnings (loss) per share amounts)
(Reviewed, not audited)

	Items	Notes	Three months ended June 30 2021	Three months ended June 30 2020	Six months ended June 30 2021	Six months ended June 30 2020
4000	Sales revenue	6(24) and 7	$ 93,235,532	$ 66,883,202	$ 177,074,228	$ 117,274,777
5000	Operating costs	6(7)(29) and 7	(62,371,832)	(65,027,220)	(124,584,028)	(116,313,048)
5900	Net operating margin		30,863,700	1,855,982	52,490,200	961,729
	Operating expenses	6(29)				
6100	Selling expenses		(1,349,350)	(733,374)	(2,586,750)	(1,461,887)
6200	General and administrative expenses		(2,006,045)	(1,555,521)	(3,989,318)	(3,125,679)
6300	Research and development expenses		(3,731,367)	(2,928,108)	(7,256,455)	(5,949,741)
6000	Total operating expenses		(7,086,762)	(5,217,003)	(13,832,523)	(10,537,307)
6900	Operating profit (loss)		23,776,938	(3,361,021)	38,657,677	(9,575,578)
	Non-operating income and expenses					
7100	Interest income	6(25)	196,092	123,200	293,510	272,022
7010	Other income	6(26)	526,116	548,428	1,007,416	958,762
7020	Other gains and losses	6(27)	(937,928)	(1,360,349)	(3,565,113)	(436,509)
7050	Finance costs	6(28)	(250,289)	(254,205)	(517,568)	(516,814)
7060	Share of profit of associates and joint ventures accounted for under equity method	6(8)	15,148	32,528	48,013	66,589
7000	Total non-operating income and expenses		(450,861)	(910,398)	(2,733,742)	344,050
7900	**Profit (loss) before income tax**		23,326,077	(4,271,419)	35,923,935	(9,231,528)
7950	Income tax expense	6(31)	(1,906,625)	(505,402)	(2,937,465)	(808,897)
8200	**Profit (loss) for the period**		$ 21,419,452	($ 4,776,821)	$ 32,986,470	($ 10,040,425)

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INNOLUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except for earnings (loss) per share amounts)
(Reviewed, not audited)

	Items	Notes	Three months ended June 30 2021	Three months ended June 30 2020	Six months ended June 30 2021	Six months ended June 30 2020
	Other comprehensive (loss) income (net)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8316	Unrealized gains on financial assets at fair value through other comprehensive income	6(23)	$ 640,296	$ 930,961	$ 6,710,647	($ 64,527)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(103,821)	8,377	(952,048)	8,377
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss		536,475	939,338	5,758,599	(56,150)
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(23)	(633,614)	(1,383,161)	(1,201,251)	(1,762,588)
8370	Share of other comprehensive loss of associates and joint ventures accounted for under equity method	6(8)(23)	(21,610)	(14,681)	(27,053)	(2,265)
8360	Components of other comprehensive loss that will be reclassified to profit or loss		(655,224)	(1,397,842)	(1,228,304)	(1,764,853)
8300	**Other comprehensive (loss) income for the period, net of tax**		($ 118,749)	($ 458,504)	$ 4,530,295	($ 1,821,003)
8500	**Total comprehensive income (loss) for the period**		$ 21,300,703	($ 5,235,325)	$ 37,516,765	($ 11,861,428)
	Profit (loss) attributable to:					
8610	Owners of the parent		$ 21,418,900	($ 4,780,504)	$ 32,990,319	($ 10,049,273)
8620	Non-controlling interest		$ 552	$ 3,683	($ 3,849)	$ 8,848
	Other comprehensive income (loss) attributable to:					
8710	Owners of the parent		$ 21,300,441	($ 5,238,459)	$ 37,521,181	($ 11,869,296)
8720	Non-controlling interest		$ 262	$ 3,134	($ 4,416)	$ 7,868
	Earnings (loss) per share (in dollars)	6(32)				
9750	Basic earnings (loss) per share		$ 2.05	($ 0.49)	$ 3.22	($ 1.04)
9850	Diluted earnings (loss) per share		$ 2.01	($ 0.49)	$ 3.09	($ 1.04)

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

INNOLUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

		Equity attributable to owners of the parent											
		Share Capital			Retained Earnings			Other Equity Interest					
	Notes	Common stock	Certificate of entitlement to new shares from convertible bond	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total	Non-controlling interests	Total
2020													
Balance at January 1		$ 97,110,720	$ -	$ 100,362,379	$ 7,870,713	$ 4,663,463	$ 29,864,446	($ 9,497,686)	$ 2,172,249	($ 618,580)	$ 231,927,704	$ 182,325	$ 232,110,029
(Loss) profit for the period		-	-	-	-	-	(10,049,273)	-	-	-	(10,049,273)	8,848	(10,040,425)
Other comprehensive loss for the period	6(23)	-	-	-	-	-	-	(1,763,873)	(56,150)	-	(1,820,023)	(980)	(1,821,003)
Total comprehensive (loss) income		-	-	-	-	-	(10,049,273)	(1,763,873)	(56,150)	-	(11,869,296)	7,868	(11,861,428)
Appropriation of 2019 earnings:	6(22)												
Special reserve		-	-	-	-	2,661,974	(2,661,974)	-	-	-	-	-	-
Cash dividends from capital surplus		-	-	(963,107)	-	-	-	-	-	-	(963,107)	-	(963,107)
Recognition of change in equity of associates in proportion to the Group's ownership	6(21)	-	-	21,245	-	-	-	-	-	-	21,245	-	21,245
Recognition of changes in ownership interests in subsidiaries	6(21)	-	-	25	-	-	-	-	-	-	25	15	40
Decrease in non-controlling interests		-	-	-	-	-	-	-	-	-	-	(3,247)	(3,247)
Disposal of financial assets measured at fair value through other comprehensive income	6(3)(23)	-	-	-	-	-	(612)	-	612	-	-	-	-
Others	6(21)	-	-	233	-	-	-	-	-	-	233	-	233
Balance at June 30		$ 97,110,720	$ -	$ 99,420,775	$ 7,870,713	$ 7,325,437	$ 17,152,587	($11,261,559)	$ 2,116,711	($ 618,580)	$ 219,116,804	$ 186,961	$ 219,303,765
2021													
Balance at January 1		$ 97,110,720	$ 2,293,612	$ 99,707,996	$ 7,870,713	$ 7,325,437	$ 29,120,853	($ 8,879,169)	$ 2,819,498	$ -	$ 237,369,660	$ 197,386	$ 237,567,046
Profit (loss) for the period		-	-	-	-	-	32,990,319	-	-	-	32,990,319	(3,849)	32,986,470
Other comprehensive (loss) income for the period	6(23)	-	-	-	-	-	-	(1,227,737)	5,758,599	-	4,530,862	(567)	4,530,295
Total comprehensive income (loss)		-	-	-	-	-	32,990,319	(1,227,737)	5,758,599	-	37,521,181	(4,416)	37,516,765
Appropriation of 2020 earnings:	6(22)												
Legal reserve		-	-	-	191,838	-	(191,838)	-	-	-	-	-	-
Special reserve		-	-	-	-	(1,265,766)	1,265,766	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	(3,141,271)	-	-	-	(3,141,271)	-	(3,141,271)
Cash dividends from capital surplus	6(21)(22)	-	-	(1,047,090)	-	-	-	-	-	-	(1,047,090)	-	(1,047,090)
Recognition of change in equity of associates in proportion to the Group's ownership	6(21)	-	-	1,579	-	-	-	-	-	-	1,579	-	1,579
Conversion of convertible bonds	6(20)(21)	5,372,476	237,271	4,112,948	-	-	-	-	-	-	9,722,695	-	9,722,695
Recognition of changes in ownership interests in subsidiaries	6(21)	-	-	13,467	-	-	-	-	-	-	13,467	14,467	27,934
Disposal of financial assets measured at fair value through other comprehensive income	6(3)(23)	-	-	-	-	-	70,861	-	(70,861)	-	-	-	-
Others	6(21)	-	-	3,558	-	-	-	-	-	-	3,558	-	3,558
Balance at June 30		$ 102,483,196	$ 2,530,883	$ 102,792,458	$ 8,062,551	$ 6,059,671	$ 60,114,690	($10,106,906)	$ 8,507,236	$ -	$ 280,443,779	$ 207,437	$ 280,651,216

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

INNOLUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) before tax		$ 35,923,935	($ 9,231,528)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation and amortization	6(29)	18,184,364	17,637,815
Net loss (gain) on financial assets or liabilities at fair value through profit or loss		1,633,142	(471,784)
Compensation cost of share-based payments	6(18)	14,467	-
Share of profit of associates and joint ventures accounted for under equity method	6(8)	(48,013)	(66,589)
Loss on disposal of property, plant and equipment	6(27)	72,031	7,507
loss on Disposal of Investment	6(27)	101,390	-
Gain on lease modification		(9)	-
Interest expense	6(28)	517,568	516,814
Interest income	6(25)	(293,510)	(272,022)
Dividend income	6(26)	(177,765)	(103,079)
Unrealized foreign exchange gain		(104,893)	(18,422)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets /liabilities at fair value through profit or loss		946,931	(108,340)
Accounts receivable		(11,323,795)	(1,279,484)
Accounts receivable - related parties		416,104	129,788
Other receivables		671,316	(516,088)
Inventories		(4,217,571)	(4,977,013)
Prepayments		366,894	860,350
Other current assets		13,185	55,892
Changes in operating liabilities			
Accounts payable		5,591,342	4,020,215
Accounts payable - related parties		171,489	(1,748,336)
Other payables		4,511,894	(1,594,794)
Provisions - current		1,001,325	225,808
Other current liabilities		447,703	(509,073)
Other non-current liabilities		3,994,126	(44,298)
Cash inflow generated from operations		58,413,650	2,513,339
Cash paid for income tax		(227,189)	(1,204,798)
Net cash flows from operating activities		58,186,461	1,308,541

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INNOLUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

	Notes	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets or liabilities at fair value through profit or loss		($ 18,867,806)	($ 234,666)
Proceeds from disposal of financial assets at fair value through profit or loss		99,638	15,912
Acquisition of investments in equity instruments measured at fair value through other comprehensive income		(154,740)	-
Proceeds from disposal of financial assets measured at fair value through other comprehensive income	6(3)	127,315	3,504
Decrease in financial assets at amortized cost - current		23,438,470	1,153,043
Acqusition of financial assets at amortized cost - non-current		(70,948,153)	-
Proceeds from disposal of financial assets at amortized cost		16,170,000	-
Increase in refundable deposits		(91,938)	(472,184)
Increase in investment accounted for under equity method		(250,000)	-
Acquisition of property, plant and equipment	6(33)	(10,688,528)	(11,012,099)
Proceeds from disposal of property, plant and equipment		18,045	59,796
Acquisition of intangible assets	6(12)	(10,060)	(12,265)
Interest received		108,351	273,467
Dividends received		155,263	103,079
Net cash flows used in investing activities		(60,894,143)	(10,122,413)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings		-	5,200,000
Proceeds from long-term borrowings		23,250,000	-
Repayments of long-term borrowings		(19,283,000)	(10,763,000)
Proceeds from issuance of bonds		-	8,900,934
Interest paid		(383,742)	(372,696)
Repayment of the principal portion of lease liabilities		(22,543)	(225,674)
Others	6(21)	3,558	233
Net cash flows from financing activities		3,564,273	2,739,797
Effect of changes in foreign currency exchange		(564,105)	(950,231)
Net increase (decrease) in cash and cash equivalents		292,486	(7,024,306)
Cash and cash equivalents at beginning of period		26,532,083	34,732,975
Cash and cash equivalents at end of period		$ 26,824,569	$ 27,708,669

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

INNOLUX CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(Reviewed, not audited)

1. HISTORY AND ORGANIZATION

(1) Innolux Corporation (the "Company") was organized on January 14, 2003 under the Act for Establishment and Administration of Science Parks in the Republic of China (R.O.C.). The Company was listed on the Taiwan Stock Exchange Corporation (the "TSEC") in October 2006. The Company merged with TPO Displays Corporation and Chi Mei Optoelectronics Corporation on March 18, 2010, with the Company as the surviving entity.

(2) The Company and its subsidiaries (the "Group") engage in the research, development, design, manufacture and sales of TFT-LCD panels, modules and monitors of LCD, color filter, and low temperature poly-silicon TFT-LCD.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were reported to the Board of Directors on August 3, 2021.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 4, 'Extension of the temporary exemption from applying IFRS 9'	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ' Interest Rate Benchmark Reform— Phase 2'	January 1, 2021
Amendment to IFRS 16, 'Covid-19-related rent concessions beyond June 30 2021'	April 1, 2021 (Note)

Note: Earlier application from January 1, 2021 is allowed by the FSC.

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts - cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRSs 2018- 2020 cycle	January 1, 2022

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	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
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

Amendments to IAS 1, 'Classification of liabilities as current or non-current'

The amendments clarify that classification of liabilities depends on the rights that exist at the end of the reporting period. An entity shall classify a liability as current when it does not have a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. Also, the amendments define 'settlement' as the extinguishment of a liability with cash, other economic resources or an entity's own equity instruments.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim financial reporting" as endorsed by the FSC.

B. These financial statements should be read with the consolidated financial statements for the year ended December 31, 2020.

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligations.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements

The basis applied in these consolidated financial statements is consistent with that applied in the consolidated financial statements for the year ended December 31, 2020.

B. Subsidiaries included in the consolidated financial statements:

		Main	Ownership (%)			
Name of Investor	Name of Subsidiary	Business Activities	June 30, 2021	December 31, 2020	June 30, 2020	Description
Innolux Corporation	Innolux Holding Limited	Investment holdings	100	100	100	-
	Keyway Investment Management Limited	Investment holdings	100	100	100	-
	Landmark International Ltd.	Investment holdings	100	100	100	-
	Toppoly Optoelectronics (B.V.I.) Ltd.	Investment holdings	100	100	100	-
	Innolux Hong Kong Holding Limited	Investment holdings	100	100	100	-
	Leadtek Global Group Limited	Distribution company	-	100	100	(e)

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) June 30, 2021	December 31, 2020	June 30, 2020	Description
Innolux Corporation	Yuan Chi Investment Co., Ltd.	Investment company	100	100	100	-
	InnoJoy Investment Corporation	Investment company	100	100	100	-
	Innolux Japan Co., Ltd.	Investment, R&D and distribution company	54	54	54	-
	Innolux Singapore Holding Pte. Ltd.	Investment holdings	100	100	100	-
	InnoCare Optoelectronics Corporation	Investment, R&D, manufacturing and distribution company	100	100	100	-
	GIO Optoelectronics Corp.	Investment, R&D, manufacturing and distribution company	63	63	63	-
Innolux Holding Limited	Rockets Holding Limited	Investment holdings	100	100	100	-
	Suns Holding Ltd	Investment holdings	100	100	100	-
	Lakers Trading Limited	Distribution company	100	100	100	-
Keyway Investment Management Limited	Foshan Innolux Logistics Ltd.	Warehousing company	100	100	100	-
Landmark International Ltd.	Ningbo Innolux Optoelectronics Ltd.	Processing company	100	100	100	-
	Foshan Innolux Optoelectronics Ltd.	Processing company	100	100	100	-
	Ningbo Innolux Display Ltd.	Processing company	100	100	100	-
Toppoly Optoelectronics (B.V.I.) Ltd.	Toppoly Optoelectronics (Cayman) Ltd.	Investment holdings	100	100	100	-
Innolux Hong Kong Holding Limited	Innolux Hong Kong Limited	Distribution company	100	100	100	-
	Innolux Japan Co., Ltd.	Investment, R&D and distribution company	46	46	46	-
	CarUX Holding Limited	Investment holdings	100	100	100	-
Innolux Japan Co., Ltd.	Innolux USA Inc.	Distribution company	100	100	100	-
Innolux Singapore Holding Pte. Ltd.	Innolux Optoelectronics India Private Limited	Distribution company	100	100	100	-
	Innolux Optoelectronics Philippines Corp.	Manufacturing and distribution company	100	100	100	-

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) June 30, 2021	Ownership (%) December 31, 2020	Ownership (%) June 30, 2020	Description
Innolux Singapore Holding Pte. Ltd.	Innolux Optoelectronics Malaysia SDN. BHD.	Manufacturing and distribution company	100	100	100	-
Rockets Holding Limited	Stanford Developments Limited	Investment holdings	100	100	100	-
	Nets Trading Ltd.	Investment company	100	100	100	-
Suns Holding Ltd	Warriors Technology Investments Ltd	Investment company	100	100	100	-
Toppoly Optoelectronics (Cayman) Ltd.	Nanjing Innolux Technology Ltd.	Distribution company	100	100	100	-
	Nanjing Innolux Optoelectronics Ltd.	Processing company	100	100	100	-
CarUX Holding Limited	CARUX TECHNOLOGY PTE. LTD.	Investment and distribution company	100	100	100	-
CARUX TECHNOLOGY PTE. LTD.	Innolux Optoelectronics Hong Kong Holding Limited	Investment holdings	100	100	100	-
	Innolux Europe B.V.	Investment, distribution, and R&D testing company	100	100	100	-
	CarUX Technology Inc.	R&D, manufacturing and distribution company	100	100	100	-
Innolux Optoelectronics Hong Kong Holding Limited	Shanghai Innolux Optoelectronics Ltd.	Processing company	100	100	100	-
Innolux Europe B.V.	Innolux Technology Germany GmbH	Testing and maintenance company	100	100	100	-
Stanford Developments Limited	Innocom Technology (Shenzhen) Co., Ltd.	Processing company	100	100	100	-
Ningbo Innolux Display Ltd.	Ningbo Innolux Electornics Ltd.	Distribution company	-	-	100	(b)
Ningbo Innolux Optoelectronics Ltd.	Ningbo CarUX Technology Ltd.	Processing company	100	-	-	(c)
Innocom Technology (Shenzhen) Co., LTD.	Shenzhen PixinLED Technology Co., Ltd.	R&D and distribution company	100	100	100	-

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) June 30, 2021	December 31, 2020	June 30, 2020	Description
Innocom Technology (Shenzhen) Co., LTD.	Innolux Automations and Intelligence Systems (ShenZhen) Co., Ltd.	R&D and distribution company	-	-	100	(a)
InnoCare Optoelectronics Corporation	InnoCare Optoelectronics Japan Co., Ltd.	Distribution company	100	100	100	-
	InnoCare Optoelectronics USA, INC.	Distribution company	100	100	100	-
	Ningbo Innolux Electornics Ltd.	Distribution company	100	100	-	(b)
	Innocare Optoelectronics Europe B.V.	After-sales service company	100	-	-	(d)
GIO Optoelectronics Corp.	Double Star Inc.	Investment holdings	100	100	100	-
	GIO (Maanshan) Optoelectronics Co., Ltd.	Processing company	100	100	100	-

(a) In the fourth quarter of 2020, Innolux Automations and Intelligence Systems (ShenZhen) Co., Ltd. had completed liquidation and dissolution.

(b) In the fourth quarter of 2020, InnoCare Optoelectronics Corporation obtained 100% equity interest in Ningbo Innolux Electornics Ltd. as the Group adjusted the investment structure.

(c) Ningbo CarUX Technology Ltd. was established in the first quarter of 2021 and was included in the consolidated financial statements since the date of establishment.

(d) Innocare Optoelectronics Europe B.V. was established in the first quarter of 2021 and was included in the consolidated financial statements since the date of establishment.

(e) In the second quarter of 2021, Leadtek Global Group Limited had completed liquidation and dissolution.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. The restrictions on fund remittance from subsidiaries to the parent company: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Employee benefits

Except for the following additional accounting policies, the accounting policies on employee benefits are the same as those described in Note 4 of the 2020 consolidated financial statements.

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.

(5) Income tax

Except for the following additional accounting policies, the accounting policies on income tax are the same as those described in Note 4 of the 2020 consolidated financial statements.

A. The interim period income tax expense is calculated according to pretax income times, effective income tax rate, and the related information is disclosed accordingly.

B. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognizes the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognized outside profit or loss is recognized in other comprehensive income or equity while the effect of the change on items recognized in profit or loss is recognized in profit or loss.

(6) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the shareholders' meeting. Cash dividends are recorded as liabilities.

5. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

For more information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2020.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2021	December 31, 2020	June 30, 2020
Cash on hand, checking accounts and demand deposits	$ 22,551,230	$ 21,461,990	$ 23,494,155
Time deposits	4,273,339	5,070,093	4,214,514
	$ 26,824,569	$ 26,532,083	$ 27,708,669

A. The Group associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The above time deposits expire in 3 months and risks of changes in their values are remote.

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

Assets	June 30, 2021	December 31, 2020	June 30, 2020
Current items			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	$ 10,007,018	$ -	$ -
Structured products	8,817,245	-	-
Foreign exchange swap contracts	32,808	-	-
Forward foreign exchange contracts	21,743	706,299	106,935
	$ 18,878,814	$ 706,299	$ 106,935

Assets	June 30, 2021	December 31, 2020	June 30, 2020
Non-current items			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	$ 1,072,151	$ 1,037,782	$ 573,771
Unlisted stocks	2,812,752	2,442,400	2,735,808
	$ 3,884,903	$ 3,480,182	$ 3,309,579

Liabilities	June 30, 2021	December 31, 2020	June 30, 2020
Current items			
Financial liabilities held for trading			
Convertible bonds derivative instruments	$ 612,296	$ 3,208,560	$ 1,011,568
Forward foreign exchange contracts	308,757	13,574	60,152
	$ 921,053	$ 3,222,134	$ 1,071,720

A. The Group sold $2,566,352 of stocks at fair value during 2020 and the amount of receivables (shown as other receivables) outstanding as of June 30, 2021 was $1,259,091.

B. The Company entered into a 'Share Issuance and Asset Purchase Agreement' with Nanjing Huadong Electronic Information & Technology Co., Ltd (Huadong Electronic) during the six-month period ended June 30, 2021. Refer to Note 9(2) for relevant information.

C. The non-hedging derivative financial assets and liabilities transaction information are as follows:

Derivative financial asset and liabilities	June 30, 2021 Contract Amount (Notional Principal) (in thousands)		June 30, 2021 Contract Period	December 31, 2020 Contract Amount (Notional Principal) (in thousands)		December 31, 2020 Contract Period
Current items						
Forward foreign exchange contracts	USD (sell)	$ 4,854	2021/06-2021/07	TWD (sell)	$ 4,034,150	2020/11-2021/02
	EUR (buy)	4,000	2021/06-2021/07	JPY (buy)	15,000,000	2020/11-2021/02
Forward foreign exchange contracts	USD (sell)	95,000	2021/06-2021/07	USD (sell)	170,000	2020/11-2021/02
	RUM (buy)	614,874	2021/06-2021/07	JPY (buy)	17,711,370	2020/11-2021/02
Forward foreign exchange contracts	USD (sell)	25,000	2021/06-2021/07	USD (sell)	1,207,000	2020/10-2021/04
	JPY (buy)	2,733,825	2021/06-2021/07	RMB (buy)	8,012,265	2020/10-2021/04
Forward foreign exchange contracts	USD (sell)	855,000	2021/06-2021/07	USD (sell)	140,000	2020/12-2021/01
	TWD (buy)	23,576,534	2021/06-2021/07	TWD (buy)	3,924,200	2020/12-2021/01
Forward foreign exchange contracts	TWD (sell)	8,237,991	2021/04-2021/10			
	JPY (buy)	32,500,000	2021/04-2021/10			
Forward foreign exchange contracts	RMB (sell)	500,000	2021/06-2021/07			
	TWD (buy)	2,157,847	2021/06-2021/07			
Forward foreign exchange contracts	HKD (sell)	38,812	2021/06-2021/07			
	USD (buy)	5,000	2021/06-2021/07			
Foreign exchange swap contracts	USD (sell)	345,000	2021/06-2021/08			
	TWD (buy)	9,644,986	2021/06-2021/08			

Derivative financial asset and liabilities	June 30, 2020 Contract Amount (Notional Principal) (in thousands)		Contract Period
Current items			
Forward foreign exchange contracts	TWD (sell)	$ 5,795,850	2020/05-2020/09
	JPY (buy)	21,000,000	2020/05-2020/09
Forward foreign exchange contracts	USD (sell)	62,500	2020/06-2020/07
	JPY (buy)	6,787,355	2020/06-2020/07
Forward foreign exchange contracts	USD (sell)	570,000	2020/04-2020/08
	RMB (buy)	4,059,358	2020/04-2020/08
Forward foreign exchange contracts	HKD (sell)	270,691	2020/04-2020/08
	USD (buy)	34,900	2020/04-2020/08
Forward foreign exchange contracts	RMB (sell)	141,384	2020/06-2020/07
	USD (buy)	20,000	2020/06-2020/07

The Group entered into forward foreign exchange contracts to hedge exchange rate risk of import and export proceeds in foreign currency. In addition, forward exchange swap contracts are primarily for the requirement of capital management. However, these contracts are not accounted for using hedge accounting.

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

	June 30, 2021	December 31, 2020	June 30, 2020
Non-current items			
Equity instruments			
Listed stocks	$ 11,587,641	$ 3,853,042	$ 3,184,263
Unlisted stocks	35,232	1,034,639	1,011,727
	$ 11,622,873	$ 4,887,681	$ 4,195,990

A. The Group has elected to classify equity instruments that are considered to be strategic investments and steady dividend income as financial assets at fair value through other comprehensive income.

B. The Group sold $121,939 of stocks at fair value resulting in cumulative gains amounting to $70,861 on disposal which were recognized in unappropriated retained earnings during the six-month period ended June 30, 2021.

C. For information on other comprehensive income for fair value change recognized by the Group for the six-month periods ended June 30, 2021 and 2020, please refer to Note 6(23) “Other equity”.

(4) Financial assets at amortized cost

	June 30, 2021	December 31, 2020	June 30, 2020
Current items			
Principal guaranteed financial assets	$ 19,199,561	$ 42,687,746	$ 18,488,388
Corporate bonds	180,041	-	-
	$ 19,379,602	$ 42,687,746	$ 18,488,388
Non-current items			
Principal guaranteed financial assets	$ 41,502,824	$ -	$ -
Corporate bonds	7,837,568	-	-
Fixed income financial products	5,210,589	-	-
	$ 54,550,981	$ -	$ -

A. The Group recognized $154,244, $39,197, $218,775 and $111,050 of interest income arising from the financial assets at amortized cost for the three-month and the six-month periods ended June 30, 2021 and 2020, respectively.

B. The Group associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

(5) Notes receivable and accounts receivable

	June 30, 2021	December 31, 2020	June 30, 2020
Notes receivable	$ 83,095	$ 239,644	$ 71,235
Accounts receivable	61,332,035	49,867,533	41,085,103
	61,415,130	50,107,177	41,156,338
Less: Allowance for uncollectible accounts	(209,419)	(209,419)	(209,417)
	$ 61,205,711	$ 49,897,758	$ 40,946,921

A. The aging analysis of accounts receivable and notes receivable is as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Not past due	$ 60,408,077	$ 49,489,308	$ 40,757,213
Up to 60 days	635,231	401,369	267,509
61 to 180 days	118,047	129,369	115,572
Over 180 days	253,775	87,131	16,044
	$ 61,415,130	$ 50,107,177	$ 41,156,338

The above aging analysis was based on past due date.

B. As of June 30, 2021, December 31, 2020 and June 30, 2020, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2020, the balance of receivables from contracts with customers amounted to $40,099,225.

C. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(6) Transfer of financial assets

A. Transferred financial assets that are derecognized in their entirety

The Group entered into a factoring agreement with financial institutions to sell its accounts receivable. Under the agreement, the Group is not obligated to bear the default risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, the Group derecognized the transferred accounts receivable, and the related information is as follows:

June 30, 2020					
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognized	Amount advanced	Amount available for advance	Interest rate of amount advanced
CTBC Bank	$ 4,157,812	$ 4,157,812	$ 3,742,031	$ -	1%
Taipei Fubon Bank	823,659	823,659	741,293	-	1%
	$ 4,981,471	$ 4,981,471	$ 4,483,324	$ -	

As of June 30, 2020, the Group has retention for the factoring of accounts receivable (shown as “Other receivables”) amounting to $498,147.

B. The Group has no transfer of financial assets on June 30, 2021 and December 31, 2020.

(7) Inventories

	June 30, 2021	December 31, 2020	June 30, 2020
Raw materials and supplies	$ 8,651,577	$ 5,782,404	$ 4,941,821
Work in progress	15,210,400	13,670,471	17,073,760
Finished goods	11,220,864	11,412,395	13,400,508
	$ 35,082,841	$ 30,865,270	$ 35,416,089

For the three-month and six-month periods ended June 30, 2021 and 2020, the Group recognized cost of goods sold for inventories that have been sold at $62,362,410, $65,027,266, $124,390,426 and $116,312,883 and recognized net inventory loss (gain) at $9,422, ($46), $193,602 and $165 due to write down (reversal) of cost of scrap inventories to net realizable value, respectively.

(8) Investments accounted for under the equity method

	June 30, 2021	December 31, 2020	June 30, 2020
Ampower Holding Ltd.	$ 808,242	$ 834,982	$ 863,426
FI Medical Device Manufacturing Co., Ltd.	443,894	377,751	506,567
PanelSemi Corporation	248,009	-	-
Others	18,627	33,501	49,147
	$ 1,518,772	$ 1,246,234	$ 1,419,140

The operating results of the Group's share in all individually immaterial associates are summarized below:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021	2020	2021	2020
Profit for the period from continuing operations	$ 15,148	$ 32,528	$ 48,013	$ 66,589
Other comprehensive loss - net of tax	(21,610)	(14,681)	(27,053)	(2,265)
Total comprehensive (loss) income	($ 6,462)	$ 17,847	$ 20,960	$ 64,324

(9) Property, plant and equipment

	2021				
	At January 1	Additions	Disposals	Transfer, net exchange differences and others	At June 30
Cost:					
Land	$ 4,093,726	$ -	$ -	$ -	$ 4,093,726
Buildings	203,938,280	196,299	(7,352)	546,284	204,673,511
Machinery and equipment	526,646,694	1,554,921	(1,035,748)	7,103,440	534,269,307
Other equipment	49,731,327	6,632	(872,199)	1,737,633	50,603,393
	784,410,027	1,757,852	(1,915,299)	9,387,357	793,639,937
Accumulated depreciation and impairment:					
Buildings	(139,325,425)	(4,274,256)	7,352	192,900	(143,399,429)
Machinery and equipment	(436,793,758)	(11,262,781)	956,566	374,890	(446,725,083)
Other equipment	(42,804,109)	(2,288,970)	861,347	112,154	(44,119,578)
	(618,923,292)	(17,826,007)	1,825,265	679,944	(634,244,090)
Unfinished construction and equipment under acceptance	13,414,940	10,149,891	(42)	(14,268,854)	9,295,935
	$178,901,675				$ 168,691,782

	2020				
	At January 1	Additions	Disposals	Transfer, net exchange differences and others	At June 30
Cost:					
Land	$ 4,093,726	$ -	$ -	$ -	$ 4,093,726
Buildings	202,292,552	150,043	(1,387)	(77,285)	202,363,923
Machinery and equipment	519,719,206	1,185,475	(2,982,498)	5,300,965	523,223,148
Other equipment	47,114,625	51,975	(806,572)	2,359,637	48,719,665
	773,220,109	1,387,493	(3,790,457)	7,583,317	778,400,462
Accumulated depreciation and impairment:					
Buildings	(130,770,638)	(4,255,092)	1,387	360,621	(134,663,722)
Machinery and equipment	(421,695,341)	(10,666,771)	2,926,032	(58,730)	(429,494,810)
Other equipment	(39,800,737)	(2,338,542)	795,735	(271,679)	(41,615,223)
	(592,266,716)	(17,260,405)	3,723,154	30,212	(605,773,755)
Unfinished construction and equipment under acceptance	13,429,043	7,241,111	-	(7,201,613)	13,468,541
	$194,382,436				$ 186,095,248

A. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

B. As of June 30, 2021, December 31, 2020 and June 30, 2020, the prepayments for business facilities which have not yet entered the factory (shown as 'other non-current assets') amounted to $3,965,112, $242,041 and $274,033, respectively.

(10) Leasing arrangements－lessee

A. The Group leases various assets including land, offices and business vehicles. Rental contracts are typically made for periods of 2 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise office, dormitory and equipment. Low-value assets comprise computer equipment.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
	Carrying amount	Carrying amount	Carrying amount
Land	$ 5,275,648	$ 5,521,852	$ 5,818,841
Buildings (Office)	133,303	22,904	29,182
Transportation equipment (Business vehicles)	3,130	3,153	3,619
	$ 5,412,081	$ 5,547,909	$ 5,851,642

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021	2020	2021	2020
	Depreciation charge	Depreciation charge	Depreciation charge	Depreciation charge
Land	$ 119,260	$ 122,258	$ 238,578	$ 244,529
Buildings (Office)	10,488	5,662	20,460	11,303
Transportation equipment (Business vehicles)	331	308	667	616
	$ 130,079	$ 128,228	$ 259,705	$ 256,448

D. For the three-month and six-month periods ended June 30, 2021 and 2020, the additions to right-of-use assets were $101,536, $0, $135,603 and $0, respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021	2020	2021	2020
Items affecting profit or loss				
Interest expense on lease liabilities	$ 22,260	$ 24,109	$ 44,578	$ 48,627
Expense on variable lease payments	38,436	34,842	72,961	61,313
Expense on short-term lease contracts	16,656	20,228	36,221	45,766
Expense on leases of low-value assets	9,377	9,372	18,757	18,749

F. For the six-month periods ended June 30, 2021 and 2020, the Group's total cash outflow for leases were $151,404 and $400,129, respectively.

(11) Investment property

	2021		
	At January 1	Additions	At June 30
Cost:			
Land	$ 188,247	$ -	$ 188,247
Buildings	439,228	-	439,228
	627,475	-	627,475
Accumulated depreciation:			
Buildings	(128,031)	(13,895)	(141,926)
	$ 499,444	($ 13,895)	$ 485,549

	2020		
	At January 1	Additions	At June 30
Cost:			
Land	$ 188,247	$ -	$ 188,247
Buildings	439,228	-	439,228
	627,475	-	627,475
Accumulated depreciation:			
Buildings	(100,243)	(13,894)	(114,137)
	$ 527,232	($ 13,894)	$ 513,338

The fair value of the investment property held by the Group as at June 30, 2021, December 31, 2020 and June 30, 2020 was $2,033,311, $2,035,178 and $1,899,925, respectively. The amounts mentioned above represent valuation results of comparative method based on market trading information categorized within Level 3 in the fair value hierarchy.

(12) Intangible assets

A. Intangible assets are goodwill, payments for TFT-LCD related technology and royalty. Details of intangible assets are as follows:

	2021				
	At January 1	Additions	Disposals	Transfer, net exchange differences and others	At June 30
Cost:					
Patents and royalty	$ 8,184,436	$ -	$ -	$ 47,619	$ 8,232,055
Goodwill	17,117,339	-	-	-	17,117,339
Others	5,368,254	10,060	(547,054)	36,248	4,867,508
	30,670,029	10,060	(547,054)	83,867	30,216,902
Accumulated amortization and impairment:					
Patents and royalty	(8,156,715)	(5,413)	-	-	(8,162,128)
Others	(5,006,330)	(79,344)	547,054	10,394	(4,528,226)
	(13,163,045)	(84,757)	547,054	10,394	(12,690,354)
	$17,506,984	($ 74,697)	$ -	$ 94,261	$17,526,548

	2020				
	At January 1	Additions	Disposals	Transfer, net exchange differences and others	At June 30
Cost:					
Patents and royalty	$ 8,158,285	$ -	$ -	$ 10,550	$ 8,168,835
Goodwill	17,117,339	-	-	-	17,117,339
Others	5,309,115	12,265	(21,384)	39,400	5,339,396
	30,584,739	12,265	(21,384)	49,950	30,625,570
Accumulated amortization and impairment:					
Patents and royalty	(8,151,571)	(2,441)	-	-	(8,154,012)
Others	(4,855,524)	(104,627)	21,384	10,755	(4,928,012)
	(13,007,095)	(107,068)	21,384	10,755	(13,082,024)
	$17,577,644	($ 94,803)	$ -	$ 60,705	$17,543,546

B. Details of amortization of intangible assets are as follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021	2020	2021	2020
Operating costs	$ 15,409	$ 18,149	$ 30,428	$ 36,801
Operating expenses	27,967	34,783	54,329	70,267
	$ 43,376	$ 52,932	$ 84,757	$ 107,068

C. The Group performed impairment assessment on the recoverable amount of goodwill on the financial period-end, and calculated based on the value in use. The computation of value in use was based on the cash flow of financial forecast in the next 5 years. The periodical assessment did not include the impairment loss of goodwill.

(13) Short-term borrowings

Type of loans	June 30, 2020	Collateral
Bank borrowings		
Unsecured borrowings	$ 5,200,000	None
Range of interest rates	0.95%~1.26%	

As of June 30, 2021 and December 31, 2020, the Group did not hold any short-term borrowings.

(14) Other payables

	June 30, 2021	December 31, 2020	June 30, 2020
Other personnel expenses	$ 12,022,616	$ 8,460,510	$ 7,699,862
Payable on machinery and equipment	4,969,128	3,749,913	4,079,584
Cash dividends payable	3,141,271	-	-
Repairs and maintenance expense payable	2,731,746	2,808,420	2,439,126
Utilities expense payable	1,400,867	1,137,259	1,338,960
Cash dividends from capital surplus	1,047,090	-	963,107
Other payables	10,278,751	9,521,439	9,075,252
	$ 35,591,469	$ 25,677,541	$ 25,595,891

(15) Bonds payable

	June 30, 2021	December 31, 2020	June 30, 2020
Bonds payable	$ 662,772	$ 6,331,424	$ 8,989,000
Less: Discount on bonds payable	(68,912)	(858,420)	(1,363,295)
Less: Current portion of bonds payable	(99,569)	(98,711)	-
	$ 494,291	$ 5,374,293	$ 7,625,705

A. The issuance of unsecured overseas convertible bonds by the Company in 2019

The terms of the first unsecured overseas convertible bonds issued by the Company in 2019 are as follows

(a) The Company issued USD 300 million, 0% first unsecured overseas convertible bonds, as approved by the regulatory authority on January 15, 2020. The bonds mature 5 years from the issue date (January 22, 2020 ~ January 22, 2025) and will be redeemed in cash at face value at the maturity date.

(b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months of the bonds issue to 30 days before the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

(c) The conversion price of the bonds is adjusted based on the pricing model in the terms of the bonds. As of June 30, 2021, the conversion price was $10.59 (in dollars) (using the exchange rate 1 USD: 29.913 NTD).

(d) The bondholders have the right to require the Company to redeem bonds at the price of the bonds' face value in whole or partially on the date of three years after the bond issuance.

(e) Under the terms of the bonds, all bonds repurchased (including from secondary market), early redeemed and matured by the Company, or converted and sold back by the bondholder will be cancelled and not to be reissued.

(f) As of June 30, 2021, some convertible bonds were calculated at the conversion price at the time of conversion. Refer to Note 6(20) for relevant information.

B. Regarding the issuance of convertible bonds, the non-equity conversion options, redeem options and put options were separated from their host contracts and were recognized in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts.

C. The issuance of domestic convertible bonds by the Group's subsidiary—GIO Optoelectronics Corp. (referred herein as "GIO Company")

The terms of the first domestic secured convertible bonds issued by GIO Company are as follows:

(a) GIO Company issued $100,000, 0% first domestic secured convertible bonds, as approved by the regulatory authority. The bonds mature 3 years from the issue date (October 1, 2018 ~ October 1, 2021) and will be redeemed in cash at face value at the maturity date.

(b) The bondholders have the right to ask for conversion of the bonds into common shares of GIO Company during the period from the date after three months of the bonds issue to 10 days before the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

(c) The conversion price of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price was $10.7 (in dollars) per share upon issuance.

(d) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are cancelled and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

D. Regarding the issuance of convertible bonds, the equity conversion options of GIO company amounting to $4,778 were separated from the liability component and were recognized in 'capital surplus—share options' in accordance with IAS 32.

(16) Long-term borrowings

Type of loans	Period	June 30, 2021	December 31, 2020	June 30, 2020
Syndicated bank loans	2016/12/6 ~2024/4/15	$ 43,750,000	$ 39,750,000	$ 25,000,000
Secured borrowings	2016/7/29 ~2022/7/28	21,500	54,500	87,500
Less:				
Administrative expenses charged by syndicated banks		(100,620)	(151,503)	(187,611)
Current portion (includes administrative expenses)		(4,385,938)	(19,268,495)	(10,544,471)
		$ 39,284,942	$ 20,384,502	$ 14,355,418
Range of interest rates		1.45%~1.79%	1.45%~2.07%	1.65%~2.07%

A. Please refer to Note 8 for the information on assets pledged as collateral for long-term borrowings.

B. The syndicated loan agreements specified that the Company shall meet covenants on current ratio, liability ratio, interest coverage, and tangible net equity, based on the Company's annual consolidated financial statements audited by independent auditors. The Company's financial ratios on the consolidated financial statements for the year ended December 31, 2020 are in compliance with the covenants on the syndicated loan agreement.

C. For repayment of borrowings from financial institutions and financing mid-term working capital fund, the Board of Directors approved the signing of a syndicated loan with financial institution in the amount of $37.5 billion on May 5, 2020. As of June 30, 2021, the loan has yet to be drawn down.

(17) Pensions

A. Defined benefit pension plan

(a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who choose to continue to be subject to the pension mechanism under the Law.

(b) In June 2021, the Science Park, Ministry of Science and Technology approved the Company to stop contributing to the retirement fund temporarily.

B. Defined contribution pension plan

(a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality.

(b) The Company's foreign subsidiaries have provided the pension in accordance with statutory laws and regulations

C. The pension costs under the defined contribution pension plans of the Group for the three-month and six-month periods ended June 30, 2021 and 2020 were $455,156, $383,291, $925,781 and $804,213, respectively.

(18) Share-based payment

A. Details of the share-based payment arrangements of the Group are provided in the 2020 consolidated financial statements.

B. Details of the share-based payment arrangements are as follows:

(a) Employee stock options－GIO Company

	2021		2020	
	Quantity (in thousand units)	Weighted-average exercise price (in dollars)	Quantity (in thousand units)	Weighted-average exercise price (in dollars)
Options outstanding at the beginning of the period	6,122	$ 9.4	6,232	$ 9.6
Options forfeited	(1,000)	9.4	-	-
Options outstanding at the end of the period	5,122	7.9	6,232	9.6
Options exercisable at the end of the period	5,122		3,739	

(b) Employee stock options－InnoCare Company

	2021	
	Quantity (in thousand units)	Weighted-average exercise price (in dollars)
Options outstanding at the beginning of the period	7,500	$ 22.5
Options exercised	-	-
Options outstanding at the end of the period	7,500	22.5
Options exercisable at the end of the period	-	

C. The expiry date and exercise price of stock options outstanding at balance sheet date are as follows:

		June 30, 2021	
Issue date approved	Expiry date	Quantity (in thousand units)	Exercise price (in dollars)
2017.10.1	2022.9.30	5,122	$ 7.9
2020.7.7	2026.7.6	7,500	22.5

Issue date approved	Expiry date	December 31, 2020 Quantity (in thousand units)	Exercise price (in dollars)
2017.10.1	2022.9.30	6,122	$ 9.4
2020.7.7	2026.7.6	7,500	22.5

Issue date approved	Expiry date	June 30, 2020 Quantity (in thousand units)	Exercise price (in dollars)
2017.10.1	2022.9.30	6,232	$ 9.6

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

Type of loans arrangement	Grant date	Price (in dollars)	Exercise Price (in dollars)	Expected volatility (%)	Expected duration (in years)	Expected dividends	Risk-free interest rate (%)	Fair value per unit (in dollars)
Employee stock options	2017.10.01	2.18	10	48.38~ 48.58	3.5~4	-	0.63~ 0.68	0.0783~ 0.1099
Employee stock options	2020.07.07	23.61	22.5	35.59~ 45.98	1.04~5	-	0.26~ 0.37	4.88~ 8.16

E. The information on fair value of treasury stock transferred to the employees is as follows:

Type of loans arrangement	Grant date	Price (in dollars)	Exercise Price (in dollars)	Fair value per unit (in dollars)
Treasury stock transferred to employees	2020.08.17	8.27	3.5	4.77

F. For the three-month and six-month periods ended June 30, 2021 and 2020, the Group recognized expenses on share-based payment transaction (equity settlement) were $7,234, $20, $14,467 and $40, respectively.

(19) Provisions-current

	Warranty	Litigation and others	Total
At January 1, 2021	$ 3,056,598	$ 3,096,385	$ 6,152,983
Additions during the period	971,382	625,680	1,597,062
Used (unused amounts reversed) during the period	(532,077)	(63,660)	(595,737)
At June 30, 2021	$ 3,495,903	$ 3,658,405	$ 7,154,308

A. Warranty

The Group provides warranty on TFT-LCD panel products sold. Provision for warranty is estimated based on historical warranty data of TFT-LCD panel products.

B. Litigation and others

Litigation and other provisions for the Group are related to patents of TFT-LCD panel products and anti-trust litigations. For information on estimation of provisions, please refer to Note 9(1).

(20) Share capital

A. As of June 30, 2021, the Company's authorized and outstanding capital were $120,000,000 and $102,483,196, with a par value of $10 (in dollars) per share, respectively. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding (including certificate of entitlement to new shares from convertible bonds) are as follows:

	2021	2020
	Number of ordinary shares (in thousand units)	Number of ordinary shares (in thousand units)
At January 1	9,940,433	9,631,072
Stocks converted from bonds	560,975	-
At June 30	10,501,408	9,631,072

B. The Company's bonds totalling USD 198,600 thousand (face value) had been converted into $5,609,747 of ordinary shares (560,975 thousand shares) with a par value of $10 (in dollars) per share during the six-month period ended June 30, 2021, which resulted in 'capital surplus, additional paid-in capital arising from bond conversion' of $4,112,948. As of June 30, 2021, the registration of $2,530,883 (253,088 thousand shares) has not yet been completed and therefore the shares were shown as 'certificate of entitlement to new shares from convertible bonds'.

C. Treasury shares

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		2020	
	Reason for reacquisition	Quantity (in thousand units)	Book value
At June 30 (January 1)	To be reissued to employees	80,000	$ 618,580

(b) For the six-month period ended June 30, 2020, treasury stocks transferred to employees of the Company and subsidiaries were 80,000 thousand shares, and cost of employees' compensation and transferred amount were $381,600 and $279,162, respectively. The aforementioned amount is higher than the carrying amount of treasury stock. Thus, the differences were recognized as share capital generated from treasury stock transactions.

(21) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Accumulated deficit shall first be covered by retained earnings before the capital reserve can be used to cover the accumulated deficit.

	2021				
	Share premium	Treasury share transactions	Changes in ownership interests in subsidiaries	Share of profit (loss) of associates accounted for under equity method	Total
At January 1	$ 96,484,845	$ 3,183,414	$ 62	$ 39,675	$ 99,707,996
Cash dividends from capital surplus	(1,047,090)	-	-	-	(1,047,090)
Conversion of convertible bonds	4,112,948	-	-	-	4,112,948
Recognition of change in ownership intersets in subsidiaries	-	-	13,467	-	13,467
Recognition of change in equity of associates in proportion to the Group's ownership	-	-	-	1,579	1,579
Others	3,558	-	-	-	3,558
At June 30	$ 99,554,261	$ 3,183,414	$ 13,529	$ 41,254	$ 102,792,458

	2020				
	Share premium	Treasury share transactions	Changes in ownership interests in subsidiaries	Share of profit (loss) of associates accounted for under equity method	Total
At January 1	$ 97,202,453	$ 3,141,232	$ 24	$ 18,670	$ 100,362,379
Cash dividends from capital surplus	(963,107)	-	-	-	(963,107)
Recognition of changes in ownership interests in subsidiaries	-	-	25	-	25
Recognition of change in equity of associates in proportion to the Group's ownership	-	-	-	21,245	21,245
Others	233	-	-	-	233
At June 30	$ 96,239,579	$ 3,141,232	$ 49	$ 39,915	$ 99,420,775

(22) Retained earnings

A. Under the Company’s Articles of Incorporation, the current year’s earnings, if any, shall first be offset against prior years’ operating losses, then set aside 10% of the remaining amount as legal reserve (until the legal reserve equals the paid-in capital). Preferred dividend shall be distributed after setting aside or reversing a special reserve according to related regulations. The appropriation of the remaining amount along with the unappropriated earnings from previous years shall be proposed by the Board of Directors and resolved by the shareholders.

The net decrease in other equity accumulated in prior periods should be appropriated from prior period's undistributed earnings to a special reserve of the same amount, and if there is a deficiency, the same amount should be appropriated from the post-tax profit for the period plus the amount of items other than post-tax profit for the period, and the amount was included in the unappropriated earnings for the period.

Depending on the Company's future long-term financial planning, investment environment, industry competition, capital expenditure budget, capital requirements and protection of shareholders' rights, dividends should account for at less 20% of the distributable earnings for the year. However, as the distributable earnings is lower than 2% of the paid-in capital, the Company may choose not to distribute dividends and transferred dividends to the retained earnings. Earnings shall be preferably distributed using cash dividends and may also be distributed using stock dividends. The ratio for cash dividends shall not be less than 50% of the total amount of dividends distributed. The aforementioned dividend distribution rate may be adjusted based on financial, business and operational factors.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company’s paid-in capital.

C. The details of the 2020 net income which was approved via electronic voting by the stockholders during their meeting in June 2021 and the appropriation of 2019 deficit compensation which was approved at the stockholders’ meeting in June 2020 are as follows:

	Year ended December 31,			
	2020		2019	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 191,838		$ -	
(Reversal of) provision for special reserve	(1,265,766)		2,661,974	
Cash dividends	3,141,271	$ 0.3	-	$ -
	$ 2,067,343		$ 2,661,974	

The Company approved the resolution via electronic voting by the stockholders during their meeting in June 2021 to distribute cash dividends amounting to $1,047,090 at $0.1 (in dollars) per share from capital surplus, and the stockholders’ meeting in June 2020 approved a resolution to distribute cash dividends amounting to $963,107 at $0.1 (in dollars) per share from capital surplus.

(23) Other equity items

	2021		
	Currency translation	Financial assets at fair value through other comprehensive income	Total
At January 1	($ 8,879,169)	$ 2,819,498	($ 6,059,671)
Revaluation - gross	-	6,710,647	6,710,647
Disposal of financial assets measured at fair value through other comprehensive income	-	(70,861)	(70,861)
Currency translation differences	(1,200,684)	-	(1,200,684)
Share of other comprehensive loss of associates	(27,053)	-	(27,053)
Effect of income tax	-	(952,048)	(952,048)
At June 30	($ 10,106,906)	$ 8,507,236	($ 1,599,670)

	2020		
	Currency translation	Financial assets at fair value through other comprehensive income	Total
At January 1	($ 9,497,686)	$ 2,172,249	($ 7,325,437)
Revaluation - gross	-	(64,527)	(64,527)
Disposal of financial assets measured at fair value through other comprehensive income	-	612	612
Currency translation differences	(1,761,608)	-	(1,761,608)
Share of other comprehensive loss of associates	(2,265)	-	(2,265)
Effect of tax income	-	8,377	8,377
At June 30	($ 11,261,559)	$ 2,116,711	($ 9,144,848)

(24) Operating income

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021	2020	2021	2020
TFT-LCD products	$ 93,235,532	$ 66,883,202	$177,074,228	$117,274,777

The Group derives revenue from the transfer of goods at a point in time.

(25) Interest income

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021	2020	2021	2020
Interest income from bank deposits	$ 41,848	$ 84,003	$ 74,735	$ 160,972
Interest income from financial assets at amortized cost	154,244	39,197	218,775	111,050
	$ 196,092	$ 123,200	$ 293,510	$ 272,022

(26) Other income

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021	2020	2021	2020
Service revenue	$ 105,194	$ 94,297	$ 192,995	$ 252,487
Dividend revenue	120,829	103,079	177,765	103,079
Grant revenue	90,893	107,955	129,633	217,968
Rental revenue	33,838	34,870	90,364	90,631
Other income	175,362	208,227	416,659	294,597
	$ 526,116	$ 548,428	$ 1,007,416	$ 958,762

(27) Other gains and losses

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021	2020	2021	2020
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	$ 402,019	($ 658,928)	($ 2,417,154)	$ 284,337
Net currency exchange (loss) gain	(509,170)	(135,012)	(113,978)	62,513
Loss on disposals of investments	(101,390)	-	(101,390)	-
Loss on disposal of property, plant and equipment	(75,824)	(9,841)	(72,031)	(7,507)
Other losses	(653,563)	(556,568)	(860,560)	(775,852)
	($ 937,928)	($ 1,360,349)	($ 3,565,113)	($ 436,509)

(28) Finance costs

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021	2020	2021	2020
Interest expense:				
Bank borrowings	$ 221,208	$ 156,303	$ 427,917	$ 341,337
Convertible bonds	6,550	69,859	44,793	122,916
Others	22,531	28,043	44,858	52,561
	$ 250,289	$ 254,205	$ 517,568	$ 516,814

(29) Expenses by nature

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021	2020	2021	2020
Employee benefit expense:				
Salaries and other short-term employee benefits	$ 11,965,862	$ 9,061,604	$ 23,979,052	$ 17,750,094
Employee stock	7,234	20	14,467	40
Post-employment benefits	455,156	383,291	925,781	804,213
Depreciation	9,072,046	8,798,870	18,099,607	17,530,747
Amortization	43,376	52,932	84,757	107,068
	$ 21,543,674	$ 18,296,717	$ 43,103,664	$ 36,192,162

(30) Employees’ compensation and directors’ remuneration

A. According to the Articles of Incorporation of the Company, a ratio of profit of the current year distributable, after covering accumulated losses, shall be distributed as employees' compensation and directors’ remuneration. The ratio shall not be lower than 5% for employees’ compensation and shall not be higher than 0.1% for directors’ remuneration.

B. For the six-month periods ended June 30, 2021 and 2020, employees’ compensation was accrued at $2,525,419 and $0, respectively; while the Company did not accrue employees’ compensation and directors’ remuneration. The aforementioned amounts were recognized in expenses.

The employees’ compensation and directors’ remuneration for the year ended December 31, 2020 were $139,349 and $2,144, respectively, and were estimated based on the profit of current year. The employees’ compensation will be distributed in the form of cash. The employees’ compensation and directors’ remuneration were $139,349 and $2,144 in the form of cash, respectively, as resolved by the Board of Directors on February 4, 2021. The accrued amounts were in agreement with the amount of recorded expense for the year ended December 31, 2020. Information about employees’ compensation and directors’ remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(31) Income tax

A. Income tax expense

Components of income tax expense:

	For the three-month periods ended June 30,	
	2021	2020
Current tax:		
Current tax on profit for the period	$ 448,926	$ 369,643
Prior year income tax (over) under estimation	(84,633)	47,562
Total current tax	364,293	417,205
Deferred tax:		
Origination and reversal of temporary differences	(203,162)	60,158
Loss carryforward	1,745,494	28,039
Income tax expense	$ 1,906,625	$ 505,402

	For the six-month periods ended June 30,	
	2021	2020
Current tax:		
Current tax on profit for the period	$ 683,999	$ 580,026
Prior year income tax (over) under estimation	(82,758)	47,193
Total current tax	601,241	627,219
Deferred tax:		
Origination and reversal of temporary differences	(529,667)	60,007
Loss carryforward	2,865,891	121,671
Income tax expense	$ 2,937,465	$ 808,897

B. The Company's income tax returns through 2018 have been assessed and approved by the Tax Authority.

(32) Earnings (loss) per share

	For the three-month period ended June 30, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 21,418,900	$ 10,439,675	$ 2.05
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	21,418,900	10,439,675	
Assumed conversion of all dilutive potential ordinary shares:			
- Convertible bonds	6,121	116,009	
- Employees' compensation	-	121,707	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 21,425,021	$ 10,677,391	$ 2.01

	For the three-month period ended June 30, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic loss per share			
Loss attributable to ordinary shareholders of the parent	($ 4,780,504)	$ 9,631,072	($ 0.49)

	For the six-month period ended June 30, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 32,990,319	$ 10,243,207	$ 3.22

	For the six-month period ended June 30, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	32,990,319	10,243,207	
Assumed conversion of all dilutive potential ordinary shares:			
- Convertible bonds	43,936	315,259	
- Employees' compensation		123,006	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 33,034,255	10,681,472	$ 3.09

	For the six-month period ended June 30, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic loss per share			
Loss attributable to ordinary shareholders of the parent	($ 10,049,273)	$ 9,631,072	($ 1.04)

For the three-month and six-month period ended June 30, 2020, the Group's convertible bonds were not included in the calculation of diluted earnings (loss) per share due to its anti-dilutive effect.

(33) Supplemental cash flow information

Investing activities with partial cash payments:

	For the six-month periods ended June 30,	
	2021	2020
Purchase of property, plant and equipment	$ 11,907,743	$ 8,628,604
Add: Opening balance of payable on equipment	3,749,913	6,463,079
Less: Ending balance of payable on equipment	(4,969,128)	(4,079,584)
Cash paid during the period	$ 10,688,528	$ 11,012,099

(34) Changes in liabilities from financing activities

For the six-month periods ended June 30, 2021 and 2020, liabilities from financing activities include short-term borrowings, bonds payable, long-term borrowings and lease liabilities. Changes in those items result from cash flow from financing activities, conversion, discount and amortization of bonds payable as well as changes in exchange rate. The summarized significant changes are as follows and other information is provided in the consolidated statements of cash flows.

	2021 Bonds payable	2020 Bonds payable
At January 1	$ 5,473,004	$ 97,018
Conversion of convertible bonds	(4,887,306)	-
Amortization of discounts on convertible bonds	44,793	-
Impact of changes in foreign exchange rate	(36,631)	(72,800)
Changes in cash flow from financing activities	-	8,900,934
Convertible bonds derivative instruments on the issue date	-	(1,299,447)
At June 30	$ 593,860	$ 7,625,705

7. RELATED PARTY TRANSACTIONS

(1) Names and relationship of related parties

Names of related parties	Relationship with the Group
Hon Hai Precision Industry Co., Ltd. and its subsidiaries	Other related party
CHENG MEI MATERIALS TECHNOLOGY CORPORATION and its subsidiaries (Note)	Other related party
FI Medical Device Manufacturing Co., Ltd.	Associate

Note: In May 2020, the Company no longer serves as a director, so it is listed as a non-related party.

(2) Significant related party transactions

A. Operating revenue

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021	2020	2021	2020
Sales of goods:				
Other related parties	$ 1,476,138	$ 1,979,322	$ 3,222,255	$ 3,624,560
Associates	1,553	8,093	2,736	16,763
	$ 1,477,691	$ 1,987,415	$ 3,224,991	$ 3,641,323

The collection period was mainly 30~90 days upon shipment or on a monthly-closing basis to related parties. The sales prices and the trading terms to related parties above were not significantly different from those of sales to third parties.

B. Purchases of goods

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021	2020	2021	2020
Purchases of goods:				
Other related parties	$ 1,125,562	$ 1,832,320	$ 2,122,612	$ 4,126,028
Associates	248,257	309,025	587,424	546,473
	$ 1,373,819	$ 2,141,345	$ 2,710,036	$ 4,672,501

The payment term was 30~120 days to related parties after transaction date, and 30~180 days to non-related parties after delivery or on a monthly-closing basis. The purchase prices and the payment terms from related parties above were not materially different from those of purchases from third parties.

C. Receivables from related parties

	June 30, 2021	December 31, 2020	June 30, 2020
Accounts receivable:			
Other related parties	$ 1,770,436	$ 2,179,257	$ 2,325,776
Associates	37,617	44,900	32,955
	$ 1,808,053	$ 2,224,157	$ 2,358,731

The receivables from related parties arise mainly from sales transactions. The receivables are due 30~90 days after the date of sale. The receivables are unsecured in nature and bear no interest.

D. Payables to related parties

	June 30, 2021	December 31, 2020	June 30, 2020
Accounts payable:			
Other related parties	$ 1,786,062	$ 1,606,419	$ 1,914,194
Associates	106,358	114,512	122,461
	$ 1,892,420	$ 1,720,931	$ 2,036,655

The payables to related parties arise mainly from purchase transactions and are due 30~120 days after the date of purchase. The payables bear no interest.

E. Property transactions

Purchase of property

(a) Acquisition of property, plant and equipment:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021	2020	2021	2020
Other related parties	$ 2,688	$ 1,121	$ 10,356	$ 6,330
Associates	262	-	262	-
	$ 2,950	$ 1,121	$ 10,618	$ 6,330

(b) Period-end balances arising from purchases of property (shown as ‘Other payables’):

	June 30, 2021	December 31, 2020	June 30, 2020
Other related parties	$ 2,778	$ 51,047	$ 1,033

(3) Key management compensation

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021	2020	2021	2020
Salaries and other short-term employee benefits	$ 15,697	$ 9,719	$ 36,080	$ 19,643
Shared-based payments	521	-	1,105	-
Post-employment benefits	230	166	507	332
	$ 16,448	$ 9,885	$ 37,692	$ 19,975

8. PLEDGED ASSETS

The Group’s assets pledged as collateral are as follows:

	Book value			
Pledged asset	June 30, 2021	December 31, 2020	June 30, 2020	Purpose
Other current assets				
-Demand deposits	$ 650	$ 950	$ 1,250	Long-term loans
-Time deposits	15,910	1,160	1,160	Tariff and credit card guarantee
Property, plant and equipment	72,952,214	93,284,863	57,917,835	Long-term loans
Other non-current assets				
-Time deposits	3,270	3,270	3,270	Tariff guarantee
-Refundable deposits	770,908	784,601	816,282	Guarantee for litigation
	$ 73,742,952	$ 94,074,844	$ 58,739,797	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) Contingencies－Significant Litigations

A. The Company’s subsidiary in U.S. received a civil complaint from the government of Puerto Rico in September 2018, claiming that the company, together with other defendants of Taiwan, Japan and South Korea TFT - LCD companies, had unjustified enrichment from the TFT-LCD pricing collaborations in 2006 and requested monetary compensation. The U.S. subsidiary of the company has appointed a lawyer to handle the lawsuit.

B. Eidos Displays, LLC and Eidos III, LLC (“Eidos”) filed a lawsuit against the Company and American subsidiary with the United States District Court for the Eastern District of Texas on April 25, 2011, alleging infringement of its patent. In December 2013, the magistrate judge granted summary judgment that the Eidos patent is invalid. In January 2014, the presiding judge confirmed the summary judgment.

In February 2014, Eidos appealed to the United States Court of Appeals for the Federal Circuit (CAFC). In March 2015, the CAFC reversed the district court’s judgment and remanded the case back to the district court for further proceedings. In June 2017, the jury determined that some products of the Company and American subsidiary directly infringed the patent and awarded damages for Eidos. On March 5, 2018, the district court entered judgment. In January 2020, the Company reached an agreement on the main settlement terms with Eidos during the third mediation. In April 2020, the court granted the judgment that the case shall be closed by mutually performing the settlement terms and the lawsuits have no effect on the Company’s financial position and operations.

C. On September 1, 2020, Granville Technology Group Limited, VMT Limited and OT Computers Limited (all under liquidation) jointly filed a civil complaint against the Company with the Senior Courts of England and Wales, claiming that the Company, together with other defendants of Taiwan and South Korea TFT - LCD companies, shall be liable for damages incurred from the TFT-LCD pricing collaborations in 2006. The Company has appointed a lawyer to handle the lawsuit.

D. On December 18, 2020 and March 19, 2021, the claimants, SAMSUNG ELECTRONICS CO. LIMITED, SAMSUNG ELECTRONICS TAIWAN CO. LIMITED, SAMSUNG ELECTRONICS (UK) LIMITED, SAMSUNG SEMICONDUCTOR EUROPE LIMITED and SAMSUNG DISPLAY CO. LMITED, jointly filed a civil complaint against the Company with the Business and Property Courts of England and Wales, claiming that the Company shall have the responsibility to pay equitable and fair share of compensation in terms of the settlement agreement that the first to fourth claimants entered into with the particular UK authorities and the first to fifth claimants entered into with Ingram Micro (UK) Limited for the TFT-LCD pricing collaborations in 2006. The Company reached a settlement with the claimant in May 2021.

E. The Company had assessed and recognized related losses and liabilities as shown in ‘provisions-current’ for the aforementioned investigation relating to anti-trust laws and patent litigation.

(2) Commitments

A. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Property, plant and equipment	$ 17,110,107	$ 12,627,041	$ 14,485,248

B. Outstanding letters of credit

The outstanding letters of credit for the purchase of property, plant and equipment are as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Outstanding letters of credit	$ 65,773	$ 63,015	$ 359,096

C. The Company entered into a conditional 'Share Issuance and Asset Purchase Agreement' with Huadong Electronics. Huadong Electronic plans to issue shares to the shareholders of TPV Technology Limited, including the Company, in order to obtain 49% equity interest of TPV Technology Limited. However, the transaction will take effect when all preconditions are met.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

No significant changes during the period. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2020.

(2) Financial instruments

A. Financial instruments by category

For information of the Group's financial assets (financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, financial assets at amortized cost, cash and cash equivalents, accounts receivable (including related parties) and other receivables) and financial liabilities (short-term borrowing, financial liabilities at fair value through profit or loss, accounts payable (including related parties), other payables, lease liability, corporate bonds payable and long-term borrowings (including current portion)), please refer to Note 6 and consolidated balance sheets.

B. Financial risk management policies

No significant changes during the period. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2020.

C. Significant financial risks and degrees of financial risks

Except for the following, there was no significant change in the period. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2020.

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Group used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

ii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB and USD). Based on the simulations performed, the impact on pre-tax profit of a 1% exchange rate fluctuation would be an increase of $317,598 and $223,007 for the six-month periods ended June 30, 2021 and 2020, respectively. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	June 30, 2021			December 31, 2020		
	Foreign Currency Amount (In Thousands)	Exchange Rate (Note)	Book Value (NTD)	Foreign Currency Amount (In Thousands)	Exchange Rate (Note)	Book Value (NTD)
Financial assets						
Monetary items						
USD	$ 5,072,871	27.86	$ 141,330,186	$ 5,686,943	28.48	$ 161,964,137
RMB	498,617	4.31	2,149,039	314,777	4.36	1,372,428
HKD	60,484	3.59	217,138	13,321	3.67	48,888
JPY	1,601,737	0.25	400,434	1,732,338	0.28	485,055
EUR	10,925	33.15	362,164	3,430	35.02	120,119
Non-monetary items						
USD	$ 3,068,449	27.86	$ 85,486,989	$ 2,852,662	28.48	$ 81,243,814
JPY	8,532,593	0.25	2,133,148	7,560,763	0.28	2,117,014
HKD	359,471	3.59	1,290,501	351,054	3.67	1,288,368
Financial liabilities						
Monetary items						
USD	$ 3,716,560	27.86	$ 103,543,362	$ 4,498,554	28.48	$ 128,118,818
JPY	35,578,142	0.25	8,894,536	33,061,001	0.28	9,257,080
HKD	33	3.59	118	73,107	3.67	268,303
EUR	7,882	33.15	261,288	8,703	35.02	304,779

	June 30, 2020		
	Foreign Currency Amount (In Thousands)	Exchange Rate (Note)	Book Value (NTD)
Financial assets			
Monetary items			
USD	$ 5,702,743	29.63	$ 168,972,275
JPY	8,322,780	0.28	2,330,378
HKD	549,970	3.82	2,100,885
EUR	3,104	33.27	103,270
Non-monetary items			
USD	$ 2,648,570	29.63	$ 78,477,129
HKD	552,960	3.82	2,112,307
JPY	7,501,392	0.28	2,100,390
Financial liabilities			
Monetary items			
USD	$ 4,781,329	29.63	$ 141,670,778
JPY	33,223,644	0.28	9,302,620
EUR	6,994	33.27	232,690

Note: Exchange rate represents the amount of NT dollars for which one foreign currency could be exchanged.

iii. Total exchange (loss) gain, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the three-month and six-month periods ended June 30, 2021 and 2020 amounted to ($509,170), ($135,012), ($113,978) and $62,513, respectively.

Price risk

i. The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done by the Group in respect of the targets and stages.

ii. The Group's investments in equity securities comprise domestic listed, unlisted stocks and open-end fund. The prices of equity securities would change due to the change of the future value of investee companies.If the prices of these equity securities had increased/decreased by 20% with all other variables held constant, pre-tax profit for the six-month periods ended June 30, 2021 and 2020 would have increased/decreased by $2,778,384 and $661,916, respectively; other comprehensive gains and losses would have increased/decreased by $2,324,575 and $839,198, respectively.

Cash flow and fair value interest rate risk

i. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the six-month periods ended June 30, 2021 and 2020, the Group's borrowings at variable rate were denominated in the NTD.

ii. If the borrowing interest rate of NTD had increased/decreased by 0.25% with all other variables held constant, pre-tax profit for the six-month periods ended June 30, 2021 and 2020 would have decreased/increased by $54,714 and $31,359, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows. As at June 30, 2021, December 31, 2020 and June 30, 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost and accounts receivable held by the Group was its carrying amount.

ii. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the managements. The utilization of credit limits is regularly monitored.

iii. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments are past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

v. The Group classifies customer's accounts receivable in accordance with credit rating of customer, credit risk on trade and customer types. The Group applies the simplified approach using provision matrix to estimate expected credit loss.

vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;

(ii) Default or delinquency in interest or principal repayments;

(iii) Adverse changes in national or regional economic conditions that are expected to cause a default.

vii. The Group adjusted forward looking information based on historical and timely information to assess the default possibility of accounts receivables.

According to abovementioned consideration and information, the Group does not expect any significant default possibility of accounts receivable.

viii. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2021
	Accounts receivable
At June 30 (January 1)	$ 209,419

	2020
	Accounts receivable
At January 1	$ 209,418
Reversal	(1)
At June 30	$ 209,417

ix. The Group's financial assets at amortized cost have low credit risk, the Group did not recognize significant loss allowance in accordance with 12 months expected credit losses.

(c) Liquidity risk

The information below analyzes the Group's non-derivative financial liabilities and netsettled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities

June 30, 2021	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years	Total
Lease liability (Note)	$ 611,342	$ 1,422,088	$ 1,085,896	$ 2,615,254	$ 5,734,580
Bonds payable	100,000	562,772	-	-	662,772
Long-term borrowings (including current portion)	4,396,000	39,375,500	-	-	43,771,500

December 31, 2020	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years	Total
Lease liability (Note)	$ 236,720	$ 1,376,565	$ 1,136,525	$ 2,870,936	$ 5,620,746
Bonds payable	100,000	6,231,424	-	-	6,331,424
Long-term borrowings (including current portion)	19,301,000	8,203,500	12,300,000	-	39,804,500

June 30, 2020	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years	Total
Lease liability	$ 540,374	$ 1,063,164	$ 1,050,765	$ 3,159,922	$ 5,814,225
Bonds payable	-	8,989,000	-	-	8,989,000
Long-term borrowings (including current portion)	10,566,000	14,171,500	350,000	-	25,087,500

Note: The Company applied a 1-year grace period for land rental payment starting from September 2020. The payment is repayable in 36 equal monthly installments for 3 years.

Except for the above, the non-derivative and derivative financial liabilities of the Group are all due within one year.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group’s investment in listed stocks and beneficiary certificates is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market and bonds payable is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(11).

C. Financial instruments not measured at fair value

Except for those listed in the table below, the carrying amounts of cash and cash equivalents, accounts receivable (including related parties), other receivables, financial assets at amortized cost, short-term borrowings, accounts payable, other payables, lease liability and long-term borrowings (including current portion) are approximate to their fair values.

	June 30, 2021			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial assets:				
Corporate bonds	$ 8,017,609	$ -	$ 7,942,615	$ -
Financial liabilities:				
Bonds payable	$ 593,860	$ -	$ 627,261	$ -

	December 31, 2020			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	$ 5,473,004	$ -	$ 5,869,958	$ -

	June 30, 2020			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	$ 7,625,705	$ -	$ 8,252,423	$ -

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(a) The related information of natures of the assets and liabilities is as follows:

June 30, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 1,072,151	$ -	$ 2,812,752	$ 3,884,903
Forward exchange swap contracts	-	32,808	-	32,808
Forward exchange contracts	-	21,743	-	21,743
Beneficiary certificates	10,007,018	-	-	10,007,018
Structured products	-	8,817,245	-	8,817,245
Financial assets at fair value through other comprehensive income				
Equity securities	5,871,373	-	5,751,500	11,622,873
	$ 16,950,542	$ 8,871,796	$ 8,564,252	$ 34,386,590
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	$ -	$ 308,757	$ -	$ 308,757
Convertible bonds derivative instruments	-	-	612,296	612,296
	$ -	$ 308,757	$ 612,296	$ 921,053

December 31, 2020	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 1,037,782	$ -	$ 2,442,400	$ 3,480,182
Forward exchange contracts	-	706,299	-	706,299
Financial assets at fair value through other comprehensive income				
Equity securities	3,853,042	-	1,034,639	4,887,681
	$ 4,890,824	$ 706,299	$ 3,477,039	$ 9,074,162
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	$ -	$ 13,574	$ -	$ 13,574
Convertible bonds derivative instruments	-	-	3,208,560	3,208,560
	$ -	$ 13,574	$ 3,208,560	$ 3,222,134

June 30, 2020	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 573,771	$ -	$ 2,735,808	$ 3,309,579
Forward exchange contracts	-	106,935	-	106,935
Financial assets at fair value through other comprehensive income				
Equity securities	3,184,263	-	1,011,727	4,195,990
	$ 3,758,034	$ 106,935	$ 3,747,535	$ 7,612,504
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	$ -	$ 60,152	$ -	$ 60,152
Convertible bonds derivative instruments	-	-	1,011,568	1,011,568
	$ -	$ 60,152	$ 1,011,568	$ 1,071,720

(b) The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares	Emerging stocks	Corporate bond
Market quoted price	Closing price	Last transaction price	Weighted average quoted price

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

iii. When assessing non-standard and low-complexity financial instruments, for example, foreign exchange swap contracts, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts and foreign exchange swap contracts are usually valued based on the current forward exchange rate. Convertible bonds derivative instruments are measured by using appropriate option pricing models (binary tree model for convertible bond pricing).

v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

E. For the six-month periods ended June 30, 2021 and 2020, there was no transfer between Level 1 and Level 2.

F. The following table presents the changes in Level 3 instruments for the six-month periods ended June 30, 2021 and 2020:

	2021
Financial assets at fair value through profit or loss / Financial assets at fair value through other comprehensive income	Equity securities
At January 1	$ 3,477,039
Gains and losses recognized in profit or loss	486,278
Gains and losses recognized in other comprehensive income	4,835,615
Disposed in the period	(115,154)
Proceeds from capital reduction	(99,638)
Effect on exchange rate changes	(19,888)
At June 30	$ 8,564,252

	2020		
Financial assets at fair value through profit or loss	Equity securities	Hybrid instrument	Total
At January 1	$ 3,517,289	$ 33,521	$ 3,550,810
Gains and losses recognized in other comprehensive income	(41,887)	-	(41,887)
Acquired in the period	254,152	-	254,152
Conversion in the period	33,129	(33,129)	-
Effect on exchange rate changes	(15,148)	(392)	(15,540)
At June 30	$ 3,747,535	$ -	$ 3,747,535

Financial liabilities at fair value through profit or loss	2021 Derivative instruments	2020 Derivative instruments
At January 1	$ 3,208,560	$ -
Gains and losses recognized in profit or loss	2,239,124	(410,795)
Conversion in the period	(4,835,388)	-
Issued in the period	-	1,422,363
At June 30	$ 612,296	$ 1,011,568

G. Investment management segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value. Convertible bonds derivative instruments are evaluated through outsourced appraisal performed by the external valuer.

Investment management segment set up valuation policies, valuation processes, and rules for measuring fair value of financial instruments and ensure compliance with the related requirements in IFRS.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at June 30, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Listed/Unlisted shares	$ 271,359	Market comparable companies	Price to earnings ratio multiple, price to sales ratio multiple, price to book ratio multiple	1.19~4.50 (1.85)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	30%~70% (32%)	The higher the discount for lack of marketability, the lower the fair value
	8,178,233	Using the last transaction price in an inactive market	Discount for lack of marketability	10%~30% (14%)	The higher the discount for lack of marketability, the lower the fair value
	91,822	Net asset value	Discount for lack of marketability	5% (5%)	The higher the discount for lack of marketability, the lower the fair value

	Fair value at June 30, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Venture capital shares	22,838	Net asset value	Not applicable	Not applicable	Not applicable
Private equity fund investment					
Derivative instrument liabilities:					
Convertible bond	612,296	Binary tree model for convertible bond pricing	Volatility rate	56.90%	The higher the volatility, the higher the fair value

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$1,273,432	Market comparable companies	Price to earnings ratio multiple, price to sales ratio multiple, price to book ratio multiple	0.62~4.50 (0.34)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	30%~70% (11%)	The higher the discount for lack of marketability, the lower the fair value
	1,988,800	Using the last transaction price in an inactive market	Discount for lack of marketability	23%~30% (14%)	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	191,460	Net asset value	Discount for lack of marketability	5% (0%)	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares	23,347	Net asset value	Not applicable	Not applicable	Not applicable
Private equity fund investment					
Derivative instrument liabilities:					
Convertible bond	3,208,560	Binary tree model for convertible bond pricing	Volatility rate	48.60%	The higher the volatility, the higher the fair value

	Fair value at June 30, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$3,689,608	Market comparable companies	Price to earnings ratio multiple, price to sales ratio multiple, price to book ratio multiple	0.57~ 42.08 (2.86)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	30%~70% (31%)	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares	33,129	Using the last transaction price in an inactive market	Not applicable	Not applicable	Not applicable
Private equity fund investment					
Hybrid instrument:					
Convertible bond	24,798	Net asset value	Not applicable	Not applicable	Not applicable
Derivative instrument liabilities:					
Convertible bond	1,011,568	Binary tree model for convertible bond pricing	Volatility rate	45.8%	The higher the volatility, the higher the fair value

I. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

			June 30, 2021			
			Recognized in profit or loss		Recognized in other comprehensive income	
Financial assets	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Equity instrument	Liquidity discount	± 1%	$ 28,128	($ 28,128)	$ 57,515	($ 57,515)
Financial liabilities						
Derivative instruments	Volatility rate	± 1%	$ 1,688	($ 3,489)	$ -	$ -

			December 31, 2020			
			Recognized in profit or loss		Recognized in other comprehensive income	
Financial assets	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Equity instrument	Liquidity discount	± 1%	$ 24,424	($ 24,424)	$ 10,346	($ 10,346)
Financial liabilities						
Derivative instruments	Volatility rate	± 1%	$ 32,403	($ 31,780)	$ -	$ -

			June 30, 2020			
			Recognized in profit or loss		Recognized in other comprehensive income	
Financial assets	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Equity instrument	Liquidity discount	± 1%	$ 27,358	($ 27,358)	$ 10,117	($ 10,117)
Financial liabilities						
Derivative instruments	Volatility rate	± 1%	$ 50,667	($ 31,112)	$ -	$ -

(4) Other matter

The Company and the subsidiaries implemented epidemic prevention measures in response to the Covid-19 outbreak and numbers of the government's epidemic prevention measures. The epidemic did not make a significant impact on the Group’s operation and business in the second quarter of 2021.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to Table 1.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to Table 2.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company’s paid-in capital: Please refer to Table 3.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to Table 4.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to Table 5.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(2).

J. Significant inter-company transactions during the reporting period: Please refer to Table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to Table 7.

(3) Information on investments in Mainland China

A. Basic information: Please refer to Table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to Table 1, 4, 5 and 6.

(4) Major shareholders information

Names, number of shares and ownership of shareholders whose equity interest is greater than 5%: None.

14. SEGMENT INFORMATION

(1) General information

The Group is primarily engaged in the research, development, design, manufacture and sales of TFT-LCD panels, modules and monitors of LCD, color filter, and low temperature poly-silicon TFT-LCD. The Group operates TFT-LCD business only in a single industry. The chief operating decision-maker who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

The Group's operating segment information was prepared in accordance with the Group's accounting policies. The chief operating decision-maker allocated resources and assesses performance of the operating segments primarily based on the operating revenue and profit (loss) before tax and discontinued operations of individual operating segment.

(2) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021	2020	2021	2020
	TFT LCD	TFT LCD	TFT LCD	TFT LCD
Segment revenue	$ 93,235,532	$ 66,883,202	$ 177,074,228	$ 117,274,777
Segment income (loss)	$ 23,326,077	($ 4,271,419)	$ 35,923,935	($ 9,231,528)
Depreciation and amortization	$ 9,115,422	$ 8,851,802	$ 18,184,364	$ 17,637,815
Capital expenditure-property, plant and equipment	$ 7,218,573	$ 4,500,516	$ 10,688,528	$ 11,012,099
Segment assets			$ 441,831,434	$ 357,501,470

(3) Reconciliation for segment income

In current year, the revenue and income or loss before tax of reportable operating segment are consistent with those of continuing operations.

Innolux Corporation and Subsidiaries

Loans to others

For the six-month period ended June 30, 2021

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six-month period ended June 30, 2021	Balance as at June 30, 2021	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
1	Innocom Technology (Shenzhen) Co., Ltd.	Foshan Innolux Optoelectronics Ltd.	Other receivables	Yes	$ 4,312,728	$ 4,312,728	$ 4,312,728	2.00%	Short-term financing	$ -	Operating support	$ -	-	$ -	$ 23,316,668	$ 23,316,668	A
1	Innocom Technology (Shenzhen) Co., Ltd.	Ningbo Innolux Optoelectronics Ltd.	Other receivables	Yes	2,156,364	2,156,364	1,725,091	2.00%	Short-term financing	-	Operating support	-	-	-	23,316,668	23,316,668	A
1	Innocom Technology (Shenzhen) Co., Ltd.	Ningbo Innolux Display Ltd.	Other receivables	Yes	2,372,000	2,156,364	1,897,600	2.00%	Short-term financing	-	Operating support	-	-	-	23,316,668	23,316,668	A
1	Innocom Technology (Shenzhen) Co., Ltd.	Shanghai Innolux Optoelectronics Ltd.	Other receivables	Yes	1,768,218	1,293,818	1,121,309	2.00%	Short-term financing	-	Operating support	-	-	-	23,316,668	23,316,668	A
1	Innocom Technology (Shenzhen) Co., Ltd.	Nanjing Innolux Optoelectronics Ltd.	Other receivables	Yes	3,665,819	3,018,910	2,587,637	2.00%	Short-term financing	-	Operating support	-	-	-	23,316,668	23,316,668	A
2	Innolux Japan Co.,Ltd.	Innolux Corporation	Other receivables	Yes	2,414,790	2,414,790	2,414,790	1.00%	Short-term financing	-	Operating support	-	-	-	7,966,914	7,966,914	A
3	Warriors Technology Investments Ltd	Innolux Corporation	Other receivables	Yes	3,287,480	3,287,480	3,287,480	0.00%	Short-term financing	-	Operating support	-	-	-	12,941,770	12,941,770	A

Note A:

1.For loans obtained for short-term financing, financial limit on loans granted to a single party shall not exceed 10% of the Group’s net equity, based on the most recent audited financial statements of the creditor.

2.The financial limit on loans granted shall not exceed 40% of the creditor’s net equity. If it is for short-term capital needs, the limit shall not exceed 30% of the creditor’s net equity.

3.The policy for loans granted to direct or indirect wholly-owned ultimate parent company or overseas subsidiaries is as follows: for short-term capital needs, financial limit is not restricted to the abovementioned two rules, however, financial limit on total loans granted and limit on loans granted to a single party for the overseas subsidiaries should not exceed 200% of the creditor’s net equity.

Innolux Corporation and Subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

June 30, 2021

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of June 30, 2021 Shares/Units	Book value	Ownership (%)	Fair value	Footnote
	Common stock							
Innolux Corporation	AvanStrate Inc.	None	Financial assets at fair value through profit or loss	900,000	$ 6,075	1	$ 6,075	
Innolux Corporation	TPV Technology Limited	None	Financial assets at fair value through profit or loss	60,200,000	1,289,423	3	1,289,423	
Innolux Corporation	Chi Lin Optoelectronics Co., Ltd.	Other related party	Financial assets at fair value through profit or loss	4,270,212	91,822	19	91,822	
Innolux Corporation	Cheng Mei Materials Technology Corporation	None	Financial assets at fair value through profit or loss	57,211,305	646,488	9	646,488	
Innolux Corporation	General Interface Solution (GIS) Holding Limited	None	Financial assets at fair value through profit or loss	1,669,000	206,121	-	206,121	
Innolux Corporation	Allied Material Technology Corp.	None	Financial assets at fair value through profit or loss	1,209	-	-	-	
Innolux Corporation	Obsidian Sensors, Inc.	None	Financial assets at fair value through profit or loss	477,142	40,589	12	40,589	
Innolux Corporation	VIZIO Holding Corp.	None	Financial assets at fair value through other comprehensive income	8,347,068	5,716,268	4	5,716,268	
Innolux Corporation	Cathay Financial Holding Co., Ltd. Preferred Stock A	None	Financial assets at fair value through other comprehensive income	869,000	54,486	-	54,486	
Innolux Corporation	TAISHIN FINANCIAL HOLDING CO., LTD. Preferred Stock E	None	Financial assets at fair value through other comprehensive income	240,000	12,816	-	12,816	
Innolux Corporation	Chailease Holding Company Limited Class A Preferred Shares	None	Financial assets at fair value through other comprehensive income	402,000	40,200	-	40,200	
Innolux Corporation	Fubon Financial Holding Co., Ltd. Preferred Shares B	None	Financial assets at fair value through other comprehensive income	681,000	42,971	-	42,971	
Yuan Chi Investment Co., Ltd.	Trillion Science, Inc.	None	Financial assets at fair value through profit or loss	1,439,180	-	3	-	
Yuan Chi Investment Co., Ltd.	Cheng Mei Materials Technology Corporation	None	Financial assets at fair value through profit or loss	315,000	3,560	-	3,560	
Yuan Chi Investment Co., Ltd.	WPG Holdings Limited Preferred Share A	None	Financial assets at fair value through other comprehensive income	90,000	4,545	-	4,545	
Yuan Chi Investment Co., Ltd.	WT MICROELECTRONICS CO., LTD. Preferred Shares A	None	Financial assets at fair value through other comprehensive income	20,000	972	-	972	
InnoJoy Investment Corporation	Advanced Optoelectronic Technology, Inc.	None	Financial assets at fair value through profit or loss	6,964,222	196,043	5	196,043	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of June 30, 2021 Shares/Units	Book value	Ownership (%)	Fair value	Footnote
	Common stock							
InnoJoy Investment Corporation	ENNOSTAR Inc.	None	Financial assets at fair value through profit or loss	254,000	$ 19,939	-	$ 19,939	
InnoJoy Investment Corporation	EPILEDS Co., Ltd.	None	Financial assets at fair value through other comprehensive income	7,347,144	166,045	7	166,045	
InnoJoy Investment Corporation	Fitipower Integrated Technology Inc.	None	Financial assets at fair value through other comprehensive income	9,000,000	2,767,500	5	2,767,500	
Ningbo Innolux Optoelectronics Ltd.	上海辰峃投資中心(有限合夥)	None	Financial assets at fair value through profit or loss	-	1,158,566	-	1,158,566	
Ningbo Innolux Optoelectronics Ltd.	Shenzhen Tiandeyu Electronics Co., Ltd.	None	Financial assets at fair value through profit or loss	30,599,775	156,510	8	156,510	
Warriors Technology Investments Ltd	OED Holding Ltd.	None	Financial assets at fair value through profit or loss	16,000,000	12,467	6	12,467	
Warriors Technology Investments Ltd	Obsidian Sensors, Inc.	None	Financial assets at fair value through profit or loss	414,136	34,462	11	34,462	
Warriors Technology Investments Ltd	Kymeta Corporation	None	Financial assets at fair value through other comprehensive income	1,027,371	13,977	-	13,977	
Warriors Technology Investments Ltd	General Interface Solution (GIS) Holding Limited	None	Financial assets at fair value through other comprehensive income	22,525,000	2,781,838	7	2,781,838	
Warriors Technology Investments Ltd	CJK Associates Co., Ltd.	None	Financial assets at fair value through other comprehensive income	4,000	4,766	14	4,766	
Warriors Technology Investments Ltd	Perinnova Limited	Other related party	Financial assets at fair value through other comprehensive income	1,900	508	19	508	
Warriors Technology Investments Ltd	KA Imaging Inc.	Other related party	Financial assets at fair value through other comprehensive income	1,819,240	15,981	11	15,981	
Nets Trading Ltd.	PilotTech Global Fund	None	Financial assets at fair value through profit or loss	90	22,838	-	22,838	
	Beneficiary certificates							
Innolux Corporation	Taishin Ta-Chong Money Market Fund	None	Financial assets at fair value through profit or loss	69,820,457	1,000,974	-	1,000,974	
Innolux Corporation	Taishin 1699 Money Market Fund	None	Financial assets at fair value through profit or loss	12,455,726	170,189	-	170,189	
Innolux Corporation	FSITC Money Market	None	Financial assets at fair value through profit or loss	1,278,591	230,218	-	230,218	
Innolux Corporation	CTBC Hwa-win Money Market Fund	None	Financial assets at fair value through profit or loss	234,022,269	2,601,813	-	2,601,813	
Innolux Corporation	Fubon Chi-Hsiang Money Market Fund	None	Financial assets at fair value through profit or loss	82,245,047	1,300,779	-	1,300,779	
Innolux Corporation	Jih Sun Money Market Fund	None	Financial assets at fair value through profit or loss	33,430,281	500,491	-	500,491	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of June 30, 2021 Shares/Units	Book value	Ownership (%)	Fair value	Footnote
	Beneficiary certificates							
Innolux Corporation	Capital Money Market Fund	None	Financial assets at fair value through profit or loss	92,184,251	$ 1,500,972	-	$ 1,500,972	
Innolux Corporation	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss	5,936,726	100,075	-	100,075	
Innolux Corporation	TCB Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss	185,531,904	1,901,034	-	1,901,034	
Innolux Corporation	Union Money Market Fund	None	Financial assets at fair value through profit or loss	45,062,693	600,402	-	600,402	
Innolux Corporation	Cathay Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss	7,975,245	100,071	-	100,071	
	Financial products							
Innolux Corporation	Fixed Income RMB-Structured Deposits	None	Financial assets at amortized cost	-	474,389	Not applicable	474,389	
Innolux Corporation	Fixed Income Structured Linked Deposit	None	Financial assets at amortized cost	-	4,736,200	Not applicable	4,736,200	
	Structured products							
Ningbo Innolux Display Ltd.	Floating Income RMB-Structured Deposits	None	Financial assets at fair value through profit or loss	-	436,954	Not applicable	436,954	
Foshan Innolux Optoelectronics Ltd.	Floating Income RMB-Structured Deposits	None	Financial assets at fair value through profit or loss	-	871,574	Not applicable	871,574	
Ningbo Innolux Optoelectronics Ltd.	Floating Income RMB-Structured Deposits	None	Financial assets at fair value through profit or loss	-	1,961,603	Not applicable	1,961,603	
Ningbo Innolux Optoelectronics Ltd.	Floating Income RMB-Structured Deposits	None	Financial assets at fair value through profit or loss	-	3,573,017	Not applicable	3,573,017	
Nanjing Innolux Optoelectronics Ltd.	Floating Income RMB-Structured Deposits	None	Financial assets at fair value through profit or loss	-	1,974,097	Not applicable	1,974,097	
	Bonds							
Innolux Corporation	Taiwan Mobile Co., Ltd.	None	Financial assets at amortized cost	-	202,137	Not applicable	201,970	
Innolux Corporation	Nan Ya Plastics Corporation	None	Financial assets at amortized cost	-	253,745	Not applicable	252,182	
Innolux Corporation	Hon Hai Precision Industry Co., Ltd. ,2017,Third	None	Financial assets at amortized cost	-	203,026	Not applicable	201,870	
Innolux Corporation	Taiwan Power Company,2012,Fourth	None	Financial assets at amortized cost	-	102,380	Not applicable	101,519	
Innolux Corporation	Fubon Financial Holding Co., Ltd.	None	Financial assets at amortized cost	-	257,262	Not applicable	253,555	
Innolux Corporation	Highwealth Construction corp.	None	Financial assets at amortized cost	-	252,867	Not applicable	252,756	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of June 30, 2021 Shares/Units	Book value	Ownership (%)	Fair value	Footnote
	Bonds							
Innolux Corporation	Hon Hai Precision Industry Co., Ltd. ,2017,Second	None	Financial assets at amortized cost	-	$ 203,382	Not applicable	$ 201,610	
Innolux Corporation	Far Eastern New Century Corporation Co., Ltd.	None	Financial assets at amortized cost	-	254,015	Not applicable	251,926	
Innolux Corporation	Far Eastone Telecommunications,2017, Third	None	Financial assets at amortized cost	-	101,676	Not applicable	101,197	
Innolux Corporation	Far Eastone Telecommunications,2018,First	None	Financial assets at amortized cost	-	101,047	Not applicable	100,940	
Innolux Corporation	Taipei Financial Center Corporation	None	Financial assets at amortized cost	-	202,620	Not applicable	201,796	
Innolux Corporation	Taiwan Semiconductor Manufacturing Co., Ltd.	None	Financial assets at amortized cost	-	102,498	Not applicable	101,796	
Innolux Corporation	Chang Chun Petrochemical Co., Ltd.	None	Financial assets at amortized cost	-	253,767	Not applicable	251,900	
Innolux Corporation	CPC Corporation, Taiwan	None	Financial assets at amortized cost	-	101,932	Not applicable	100,831	
Innolux Corporation	Taiwan Power Company,2012,Third	None	Financial assets at amortized cost	-	102,660	Not applicable	101,358	
Innolux Corporation	China Steel Corporation	None	Financial assets at amortized cost	-	255,189	Not applicable	251,789	
Innolux Corporation	CTBC Financial Holding Co., Ltd.	None	Financial assets at amortized cost	-	154,467	Not applicable	152,223	
Innolux Corporation	ADCB Finance Cayman LTD.	None	Financial assets at amortized cost	-	149,108	Not applicable	147,180	
Innolux Corporation	Agricultural Bank of China (New York Branch)	None	Financial assets at amortized cost	-	266,982	Not applicable	264,935	
Innolux Corporation	Arab Petroleum Investments Corporation	None	Financial assets at amortized cost	-	162,593	Not applicable	160,000	
Innolux Corporation	Bank of Communications (Hong Kong Branch)	None	Financial assets at amortized cost	-	168,655	Not applicable	168,211	
Innolux Corporation	Daimler Finance North America LLC	None	Financial assets at amortized cost	-	148,460	Not applicable	147,173	
Innolux Corporation	Doosan Infracore Co., Ltd.	None	Financial assets at amortized cost	-	225,874	Not applicable	223,734	
Innolux Corporation	Emirates NBD Bank PJSC	None	Financial assets at amortized cost	-	278,600	Not applicable	278,998	
Innolux Corporation	FAB Sukuk Co. Ltd.	None	Financial assets at amortized cost	-	236,760	Not applicable	234,399	
Innolux Corporation	GS Caltex Corporation	None	Financial assets at amortized cost	-	148,313	Not applicable	147,463	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of June 30, 2021 Shares/Units	Book value	Ownership (%)	Fair value	Footnote
	Bonds							
Innolux Corporation	Hyundai Capital America	None	Financial assets at amortized cost	-	$ 35,705	Not applicable	$ 35,463	
Innolux Corporation	Hyundai Capital Services, Inc.	None	Financial assets at amortized cost	-	260,496	Not applicable	257,084	
Innolux Corporation	Industrial and Commercial Bank of China Limited (Hong Kong Branch)	None	Financial assets at amortized cost	-	253,591	Not applicable	251,926	
Innolux Corporation	KIA Corporation	None	Financial assets at amortized cost	-	282,824	Not applicable	280,439	
Innolux Corporation	Korea Resources Corporation	None	Financial assets at amortized cost	-	297,500	Not applicable	294,347	
Innolux Corporation	NongHyup Bank	None	Financial assets at amortized cost	-	180,059	Not applicable	176,625	
Innolux Corporation	POSCO	None	Financial assets at amortized cost	-	271,880	Not applicable	267,068	
Innolux Corporation	Saudi Electricity Global SUKUK Company 4	None	Financial assets at amortized cost	-	277,519	Not applicable	272,065	
Innolux Corporation	Shinhan Bank	None	Financial assets at amortized cost	-	271,777	Not applicable	269,290	
Innolux Corporation	Siam Commercial Bank Cayman Islands	None	Financial assets at amortized cost	-	199,336	Not applicable	197,697	
Innolux Corporation	Sinopec Capital 2013 LTD.	None	Financial assets at amortized cost	-	33,336	Not applicable	32,996	
Innolux Corporation	SK broadband CO.LTD.	None	Financial assets at amortized cost	-	151,072	Not applicable	148,243	
Innolux Corporation	Societe Generale SA	None	Financial assets at amortized cost	-	274,065	Not applicable	269,959	
Innolux Corporation	Sumitomo Corporation	None	Financial assets at amortized cost	-	57,523	Not applicable	56,987	
Innolux Corporation	Sumitomo Mitsui Trust Bank	None	Financial assets at amortized cost	-	280,911	Not applicable	279,115	

Innolux Corporation and Subsidiaries

Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital

June 30, 2021

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2021		Addition (Note 3)		Disposal (Note 3)				Balance as at June 30, 2021 (Note 6)	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Selling price	Book value	Gain (loss) on disposal	Shares/Units	Amount
Innolux Corporation	Taishin Ta-Chong Money Market Fund	Note 4	-	-	-	$ -	69,820,457	$ 1,000,000	-	$ -	$ -	$ -	69,820,457	$ 1,000,974
Innolux Corporation	CTBC Hwa-win Money Market Fund	Note 4	-	-	-	-	234,022,269	2,600,000	-	-	-	-	234,022,269	2,601,813
Innolux Corporation	Fubon Chi-Hsiang Money Market Fund	Note 4	-	-	-	-	82,245,047	1,300,000	-	-	-	-	82,245,047	1,300,779
Innolux Corporation	Jih Sun Money Market Fund	Note 4	-	-	-	-	33,430,281	500,000	-	-	-	-	33,430,281	500,491
Innolux Corporation	Capital Money Market Fund	Note 4	-	-	-	-	92,184,251	1,500,000	-	-	-	-	92,184,251	1,500,972
Innolux Corporation	TCB Taiwan Money Market Fund	Note 4	-	-	-	-	185,531,904	1,900,000	-	-	-	-	185,531,904	1,901,034
Innolux Corporation	Union Money Market Fund	Note 4	-	-	-	-	45,062,693	600,000	-	-	-	-	45,062,693	600,402
Innolux Corporation	Fixed Income RMB-Structured Deposits	Note 5	-	-	-	-	-	474,389	-	-	-	-	-	474,389
Innolux Corporation	Fixed Income Structured Linked Deposit	Note 5	-	-	-	-	-	4,736,200	-	-	-	-	-	4,736,200
Ningbo Innolux Display Ltd.	Floating Income RMB-Structured Deposits	Note 4	-	-	-	-	-	436,480	-	-	-	-	-	436,954
Foshan Innolux Optoelectronics Ltd.	Floating Income RMB-Structured Deposits	Note 4	-	-	-	-	-	875,743	-	-	-	-	-	871,574
Ningbo Innolux Optoelectronics Ltd.	Floating Income RMB-Structured Deposits	Note 4	-	-	-	-	-	1,969,461	-	-	-	-	-	1,961,603

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2021		Addition (Note 3)		Disposal (Note 3)				Balance as at June 30, 2021 (Note 6)	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Selling price	Book value	Gain (loss) on disposal	Shares/Units	Amount
Ningbo Innolux Optoelectronics Ltd.	Floating Income RMB-Structured Deposits	Note 4	-	-	-	$ -	-	$ 3,583,083	-	$ -	$ -	$ -	-	$ 3,573,017
Nanjing Innolux Optoelectronics Ltd.	Floating Income RMB-Structured Deposits	Note 4	-	-	-	-	-	1,983,118	-	-	-	-	-	1,974,097

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the columns the counterparty and relationship if securities are accounted for using the equity method; otherwise leave the columns blank.

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT$300 million or 20% of paid-in capital or more.

Note 4: Code of general ledger account is "financial assets at fair value through profit or loss". Due to adoption of IFRS, it would be valued at fair value rather than recognized disposal gain or loss.

Note 5: Code of general ledger account is "financial assets at amortized cost". The gain or loss due to disposal is interest income.

Note 6: The carrying amount as at June 30, 2021 included gains or losses on valuation.

Innolux Corporation and Subsidiaries

Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more

For the six-month period ended June 30, 2021

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Innolux Corporation	CARUX TECHNOLOGY PTE. LTD.	An indirect wholly-owned subsidiary	Sales	$ 7,222,244	4	60 days	Similar with general sales	No material difference	$ 3,497,118	6	
Innolux Corporation	Innolux USA Inc.	An indirect wholly-owned subsidiary	Sales	7,158,316	4	90 days	Similar with general sales	No material difference	1,966,317	3	
Innolux Corporation	Innolux Hong Kong Limited	An indirect wholly-owned subsidiary	Sales	4,190,720	2	60 days	Similar with general sales	No material difference	-	-	
Innolux Corporation	Hon Hai Precision Industry Co., Ltd.	Same major stockholder	Sales	1,101,210	1	90 days	Similar with general sales	No material difference	1,031,375	2	
Innolux Corporation	Hongfujin Precision Electronics (Yantai) Co., Ltd.	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Sales	1,029,090	1	60 days	Similar with general sales	No material difference	203,542	-	
Innolux Corporation	Honfujin Precision Electronics (Chongqing) Co., Ltd.	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Sales	669,997	-	45 days	Similar with general sales	No material difference	415,572	1	
Innolux Corporation	Foshan Innolux Optoelectronics Ltd.	An indirect wholly-owned subsidiary	Sales	514,218	-	60 days	Similar with general sales	No material difference	-	-	
Innolux Corporation	InnoCare Optoelectronics Corporation	A subsidiary of the Company	Sales	284,846	-	90 days	Similar with general sales	No material difference	797,930	1	
Innolux Corporation	COMPETITION TEAM IRELAND LIMITED	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Sales	163,790	-	45 days	Similar with general sales	No material difference	73,602	-	
Innolux Corporation	Foshan Innolux Optoelectronics Ltd.	An indirect wholly-owned subsidiary	Processing expense	13,953,737	11	60 days	Cost plus	No material difference	(7,960,335)	15	
Innolux Corporation	Ningbo Innolux Display Ltd.	An indirect wholly-owned subsidiary	Processing expense	11,185,248	9	60 days	Cost plus	No material difference	(6,317,492)	12	
Innolux Corporation	Ningbo Innolux Optoelectronics Ltd.	An indirect wholly-owned subsidiary	Processing expense	10,692,869	9	60 days	Cost plus	No material difference	(8,504,747)	16	

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Innolux Corporation	Innolux Hong Kong Limited	An indirect wholly-owned subsidiary	Processing expense	$ 9,932,613	8	60 days	Cost plus	No material difference	($ 4,910,293)	9	
Innolux Corporation	Innocom Technology (Shenzhen) Co., Ltd.	An indirect wholly-owned subsidiary	Processing expense	160,139	-	60 days	Cost plus	No material difference	(158,333)	-	
Nanjing Innolux Optoelectronics Ltd.	Innolux Hong Kong Limited	An indirect wholly-owned subsidiary	Processing revenue	8,094,564	100	60 days	Similar with general transactions	No material difference	4,731,090	100	
Shanghai Innolux Optoelectronics Ltd.	Innolux Hong Kong Limited	An indirect wholly-owned subsidiary	Processing revenue	1,622,356	31	60 days	Similar with general transactions	No material difference	6,022	-	
Shanghai Innolux Optoelectronics Ltd.	CARUX TECHNOLOGY PTE. LTD.	An indirect wholly-owned subsidiary	Processing revenue	1,949,758	34	60 days	Similar with general transactions	No material difference	1,360,552	73	
CarUX Technology Inc.	CARUX TECHNOLOGY PTE. LTD.	An indirect wholly-owned subsidiary	Processing revenue	1,162,637	70	60 days	Similar with general transactions	No material difference	1,139,356	99	
CarUX Technology Inc.	Innolux Corporation	Ultimate parent company	Processing revenue	508,031	19	60 days	Similar with general transactions	No material difference	-	-	
Innolux Europe B.V.	Innolux Corporation	Ultimate parent company	Service revenue	259,287	53	60 days	Similar with general transactions	No material difference	1,897	1	
Innolux Europe B.V.	CARUX TECHNOLOGY PTE. LTD.	An indirect wholly-owned subsidiary	Service revenue	230,596	47	60 days	Similar with general transactions	No material difference	150,054	79	
Innolux Japan Co., Ltd.	Innolux Corporation	Ultimate parent company	Service revenue	129,160	66	60 days	Similar with general transactions	No material difference	44,364	64	
Innolux Hong Kong Limited	Nanjing Innolux Technology Ltd.	An indirect wholly-owned subsidiary	Sales	3,819,624	19	60 days	Similar with general transactions	No material difference	1,428,870	19	
Ningbo Innolux Optoelectronics Ltd.	Ningbo Innolux Display Ltd.	An indirect wholly-owned subsidiary	Sales	3,361,202	14	60 days	Similar with general transactions	No material difference	1,138,376	10	
InnoCare Optoelectronics Corporation	InnoCare Optoelectronics Japan Co., Ltd.	An indirect wholly-owned subsidiary	Sales	344,622	36	60 days	Similar with general transactions	No material difference	367,981	55	
Ningbo Innolux Display Ltd.	Ningbo Innolux Optoelectronics Ltd.	An indirect wholly-owned subsidiary	Sales	752,328	4	60 days	Similar with general transactions	No material difference	270,997	3	

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
InnoCare Optoelectronics Corporation	InnoCare Optoelectronics USA, INC.	An indirect wholly-owned subsidiary	Sales	$ 221,365	23	60 days	Similar with general transactions	No material difference	$ 118,965	18	
InnoCare Optoelectronics Corporation	Ningbo Innolux Electronics Ltd.	An indirect wholly-owned subsidiary	Sales	142,627	15	60 days	Similar with general transactions	No material difference	50,026	8	
Ningbo Innolux Optoelectronics Ltd.	Hon Hai Precision Industry Co., Ltd.	Same major stockholder	Purchases	1,039,906	4	90 days after goods are shipped	Similar with general transactions	No material difference	(639,600)	6	
Ningbo Innolux Display Ltd.	Hon Hai Precision Industry Co., Ltd.	Same major stockholder	Purchases	961,908	5	30 days after goods are shipped	Similar with general transactions	No material difference	(574,861)	7	
InnoCare Optoelectronics Corporation	FI Medical Device Manufacturing Co., Ltd.	Other related party	Purchases	587,424	77	30 days after acceptance	Similar with general transactions	No material difference	(106,358)	10	

Innolux Corporation and Subsidiaries

Receivables from related parties reaching $100 million or 20% of paid-in capital or more

June 30, 2021

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2021 (Note A)	Turnover rate	Overdue receivables Amount	Overdue receivables Action taken	Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
Innolux Corporation	CARUX TECHNOLOGY PTE. LTD.	An indirect wholly-owned subsidiary	$ 3,497,118	5.65	$ 1,264,609	Subsequent collection	$ 570,562	$ -
Innolux Corporation	CARUX TECHNOLOGY PTE. LTD.	An indirect wholly-owned subsidiary	602,027 (Shown as other receivables)	-	354,128	Subsequent collection	-	-
Innolux Corporation	Innolux USA Inc.	An indirect wholly-owned subsidiary	1,966,317	4.53	-	-	1,304,311	-
Innolux Corporation	Hon Hai Precision Industry Co., Ltd.	Same major stockholder	1,031,375	1.98	20,391	Subsequent collection	205,334	-
Innolux Corporation	InnoCare Optoelectronics Corporation	A subsidiary of the Company	797,930	0.66	613,655	Subsequent collection	119,894	-
Innolux Corporation	CarUX Technology Inc.	An indirect wholly-owned subsidiary	528,539	0.59	528,161	Subsequent collection	-	-
Innolux Corporation	Honfujin Precision Electronics (Chongqing) Co., Ltd.	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	415,572	5.75	131,035	Subsequent collection	93,982	-
Innolux Corporation	Hongfujin Precision Electronics (Yantai) Co., Ltd.	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	203,542	5.13	-	-	22,439	-
Foshan Innolux Optoelectronics Ltd.	Innolux Corporation	Ultimate parent company	7,960,335	1.99	-	-	5,098,391	-
Ningbo Innolux Optoelectronics Ltd.	Innolux Corporation	Ultimate parent company	8,504,747	1.89	-	-	3,149,882	-
Ningbo Innolux Display Ltd.	Innolux Corporation	Ultimate parent company	6,317,492	3.68	-	-	3,070,083	-
Innolux Hong Kong Limited	Innolux Corporation	Ultimate parent company	4,910,293	2.85	-	-	-	-
Innocom Technology (Shenzhen) Co., Ltd.	Innolux Corporation	Ultimate parent company	158,333	4.05	106,374	Subsequent collection	-	-
Nanjing Innolux Optoelectronics Ltd.	Innolux Hong Kong Limited	An indirect wholly-owned subsidiary	4,731,090	2.59	1,320,660	Subsequent collection	1,524,384	-
Innolux Hong Kong Limited	Nanjing Innolux Technology Ltd.	An indirect wholly-owned subsidiary	1,428,870	4.63	-	-	789,234	-
Shanghai Innolux Optoelectronics Ltd.	CARUX TECHNOLOGY PTE. LTD.	An indirect wholly-owned subsidiary	1,360,552	5.73	-	-	278,707	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2021 (Note A)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
CarUX Technology Inc.	CARUX TECHNOLOGY PTE. LTD.	An indirect wholly-owned subsidiary	$ 1,139,356	4.08	$ -	-	$ 845,013	$ -
Ningbo Innolux Optoelectronics Ltd.	Ningbo Innolux Display Ltd.	An indirect wholly-owned subsidiary	1,138,376	4.69	-	-	607,281	-
InnoCare Optoelectronics Corporation	InnoCare Optoelectronics Japan Co., Ltd.	An indirect wholly-owned subsidiary	367,981	11.95	45,003	Subsequent collection	181,318	-
Ningbo Innolux Display Ltd.	Ningbo Innolux Optoelectronics Ltd.	An indirect wholly-owned subsidiary	270,997	5.74	-	-	144,006	-
InnoCare Optoelectronics Corporation	InnoCare Optoelectronics USA, INC.	An indirect wholly-owned subsidiary	118,965	2.66	83,608	Subsequent collection	41,672	-
Innolux Europe B.V.	CARUX TECHNOLOGY PTE. LTD.	An indirect wholly-owned subsidiary	150,054	6.15	-	-	76,135	-

Note A：For the information on receivables of loans to related parties reaching NT$100 million or 20% of paid-in capital or more, please refer to Table 1.

Innolux Corporation and Subsidiaries

Significant inter-company transactions during the reporting period

For the six-month period ended June 30, 2021

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

				Transaction (Note D and E)			
Number (Note A)	Company name	Counterparty	Relationship (Note B)	General ledger account	Amount	Transaction terms (Note C)	Percentage of consolidated total operating revenues or total assets
0	Innolux Corporation	CARUX TECHNOLOGY PTE. LTD.	1	Sales	$ 7,222,244	-	4
0	Innolux Corporation	CARUX TECHNOLOGY PTE. LTD.	1	Accounts receivable	3,497,118	-	1
0	Innolux Corporation	CARUX TECHNOLOGY PTE. LTD.	1	Other receivables	602,027	-	-
0	Innolux Corporation	Innolux Hong Kong Limited	1	Sales	4,190,720	-	2
0	Innolux Corporation	Innolux Hong Kong Limited	1	Processing expense	9,932,613	-	6
0	Innolux Corporation	Innolux Hong Kong Limited	1	Accrued expenses	(4,910,293)	-	1
0	Innolux Corporation	Innolux USA Inc.	1	Sales	7,158,316	-	4
0	Innolux Corporation	Innolux USA Inc.	1	Accounts receivable	1,966,317	-	-
0	Innolux Corporation	Foshan Innolux Optoelectronics Ltd.	1	Sales	514,218	-	-
0	Innolux Corporation	Foshan Innolux Optoelectronics Ltd.	1	Processing expense	13,953,737	-	8
0	Innolux Corporation	Foshan Innolux Optoelectronics Ltd.	1	Accrued expenses	(7,960,335)	-	2
0	Innolux Corporation	Innocom Technology (Shenzhen) Co., Ltd.	1	Processing expense	160,139	-	-
0	Innolux Corporation	Innocom Technology (Shenzhen) Co., Ltd.	1	Accrued expenses	(158,333)	-	-
0	Innolux Corporation	CarUX Technology Inc.	1	Accounts receivable	528,539	-	-
0	Innolux Corporation	Ningbo Innolux Optoelectronics Ltd.	1	Processing expense	10,692,869	-	6
0	Innolux Corporation	Ningbo Innolux Optoelectronics Ltd.	1	Accrued expenses	(8,504,747)	-	2
0	Innolux Corporation	Ningbo Innolux Display Ltd.	1	Processing expense	11,185,248	-	6
0	Innolux Corporation	Ningbo Innolux Display Ltd.	1	Accrued expenses	(6,317,492)	-	1
0	Innolux Corporation	InnoCare Optoelectronics Corporation	1	Sales	284,846	-	-
0	Innolux Corporation	InnoCare Optoelectronics Corporation	1	Accounts receivable	797,930	-	-
1	Innolux Europe B.V.	Innolux Corporation	3	Service revenue	259,287	-	-
1	Innolux Europe B.V.	CARUX TECHNOLOGY PTE. LTD.	3	Service revenue	230,596	-	-
1	Innolux Europe B.V.	CARUX TECHNOLOGY PTE. LTD.	3	Accounts receivable	150,054	-	-
2	Innolux Hong Kong Limited	Nanjing Innolux Technology Ltd.	3	Sales	3,819,624	-	2
2	Innolux Hong Kong Limited	Nanjing Innolux Technology Ltd.	3	Accounts receivable	1,428,870	-	-
3	Innolux Japan Co., Ltd.	Innolux Corporation	3	Service revenue	129,160	-	-

Number (Note A)	Company name	Counterparty	Relationship (Note B)	Transaction (Note D and E) General ledger account	Amount	Transaction terms (Note C)	Percentage of consolidated total operating revenues or total assets
4	Shanghai Innolux Optoelectronics Ltd.	CARUX TECHNOLOGY PTE. LTD.	3	Processing revenue	$ 1,949,758	-	1
4	Shanghai Innolux Optoelectronics Ltd.	CARUX TECHNOLOGY PTE. LTD.	3	Accounts receivable	1,360,552	-	-
4	Shanghai Innolux Optoelectronics Ltd.	Innolux Hong Kong Limited	3	Processing revenue	1,622,356	-	1
5	Nanjing Innolux Optoelectronics Ltd.	Innolux Hong Kong Limited	3	Processing revenue	8,094,564	-	5
5	Nanjing Innolux Optoelectronics Ltd.	Innolux Hong Kong Limited	3	Accounts receivable	4,731,090	-	1
6	CarUX Technology Inc.	CARUX TECHNOLOGY PTE. LTD.	3	Processing revenue	1,162,637	-	1
6	CarUX Technology Inc.	CARUX TECHNOLOGY PTE. LTD.	3	Accounts receivable	1,139,356	-	-
6	CarUX Technology Inc.	Innolux Corporation	3	Processing revenue	508,031	-	-
7	Ningbo Innolux Optoelectronics Ltd.	Ningbo Innolux Display Ltd.	3	Sales	3,361,202	-	2
7	Ningbo Innolux Optoelectronics Ltd.	Ningbo Innolux Display Ltd.	3	Accounts receivable	1,138,376	-	-
8	Ningbo Innolux Display Ltd.	Ningbo Innolux Optoelectronics Ltd.	3	Sales	752,328	-	-
8	Ningbo Innolux Display Ltd.	Ningbo Innolux Optoelectronics Ltd.	3	Accounts receivable	270,997	-	-
9	InnoCare Optoelectronics Corporation	InnoCare Optoelectronics Japan Co., Ltd.	3	Sales	344,622	-	-
9	InnoCare Optoelectronics Corporation	InnoCare Optoelectronics Japan Co., Ltd.	3	Accounts receivable	367,981	-	-
9	InnoCare Optoelectronics Corporation	InnoCare Optoelectronics USA, INC.	3	Sales	221,365	-	-
9	InnoCare Optoelectronics Corporation	InnoCare Optoelectronics USA, INC.	3	Accounts receivable	118,965	-	-
9	InnoCare Optoelectronics Corporation	Ningbo Innolux Electronics Ltd.	3	Sales	142,627	-	-

Note A: The information of transactions between the Company and the consolidated subsidiaries should be noted in “Number” column.
(1) Number 0 represents the parent company.
(2) The subsidiaries are numbered in order from number 1.

Note B: 1 refers to the parent company to the subsidiary.
3 refers to the subsidiary to the subsidiary.

Note C: Except for no comparable transactions from related parties, sales prices were similar to non-related parties transactions and the collection period was mainly 30~90 days; the purchases from related parties were at market prices and payment term was 30~120 days upon receipt of goods.

Note D: Amount disclosure standard: purchases, sales and receivables from related parties in excess of $100 million or 20% of capital.

Note E: For the information on transactions between the Company and the consolidated subsidiaries relating to nature of loan, please refer to Table 1.

Innolux Corporation and Subsidiaries

Information on investees

For the six-month period ended June 30, 2021

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at June 30, 2021	Initial investment amount: Balance as at December 31, 2020	Shares held as at June 30, 2021: Number of shares	Shares held as at June 30, 2021: Ownership (%)	Shares held as at June 30, 2021: Book value	Net profit (loss) of the investee for the six-month period ended June 30, 2021	Investment income (loss) recognized by the Company for the six-month period ended June 30, 2021	Footnote
Innolux Corporation	Innolux Holding Limited	Samoa	Investment holdings	$ 6,192,509	$ 6,192,509	180,568,185	100	$ 18,366,530	$ 180,006	$ 180,006	
Innolux Corporation	Keyway Investment Management Limited	Samoa	Investment holdings	62,197	62,197	1,656,410	100	94,275	2,113	2,113	
Innolux Corporation	Landmark International Ltd.	Samoa	Investment holdings	33,438,542	33,438,542	709,450,000	100	47,358,173	1,430,805	1,430,805	
Innolux Corporation	Toppoly Optoelectronics (B.V.I.) Ltd.	BVI	Investment holdings	3,674,115	3,674,115	146,847,000	100	6,035,663	58,090	58,090	
Innolux Corporation	Innolux Hong Kong Holding Limited	Hong Kong	Investment holdings	3,231,780	3,231,780	1,158,844,000	100	6,835,356	289,199	289,579	
Innolux Corporation	Innolux Singapore Holding Pte. Ltd.	Singapore	Investment holdings	754,943	754,943	25,400,000	100	220,020	(18,273)	(18,273)	
Innolux Corporation	Yuan Chi Investment Co., Ltd.	Taiwan	Investment company	1,217,235	1,217,235	-	100	880,998	1,271	1,271	
Innolux Corporation	InnoJoy Investment Corporation	Taiwan	Investment company	1,674,054	1,674,054	167,405,392	100	4,011,899	8,522	8,522	
Innolux Corporation	InnoCare Optoelectronics Corporation	Taiwan	Holdings, R&D, manufacturing and distribution company	310,000	200,000	31,000,000	100	447,570	78,240	79,518	
Innolux Corporation	Innolux Japan Co., Ltd.	Japan	Holdings, R&D and distribution company	1,682,751	1,682,751	98	54	2,168,594	390,251	212,452	
Innolux Corporation	iZ3D, Inc.	USA	Research and development and sale of 3D flat monitor	-	-	4,333	35	-	-	-	
Innolux Corporation	GIO Optoelectronics Corp.	Taiwan	Holdings, R&D, manufacturing and distribution company	308,993	308,993	27,812,188	63	306,612	(10,462)	(6,595)	
Innolux Corporation	Ampower Holding Ltd.	Cayman	Investment holdings	1,717,714	1,717,714	14,062,500	50	808,242	192	96	
Innolux Corporation	FI Medical Device Manufacturing Co., Ltd.	Taiwan	Production and selling of the absorption for medical element	73,500	73,500	7,350,000	49	443,894	134,987	66,144	
Innolux Corporation	eLux Inc.	USA	R&D of MicroLED technology	91,155	91,155	300,000	28	18,627	(32,634)	(16,235)	

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at June 30, 2021	Initial investment amount: Balance as at December 31, 2020	Shares held as at June 30, 2021: Number of shares	Shares held as at June 30, 2021: Ownership (%)	Shares held as at June 30, 2021: Book value	Net profit (loss) of the investee for the six-month period ended June 30, 2021	Investment income (loss) recognized by the Company for the six-month period ended June 30, 2021	Footnote
Innolux Corporation	PanelSemi Corporation	Taiwan	Manufacturing of electronic parts	$ 250,000	$ -	25,000,000	45	$ 248,009	($ 4,382)	($ 1,992)	
Innolux Holding Limited	Rockets Holding Limited	Samoa	Investment holdings	5,222,180	5,222,180	160,504,550	100	11,683,317	83,531	83,531	
Innolux Holding Limited	Suns Holding Ltd	Samoa	Investment holdings	555,422	555,422	18,177,052	100	6,470,887	96,475	96,475	
Innolux Holding Limited	Lakers Trading Limited	Samoa	Distribution company	-	-	1	100	212,253	-	-	
Toppoly Optoelectronics (B.V.I.) Ltd.	Toppoly Optoelectronics (Cayman) Ltd.	Cayman	Investment holdings	3,650,192	3,650,192	146,817,000	100	6,035,338	58,090	58,090	
Innolux Hong Kong Holding Limited	Innolux Hong Kong Limited	Hong Kong	Distribution company	-	-	35,000,000	100	1,403,924	219,566	219,566	
Innolux Hong Kong Holding Limited	Innolux Japan Co., Ltd.	Japan	Holdings, R&D and distribution company	1,815,603	1,815,603	82	46	1,814,863	390,251	177,799	
Innolux Hong Kong Holding Limited	CarUX Holding Limited	Cayman	Investment holdings	3,772,473	3,772,473	125,231,749	100	3,624,232	(108,166)	(108,166)	
CarUX Holding Limited	CARUX TECHNOLOGY PTE. LTD.	Singapore	Holdings and distribution company	3,769,371	3,769,371	125,131,749	100	3,621,715	(107,970)	(107,970)	
CARUX TECHNOLOGY PTE. LTD.	Innolux Optoelectronics Hong Kong Holding Limited	Hong Kong	Investment holdings	1,818,180	1,818,180	162,897,802	100	1,872,508	23,115	23,115	
CARUX TECHNOLOGY PTE. LTD.	Innolux Europe B.V.	Netherlands	Holding, distribution and R&D testing company	464,341	464,341	375,810	100	435,465	22,691	22,691	
CARUX TECHNOLOGY PTE. LTD.	CarUX Technology Inc.	Taiwan	R&D, manufacturing and distribution company	1,400,000	1,400,000	140,000,000	100	1,396,978	(33,086)	(33,086)	
Innolux Japan Co., Ltd.	Innolux USA Inc.	USA	Distribution company	369,092	369,092	12,842	100	1,173,664	361,081	361,081	
Rockets Holding Limited	Stanford Developments Limited	Samoa	Investment holdings	5,391,125	5,391,125	164,000,000	100	11,658,381	83,531	83,531	
Rockets Holding Limited	Nets Trading Ltd.	Samoa	Investment company	27,477	27,477	900,001	100	24,811	-	-	
Suns Holding Ltd	Warriors Technology Investments Ltd	Samoa	Investment company	555,422	555,422	18,177,052	100	6,470,885	96,475	96,475	
Innolux Europe B.V.	Innolux Technology Germany GmbH	Germany	Testing and maintenance company	33,735	33,735	100,000	100	17,077	600	600	
Innolux Singapore Holding Pte. Ltd.	Innolux Optoelectronics India Private Limited	India	Distribution company	607,284	607,284	144,095,499	100	79,129	(17,895)	(17,895)	
Innolux Singapore Holding Pte. Ltd.	Innolux Optoelectronics Philippines Corp.	Philippines	Manufacturer and distribution company	28,733	28,733	5,000,000	100	27,086	(114)	(114)	

				Initial investment amount		Shares held as at June 30, 2021					
Investor	Investee	Location	Main business activities	Balance as at June 30, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the six-month period ended June 30, 2021	Investment income (loss) recognized by the Company for the six-month period ended June 30, 2021	Footnote
Innolux Singapore Holding Pte. Ltd.	Innolux Optoelectronics Malaysia SDN. BHD.	Malaysia	Manufacturer and distribution company	$ 121,179	$ 121,179	16,000,000	100	$ 109,093	($ 52)	($ 52)	
Yuan Chi Investment Co., Ltd.	GIO Optoelectronics Corp.	Taiwan	Holdings, R&D, manufacturing and distribution company	858	858	77,235	-	851	(10,462)	(18)	
Yuan Chi Investment Co., Ltd.	Innolux Optoelectronics India Private Limited	India	Distribution company	-	-	1	-	-	(17,895)	-	
InnoCare Optoelectronics Corporation	InnoCare Optoelectronics Japan Co., Ltd.	Japan	Distribution company	87,149	87,149	30,010	100	70,536	(4,062)	(5,149)	
InnoCare Optoelectronics Corporation	InnoCare Optoelectronics USA, INC.	USA	Distribution company	27,963	27,963	900,000	100	20,670	(8,020)	(7,983)	
InnoCare Optoelectronics Corporation	Innocare Optoelectronics Europe B.V.	Netherlands	After-sales service company	675	-	200	100	729	67	67	
GIO Optoelectronics Corp.	Double Star Inc.	Mauritius	Investment holdings	298,113	298,113	10,000,000	100	97,589	(219)	(219)	

Innolux Corporation and Subsidiaries

Information on investments in Mainland China

For the six-month period ended June 30, 2021

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital (Note A)	Investment method (Note C)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six-month period ended June 30, 2021: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six-month period ended June 30, 2021: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2021	Net income of investee for the six-month period ended June 30, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the six-month period ended June 30, 2021 (Note B)	Book value of investments in Mainland China as of June 30, 2021	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2021	Footnote
Innocom Technology (Shenzhen) Co., Ltd.	Manufacturing and selling of LCD backend module and related components	$ 4,569,040	2	$ 3,535,761	$ -	$ -	$ 3,535,761	$ 83,531	100	$ 83,531	$ 11,658,334	$ 1,033,279	2.1
Guangzhou OED Technologies Co., Ltd.	Manufacturing and selling of electronic paper	310,154	2	55,720	-	-	55,720	(57,334)	3	-	18,397	-	2.2
Ningbo Innolux Optoelectronics Ltd.	Manufacturing and selling of LCD backend module and related components	8,636,600	2	205,190	-	-	205,190	655,645	100	655,645	20,905,669	4,809,610	2.3
Foshan Innolux Optoelectronics Ltd.	Manufacturing and selling of LCD backend module and related components	10,670,380	2	10,670,380	-	-	10,670,380	570,325	100	571,416	21,050,653	-	2.3
Ningbo Innolux Display Ltd.	Manufacturing and selling of LCD backend module and related components	4,457,600	2	4,457,600	-	-	4,457,600	203,744	100	203,744	5,400,797	-	2.3
Nanjing Innolux Technology Ltd.	Purchases and sales of monitor-related components	58,506	2	58,506	-	-	58,506	22,759	100	22,759	625,254	-	2.4
Nanjing Innolux Optoelectronics Ltd.	Manufacturing and selling of LCD backend module and related components	4,346,160	2	4,012,832	-	-	4,012,832	35,331	100	35,331	5,410,065	-	2.4
Shanghai Innolux Optoelectronics Ltd.	Manufacturing and selling of LCD backend module and related components	585,060	2	-	-	-	-	23,115	100	23,115	1,872,508	-	2.5
Foshan Innolux Logistics Ltd.	Warehousing services	41,790	2	41,790	-	-	41,790	2,108	100	2,108	89,733	-	2.6
GIO (Maanshan) Optoelectronics Co., Ltd.	Manufacturing	278,600	2	278,600	-	-	278,600	(219)	63	(138)	61,729	-	2.7
Shenzhen PixinLED Technology Co.,Ltd.	Development and selling of MINI LED	43,126	3	-	-	-	-	(311)	100	(311)	39,165	-	
Ningbo CarUX Technology Ltd.	Manufacturing and selling of LCD backend module and related components	1,207,528	3	-	-	-	-	(141,870)	100	(141,592)	1,067,266	-	

Investee in Mainland China	Main business activities	Paid-in capital (Note A)	Investment method (Note C)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six-month period ended June 30, 2021: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six-month period ended June 30, 2021: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2021	Net income of investee for the six-month period ended June 30, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the six-month period ended June 30, 2021 (Note B)	Book value of investments in Mainland China as of June 30, 2021	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2021	Footnote
Ningbo Innolux Electronics Ltd.	R&D, manufacturing and selling of LCD backend module and related components	$ 66,285	1	$ -	$ 88,370	$ -	$ 88,370	($ 4,330)	100	($ 4,344)	$ 99,510	$ -	

Ceiling on investments in Mainland China:

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2021	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Innolux Corporation	$ 23,863,895	$ 30,178,834	(Note D)

Note A: The relevant figures were listed in NT$. Where foreign currencies were involved, the figures were converted to NT$ using exchange rate.

Note B: Profit or loss recognized for the six-month period ended June 30, 2021 was reviewed by independent accountants.

Note C: The investment methods are as follows:

1. Directly investing in Mainland China.
2. Through investing in companies in the third area, which then invested in the investee in Mainland China.
   2.1. Through investing in Stanford Developments Limited in the third area, which then invested in the investee in Mainland China.
   2.2. Through investing in Warriors Technology Investments Ltd in the third area, which then invested in the investee in Mainland China.
   2.3. Through investing in Landmark International Ltd. in the third area, which then invested in the investee in Mainland China.
   2.4. Through investing in Toppoly Optoelectronics (Cayman) Ltd. in the third area, which then invested in the investee in Mainland China.
   2.5. Through investing in Innolux Optoelectronics Hong Kong Holding Limited in the third area, which then invested in the investee in Mainland China.
   2.6. Through investing in Keyway Investment Management Limited in the third area, which then invested in the investee in Mainland China.
   2.7. Through investing in Double Star Inc. in the third area, which then invested in the investee in Mainland China.
3. Others.
   The company invested via the company investment entities in Mainland China to invest in Shenzhen PixinLED Technology Co.,Ltd. and Ningbo CarUX Technology Ltd. Except for the investment via the holding companies in Mainland China, other investments shall not be approved by Investment Commission of the Ministry of Economic Affairs.

Note D: In accordance with “Rules Governing Applications for Investment or Technical Cooperation in Mainland China”, the Company has obtained the certificate of being qualified for operating headquarters, issued by the Industrial Development Bureau of the Ministry of Economic Affairs, the ceiling amount of the investment in Mainland China is not applicable to the Company.

I. The amount approved by the Investment Commission of Ministry of Economic Affairs (MOEA) is USD 10,000 thousand, Amlink (Shanghai) Ltd. has finished liquidation in December 2019 but has not yet applied for the cancellation of investment with the Investment Commission of MOEA.

II. The amount approved by the Investment Commission of Ministry of Economic Affairs (MOEA) is USD 34,676 thousand, Interface Technology (ChengDu) Co., Ltd. disposed the equity interest held in its parent company, General Interface Solution (GIS) Holding Limited, on the open market but has not yet applied for the cancellation of investment with the Investment Commission of MOEA.