Stock Code:4915

PRIMAX ELECTRONICS LTD.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

With Independent Auditors' Review Report
for the Nine Months Ended
September 30, 2021 and 2020

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Independent Auditors' Review Report

To the Board of Directors of PRIMAX ELECTRONICS LTD.:

Introduction

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

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standards 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to NT$11,587,472 thousand and NT$7,605,548 thousand, constituting 21.5% and 15.2% of the consolidated total assets; and the total liabilities amounting to NT$6,317,784 thousand and NT$5,969,250 thousand, constituting 16.5% and 16.9% of the consolidated total liabilities as of September 30, 2021 and 2020, respectively; as well as the total comprehensive income (loss) amounting to NT$(43,028) thousand, NT$26,834 thousand, NT$(294,657) thousand and NT$(109,395) thousand, constituting (6.8)%, 2.7%, (19.7)% and (8.7)% of the consolidated comprehensive income (loss) for the three and nine months ended September 30, 2021 and 2020, respectively.

Furthermore, as stated in note 6(g), the investments accounted for using equity method of the Group in its investee companies of NT$364,480 thousand and NT$846,187 thousand as of September 30, 2021 and 2020, and its related share of loss of associates accounted for using equity method of NT$20,364 thousand, NT$21,270 thousand, NT$61,461 thousand and NT$64,467 thousand for the three and nine months ended September 30, 2021 and 2020, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews and the review report of another auditor (please refer to Other Matter paragraph), 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 of September 30, 2021 and 2020, and of its consolidated financial performance and its consolidated cash flows for the three and nine months ended September 30, 2021 and 2020, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IASs 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

We did not review the financial statements of Tymphany Worldwide Enterprises Ltd., a subsidiary of the Group. Those financial statements were reviewed by another auditor, whose review report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for Tymphany Worldwide Enterprises Ltd., is based solely on the review report of another auditor. The financial statements of Tymphany Worldwide Enterprises Ltd. reflect the total assets amounting to NT$17,816,286 thousand and NT$18,287,046 thousand, constituting 33.0% and 36.4% of the related consolidated total assets as of September 30, 2021 and 2020, respectively; as well as the operating revenue amounting to NT$5,689,333 thousand, NT$7,383,274 thousand, NT$15,724,099 thousand and NT$18,147,634 thousand, constituting 32.2%, 39.1%, 30.7% and 37.3% of the related consolidated operating revenue for the three and nine months ended September 30, 2021 and 2020, respectively.

The engagement partners on the reviews resulting in this independent auditors' review report are MEI-PIN WU and CHI-LUNG YU.

KPMG

Taipei, Taiwan (Republic of China)
November 4, 2021

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Reviewed only, not audited in accordance with generally accepted auditing standards as of September 30, 2021 and 2020

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2021, December 31 and September 30, 2020

(Expressed in Thousands of New Taiwan Dollars)

		September 30, 2021		December 31, 2020		September 30, 2020	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (note 6(a))	$ 5,175,530	10	6,935,353	15	10,839,319	22
1110	Current financial assets at fair value through profit or loss (note 6(b))	160,720	-	313,758	1	359,499	1
1137	Current financial assets at amortized cost (notes 6(d) and 8)	5,800,387	11	855,238	1	-	-
1170	Notes and accounts receivable, net (notes 6(e), (v) and 8)	14,006,865	26	13,578,841	29	14,806,610	30
1180	Accounts receivable from related parties, net (notes 6(e), (v) and 7)	227,121	-	198,189	-	154,439	-
1200	Other receivables (note 6(e))	1,162,960	2	1,349,362	3	928,554	2
1310	Inventories (note 6(f))	12,709,081	24	10,247,463	22	8,790,241	17
1470	Other current assets (note 8)	1,045,242	2	1,631,887	4	1,591,220	3
		40,287,906	75	35,110,091	75	37,469,882	75
	Non-current assets:						
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	226,909	-	121,672	-	115,405	-
1550	Investments accounted for using equity method (note 6(g))	364,480	1	536,303	1	846,187	2
1600	Property, plant and equipment (notes 6(i) and 8)	7,332,888	14	6,542,015	14	6,505,446	13
1755	Right-of-use assets (note 6(j))	2,351,613	4	1,568,052	3	1,610,919	3
1760	Investment property (note 6(k))	33,479	-	33,826	-	33,942	-
1780	Intangible assets (note 6(l))	2,286,946	4	2,370,578	5	2,405,762	5
1840	Deferred tax assets	649,213	1	658,289	1	782,824	1
1990	Other non-current assets (note 8)	400,070	1	366,256	1	408,561	1
		13,645,598	25	12,196,991	25	12,709,046	25
	Total assets	**$ 53,933,504**	**100**	**47,307,082**	**100**	**50,178,928**	**100**

		September 30, 2021		December 31, 2020		September 30, 2020	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (note 6(m))	$ 9,974,578	19	905,059	2	6,530,051	13
2120	Current financial liabilities at fair value through profit or loss (note 6(b))	503,145	1	432,171	1	228,542	-
2170	Notes and accounts payable	15,965,439	30	19,001,057	40	17,114,424	34
2200	Other payables	2,885,179	5	3,949,527	8	3,575,036	7
2201	Salaries payable	1,294,174	2	1,131,626	2	1,246,021	3
2280	Current lease liabilities (note 6(o))	225,829	-	271,483	1	274,442	1
2300	Other current liabilities (note 6(v))	745,044	1	753,750	2	738,256	1
2320	Long-term borrowings, current portion (notes 6(n) and 8)	288,410	1	74,833	-	-	-
2365	Current refund liabilities	1,645,720	3	1,421,407	3	1,493,756	3
		33,527,518	62	27,940,913	59	31,200,528	62
	Non-Current liabilities:						
2540	Long-term borrowings (notes 6(n) and 8)	1,111,845	2	680,626	1	364,076	1
2580	Non-current lease liabilities (note 6(o))	1,847,291	4	981,436	2	1,013,914	2
2630	Long-term deferred revenue (note 6(i))	990,603	2	1,499,072	3	2,091,596	4
2600	Other non-current liabilities	725,059	1	704,445	2	733,132	1
		4,674,798	9	3,865,579	8	4,202,718	8
	Total liabilities	38,202,316	71	31,806,492	67	35,403,246	70
	Equity attributable to owners of parent:						
3110	Ordinary shares (note 6(s))	4,515,183	8	4,508,983	10	4,508,983	9
3200	Capital surplus (note 6(s))	1,604,049	3	1,567,628	3	1,565,384	3
3310	Legal reserve	1,769,946	3	1,578,473	3	1,578,473	3
3320	Special reserve	1,046,360	2	1,058,941	2	1,058,941	2
3350	Unappropriated retained earnings (note 6(s))	5,987,754	11	5,733,458	12	5,370,858	11
3400	Other equity interest	(1,384,454)	(2)	(1,159,650)	(2)	(1,421,835)	(3)
36XX	**Non-controlling interests** (note 6(h))	2,192,350	4	2,212,757	5	2,114,878	5
	Total equity	15,731,188	29	15,500,590	33	14,775,682	30
	Total liabilities and equity	**$ 53,933,504**	**100**	**47,307,082**	**100**	**50,178,928**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

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

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

Consolidated Statement of Comprehensive Income

For the three and nine months ended September 30, 2021 and 2020

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

		For the three months ended September 30				For the nine months ended September 30			
		2021		2020		2021		2020	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenue (notes 6(v) and 7)**	$ 17,668,912	100	18,906,561	100	51,276,308	100	48,682,081	100
5000	**Operating costs (notes 6(f), (o), (q), (w) and 12)**	15,284,924	87	16,452,466	87	44,553,565	87	42,861,345	88
	Gross profit from operation	2,383,988	13	2,454,095	13	6,722,743	13	5,820,736	12
	Operating expenses (notes 6(o), (q), (t), (w) and 12):								
6100	Selling expenses	412,723	2	344,025	2	1,190,173	2	986,388	2
6200	Administrative expenses	520,366	3	537,370	3	1,463,726	3	1,454,664	3
6300	Research and development expenses	714,235	4	674,410	3	2,082,659	4	1,892,616	4
6450	Reversal of expected credit loss (note 6(e))	(1,518)	-	2,453	-	(1,777)	-	(12,041)	-
	Total operating expenses	1,645,806	9	1,558,258	8	4,734,781	9	4,321,627	9
	Net operating income	738,182	4	895,837	5	1,987,962	4	1,499,109	3
	Non-operating income and expenses:								
7100	Interest income	35,145	-	33,700	-	99,896	-	122,608	-
7010	Other income (note 6(x))	2,690	-	2,986	-	7,849	-	9,843	-
7020	Other gains and losses (notes 6(g), (i) and (y))	157,108	1	192,336	1	391,406	1	519,110	1
7060	Shares of loss of associates accounted for using equity method (note 6(g))	(20,364)	-	(21,270)	-	(61,461)	-	(64,467)	-
7050	Finance costs (note 6(o))	(44,323)	-	(40,095)	-	(128,522)	-	(154,743)	-
	Total non-operating income and expenses	130,256	1	167,657	1	309,168	1	432,351	1
	Profit before tax	868,438	5	1,063,494	6	2,297,130	5	1,931,460	4
7950	**Less: Income tax expenses (note 6(r))**	182,081	1	235,083	2	482,121	1	425,424	1
	Profit	686,357	4	828,411	4	1,815,009	4	1,506,036	3
8300	**Other comprehensive income (loss):**								
8310	**Items that may not be reclassified subsequently to profit or loss:**								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	53,101	-	920	-	76,374	-	(7,360)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	53,101	-	920	-	76,374	-	(7,360)	-
8360	**Items that may be reclassified subsequently to profit or loss:**								
8361	Exchange differences on translation of foreign operation's financial statements	(105,078)	-	173,080	1	(393,211)	(1)	(244,556)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	(105,078)	-	173,080	1	(393,211)	(1)	(244,556)	-
8300	**Other comprehensive income after tax**	(51,977)	-	174,000	1	(316,837)	(1)	(251,916)	-
	Comprehensive income	**$ 634,380**	**4**	**1,002,411**	**5**	**1,498,172**	**3**	**1,254,120**	**3**
	Profit attributable to:								
8610	Owners of parent	$ 671,782	4	773,224	4	1,788,061	4	1,552,132	3
8620	Non-controlling interests (note 6(h))	14,575	-	55,187	-	26,948	-	(46,096)	-
		$ 686,357	**4**	**828,411**	**4**	**1,815,009**	**4**	**1,506,036**	**3**
	Comprehensive income attributable to:								
8710	Owners of parent	$ 635,501	4	936,712	5	1,522,242	3	1,338,508	3
8720	Non-controlling interests (note 6(h))	(1,121)	-	65,699	-	(24,070)	-	(84,388)	-
		$ 634,380	**4**	**1,002,411**	**5**	**1,498,172**	**3**	**1,254,120**	**3**
	Earnings per share (note 6(u))								
9710	**Basic earnings per share (NT dollars)**	**$**	**1.50**		**1.73**		**4.00**		**3.48**
9810	**Diluted earnings per share (NT dollars)**	**$**	**1.49**		**1.73**		**3.96**		**3.46**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

<u>Reviewed only, not audited in accordance with generally accepted auditing standards</u>

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

Consolidated Statement of Changes in Equity

For the nine months ended September 30, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
			Retained earnings			Other equity interest					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of financial statements	Unrealized gains (losses) from financial assets at fair value through other comprehensive income	Unearned employee compensation	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2020	$ 4,485,808	1,483,045	1,370,470	662,348	5,500,198	(1,030,865)	(28,076)	(134,926)	12,308,002	2,195,638	14,503,640
Profit	-	-	-	-	1,552,132	-	-	-	1,552,132	(46,096)	1,506,036
Other comprehensive income	-	-	-	-	-	(206,264)	(7,360)	-	(213,624)	(38,292)	(251,916)
Comprehensive income	-	-	-	-	1,552,132	(206,264)	(7,360)	-	1,338,508	(84,388)	1,254,120
Appropriation and distribution of retained earnings:											
Appropriated legal reserve	-	-	208,003	-	(208,003)	-	-	-	-	-	-
Appropriated special reserve	-	-	-	396,593	(396,593)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,076,876)	-	-	-	(1,076,876)	-	(1,076,876)
Changes in shares of investment accounted for using equity method	-	8,799	-	-	-	-	-	-	8,799	3,628	12,427
Amortization expense of restricted stock	-	-	-	-	-	-	-	82,371	82,371	-	82,371
Retirement of restricted stock	(1,225)	(5,991)	-	-	-	-	-	7,216	-	-	-
Issuance of restricted stock	24,400	79,531	-	-	-	-	-	(103,931)	-	-	-
Balance at September 30, 2020	**$ 4,508,983**	**1,565,384**	**1,578,473**	**1,058,941**	**5,370,858**	**(1,237,129)**	**(35,436)**	**(149,270)**	**12,660,804**	**2,114,878**	**14,775,682**
Balance at January 1,2021	$ 4,508,983	1,567,628	1,578,473	1,058,941	5,733,458	(1,004,528)	(41,833)	(113,289)	13,287,833	2,212,757	15,500,590
Profit	-	-	-	-	1,788,061	-	-	-	1,788,061	26,948	1,815,009
Other comprehensive income	-	-	-	-	-	(342,193)	76,374	-	(265,819)	(51,018)	(316,837)
Comprehensive income	-	-	-	-	1,788,061	(342,193)	76,374	-	1,522,242	(24,070)	1,498,172
Appropriation and distribution of retained earnings:											
Appropriated legal reserve	-	-	191,473	-	(191,473)	-	-	-	-	-	-
Appropriated special reserve	-	-	-	(12,581)	12,581	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,354,873)	-	-	-	(1,354,873)	-	(1,354,873)
Changes in shares of investment accounted for using equity method	-	8,975	-	-	-	-	-	-	8,975	3,663	12,638
Amortization expense of restricted stock	-	-	-	-	-	-	-	74,661	74,661	-	74,661
Retirement of restricted stock	(1,200)	(6,446)	-	-	-	-	-	7,646	-	-	-
Issuance of restricted stock	7,400	33,892	-	-	-	-	-	(41,292)	-	-	-
Balance at September 30, 2021	**$ 4,515,183**	**1,604,049**	**1,769,946**	**1,046,360**	**5,987,754**	**(1,346,721)**	**34,541**	**(72,274)**	**13,538,838**	**2,192,350**	**15,731,188**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

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

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

For the nine months ended September 30, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2021	**2020**
Cash flows from (used in) operating activities:		
Profit before tax	$ 2,297,130	1,931,460
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization expense	1,474,882	1,681,612
Losses related to inventories	101,443	287,139
Reversal of expected credit losses	(1,777)	(12,041)
Interest expense	124,856	149,609
Interest income	(99,896)	(122,608)
Compensation cost of share-based payment	87,299	94,798
Impairment losses of associates amounted for using equity method	140,000	-
Shares of losses of associates accounted for using equity method	61,461	64,467
Losses on disposal of property, plant and equipment	19,341	22,718
Reversal of impairment losses of property, plant and equipment	(6,986)	-
Gains on disposal of right-of-use assets	(6,560)	(2)
Other	-	(1,037)
Total adjustments to reconcile profit	1,894,063	2,164,655
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	153,038	(172,483)
Financial assets measured at amortized cost	(4,945,149)	-
Notes and accounts receivable	(425,096)	4,412,778
Accounts receivable from related parties	(28,932)	26,032
Other receivables	186,098	120,271
Inventories	(2,563,061)	1,415,866
Other current assets	575,739	(75,622)
Other operating assets	(10,276)	(51)
Changes in operating assets	(7,057,639)	5,726,791
Financial liabilities at fair value through profit or loss	70,974	21,331
Notes and accounts payable	(3,035,618)	(6,630,465)
Salaries payable	162,548	(276,031)
Other payables	(943,476)	(468,625)
Refund liabilities	224,313	(58,519)
Other current liabilities	(14,448)	198,126
Other operating liabilities	(242,508)	(233,350)
Changes in operating liabilities	(3,778,215)	(7,447,533)
Total changes in operating assets and liabilities	(10,835,854)	(1,720,742)
Total adjustments	(8,941,791)	443,913
Cash inflow (outflow) generated from operations	(6,644,661)	2,375,373
Interest received	99,896	122,608
Interest paid	(124,799)	(149,554)
Income taxes paid	(528,661)	(299,743)
Net cash flows from (used in) operating activities	(7,198,225)	2,048,684
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(35,097)	(16,230)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	6,234	-
Acquisition of property, plant and equipment	(2,505,721)	(2,408,244)
Proceeds from disposal of property, plant and equipment	16,205	400,410
Increase in refundable deposits	(7,309)	(4,612)
Dividends received	304	191
Acquisition of unamortized expense	(38,046)	(102,891)
Proceeds from disposal of unamortized expense	1,680	-
Net cash flows used in investing activities	(2,561,750)	(2,131,376)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	9,069,519	5,437,925
Increase in long-term borrowings	644,796	185,770
Decrease in guarantee deposits received	(276)	-
Payment of lease liabilities	(188,598)	(216,399)
Cash dividends	(1,354,873)	(1,076,876)
Net cash flows from financing activities	8,170,568	4,330,420
Effect of exchange rate changes on cash and cash equivalents	(170,416)	(108,919)
Net increase (decrease) in cash and cash equivalents	(1,759,823)	4,138,809
Cash and cash equivalents at beginning of period	6,935,353	6,700,510
Cash and cash equivalents at end of period	$ **5,175,530**	**10,839,319**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

As of September 30, 2021 and 2020 Reviewed only,
not audited in accordance with generally accepted auditing standards

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

September 30, 2021 and 2020

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

(1) Company history

PRIMAX ELECTRONICS LTD. (the "Company"), formerly known as Hong Chuan Investments Ltd., was incorporated on March 20, 2006, and registered under the Ministry of Economic Affairs, ROC. The Company changed its name to Hong Chuan Electronics Ltd. and Primax Electronics Ltd. in October 2007 and February 2008, respectively. The address of the Company's registered office is No. 669, Ruey Kuang Road, Neihu, Taipei.

Primax Electronics Holdings, Ltd. (Primax Holdings, formerly known as Apple Holdings Ltd.) acquired all shares of the Company from YWAN PANG Management Limited on April 2, 2007. The investment was approved by the Investment Commission, Ministry of Economic Affairs. However, all shares of the Company were sold by Primax Holdings to its stockholders in October 2009.

Based on the resolution approved by the Company's Board of Directors on November 5, 2007, the Company resolved to acquire and merge with Primax Electronics Ltd. ("Primax", a listed company) on December 28, 2007. The Company is the surviving company, and Primax was dissolved upon completion of the merger.

The consolidated financial statements of the Company as at and for the nine months ended September 30, 2021, comprised the Company and subsidiaries (together referred to as "the Group"). The major business activities of the Group were the manufacture and sale of multi-function printers, scanners, digital camera modules, computer mice, keyboards, track pads, mobile phone accessories, consumer electronics products, shredders, amplifiers, speakers, audio systems and related parts, as well as other electronic components. Please refer to note 14 for further information.

The Company's common shares were registered with the Financial Supervisory Commission, ROC ("FSC") on June 22, 2012, and listed on the Taiwan Stock Exchange ("TWSE") on October 5, 2012.

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

The consolidated financial statements were authorized for issuance by the board of directors on November 4, 2021.

(3) New standards, amendments and interpretations adopted:

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

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

- Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform－Phase 2"

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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The Group assesses that the adoption of the following new amendments effective for annual period beginning on April 1, 2021. would not have a significant impact on its consolidated financial statements:

- Amendments to IFRS 16 “Covid-19-Related Rent Concessions beyond June 30, 2021”

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

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

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

(c) The impact of IFRS issued by the International Accounting Standards Board (IASB) but not yet endorsed by the FSC

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

Standards or Interpretations	**Content of amendment**	**Effective date per IASB**
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

(4) Summary of significant accounting policies:

(a) Statement of compliance

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

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

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

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

Name of investor	Name of subsidiary	Principal activities	Percentage of shareholding September 30, 2021	December 31, 2020	September 30, 2020	Description
The Company	Primax Industries (Cayman Holding) Ltd. (Primax Cayman)	Holding company	100.00 %	100.00 %	100.00 %	
The Company	Primax Technology (Cayman Holding) Ltd. (Primax Tech.)	Holding company	100.00 %	100.00 %	100.00 %	(note 1)
The Company	Destiny Technology Holding Co., Ltd. (Destiny BVI.)	Holding company	100.00 %	100.00 %	100.00 %	(note 1)
The Company	Primax Destiny Co., Ltd. (Destiny Japan)	Market development of and customer service for computer peripherals, mobile device components, and business devices	100.00 %	100.00 %	100.00 %	(note 1)
The Company	Diamond (Cayman) Holdings Ltd. (Diamond)	Holding company	100.00 %	100.00 %	100.00 %	

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activities	Percentage of shareholding September 30, 2021	December 31, 2020	September 30, 2020	Description
The Company	Gratus Technology Corp. (Gratus Tech.)	Market development of and customer service for computer peripherals, mobile device components, and business devices	100.00 %	100.00 %	100.00 %	(note 1)
The Company	Primax AE (Cayman) Holdings Ltd. (Primax AE)	Holding company	100.00 %	100.00 %	100.00 %	(note 1)
The Company	Primax Electronics (Singapore) Pte. Ltd. (Primax Singapore)	Sale of computer peripherals and mobile device components	100.00 %	100.00 %	100.00 %	(note 1)
Primax Cayman	Primax Industries (Hong Kong) Ltd. (Primax HK)	Holding company and customer service	100.00 %	100.00 %	100.00 %	
Primax HK and Primax Tech.	Dongguan Primax Electronic & Telecommunication Products Ltd. (PCH2)	Manufacturing and sale of computer peripherals, mobile device components, and business devices	100.00 %	100.00 %	100.00 %	
Primax HK	Primax Electronics (Kun Shan) Corp., Ltd. (PKS1)	Production of computer peripheral products	100.00 %	100.00 %	100.00 %	(note 1)
Primax HK	Primax Electronics (Chongqing) Corp., Ltd. (PCQ1)	Production of computer peripheral products	100.00 %	100.00 %	100.00 %	(note 1)
Primax Tech.	Polaris Electronics Inc. (Polaris)	Sale and purchase of computer peripherals, mobile device components, and business devices	100.00 %	100.00 %	100.00 %	(note 1)
Destiny BVI.	Destiny Electronic Corp. (Destiny Beijing)	R&D of computer peripherals and business devices	100.00 %	100.00 %	100.00 %	(note 1)
Primax Singapore	Primax Electronics (Thailand) Co., Ltd. (Primax Thailand)	Manufacturing and sale of computer peripherals, mobile device components, and business devices	99.99 %	99.99 %	99.99 %	(note 1)
Diamond	Tymphany Worldwide Enterprises Ltd. (TWEL)	Holding company	100.00 %	100.00 %	100.00 %	
TWEL	Tymphany Acoustic Technology (Huizhou) Co., Ltd (Tymphany Huizhou)	Manufacturing, R&D, design, and sales of various speaker accessories, speakers, and their components	71.43 %	71.43 %	71.43 %	
Tymphany Huizhou	Tymphany Acoustic Technology HK Ltd. (TYM Acoustic HK)	R&D, design, and sales of various speaker accessories, speakers, and their components, as well as holding business	100.00 %	100.00 %	100.00 %	

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activities	Percentage of shareholding September 30, 2021	Percentage of shareholding December 31, 2020	Percentage of shareholding September 30, 2020	Description
Tymphany Huizhou	Dongguan Tymphany Acoustic Technology Co., Ltd. (Tymphany Dongguan)	Manufacturing, R&D, design and sales of various speaker accessories, speakers, and their components	100.00 %	100.00 %	100.00 %	
TYM Acoustic HK	TYMPHANY ACOUSTIC TECHNOLOGY (UK) LIMITED (TYM UK)	R&D and design of various speaker accessories as well as speakers and their components	100.00 %	100.00 %	100.00 %	
TYM Acoustic HK	Tymphany Acoustic Technology Europe, s.r.o (TYM Acoustic Europe)	Manufacturing, installation, and maintenance of various speaker accessories and their components	100.00 %	100.00 %	100.00 %	(note 1)
TYM Acoustic HK	TYP Enterprise, inc. (TYP)	Market development of and customer service for speakers and their components	100.00 %	100.00 %	100.00 %	
TYM Acoustic HK	Tymphany HK Ltd. (TYM HK)	Holding company and market development of various speaker accessories, speakers and their components, as well as customer service	100.00 %	100.00 %	100.00 %	
TYM Acoustic HK	Tymphany Acoustic Technology Limited (TYM Acoustic)	R&D and design of various speaker accessories as well as speakers and their components	100.00 %	100.00 %	100.00 %	
TYM Acoustic HK	Tymphany Acoustic Technology (Thailand) Co., Ltd (TYTH)	Manufacturing and sales of various speaker accessories, speakers, and their components	99.99 %	99.99 %	99.99 %	(note 1)
TYM HK	TYMPHANY LOGISTICS, INC (TYML)	Sales of various speaker accessories, speakers, and their components	100.00 %	100.00 %	100.00 %	
Tymphany Dongguan	Dong Guan Dong Cheng Tymphany Acoustic Technology Co., Ltd. (TYDC)	Manufacturing, R&D, design, and sales of various speaker accessories, speakers, and their components	100.00 %	100.00 %	100.00 %	

Note 1: The company is a non-significant subsidiary, and its financial statements have not been reviewed.

(c) Income taxes

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

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

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

(d) Employee benefits

The pension cost in the consolidated financial statements was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

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

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

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

The accounting policies involved significant judgments and the information that have significant effect on the amounts recognized in the consolidated financial statements is as follow:

(a) Judgment of whether the Group has substantive control over its investees

The Group holds 37% of the outstanding voting shares of ALT International Co., Ltd. (AIC), but the Group did not obtain any director seats of AIC, and the chairman of AIC controls 45% of voting shares. Therefore, the Group does not have power of control over relevant activities of AIC, but remains significant influence.

(6) Explanation of significant accounts:

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2020. Please refer to note 6 of the 2020 annual consolidated financial statements.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(a) Cash and cash equivalents

	September 30, 2021	December 31, 2020	September 30, 2020
Cash on hand	$ 6,459	7,750	7,598
Demand accounts and checking deposits	3,804,295	4,417,720	3,007,022
Time deposits	1,364,776	2,509,883	7,824,699
Cash and cash equivalents in the consolidated statements of cash flows	**$ 5,175,530**	**6,935,353**	**10,839,319**

Please refer to note 6(z) for the currency risk and the interest rate risk of the Group's cash and cash equivalents.

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

(i) Details of financial instruments were as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Mandatorily measured at FVTPL:			
Derivative instruments not used for hedging			
Forward exchange contracts	$ 28,251	67,252	101,483
Foreign exchange swap contracts	132,469	246,506	258,016
	$ 160,720	**313,758**	**359,499**

	September 30, 2021	December 31, 2020	September 30, 2020
Financial liabilities held-for-trading:			
Derivative instrument not used for hedging			
Forward exchange contracts	$ (488,443)	(399,762)	(224,267)
Foreign exchange swap contracts	(14,702)	(32,409)	(4,275)
	$ (503,145)	**(432,171)**	**(228,542)**

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) The Group held the following derivative instruments as mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities, without the application of edge accounting, as of September 30, 2021, December 31 and September 30, 2020:

September 30, 2021

Derivative financial instruments	Nominal amount (in thousands)	Maturity date	Predetermined rate
Forward exchange contracts —buy USD / sell TWD	USD 735,000	October 5, 2021~ April 27, 2022	26.890~28.076
Forward exchange contracts —buy USD / sell CNY	USD 25,000	October 15, 2021	6.474
Foward exchange contracts —buy CNY/ sell USD	USD 90,000	October 19, 2021~ December 3, 2021	6.478~6.544
Forward exchange contracts —buy USD/ sell THB	USD 37,500	October 28, 2021~ October 29, 2021	33.490~33.691
Forward exchange contracts —buy CNY/ sell EUR	EUR 2,700	October 29, 2021	7.573~7.580
Forward exchange contracts —buy HKD/ sell EUR	EUR 1,500	October 29, 2021	9.099
Forward exchange swap contracts —swap in TWD/ swap out USD	USD 585,000	October 5, 2021~ April 27, 2022	27.535~28.546

December 31, 2020

Derivative financial instruments	Nominal amount (in thousands)	Maturity date	Predetermined rate
Forward exchange contracts —buy USD / sell TWD	USD 764,000	January 6, 2021~ June 23, 2021	27.150~28.942
Forward exchange contracts —buy TWD / sell USD	USD 11,500	January 13, 2021~ January 28, 2021	28.490~28.501
Forward exchange contracts —buy CNY / sell USD	USD 262,300	January 4, 2021~ May 19. 2021	6.5273~6.6415
Foreign exchange swap contracts —swap in TWD / swap out USD	USD 593,000	January 6, 2021~ June 23, 2021	28.075~29.424

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

September 30, 2020			
Derivative financial instruments	**Nominal amount (in thousands)**	**Maturity date**	**Predetermined rate**
Forward exchange contracts —buy USD / sell TWD	USD 728,000	October 5, 2020~ March 29, 2021	28.016~29.671
Forward exchange contracts —buy CNY / sell USD	USD 137,400	October 8, 2020~ January 19, 2021	6.790~7.1212
Foreign exchange swap contracts —swap in TWD / swap out USD	USD 606,000	October 5, 2020~ March 29, 2021	28.950~30.013
Foreign exchange swap contracts —swap in CNY/ swap out USD	USD 3,000	October 19, 2020	6.838

(iii) Please refer to note 6(z) for the liquidity risk of the Group's financial instruments.

(c) Financial assets at FVOCI

	September 30, 2021	December 31, 2020	September 30, 2020
Equity investments at FVOCI			
Stocks unlisted in domestic markets–WK Technology Fund IV Ltd.	$ 53	1,263	1,263
Stocks unlisted in domestic markets–Changing Information Technology Inc.	6,902	6,002	5,702
Stocks unlisted in domestic markets–Syntronix Corp.	350	49	49
Equities unlisted in foreign markets–Grove Ventures L.P.	139,887	60,722	62,038
Equities unlisted in foreign markets–Grove Ventures II, L.P.	55,175	26,227	13,981
Stocks unlisted in foreign markets–WK Global Investment III Ltd.	24,542	27,409	32,372
Total	**$ 226,909**	**121,672**	**115,405**

(i) The Group designated the investments above as equity securities as at FVOCI because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes and not for sale.

(ii) Grove Venture, L.P executed capital increases, wherein the Group had participated and invested the amounts of $10,967 and $9,006 in the nine months ended September 30, 2021 and 2020, respectively.

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Grove Ventures II, L.P. executed capital increases, where in the Group had participated and invested the amounts of $24,130 and $7,224 in the nine months ended September 30, 2021 and 2020, respectively.

(iv) WK Technology Fund IV Ltd. refunded the amount of $1,210 to the Group due to its capital reduction in March 2021.

(v) WK Global Investment III Ltd. refunded the amount of $5,024 to the Group due to its capital reduction in June 2021.

(vi) The Group did not provide any of the aforementioned financial assets as collateral.

(d) Financial assets at amortized cost

	September 30, 2021	December 31, 2020	September 30, 2020
Time deposits	$ 5,800,387	855,238	-
Annual interest rates	1.00%~1.75%	1.4%	-

(i) The Group has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

(ii) As of September 30, 2021 and December 31, 2020, the Group held time deposits maturing in October 2021 to March 2022 and in June 2021, respectively.

(iii) For credit risk, please refer to note (z).

(iv) Please refer to note 8 for further information on financial assets as collateral.

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

	September 30, 2021	December 31, 2020	September 30, 2020
Notes receivable	$ 2,565	5,618	923
Accounts receivable	14,043,153	13,615,378	14,846,100
Accounts receivable – related parties	227,121	198,189	154,439
Less: allowance for doubtful accounts	(38,853)	(42,155)	(40,413)
Total	$ 14,233,986	13,777,030	14,961,049

(i) The Group did not provide any of the aforementioned notes and accounts receivable (including related parties) as collateral.

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) The Group applies the simplified approach to provide for its ECL, the use of lifetime ECL provision for all notes and accounts receivables. To measure the ECL, notes and accounts receivable have been grouped based on shared credit risk characteristics and customer's ability to pay all the amounts due based on the terms of the contract as well as incorporated forward looking information, including macroeconomic and relevant industry information. The ECL allowance provision analysis was as follows:

	September 30, 2021		
	Carrying amounts of notes and accounts receivable (including related parties)	**Lifetime ECL rate**	**Loss allowance provision of lifetime ECL**
Current	$ 13,170,131	0%~0.44%	14,667
0 to 30 days past due	1,020,679	0%~3%	14,174
31 to 60 days past due	63,178	0%~5%	3,169
61 to 90 days past due	6,953	0%~10%	598
91 to 180 days past due	5,048	0%~55%	2,777
181 to 360 days past due	6,166	0%~80%	3,441
More than 361 days past due	684	0%~100%	27
	$ 14,272,839		**38,853**

	December 31, 2020		
	Carrying amounts of notes and accounts receivable (including related parties)	**Lifetime ECL rate**	**Loss allowance provision of lifetime ECL**
Current	$ 12,834,801	0%~0.04%	5,505
0 to 30 days past due	924,894	0%~3.4%	31,282
31 to 60 days past due	44,042	0%~5%	2,202
61 to 90 days past due	8,682	0%~10%	814
91 to 180 days past due	4,067	0%~25%	325
181 to 360 days past due	-	0%~80%	-
More than 361 days past due	2,699	0%~100%	2,027
	$ 13,819,185		**42,155**

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	September 30, 2020		
	Carrying amounts of notes and accounts receivable (including related parties)	**Lifetime ECL rate**	**Loss allowance provision of lifetime ECL**
Current	$ 14,287,123	0%~0.09%	12,697
0 to 30 days past due	672,553	0%~3.5%	23,534
31 to 60 days past due	19,372	0%~5%	716
61 to 90 days past due	4,664	0%~10%	269
91 to 180 days past due	13,706	0%~25%	1,119
181 to 360 days past due	240	0%~80%	120
More than 361 days past due	3,804	0%~100%	1,958
	$ 15,001,462		**40,413**

(iii) The movement in the allowance for notes and accounts receivable (including related parties) was as follows:

	For the nine months ended September 30	
	2021	**2020**
Balance on January 1, 2021 and 2020	$ 42,155	75,725
Impairment losses reversed	(1,777)	(12,041)
Amounts written off	(374)	(13,279)
Effect of exchange rate changes	(1,151)	(9,992)
Balance on September 30, 2021 and 2020	**$ 38,853**	**40,413**

(iv) The Group entered into agreements with banks to sell its accounts receivable without recourse. According to the agreements, within the limit of its credit facilities, the Group does not need to guarantee the capability of its customers to pay for reasons other than commercial disputes when transferring its accounts receivable. The Group receives partial advances upon sales of accounts receivable and pays interest calculated based on the interest rates agreed for the period through the collection of the accounts receivable. The remaining amounts are received upon the collection of the accounts receivable, and are recorded as other receivables. In addition, the Group shall pay handling charges based on a fixed rate. The Group derecognized the above trade receivables because it has transferred substantially all of the risks and rewards of their ownership and it does not have any continuing involvement in them. As of September 30, 2021, December 31 and September 30, 2020, the details of transferred accounts receivable which conformed to the criteria for derecognition were as follows:

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

September 30, 2021

Purchaser	Amount Derecognized	Amount Advanced Unpaid	Amount Advanced Paid	Amount Recognized in Other Receivables	Range of Interest Rate	Guarantee (Promissory note)
HSBC Bank	$ 1,143,209	35,294	1,028,849	114,360	0.591%~0.804%	US$ 56,940
EnTie Bank	55,622	-	-	55,622	-	-
DBS Bank	1,091,646	-	982,481	109,165	0.932%~0.937%	-
Mega International Commercial Bank	-	-	-	-	-	US$ 3,750
	$ 2,290,477	35,294	2,011,330	279,147		

December 31, 2020

Purchaser	Amount Derecognized	Amount Advanced Unpaid	Amount Advanced Paid	Amount Recognized in Other Receivables	Range of Interest Rate	Guarantee (Promissory note)
HSBC Bank	$ 3,917,358	382,018	3,416,322	501,036	0.795%~0.849%	US$ 37,440
EnTie Bank	158,092	-	-	158,092	-	-
Bank of Taiwan	-	-	-	-	-	NT$ 58,000
Mega International Commercial Bank	-	-	-	-	-	US$ 3,750
	$ 4,075,450	382,018	3,416,322	659,128		

September 30, 2020

Purchaser	Amount Derecognized	Amount Advanced Unpaid	Amount Advanced Paid	Amount Recognized in Other Receivables	Range of Interest Rate	Guarantee (Promissory note)
Mega International Commercial Bank	$ -	-	-	-	-	US$ 3,750
HSBC Bank	1,223,382	23,865	1,111,224	112,158	0.764%~0.809%	US$ 50,940
Bank of Taiwan	-	-	-	-	-	NT$ 58,000
EnTie Bank	166,368	-	-	166,368	-	-
	$ 1,389,750	23,865	1,111,224	278,526		

(v) Please refer to note 8 for further information on accounts receivable provided as collateral.

(vi) Please refer to note 9 for guarantee notes provided by the Group to sell its accounts receivable.

(f) Inventories

	September 30, 2021	December 31, 2020	September 30, 2020
Raw materials	$ 5,627,202	2,540,293	3,055,313
Semi-finished goods and work in process	2,148,443	1,805,774	1,962,610
Finished goods and merchandise	4,933,436	5,901,396	3,772,318
	$ 12,709,081	10,247,463	8,790,241

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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The Group did not provide any of the aforementioned inventories as collateral. Except for cost of inventories sold, the Group recognized the following items as cost of goods sold:

	For the three months ended September 30		For the nine months ended September 30	
	2021	**2020**	**2021**	**2020**
Losses on inventory valuation	$ (32,487)	(43,968)	(10,187)	(206,858)
Losses on disposal of inventories	(5,176)	(39,420)	(10,669)	(39,420)
Unallocated manufacturing overhead resulting from the actual production being lower than the normal capacity	(27,386)	(12,789)	(84,231)	(44,929)
Gains on physical inventories	627	1,321	3,644	4,068
	$ (64,422)	**(94,856)**	**(101,443)**	**(287,139)**

(g) Investments accounted for using equity method

The Group's investments accounted for using the equity method are individually insignificant. The related information included in the consolidated financial statements was as follows:

	September 30, 2021	**December 31, 2020**	**September 30, 2020**
Carrying amount of individually insignificant associates' equity	**$ 364,480**	**536,303**	**846,187**

	For the three months ended September 30		For the nine months ended September 30	
	2021	**2020**	**2021**	**2020**
Attributable to the Group:				
Loss	$ (20,364)	(21,270)	(61,461)	(64,467)
Other comprehensive income (loss)	16,768	(3,284)	29,638	5,901
Comprehensive loss	**$ (3,596)**	**(24,554)**	**(31,823)**	**(58,566)**

(i) The Group did not provide any investment accounted for using equity method as collateral.

(ii) The investments accounted for using equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

(iii) As of June 30, 2021, the revenue of AIC did not turn out as expected due to intensive industrial competition, resulting in the impairment of the intangible assets and carrying amounts related to this equity investment after the Group's evaluation, the Group recognized impairment loss of $140,000 under other gains and losses.

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(h) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Name of subsidiaries	Main operation place Business/Registered Country	Proportion of Ownership and Voting Rights Held by Non-controlling Interests September 30, 2021	December 31, 2020	September 30, 2020
Tymphany Huizhou and its subsidiaries	Hong Kong and China/Cayman Is.	28.57 %	28.57 %	28.57 %

The following information on the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in these information are the fair value adjustments made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intra-group transactions were not eliminated in this information.

(i) Tymphany Huizhou and its subsidiaries's collective financial information:

	September 30, 2021	December 31, 2020	September 30, 2020
Current assets	$ 14,051,620	13,510,184	14,140,347
Non-current assets	6,036,384	6,161,757	6,589,729
Current liabilities	(10,871,912)	(10,030,285)	(11,273,434)
Non-current liabilities	(1,541,919)	(1,896,051)	(2,053,656)
Net assets	**$ 7,674,173**	**7,745,605**	**7,402,986**
Non-controlling interests	**$ 2,192,350**	**2,212,757**	**2,114,878**

	For the three months ended September 30 2021	2020	For the nine months ended September 30 2021	2020
Operating revenue	**$ 5,711,465**	**7,383,370**	**15,780,912**	**18,147,730**
Profit (loss)	$ 51,015	193,178	94,330	(161,357)
Other comprehensive income (loss)	(54,880)	36,559	(178,425)	(133,650)
Comprehensive income (loss)	**$ (3,865)**	**229,737**	**(84,095)**	**(295,007)**
Profit (loss) attributable to non-controlling interests	**$ 14,575**	**55,187**	**26,948**	**(46,096)**
Comprehensive income (loss) attributable to non-controlling interests	**$ (1,121)**	**65,699**	**(24,070)**	**(84,388)**

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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	For the nine months ended September 30	
	2021	2020
Cash flows used in operating activities	$ (1,302,275)	(49,248)
Cash flows used in investing activities	(3,258,388)	(858,872)
Cash flows from financing activities	3,642,911	1,889,803
Effect of exchange rate changes	(77,602)	(89,460)
Net increase (decrease) in cash and cash equivalents	$ (995,354)	892,223
Dividends paid to non-controlling interests	$ -	-

(i) Property, plant and equipment

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

	Land	Buildings, leasehold improvement, and additional equipment	Machinery and equipment	Office and other equipment	Construction in progress and testing equipment	Total
Cost or deemed cost:						
Balance on January 1, 2021	$ 320,069	4,062,652	7,145,610	1,161,191	1,860,752	14,550,274
Additions	769,580	42,485	162,416	90,661	1,376,282	2,441,424
Disposals	-	(171,284)	(1,069,816)	(130,894)	(8,528)	(1,380,522)
Reclassifications	-	60,287	454,484	66,981	(793,150)	(211,398)
Effect of changes in exchange rate	(24,561)	(69,060)	(141,614)	(30,014)	(101,377)	(366,626)
Balance on September 30, 2021	$ 1,065,088	3,925,080	6,551,080	1,157,925	2,333,979	15,033,152
Balance on January 1, 2020	$ 134,701	4,014,529	7,508,088	2,089,856	1,111,056	14,858,230
Additions	281	13,061	170,512	67,634	1,178,200	1,429,688
Disposals	-	(35,737)	(1,075,651)	(718,065)	(6,587)	(1,836,040)
Reclassifications	187,451	65,061	401,517	60,782	(789,815)	(75,004)
Effect of changes in exchange rate	(8,087)	(37,626)	(74,505)	(24,192)	(21,244)	(165,654)
Balance on September 30, 2020	$ 314,346	4,019,288	6,929,961	1,476,015	1,471,610	14,211,220
Depreciation and impairments loss:						
Balance on January 1, 2021	$ -	2,271,799	5,084,215	652,245	-	8,008,259
Depreciation	-	185,036	776,495	122,931	-	1,084,462
Impairment loss (reversal)	-	(7,403)	4,863	(4,446)	-	(6,986)
Disposals	-	(164,963)	(854,367)	(90,109)	-	(1,109,439)
Reclassifications	-	(3,716)	(126,472)	(7,227)	-	(137,415)
Effect of changes in exchange rate	-	(39,450)	(85,421)	(13,746)	-	(138,617)
Balance on September 30, 2021	$ -	2,241,303	4,799,313	659,648	-	7,700,264
Balance on January 1, 2020	$ -	2,035,962	4,894,405	564,123	-	7,494,490
Depreciation	-	189,925	865,847	202,006	-	1,257,778
Disposals	-	(29,424)	(876,862)	(71,197)	-	(977,483)
Effect of changes in exchange rate	-	(17,930)	(42,622)	(8,459)	-	(69,011)
Balance on September 30, 2020	$ -	2,178,533	4,840,768	686,473	-	7,705,774

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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	Land	Buildings, leasehold improvement, and additional equipment	Machinery and equipment	Office and other equipment	Construction in progress and testing equipment	Total
Carrying amounts:						
Balance on January 1, 2021	$ **320,069**	**1,790,853**	**2,061,395**	**508,946**	**1,860,752**	**6,542,015**
Balance on September 30, 2021	$ **1,065,088**	**1,683,777**	**1,751,767**	**498,277**	**2,333,979**	**7,332,888**
Balance on January 1, 2020	$ **134,701**	**1,978,567**	**2,613,683**	**1,525,733**	**1,111,056**	**7,363,740**
Balance on September 30, 2020	$ **314,346**	**1,840,755**	**2,089,193**	**789,542**	**1,471,610**	**6,505,446**

(i) The unamortized deferred revenue of equipment subsidy amounted to $909,846, $1,415,511 and $2,009,327 as of September 30, 2021, December 31 and September 30, 2020, respectively.

(ii) The factory of the Group's subsidiary in China is expected to be relocated to a new site in 2021, where parts of its property, plant and equipment will be disposed, resulting in the Group to measure the carrying amount by using the recoverable amount and recognized reversal of impairment loss of $6,986 under other gains and losses for the nine months ended September 30, 2021.

(iii) The Group provided the aforementioned property, plant and equipment as collateral; please refer to note 8.

(j) Right-of-use assets

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

	Land	Buildings	Vehicles	Other equipment	Total
Cost:					
Balance on January 1, 2021	$ 406,195	1,773,581	30,703	5,349	2,215,828
Additions	-	74,134	5,897	-	80,031
Disposals	-	(261,402)	(16,138)	(3,243)	(280,783)
Lease modification	-	1,045,772	-	-	1,045,772
Effect of changes in exchange rates	(8,968)	(37,183)	(381)	-	(46,532)
Balance on September 30, 2021	$ **397,227**	**2,594,902**	**20,081**	**2,106**	**3,014,316**
Balance on January 1, 2020	$ 402,455	1,718,180	17,685	3,431	2,141,751
Additions	-	46,570	12,119	2,922	61,611
Disposals	-	-	(906)	-	(906)
Effect of changes in exchange rates	(5,021)	(32,953)	(190)	(24)	(38,188)
Balance on September 30, 2020	$ **397,434**	**1,731,797**	**28,708**	**6,329**	**2,164,268**

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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		Land	Buildings	Vehicles	Other equipment	Total
Depreciation:						
Balance on January 1, 2021	$	25,790	596,500	21,645	3,841	647,776
Depreciation		11,088	207,934	6,720	1,271	227,013
Disposals		-	(174,074)	(16,138)	(3,243)	(193,455)
Lease modification		-	(4,703)	-	-	(4,703)
Effect of changes in exchange rates		(1,769)	(11,954)	(205)	-	(13,928)
Balance on September 30, 2021	$	**35,109**	**613,703**	**12,022**	**1,869**	**662,703**
Balance on January 1, 2020	$	10,627	277,503	8,753	1,715	298,598
Depreciation		11,250	237,518	9,755	2,411	260,934
Disposals		-	-	(189)	-	(189)
Effect of changes in exchange rates		(382)	(5,523)	(80)	(9)	(5,994)
Balance on September 30, 2020	$	**21,495**	**509,498**	**18,239**	**4,117**	**553,349**
Carrying amounts:						
Balance on January 1, 2021	$	**380,405**	**1,177,081**	**9,058**	**1,508**	**1,568,052**
Balance on September 30, 2021	$	**362,118**	**1,981,199**	**8,059**	**237**	**2,351,613**
Balance on January 1, 2020	$	**391,828**	**1,440,677**	**8,932**	**1,716**	**1,843,153**
Balance on September 30, 2020	$	**375,939**	**1,222,299**	**10,469**	**2,212**	**1,610,919**

(k) Investment property

		Land	Buildings and other equipment	Total
Carrying amounts:				
Balance on January 1, 2021	$	**16,249**	**17,577**	**33,826**
Balance on September 30, 2021	$	**16,249**	**17,230**	**33,479**
Balance on January 1, 2020	$	**16,249**	**18,040**	**34,289**
Balance on September 30, 2020	$	**16,249**	**17,693**	**33,942**

(i) There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the nine months ended September 30, 2021 and 2020. Please refer to note 6(l) of the consolidated financial statements for the year ended December 31, 2020 for other further information.

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

(iii) The Group did not provide any of the aforementioned investment property as collateral.

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(l) Intangible assets

	Goodwill	Customer Relationships	Technology	Trademarks, Patents and Copyrights	Total
Carrying amounts:					
Balance on January 1, 2021	$ 2,026,084	217,380	126,803	311	2,370,578
Balance on September 30, 2021	$ 2,021,410	163,469	95,357	6,710	2,286,946
Balance on January 1, 2020	$ 2,035,095	289,260	168,733	8,068	2,501,156
Balance on September 30, 2020	$ 2,029,954	235,350	137,285	3,173	2,405,762

(i) There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the nine months ended September 30, 2021 and 2020. Please refer to note 6(m) of the consolidated financial statements for the year ended December 31, 2020 for other related information.

(ii) The Group did not provide any of the aforementioned intangible assets as collateral.

(m) Short-term borrowings

The details were as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Unsecured bank loans	$ 9,974,578	905,059	6,530,051
Unused credit lines	$ 13,986,751	22,857,597	18,106,507
Annual interest rates	0.60%~3.80%	0.70%~0.95%	0.60%~3.85%

(n) Long-term borrowings

	September 30, 2021			
	Currency	Annual interest rate	Maturity year	Amount
Unsecured bank loans	USD	1.37%~1.60%	2023	$ 1,003,167
Secured bank loans	USD	0.94%	2023	397,088
Less: current portion				(288,410)
				$ 1,111,845
Unused credit lines				$ 2,898,034

	December 31, 2020			
	Currency	**Annual interest rate**	**Maturity year**	**Amount**
Unsecured bank loans	USD	1.46%~1.67%	2023	$ 755,459
Less: current portion				(74,833)
				$ 680,626
Unused credit lines				**$ 2,237,873**

	September 30, 2020			
	Currency	**Annual interest rate**	**Maturity year**	**Amount**
Unsecured bank loans	USD	1.5%~1.6%	2023	**$ 364,076**
Unused credit lines				**$ 3,276,686**

(i) Please refer to note 9 for the details of the outstanding guarantee notes.

(ii) Please refer to note 8 for further information on assets provided as collateral.

(o) Lease liabilities

The carrying amounts of lease liabilities of the Group were as follow:

	September 30, 2021	**December 31, 2020**	**September 30, 2020**
Current	**$ 225,829**	**271,483**	**274,442**
Non-current	**$ 1,847,291**	**981,436**	**1,013,914**

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

The amounts recognized in profit or loss were as follows:

	For the three months ended September 30		**For the nine months ended September 30**	
	2021	**2020**	**2021**	**2020**
Interest on lease liabilities	**$ 16,734**	**14,566**	**51,895**	**45,430**
Expenses relating to short-term leases and leases of low-value assets	**$ 27,947**	**27,019**	**78,596**	**76,800**
Covid-19-related rent concessions (recognized as deduction of rent expenses)	**$ -**	**1,037**	**$ -**	**1,037**

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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The amounts recognized in the statement of cash flows for the Group were as follows:

	For the nine months ended September 30	
	2021	**2020**
Rental paid in operating activities	$ (78,596)	(76,800)
Interest on lease liabilities paid in operating activities	(51,895)	(45,430)
Payment made on lease liabilities in financing activities	(188,598)	(216,399)
Total cash outflow for leases	**$ (319,089)**	**(338,629)**

(i) Real estate leases

The Group leases lands and buildings for its office, staff dormitory, factory facilities and warehouses. The leases typically run for a period of two to fifty years. Some leases require additional rental payments depending on the changes in fair value of the lease assets.

(ii) Other leases

The Group leases vehicles and some of other equipment with lease terms of one to five years.

The Group also leases machineries and some of other equipment with lease terms of one to five years. These leases are short-term or leases of low-value items. The Group decided to apply recognition exemptions, and had elected not to recognize its right-of-use assets and lease liabilities for these leases.

(p) Operating lease

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

(q) Employee benefits

(i) Defined benefit plans

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

(ii) Defined contribution plans

The Company contribute the pension cost on the defined contribution plans to the labor pension account at the Bureau of Labor Insurance. Subsidiaries other than the Company set up their defined contribution plans in accordance with the regulations of their respective countries.

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(iii) The Group recognized its pension costs and recorded them as operating costs and operating expenses.

	For the three months ended September 30		For the nine months ended September 30	
	2021	**2020**	**2021**	**2020**
Defined benefit plans	$ 105	273	316	819
Defined contribution plans	101,499	78,597	287,273	220,925
Total	**$ 101,604**	**78,870**	**287,589**	**221,744**

(r) Income taxes

(i) Income tax expense for the period is best estimated by multiplying the profit before tax of the reporting period by the effective annual tax rate as forecasted by the management.

(ii) The details of the Group's income tax expenses were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2021	**2020**	**2021**	**2020**
Income tax expense	**$ 182,081**	**235,083**	**482,121**	**425,424**

(iii) There were no income tax recognized in equity or other comprehensive income.

(iv) The Company's income tax returns have been examined by the tax authority through the years to 2018.

(s) Capital and other equity

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

(i) Ordinary shares

As of September 30, 2021, December 31 and September 30, 2020, the nominal ordinary shares amounted to $5,500,000. Par value of each share is $10 (dollars), which means in total there were 550,000 thousand authorized common shares, of which 451,518, 450,898 and 450,898 thousand shares, respectively, were issued. All issued shares were paid up upon issuance.

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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Reconciliation of shares outstanding were as follows:

	Ordinary shares (in thousands of shares) For the nine months ended September 30	
	2021	**2020**
Balance on January 1	450,898	448,581
Issuance of restricted stock	740	2,440
Retirement of restricted stock	(120)	(123)
Balance on September 30	**451,518**	**450,898**

(ii) Capital surplus

The balances of capital surplus were as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Additional paid-in capital	$ 830,866	759,070	722,037
Employee stock options	259,401	259,401	259,401
Restricted employee stock options	125,190	169,540	207,332
Long-term investment	388,592	379,617	376,614
	$ 1,604,049	**1,567,628**	**1,565,384**

(iii) Retained earnings

According to the articles of the Company, when allocating the earnings for each year, the Company shall first offset its losses in previous year and set aside a legal capital reserve at 10% of the earing left over, until the accumulated legal capital reserve has equaled the total capital of the Company; then set aside a special capital reserve in accordance with relevant laws, the balance of the earnings shall combined into an aggregate amount of undistributed earnings, which shall become the aggregate distributable earnings to be distributed by the directors' distribution proposals according to the resolution adopted at the shareholders' meeting.

The Company is at the growth stage and considers its future cash demand, long-term financial plans, benefits to shareholders, and balanced dividends. Earnings distribution is made by stock dividend and cash dividend. The cash dividend shall not be less than 10 percent of the total dividends and could be adjusted depending on the Company's operating condition.

The appropriation of earnings for 2020 reached legal requirement through the electronic voting on May 25, 2021, and was resolved during the shareholders' meeting on July 13, 2021. On June 23, 2020, the shareholders' meeting resolved to distribute the 2019 earnings. The distributions were NT$3(dollars) and NT$2.4(dollars) per share, which amounted to $1,354,873 and $1,076,876, respectively.

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(t) Share-based payment

Except for the following disclosure, there were no significant changes for share-based payment for the nine months ended September 30, 2021 and 2020. Please refer to note 6(u) of the consolidated financial statements for the year ended December 31, 2020 for further information.

After the shareholders' meeting on June 23, 2020, the Company decided to issue 3,000 thousand shares of restricted stock to those full-time employees who meet the Company's requirements. The restricted stock has been registered with and approved by the Securities and Futures Bureau of the FSC. The Board of Directors' meeting resolved to issue 2,260 and 740 thousand shares on July 30, 2020 and January 25, 2021, respectively.

Expenses attributable to share-based payment were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2021	**2020**	**2021**	**2020**
Employee stock options	$ 4,183	4,106	12,638	12,427
Restricted stock	20,403	33,580	74,661	82,371
Total	$ **24,586**	**37,686**	**87,299**	**94,798**

(u) Earnings per share

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

(i) Basic earnings per share

	For the three months ended September 30		For the nine months ended September 30	
	2021	**2020**	**2021**	**2020**
Profit attributable to owners of parent	$ **671,782**	**773,224**	**1,788,061**	**1,552,132**
Weighted-average number of ordinary shares (thousand shares)	**447,867**	**445,852**	**447,357**	**445,663**
Basic earnings per share (NT dollars)	$ **1.50**	**1.73**	**4.00**	**3.48**

(ii) Diluted earnings per share

	For the three months ended September 30		For the nine months ended September 30	
	2021	**2020**	**2021**	**2020**
Profit attributable to owners of parent	$ **671,782**	**773,224**	**1,788,061**	**1,552,132**
Weighted-average number of ordinary shares (diluted) (thousand shares)	**450,945**	**448,080**	**451,269**	**448,625**
Diluted earnings per share (NT dollars)	$ **1.49**	**1.73**	**3.96**	**3.46**

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Weighted-average number of ordinary shares (diluted) (thousand shares)

	For the three months ended September 30		For the nine months ended September 30	
	2021	**2020**	**2021**	**2020**
Weighted-average number of ordinary shares on September 30 (basic)	447,867	445,852	447,357	445,663
Estimated effect of employee stock bonuses	1,282	1,393	1,534	1,986
Effect of restricted stock	1,796	835	2,378	976
Weighted-average number of ordinary shares on September 30 (diluted)	**450,945**	**448,080**	**451,269**	**448,625**

(v) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended September 30, 2021		
	Computer Peripherals	**Non-computer Peripherals**	**Total**
Goods sold	$ 8,365,352	8,847,784	17,213,136
Service rendered	43,203	412,573	455,776
	$ 8,408,555	**9,260,357**	**17,668,912**

	For the three months ended September 30, 2020		
	Computer Peripherals	**Non-computer Peripherals**	**Total**
Goods sold	$ 8,070,806	10,211,037	18,281,843
Service rendered	29,533	595,185	624,718
	$ 8,100,339	**10,806,222**	**18,906,561**

	For the nine months ended September 30, 2021		
	Computer Peripherals	**Non-computer Peripherals**	**Total**
Goods sold	$ 25,144,928	24,745,236	49,890,164
Service rendered	109,916	1,276,228	1,386,144
	$ 25,254,844	**26,021,464**	**51,276,308**

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	For the nine months ended September 30, 2020		
	Computer Peripherals	Non-computer Peripherals	Total
Goods sold	$ 20,141,692	26,943,171	47,084,863
Service rendered	104,782	1,492,436	1,597,218
	$ 20,246,474	28,435,607	48,682,081

	For the three months ended September 30		For the nine months ended September 30	
	2021	2020	2021	2020
Mainland China	$ 8,953,302	8,608,090	25,589,112	22,686,715
Europe	3,540,944	3,589,624	10,862,644	10,295,213
America	4,371,719	5,912,100	11,482,439	13,437,302
Other	802,947	796,747	3,342,113	2,262,851
	$ 17,668,912	18,906,561	51,276,308	48,682,081

(ii) Contract balances

	September 30, 2021	December 31, 2020	September 30, 2020
Notes and accounts receivable (including related parties)	$ 14,272,839	13,819,185	15,001,462
Less: allowance for doubtful accounts	(38,853)	(42,155)	(40,413)
	$ 14,233,986	13,777,030	14,961,049
Contract liabilities (classified as other current liabilities)	$ 242,169	226,063	170,076

For details on accounts receivable (including related parties) and allowance for impairment, please refer to note 6(e).

The amount of revenue recognized for the nine months ended September 30, 2021 and 2020 that were included in the contract liability balance at the beginning of the period were \$205,313 and \$102,379, respectively.

The contract liabilities primarily relate to the advance consideration received from contracts with goods sold, for which revenue is recognized when products are delivered to customers.

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(w) Employee's and directors' and supervisors' remuneration

In accordance with the Articles of incorporation, the Company should contribute 2 to 10 percent of the profit as employee remuneration and less than 2 percent as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

Details of remuneration to employees and directors for the three and nine months ended September 30, 2021 and 2020 were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2021	**2020**	**2021**	**2020**
Employee remuneration	$ 24,864	29,616	65,785	59,536
Directors' remuneration	12,433	14,808	32,893	29,768
	$ 37,297	**44,424**	**98,678**	**89,304**

The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during each period. The differences between the amounts distributed and those accrued in the financial statements, if any, are accounted for as changes in accounting estimate and recognized as profit or loss in the distribution year.

The differences between the amounts approved in the directors' meeting and those recognized in the financial statements for the distributions of earnings for 2020 and 2019 were as follows:

	2020		
	Actual earnings distributed	**Accrued in the financial statement**	**Difference**
Employee remuneration–Cash	$ 72,645	72,645	-
Director's remuneration	36,322	36,323	1

	2019		
	Actual earnings distributed	**Accrued in the financial statement**	**Difference**
Employee remuneration–Cash	$ 75,520	75,526	6
Director's remuneration	26,430	37,763	11,333

The aforementioned differences were accounted for as changes in accounting estimates and recognized as profit or loss in the years 2021 and 2020. Information on the remuneration to employees and directors, approved in the Board of Directors' meetings, can be accessed in the Market Observation Post System website.

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(x) Other income

The details of other income were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2021	**2020**	**2021**	**2020**
Rent income	$ 2,047	2,011	6,323	7,373
Dividend income	304	191	304	191
Other	339	784	1,222	2,279
	$ 2,690	**2,986**	**7,849**	**9,843**

(y) Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2021	**2020**	**2021**	**2020**
Net gains (losses) on financial assets/liabilities measured at FVTPL	$ (109,986)	94,226	(341,825)	133,530
Reversal of impairment losses of property, plant and equipment	-	-	6,986	-
Foreign currency exchange gains, net	207,991	59,043	788,793	259,959
Net income (losses) on disposal of property, plant and equipment	494	(16,389)	(19,341)	(22,718)
Impairment losses of investments accounted for using equity method	-	-	(140,000)	-
Net gains on disposal of right-of-use assets	-	-	6,560	2
Government grants	33,469	56,970	81,483	108,227
Other	25,140	(1,514)	8,750	40,110
	$ 157,108	**192,336**	**391,406**	**519,110**

(z) Financial instruments

Except for the following paragraph, there were no significant changes in the fair value of the Group’s financial instruments and the degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. Please refer to note 6(aa) of the consolidated financial statements for the year ended December 31, 2020 for further information.

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(i) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments:

	Carrying amount	Contractual cash flows	Within 1 year	1~2 years	2~5 years	Over 5 years
September 30, 2021						
Non-derivative financial liabilities:						
Short-term borrowings	$ 9,974,578	9,988,123	9,988,123	-	-	-
Notes and accounts payable	15,965,439	15,965,439	15,965,439	-	-	-
Other payables	1,966,587	1,966,587	1,966,587	-	-	-
Salaries payable	1,294,174	1,294,174	1,294,174	-	-	-
Lease liabilities	2,073,120	2,545,378	284,203	211,043	533,322	1,516,810
Refund liabilities	1,645,720	1,645,720	1,645,720	-	-	-
Long-term borrowings	1,400,255	1,428,097	346,590	705,653	375,854	-
Guarantee deposits	11,949	11,949	-	-	-	11,949
Derivative financial liabilities:	503,145	-	-	-	-	-
Outflow	-	4,332,349	4,332,349	-	-	-
Inflow	-	(3,829,204)	(3,829,204)	-	-	-
	$ 34,834,967	**35,348,612**	**31,993,981**	**916,696**	**909,176**	**1,528,759**
December 31, 2020						
Non-derivative financial liabilities:						
Short-term borrowings	$ 905,059	905,704	905,704	-	-	-
Notes and accounts payable	19,001,057	19,001,057	19,001,057	-	-	-
Other payables	3,013,224	3,013,224	3,013,224	-	-	-
Salaries payable	1,131,626	1,131,626	1,131,626	-	-	-
Lease liabilities	1,252,919	1,569,900	314,226	274,753	403,365	577,556
Refund liabilities	1,421,407	1,421,407	1,421,407	-	-	-
Long-term borrowings	755,459	781,146	85,851	250,101	445,194	-
Guarantee deposits	12,225	12,225	-	-	-	12,225
Derivative financial liabilities:	432,171	-	-	-	-	-
Outflow	-	4,601,941	4,601,941	-	-	-
Inflow	-	(4,169,770)	(4,169,770)	-	-	-
	$ 27,925,147	**28,268,460**	**26,305,266**	**524,854**	**848,559**	**589,781**

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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	Carrying amount	Contractual cash flows	Within 1 year	1~2 years	2~5 years	Over 5 years
September 30, 2020						
Non-derivative financial liabilities:						
Short-term borrowings	$ 6,530,051	6,536,586	6,536,586	-	-	-
Notes and accounts payable	17,114,424	17,114,424	17,114,424	-	-	-
Other payables	2,510,320	2,510,320	2,510,320	-	-	-
Salaries payable	1,246,021	1,246,021	1,246,021	-	-	-
Lease liabilities	1,288,356	1,605,811	316,130	282,897	427,557	579,227
Refund liabilities	1,493,756	1,493,756	1,493,756	-	-	-
Long-term borrowings	364,076	375,368	5,481	186,314	183,573	-
Guarantee deposits	12,685	12,685	-	-	-	12,685
Derivative financial liabilities:	228,542	-	-	-	-	-
Outflow	-	2,434,970	2,434,970	-	-	-
Inflow	-	(2,206,428)	(2,206,428)	-	-	-
	$ 30,788,231	31,123,513	29,451,260	469,211	611,130	591,912

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

(ii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

	September 30, 2021			December 31, 2020			September 30, 2020		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets									
Monetary items									
USD:CNY	$ 628,268	6.4854	17,507,318	702,844	6.5249	20,036,689	588,650	6.8101	17,145,027
USD:HKD	290,782	7.7850	8,102,938	334,958	7.7526	9,548,984	287,620	7.7500	8,377,209
USD:TWD	387,174	27.8660	10,788,979	383,595	28.5080	10,935,538	345,315	29.1260	10,057,637
EUR:CZK	8,536	25.1619	275,994	9,948	26.4220	348,783	9,845	27.2313	336,627
USD:CZK	12,409	21.6830	345,789	5,347	21.4820	152,421	6,040	23.1973	175,931
USD:THB	8,670	33.8600	241,593	18,653	30.0500	531,753	21,820	31.6800	635,538
EUR:HKD	9,748	9.0331	315,182	-	-	-	-	-	-
CZK:HKD	99,750	0.3590	128,179	-	-	-	-	-	-
Financial liabilities									
Monetary items									
USD:CNY	$ 553,299	6.4854	15,418,228	519,840	6.5249	14,819,609	472,909	6.8101	13,773,962
USD:HKD	240,979	7.7850	6,715,133	284,168	7.7526	8,101,051	239,103	7.7500	6,964,113
USD:TWD	506,786	27.8660	14,122,108	500,374	28.5080	14,299,486	425,056	29.1260	12,380,185
EUR:CZK	-	-	-	6,624	26.4220	232,256	5,369	27.2313	183,570
USD:THB	53,348	33.8600	1,486,589	26,614	30.0500	758,706	22,415	31.6800	652,860
EUR:HKD	6,303	9.0331	203,795	-	-	-	-	-	-

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable, other receivables, derivative financial instruments, loans and borrowings, notes and accounts payable, and other payables that are denominated in foreign currency. A weakening (strengthening) of 5% of the TWD, CNY, HKD, CZK and THB against the USD; the HKD against CZK; as well as HKD and CZK against the EUR, as of September 30, 2021 and 2020, would have decreased or increased and increased or decreased the net profit before tax by $11,994 and $138,664, respectively. The analysis is performed on the same basis for both periods.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three and nine months ended September 30, 2021 and 2020, foreign exchange gain (including realized and unrealized portions) amounted to $207,991, $59,043, $788,793 and $259,959, respectively.

(iii) Interest rate analysis

Please refer to the note on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

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

If the interest rate had increased or decreased by 0.25%, and assumed all other variables remain constant, the profit before tax would have decreased or increased by $559 and increased or decreased $7,536 for the nine months ended September 30, 2021 and 2020, respectively. This is mainly due to borrowings, demand deposits and time deposits with variable interest rates.

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Fair value

1) Kinds of financial instruments and fair value

The carrying amount and fair value of the Group’s financial assets and liabilities, including the information on fair value hierarchy were as follows; however, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	September 30, 2021				
		Fair Value			
	Carrying amounts	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current	**$ 160,720**	-	-	160,720	160,720
Financial assets at FVOCI – non-current	**$ 226,909**	-	-	226,909	226,909
Financial assets measured at amortized cost:					
Cash and cash equivalents	$ 5,175,530				
Financial assets at amortized cost －current	5,800,387				
Notes and accounts receivable (including related parties)	14,233,986				
Other receivables	1,162,960				
Refundable deposits	126,401				
Total	**$ 26,499,264**				
Financial liabilities at FVTPL – current	**$ 503,145**	-	-	503,145	503,145
Financial liabilities measured at amortized cost:					
Borrowings	$ 11,374,833				
Notes and accounts payable	15,965,439				
Other payables	1,966,587				
Salaries payable	1,294,174				
Lease liabilities	2,073,120				
Refund liabilities	1,645,720				
Guarantee deposits	11,949				
Total	**$ 34,331,822**				

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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	December 31, 2020				
		Fair Value			
	Carrying amounts	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current	$ 313,758	-	-	313,758	313,758
Financial assets at FVOCI – non-current	$ 121,672	-	-	121,672	121,672
Financial assets measured at amortized cost:					
Cash and cash equivalents	$ 6,935,353				
Financial assets at amortized cost －current	855,238				
Notes and accounts receivable (including related parties)	13,777,030				
Other receivables	1,349,362				
Refundable deposits	119,092				
Total	$ 23,036,075				
Financial liabilities at FVTPL – current	$ 432,171	-	-	432,171	432,171
Financial liabilities measured at amortized cost:					
Borrowings	$ 1,660,518				
Notes and accounts payable	19,001,057				
Other payables	3,013,224				
Salaries payable	1,131,626				
Lease liabilities	1,252,919				
Refund liabilities	1,421,407				
Guarantee deposits	12,225				
Total	$ 27,492,976				

	September 30, 2020				
		Fair Value			
	Carrying amounts	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current	$ 359,499	-	-	359,499	359,499
Financial assets at FVOCI – non-current	$ 115,405	-	-	115,405	115,405
Financial assets measured at amortized cost:					
Cash and cash equivalents	$ 10,839,319				
Notes and accounts receivable (including related parties)	14,961,049				
Other receivables	928,554				
Refundable deposits	119,535				
Total	$ 26,848,457				

(Continued)

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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	September 30, 2020				
		Fair Value			
	Carrying amounts	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL – current	$ 228,542	-	-	228,542	228,542
Financial liabilities measured at amortized cost :					
Borrowings	$ 6,894,127				
Notes and accounts payable	17,114,424				
Other payables	2,510,320				
Salaries payable	1,246,021				
Lease liabilities	1,288,356				
Refund liabilities	1,493,756				
Guarantee deposits	12,685				
Total	$ 30,559,689				

2) Fair value valuation techniques for financial instruments measured at fair value

If a financial instrument has a quoted price in an active market, the quoted price is used as fair value. The quoted price of a financial instrument obtained from major exchanges and over-the counter markets are the basis used to determine the fair value of a listed company's stock and the quoted prices in an active market.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. If these conditions can not be reached, then the market is non-active. In general, a market with low trading volume or high bid-ask spreads is an indication of a non-active market.

The Group uses the following methods in determining the fair value of its financial instruments without a quoted price in an active market:

a) The fair value of derivative instruments is based on quoted prices. When quoted prices are unavailable, the fair value is estimated on the basis of the contract's spot exchange rate and swap point.

b) Financial assets at FVOCI – non-current are investments in domestic or foreign non-listed stock. The estimated fair value is based on the market approach of comparable business and adjusted for the lack of liquidity. When prices are unavailable, the fair value is estimated on the basis of unadjusted prior trade prices.

3) In the nine months ended September 30, 2021 and 2020, there were no transfers between different Levels.

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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4) Reconciliation of Level 3 fair values

		For the nine months ended September 30, 2021			For the nine months ended September 30, 2020		
		FVTPL	FVOCI	Total	FVTPL	FVOCI	Total
Balance on January 1	$	(118,413)	121,672	3,259	(20,195)	106,535	86,340
Recognized in profit or loss		(341,825)	-	(341,825)	133,530	-	133,530
Recognized in other comprehensive income		-	76,374	76,374	-	(7,360)	(7,360)
Acquisition /disposal		117,813	28,863	146,676	17,622	16,230	33,852
Balance on September 30	$	**(342,425)**	**226,909**	**(115,516)**	**130,957**	**115,405**	**246,362**

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

The fair value measurements of the Group which are categorized within level 3 are classified as financial assets and liabilities at FVTPL – derivative financial instruments and financial assets at FVOCI – equity securities. The quantitative information about significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationships between significant unobservable inputs and fair value
Financial assets at FVOCI – equity investment without an active market	(note 1)	(note 1)	(note 1)
Financial assets and liabilities at FVTPL	(note 2)	(note 2)	(note 2)

note 1: The fair value is based on the market value, and it has considered the recent financing activities, comparable business, market and other economic conditions etc., to determine the assumptions. Also, the significant unobservable inputs are marketability discount, but any changes of marketability discount would not result in significant potential financial impact, therefore there is no need to show the quantified information on it.

note 2: The fair value is based on the quotation of a third party, therefore there is no need to show the sensitivity analysis of unobservable inputs.

(aa) Financial risk management

The Group’s objectives and policies on financial risk management are consistent with note 6(ab) of the consolidated financial statements for the year ended December 31, 2020.

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(ab) Capital management

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

(ac) Changes of liabilities from financing activities

Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2021	Cash flows	Non-cash changes	September 30, 2021
Short-term borrowings	$ 905,059	9,069,519	-	9,974,578
Long-term borrowings	755,459	644,796	-	1,400,255
Lease liabilities	1,252,919	(188,598)	1,008,799	2,073,120
Total liabilities from financing activities	**$ 2,913,437**	**9,525,717**	**1,008,799**	**13,447,953**

	January 1, 2020	Cash flows	Non-cash changes	September 30, 2020
Short-term borrowings	$ 1,092,126	5,437,925	-	6,530,051
Long-term borrowings	178,306	185,770	-	364,076
Lease liabilities	1,474,353	(216,399)	30,402	1,288,356
Total liabilities from financing activities	**$ 2,744,785**	**5,407,296**	**30,402**	**8,182,483**

(ad) Supplementary information of cash flow

(i) The Group acquired property, plant and equipment amounting to $2,441,424 and $1,429,688, respectively, and the payables on equipment decreased $64,297 and $978,556, respectively, generating cash outflow of $2,505,721 and $2,408,244 for the nine months ended September 30, 2021 and 2020, respectively.

(ii) For the nine months ended September 30, 2021 and 2020, the Group's disposal of property, plant and equipment included the write-off of the unamortized deferred revenue of equipment subsidy amounting to $235,537 and $435,429, respectively.

(7) Related-party transactions:

(a) Names and relationship of the related parties

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

Name	Relationship
Specialty Technologies, LLC (Specialty)	Substantive related party

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(b) Significant transactions with related parties

(i) Sales

The amounts of significant sales by the Group to related parties and the outstanding balances were as follows:

	Sales				Notes and accounts receivable		
	For the three months ended September 30		For the nine months ended September 30				
	2021	2020	2021	2020	September 30, 2021	December 31, 2020	September 30, 2020
Other related parties	$ 238,223	190,199	720,510	339,187	227,121	198,189	154,439

There were no significant differences in the selling prices between the related parties and other customers. The trading terms offered to other related parties were 60 days, and the trading terms to other customers were 45 days to 120 days.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended September 30		For the nine months ended September 30	
	2021	2020	2021	2020
Short-term employee benefits	$ 33,525	44,372	116,030	125,651
Post-employment benefits	349	242	1,047	737
Share-based payments	12,649	13,201	45,954	38,835
	$ 46,523	**57,815**	**163,031**	**165,223**

Please refer to note 6(t) for information related to share-based payments.

(8) Pledged assets:

The carrying amounts of pledged assets were as follows:

Pledged assets	Pledged to secure	September 30, 2021	December 31, 2020	September 30, 2020
Financial assets at amortized cost – current	Guarantee letters issued by bank	**$ 4,297**	**-**	**-**
Other current assets – restricted assets	Guarantee letters issued by bank	**$ -**	**-**	**1,069**
Other current assets – restricted assets	Accounts receivable factoring	**$ -**	**-**	**2**
Other non-current assets – restricted assets	Guarantee letters issued by bank	**$ 16,908**	**57,763**	**57,761**
Property, plant and equipment	Loan collateral	**$ 771,967**	**-**	**-**

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(9) Commitments and contingencies:

(a) For the detail of the Group's guarantee, please refer to note 13.

(b) The following are savings accounts provided by the Group to the bank in order for the bank to issue a guarantee letter to customs and Power Supply Bureau as guarantee deposits and power supply guarantee, respectively.

	September 30, 2021	December 31, 2020	September 30, 2020
Guarantee letters	$ 30,935	63,012	142,034

(c) Guarantee notes provided as part of agreements with banks to sell accounts receivable and to acquire long-term borrowings were as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Sales of accounts receivable	$ 1,691,188	1,232,245	1,650,901
Long-term borrowings	$ 3,065,260	3,135,880	3,203,871

(d) The aggregate unpaid amounts of contracts pertaining to the purchase of equipment were as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Property, plant and equipment	$ 451,858	877,391	801,612

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(12) Other:

A summary of employee benefit, depreciation, and amortization expenses by function, was as follows:

By function	For the three months ended September 30, 2021			For the three months ended September 30, 2020		
By item	**Operating cost**	**Operating expenses**	**Total**	**Operating cost**	**Operating expenses**	**Total**
Employee benefits						
Salaries	981,634	938,527	1,920,161	1,104,435	962,557	2,066,992
Labor and health insurance	32,362	47,470	79,832	36,238	33,755	69,993
Pension	59,932	41,672	101,604	47,043	31,827	78,870
Others	37,685	58,006	95,691	20,239	58,997	79,236
Depreciation	345,912	73,271	419,183	446,381	43,782	490,163
Amortization	4,355	51,582	55,937	8,275	48,255	56,530

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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By function / By item	For the nine months ended September 30, 2021			For the nine months ended September 30, 2020		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefits						
Salaries	2,809,012	2,758,723	5,567,735	2,917,396	2,593,452	5,510,848
Labor and health insurance	98,972	147,191	246,163	80,461	135,328	215,789
Pension	169,618	117,971	287,589	128,672	93,072	221,744
Others	92,504	149,158	241,662	120,558	145,436	265,994
Depreciation	1,091,276	220,199	1,311,475	1,377,147	141,565	1,518,712
Amortization	11,724	151,336	163,060	17,238	145,315	162,553

(13) Other disclosures:

(a) Information on significant transactions:

The followings were the information on significant transactions required by the Regulations for the Group:

(i) Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	PKS1	The Company	Other receivables	Y	293,440	89,403	89,403	0	Necessary to loan to other parties	-	Operating capital	-	-	-	807,941	807,941

Note 1: After the approval from the Board of Directors, the loan provided to an individual entity shall not exceed the net worth of PKS1 in the latest financial statements to its parent company, and also to subsidiaries wherein its parent owns 100%, directly and indirectly, of its voting shares. Also, the criterion for the amount available for financing is the same as that offered to an individual entity mentioned above.

Note 2: The above transactions have been eliminated during the preparation of the consolidated Financial statements.

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	PCH2	The subsidiary of Primax HK and Primax Tech.	4,061,651	285,310	278,660	6,413	-	2.06 %	10,831,070	Y	N	Y
〃	〃	Primax Electronics. (Singapore) Pte. Ltd.	Subsidiary	4,061,651	2,700,000	2,700,000	635,628	-	19.94 %	10,831,070	Y	N	N
1	Tymphany Huizhou	TYM UK	The subsidiary of TYM Acoustic HK	1,676,626	6,942	6,601	6,601	-	0.12 %	4,471,004	N	N	N

Note 1: The amount of the guarantee to a company shall not exceed 30% of the Company's net worth in the latest financial statements. The total amount of the guarantee to total company shall not exceed 80% of the Company's net worth in the latest financial statements.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Note 2: The amount of the guarantee to a company shall not exceed 30% of the Tymphany Huizhou's net worth in the latest financial statements. The total amount of the guarantee to total company shall not exceed 80% of the Tymphany Huizhou's net worth in the latest financial statements.
Note 3: The above counter-parties of guarantee and endorsement are subsidiaries included in the consolidated financial statements.

(iii) Securities held as of September 30, 2021 (excluding investment in subsidiaries, associates and joint ventures):

Company Ending balance holding securities	Security type and name	Relationship with company	Account	Ending balance Shares/Units (thousands)	Ending balance Carrying value	Ending balance Percentage of ownership (%)	Ending balance Fair value	Note
The Company	Shares:							
	Green Rich Technology Co., Ltd.	-	Financial assets at FVOCI	359	-	3.59	-	
	WK Technology Fund IV LTD.	-	〃	40	53	0.38	53	
	Changing Information Technology Inc.	-	〃	223	6,902	1.42	6,902	
	Formosoft International Inc.	-	〃	11	-	0.41	-	
	Syntronix Corp.	-	〃	7	350	0.02	350	
	Ricavision International Inc.	-	〃	917	-	2.04	-	
	Grove Ventures, L.P.	-	〃	-	139,887	2.73	139,887	
	Grove Ventures II, L.P.	-	〃	-	55,175	3.31	55,175	
					202,367			
Primax Tech.	Shares:							
	Echo. Bahn.	-	Financial assets at FVOCI	400	-	11.90	-	
	WK Global Investment III Ltd.	-	〃	181	24,542	1.32	24,542	
					24,542			

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of TWD300 million or 20% of the Company's paid-in capital:

Name of company	Security type and name	Account	counter-party	Relationship with the company	Beginning Balance Shares (thousands)	Beginning Balance Amount	Purchases Shares (thousands)	Purchases Amount	Sales Shares (thousands)	Sales Price	Sales Cost	Sales Gain (loss) on disposal	Ending Balance Shares (thousands)	Ending Balance Amount
PCQ1	Money market fund of RMB	Financial assets at FVTPL	Initial Offerings	None	-	-	-	363,150	-	363,449	363,105	299 (note 1)	-	-

Note 1: Gains on disposal include valuation and exchange differences on translation.

(v) Acquisition of individual real estate with amount exceeding the lower of TWD300 million or 20% of the Company's issued capital:

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, the previous transfer information must be disclosed: Owner	Relationship with the Company	Date of transfer	Amount	References for determining price	Purpose of acquisition and current condition	Others
The Company	Land	August 24, 2021	760,000	760,000	Non-related person.	None.	N/A	N/A	N/A	-	Note 1	For operation.	None

Note 1: Obtain an appraisal report from a professional appraiser as required by Article 9 of the Regulations Governing the Acquisition and Disposal Assets by Public Companies.

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Disposal of individual real estate with amount exceeding the lower of TWD300 million or 20% of the Company's issued capital: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of TWD100 million or 20% of the Company's issued capital:

			Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		
Name of company	Related party	Nature of relationship	Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	Note
The Company	Primax Singapore	Subsidiary	Sale	(7,131,557)	(22) %	60 days	Price agreed by both side	The same as general selling	2,781,661	28%	note 1
〃	PCH2	The subsidiary of Primax HK	Purchase	20,198,466	70 %	〃	〃	The same as general purchasing	(4,955,297)	(63)%	〃
〃	PKS1	〃	Purchase	1,550,287	5 %	〃	〃	〃	(921,393)	(12)%	〃
〃	PCQ1	〃	Purchase	6,337,511	22 %	〃	〃	〃	(1,798,465)	(23)%	〃
〃	Polaris	The subsidiary of Primax Tech.	Sale	(2,615,009)	(8) %	90 days	〃	The same as general selling	328,478	3%	〃
〃	Primax Thailand	The subsidiary of Primax Singapore.	Purchase	993,029	3 %	60 days	〃	The same as general purchasing	(160,495)	(2)%	〃
Primax Singapore	The Company	Parent	Purchase	7,131,557	98 %	〃	〃	〃	(2,781,661)	(97)%	〃
〃	PCH2	The subsidiary of Primax HK	Purchase	113,572	2 %	〃	〃	〃	(83,316)	(3)%	〃
PCH2	The Company	The parent of Primax Cayman	Sale	(20,198,466)	(89) %	〃	〃	The same as general selling	4,955,297	85%	〃
〃	Primax Thailand	The subsidiary of Primax Singapore.	Sale	(237,053)	(1) %	〃	〃	〃	150,455	3%	〃
〃	Primax Singapore	The subsidiary of Primax HK.	Sale	(113,572)	(1) %	〃	〃	〃	83,316	1%	〃
PKS1	The Company	The parent of Primax Cayman.	Sale	(1,550,287)	(100) %	〃	〃	〃	921,393	100%	〃
PCQ1	〃	〃	Sale	(6,337,511)	(78) %	〃	〃	〃	1,798,465	71%	〃
Primax Thailand	〃	The parent of Primax Singapore.	Sale	(993,029)	(99) %	〃	〃	〃	160,495	97%	〃
〃	PCH2	The subsidiary of Primax HK	Purchase	237,053	30 %	〃	〃	The same as general purchasing	(150,455)	(26)%	〃
Polaris	The Company	The parent of Primax Tech.	Purchase	2,615,009	100 %	90 days	〃	〃	(328,478)	(100)%	〃
Tymphany Huizhou	TYM Acoustic HK	Subsidiary	Sale	(533,134)	(9) %	60 days	〃	The same as general selling	402,123	21%	〃
〃	TYM HK	The subsidiary of TYM Acoustic HK	Sale	(4,467,966)	(77) %	〃	〃	〃	1,178,050	62%	〃
〃	TYM Acoustic Europe	〃	Sale	(255,279)	(4) %	〃	〃	〃	97,395	5%	〃
〃	Tymphany Dongguan	Subsidiary	Purchase	111,442	3 %	〃	〃	The same as general purchasing	(79,208)	(4)%	〃
Tymphany Dongguan	TYM HK	The subsidiary of TYM Acoustic HK	Purchase	219,134	4 %	〃	〃	〃	(56,600)	(3)%	〃
〃	〃	〃	Sale	(5,257,439)	(90) %	〃	〃	The same as general selling	843,575	74%	〃
〃	Tymphany Huizhou	Parent	Sale	(111,442)	(2) %	〃	〃	〃	79,208	7%	〃
〃	TYM Acoustic Europe	The subsidiary of TYM Acoustic HK	Sale	(248,825)	(4) %	〃	〃	〃	106,692	9%	〃

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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			Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		
Name of company	Related party	Nature of relationship	Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	Note
TYDC	TYM HK	The subsidiary of TYM Acoustic HK	Sale	(1,027,195)	(81) %	60 days	Price agreed by both side	The same as general selling	281,538	67%	note 1
〃	TYM Acoustic HK	The subsidiary of Tymphany Huizhou	Sale	(231,389)	(18) %	〃	〃	〃	136,350	33%	〃
TYM Acoustic HK	TYM Acoustic Europe	Subsidiary	Purchase	1,814,609	68 %	90 days	〃	The same as general purchasing	(471,681)	(46)%	〃
〃	Tymphany Huizhou	Parent	Purchase	533,134	20 %	60 days	〃	〃	(402,123)	(39)%	〃
〃	TYDC	The subsidiary of Tymphany Dongguan	Purchase	231,389	9 %	〃	〃	〃	(136,350)	(13)%	〃
TYM Acoustic Europe	TYM Acoustic HK	Parent	Sale	(1,814,609)	(85) %	90 days	〃	The same as general selling	471,681	89%	〃
〃	Tymphany Huizhou	The parent of TYM Acoustic HK	Purchase	255,279	15 %	60 days	〃	The same as general purchasing	(97,395)	(16)%	〃
〃	Tymphany Dongguan	The subsidiary of Tymphany Huizhou	Purchase	248,825	14 %	〃	〃	〃	(106,692)	(18)%	〃
TYM HK	Tymphany Huizhou	The parent of TYM Acoustic HK	Purchase	4,467,966	38 %	〃	〃	〃	(1,178,050)	(50)%	〃
〃	Tymphany Dongguan	The subsidiary of Tymphany Huizhou	Purchase	5,257,439	44 %	〃	〃	〃	(843,575)	(35)%	〃
〃	〃	〃	Sale	(219,134)	(2) %	〃	〃	The same as general selling	56,600	2%	〃
〃	TYDC	The subsidiary of Tymphany Dongguan	Purchase	1,027,195	9 %	〃	〃	The same as general purchasing	(281,538)	(12)%	〃
〃	TYML	Subsidiary	Sale	(114,947)	(1) %	90 days	〃	The same as general selling	-	-%	〃
〃	TYTH	The subsidiary of TYM Acoustic HK	Purchase	992,050	8 %	60 days	〃	The same as general purchasing	(38,367)	(2)%	〃
〃	〃	〃	Sale	(329,177)	(3) %	〃	〃	The same as general selling	257,815	9%	〃
〃	Specialty	Other related party	Sale	(720,510)	(6) %	〃	〃	〃	227,121	8%	
TYML	TYM HK	Parent	Purchase	114,947	100 %	90 days	〃	The same as general purchasing	-	-%	note 1
TYTH	〃	The subsidiary of TYM Acoustic HK	Purchase	329,177	44 %	60 days	〃	〃	(257,815)	(26)%	〃
〃	〃	〃	Sale	(992,050)	(100) %	〃	〃	The same as general selling	38,367	100%	〃

Note 1: Related transactions have been eliminated during the preparation of the consolidated financial statements.

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(viii) Receivables from related parties with amounts exceeding the lower of TWD100 million or 20% of the Company's paid-in capital:

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue Amount	Overdue Action taken	Amounts received in subsequent period (note 1)	Allowance for bad debts
The Company	Primax Singapore	Subsidiary	2,781,661 (note 5)	6.84	-	-	851,787	-
〃	〃	〃	42,735 (note 5)	(note 3)	-	-	30,992	-
〃	Polaris	Subsidiary of Primax Tech.	328,478 (note 5)	9.84	-	-	240,617	-
〃	PCH2	The subsidiary of Primax HK.	120,481 (note 2) (note 5)	3.48	-	-	58,364	-
〃	〃	〃	12,328 (note 5)	(note 3)	-	-	12,328	-
PCH2	The Company	The parent of Primax Cayman	4,955,297 (note 5)	4.30	-	-	1,033,639	-
〃	Tymphany Dongguan	The subsidiary of Tymphany Huizhou	100,944 (note 5)	(note 3)	-	-	27,278	-
〃	Primax Thailand	The subsidiary of Primax Singapore	150,455 (note 5)	(note 3)	-	-	34,589	-
PKS1	The Company	The parent of Primax Cayman	831,990 (note 5)	1.89	-	-	11,902	-
〃	〃	〃	89,403 (note 5)	(note 4)	-	-	89,403	-
PCQ1	〃	〃	1,798,465 (note 5)	3.67	-	-	300,515	-
Primax Thailand	〃	The parent of Primax Singapore	160,495 (note 5)	7.99	-	-	154,010	-
Tymphany Huizhou	TYM Acoustic HK	Subsidiary	402,123 (note 5)	3.37	-	-	117,040	-
〃	TYM HK	The subsidiary of TYM Acoustic HK	1,178,050 (note 5)	3.85	-	-	362,637	-
Tymphany Dongguan	〃	〃	843,575 (note 5)	3.01	-	-	657,077	-
〃	〃	〃	39,595 (note 5)	(note 3)	-	-	39,595	-
〃	TYM Acoustic Europe	〃	106,692 (note 5)	4.76	-	-	16,737	-
TYDC	TYM HK	〃	281,538 (note 5)	3.93	-	-	135,604	-
〃	TYM Acoustic HK	The subsidiary of Tymphany Huizhou	136,350 (note 5)	1.73	-	-	19,776	-
TYM Acoustic Europe	〃	Parent	471,681 (note 5)	6.36	-	-	155,193	-
TYM HK	Tymphany Dongguan	The subsidiary of Tymphany Huizhou	56,600 (note 5)	2.19	-	-	56,600	-
〃	〃	〃	3,144,915 (note 5)	(note 3)	-	-	1,476,030	-
〃	TYDC	The subsidiary of Tymphany Dongguan	6,147 (note 5)	2.43	-	-	6,147	-
〃	〃	〃	347,035 (note 5)	(note 3)	-	-	99,018	-
〃	Tymphany Huizhou	The parent of TYM Acoustic HK	330,484 (note 5)	(note 3)	-	-	406	-
〃	TYTH	The subsidiary of TYM Acoustic HK	257,815 (note 5)	2.82	-	-	-	-
〃	Specialty	Other related party	227,121	4.52	-	-	55,493	-

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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Note 1: Amounts collected as of October 22, 2021.
Note 2: The Company sells semi-finished products to its subsidiaries for processing and production. The finished products are then repurchased back by the Company and sold to the customers. The amount of semi-finished products sold in the nine months ended September 30, 2021 was $357,447, which was written off with related cost of goods sold, and not regarded as sales for the Company.
Note 3: The receivables arise from service rendering for intercompany or material purchasing on behalf of intercompany or related parties.
Note 4: The other receivable arise from intercompany loans.
Note 5: Related transactions have been eliminated during the preparation of the consolidated financial statements.

(ix) Trading in derivative instruments: Please refer to note 6(b).

(x) Business relationships and significant intercompany transactions:

				Intercompany transactions			
No	**Name of company**	**Name of counter-party**	**Nature of relationship**	**Account name**	**Amount**	**Trading terms**	**Percentage of consolidated total operating revenues or total assets**
0	The Company	Primax Singapore	Subsidiary	Sales	7,131,557	Price agreed by both sides	13.91 %
〃	〃	〃	〃	Accounts Receivable	2,781,661	60 days	5.16 %
〃	〃	〃	〃	Other Receivable	42,735	(Note 2)	0.08 %
〃	〃	PCH2	The subsidiary of Primax HK	Purchase	20,198,466	Price agreed by both sides	39.39 %
〃	〃	〃	〃	Accounts Payable	4,955,297	60 days	9.19 %
〃	〃	〃	〃	Accounts Receivable	120,481	〃	0.22 %
〃	〃	〃	〃	Other Receivable	12,328	(Note 2)	0.02 %
〃	〃	PKS1	〃	Purchase	1,550,287	Price agreed by both sides	3.02 %
〃	〃	〃	〃	Accounts Payable	831,990	60 days	1.54 %
〃	〃	〃	〃	Other payables	89,403	(Note 3)	0.17 %
〃	〃	PCQ1	〃	Purchase	6,337,511	Price agreed by both sides	12.36 %
〃	〃	〃	〃	Accounts payable	1,798,465	60 days	3.33 %
〃	〃	Polaris	The subsidiary of Primax Tech.	Sale	2,615,009	Price agreed by both sides	5.10 %
〃	〃	〃	〃	Accounts Receivable	328,478	90 days	0.61 %
〃	〃	Primax Thailand	The subsidiary of Primax Singapore	Purchase	993,029	Price agreed by both sides	1.94 %
〃	〃	〃	〃	Accounts Payable	160,495	60 days	0.30 %
1	PCH2	Tymphany Dongguan	The subsidiary of Tymphany Huizhou	Service Revenue	224,260	Price agreed by both sides	0.44 %
〃	〃	〃	〃	Other Receivable	100,944	(Note 2)	0.19 %
〃	〃	Primax Thailand	The subsidiary of Primax Singapore	Sale	237,053	Price agreed by both sides	0.46 %
〃	〃	〃	〃	Other Receivable	150,455	(Note 2)	0.28 %
〃	〃	Primax Singapore	The subsidiary of Primax HK	Sale	113,572	Price agreed by both sides	0.22 %

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No	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of consolidated total operating revenues or total assets
2	Tymphany Huizhou	TYM Acoustic HK	Subsidiary	Sale	533,134	Price agreed by both sides	1.04 %
〃	〃	〃	〃	Accounts Receivable	402,123	60 days	0.75 %
〃	〃	TYM HK	The subsidiary of TYM Acoustic HK	Sale	4,467,966	Price agreed by both sides	8.71 %
〃	〃	〃	〃	Accounts Receivable	1,178,050	60 days	2.18 %
〃	〃	〃	〃	Other Payable	330,484	(Note 2)	0.61 %
〃	〃	TYM Acoustic Europe	〃	Sale	255,279	Price agreed by both sides	0.50 %
〃	〃	Tymphany Dongguan	Subsidiary	Purchase	111,442	〃	0.22 %
3	Tymphany Dongguan	TYM HK	The subsidiary of TYM Acoustic HK	Purchase	219,134	〃	0.43 %
〃	〃	〃	〃	Accounts Payable	56,600	60 days	0.10 %
〃	〃	〃	〃	Sale	5,257,439	Price agreed by both sides	10.25 %
〃	〃	〃	〃	Accounts Receivable	843,575	60 days	1.56 %
〃	〃	〃	〃	Other Receivable	39,595	(Note 2)	0.07 %
〃	〃	〃	〃	Other payable	3,144,915	〃	5.83 %
〃	〃	TYM Acoustic Europe	〃	Sale	248,825	Price agreed by both sides	0.49 %
〃	〃	〃	〃	Accounts Receivable	106,692	60 days	0.20 %
4	TYDC	TYM HK	〃	Sale	1,027,195	Price agreed by both sides	2.00 %
〃	〃	〃	〃	Accounts Receivable	281,538	60 days	0.52 %
〃	〃	〃	〃	Accounts Payable	6,147	〃	0.01 %
〃	〃	〃	〃	Other Payable	347,035	(Note 2)	0.64 %
〃	〃	TYM Acoustic HK	The subsidiary of Tymphany Huizhou	Sale	231,389	Price agreed by both sides	0.45 %
〃	〃	〃	〃	Accounts Receivable	136,350	60 days	0.25 %
5	TYM Acoustic HK	TYM Acoustic Europe	Subsidiary	Purchase	1,814,609	Price agreed by both sides	3.54 %
〃	〃	〃	〃	Accounts Payable	471,681	90 days	0.87 %

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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No	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of consolidated total operating revenues or total assets
6	TYM HK	TYAT	The subsidiary of TYM Acoustic HK	Service Expense	531,483	Price agreed by both sides	1.04 %
〃	〃	TYML	Subsidiary	Sale	114,947	〃	0.22 %
〃	〃	TYTH	The subsidiary of TYM Acoustic HK	Sale	329,177	〃	0.64 %
〃	〃	〃	〃	Accounts receivable	257,815	60 days	0.48 %
〃	〃	〃	〃	Purchase	992,050	Price agreed by both sides	1.93 %

Note 1: Disclosure of the amounts exceeding of NT$100 million.
Note 2: The receivables arises from service rendering for intercompany or material purchasing on behalf of intercompany or related party.
Note 3: The other receivable arise from intercompany loans.
Note 4: Related transactions have been eliminated during the preparation of the consolidated financial statements.

(b) Information on investees:

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

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2021			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2021	December 31, 2020	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	Primax Cayman	Cayman Islands	Holding company	2,540,588	2,540,588	8,147,636	100.00	6,710,449	388,667	401,268	(note 3)
〃	Primax Tech.	Cayman Islands	Holding company	897,421	897,421	285,067	100.00	2,588,584	134,023	132,535	(note 3)
〃	Destiny BVI.	Virgin Island	Holding company	30,939	30,939	1,050	100.00	(7,391)	(4,467)	(4,467)	(note 3)
〃	Destiny Japan	Japan	Market development of and customer service for computer peripherals, mobile device components, and business devices	7,032	7,032	0.50	100.00	16,634	254	254	(note 3)
〃	Diamond	Cayman Islands	Holding company	3,889,798	3,889,798	129,050	100.00	5,426,336	63,662	63,066	(note 3)
〃	Gratus Tech.	USA	Market development of and customer service for computer peripherals, mobile device components, and business devices	9,330	9,330	300	100.00	12,793	753	753	(note 3)
〃	Primax AE	Cayman Islands	Holding company	1,431,540	1,431,540	48,200	100.00	420,732	(205,366)	(205,366)	(note 3)
〃	Primax Singapore	Singapore	Sale of computer peripherals and mobile device components	904,150	619,150	30,100	100.00	502,700	(137,781)	(148,313)	(note 3)
	Total			9,710,798	9,425,798			15,670,837	239,745	239,730	
Primax Singapore	Primax Thailand	Thailand	Manufacturing and sale of computer peripherals, mobile device components, and business devices	872,151	588,291	900	99.99	518,977	(137,446)	(137,446)	(note 3)
Primax Cayman	Primax HK	Hong Kong	Holding company and customer service	2,375,164	2,375,164	602,817	100.00	6,775,372	389,090	389,090	(note 3)
Primax Tech.	Polaris	USA	Sale and purchase of computer peripherals, mobile device components, and business devices	52,680	52,680	1,600	100.00	380,440	5,420	5,420	(note 3)
Diamond	TWEL	Cayman Islands	Holding company	4,083,950	4,083,950	192,251	100.00	5,514,807	119,412	64,056	(note 3)

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount: September 30, 2021	Original investment amount: December 31, 2020	Balance as of September 30, 2021: Shares (thousands)	Balance as of September 30, 2021: Percentage of ownership	Balance as of September 30, 2021: Carrying value	Net income (losses) of investee	Share of profits/losses of investee	Note
Primax AE	AIC	Cayman Islands	Holding company	1,356,995	1,356,995	30	37.00	364,480	(127,000)	(61,461)	(note 4)
Tymphany Huizhou	TYM Acoustic HK	Hong Kong	R&D, design, and sales of various speaker accessories, speakers, and their components, as well as holding business	1,592,954	1,592,954	418,090	100.00	2,379,955	102,316	102,316	(note 3)
TYM Acoustic HK	TYM HK	Hong Kong	Holding company and market development of various speaker accessories, speakers and their components, as well as customer service	76,280 (note 1)	76,280 (note 1)	144,395	100.00	1,238,064	(86,217)	(86,217)	(note 3)
〃	TYP	USA	Market development of and customer service for speakers and their components	15 (note 1)	15 (note 1)	0.50	100.00	17,257	1,855	1,855	(note 3)
〃	TYM UK	United Kingdom	R&D and design of various speaker accessories as well as speakers and their components	15,631	15,631	400	100.00	29,828	7,594	7,594	(note 3)
〃	TYM Acoustic Europe	Czech	Manufacturing, installation, and maintenance of various speaker accessories and their components	653,796	653,796	187,800	100.00	774,653	27,908	27,908	(note 3)
〃	TYAT	Taiwan	R&D and design of various speaker accessories as well as speakers and their components	48,318	48,318	5,000	100.00	72,224	(45,363)	(45,363)	(note 3)
〃	TYTH	Thailand	Manufacturing and sales of various speaker accessories, speakers, and their components	583,614	455,877	6,000	99.99	470,831	(13,254)	(13,254)	(note 3)
TYM HK	TYML	USA	Sales of various speaker accessories, speakers, and their components	6,628	6,628	200	100.00	9,764	301	301	(note 3)

Note 1: The amount is the initial investment costs from the original stockholders prior to the acquisition of the Company through Diamond.
Note 2: Related investments (except for AIC) have been eliminated during the preparation of the consolidated financial statements.
Note 3: The subsidiary of the company
Note 4: The related company of the company.

(c) Information on investment in Mainland China:

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

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2021 (note 2)	Investment flows: Outflow	Investment flows: Inflow	Accumulated outflow of investment from Taiwan as of September 30, 2021 (note 2)	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
PCH2	Manufacturing and sale of computer peripherals, mobile device components, and business devices	1,916,067	Indirect investment through Primax Cayman and Primax Tech.	1,566,806	-	-	1,529,701	397,823	100%	397,823	6,423,072	-
Destiny Beijing	R&D of computer peripherals and business devices	37,956	Indirect investment through Destiny BVI.	29,933	-	-	29,259	(4,467)	100%	(4,467)	(7,395)	-

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Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2021 (note 2)	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2021 (note 2)	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
PKS1	Production of computer peripheral products	838,982	Indirect investment through Primax Cayman	627,176	-	-	613,052	(8,297)	100%	(8,297)	786,269	-
PCQ1	Production of computer peripheral products	819,936	〃	570,160	-	-	557,320	130,033	100%	130,033	1,635,045	-
Tymphany Huizhou	Manufacturing, R&D, design, and sales of various speaker accessories, speakers, and their components	1,753,354	Indirect investment through Diamond	3,677,532	-	-	3,594,714	171,838	71.43%	122,747	3,992,166	-
Tymphany Dongguan	〃	139,330	〃	14,254	-	-	13,933	(45,487)	71.43%	(35,085)	498,336	-
TYDC	〃	85,934	〃	-	-	-	-	(73,822)	71.43%	(52,733)	96,373	-

Note 1: The above information on the exchange rate is as follows: HKD:TWD3.5794 ; USD:TWD 27.866; CNY:TWD 4.2967.
Note 2: The differences between the accumulated out flow of investments and paid in capital was derived from the currency exchange on translation, capital increase from retained earning and working capital.
Note 3: Related investments have been eliminated during the preparation of the consolidated financial statements.

(ii) Limitation on investment in Mainland China:

Name of Company	Accumulated Investment in Mainland China as of September 30, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The Company	6,749,708	7,900,917	None (note)

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

The above investment income(losses) in Mainland China, except for PCH2, was reviewed by the Company's auditors, Tymphany Huizhou, Tymphany Dongguan and TYDC were reviewed by other auditors, and other information related to subsidiaries came from financial reports prepared by the investees, not reviewed by auditors.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiaries in Mainland China, which were eliminated in the preparation of the consolidated financial statements for the nine months ended September 30, 2021, are disclosed in " Information on significant transactions", and "Business relationships and significant intercompany transactions".

(d) Major shareholders:

Shareholder's Name / Shareholding	Shares	Percentage
ALPINE ASIA INVESTMENTS LIMITED	24,751,062	5.48 %

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(14) Segment information:

For the three and nine months ended September 30, 2021 and 2020, the Group's segment information has no significant change. Please refer to note 14 of the consolidated financial statement for the year ended December 31, 2020 for the further information.

The Group's segment financial information was as follows:

	For the three months ended September 30, 2021		
	Computer Peripherals	Non-computer Peripherals	Total
Revenue			
External revenue	$ 8,408,555	9,260,357	17,668,912
Intra-group revenue	-	-	-
Total segment revenue	**$ 8,408,555**	**9,260,357**	**17,668,912**
Profit before tax from segments reported	**$ 634,228**	**234,210**	**868,438**

	For the three months ended September 30, 2020		
	Computer Peripherals	Non-computer Peripherals	Total
Revenue			
External revenue	$ 8,100,339	10,806,222	18,906,561
Intra-group revenue	-	-	-
Total segment revenue	**$ 8,100,339**	**10,806,222**	**18,906,561**
Profit before tax from segments reported	**$ 907,007**	**156,487**	**1,063,494**

	For the nine months ended September 30, 2021		
	Computer Peripherals	Non-computer Peripherals	Total
Revenue			
External revenue	$ 25,254,844	26,021,464	51,276,308
Intra-group revenue	-	-	-
Total segment revenue	**$ 25,254,844**	**26,021,464**	**51,276,308**
Profit before tax from segments reported	**$ 1,730,330**	**566,800**	**2,297,130**

	For the nine months ended September 30, 2020		
	Computer Peripherals	Non-computer Peripherals	Total
Revenue			
External revenue	$ 20,246,474	28,435,607	48,682,081
Intra-group revenue	-	-	-
Total segment revenue	**$ 20,246,474**	**28,435,607**	**48,682,081**
Profit before tax from segments reported	**$ 1,738,010**	**193,450**	**1,931,460**