

**JARLLYTEC CO., LTD. AND SUBSIDIARIES**

**Consolidated Financial Statements**

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

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

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## **Independent Auditors' Review Report**

To the Board of Directors of Jarlytec Co., Ltd.:

### **Introduction**

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

### **Scope of Review**

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

### **Basis for Qualified Conclusion**

As described in Note 4(b), the financial statements of certain non-significant subsidiaries were not reviewed by independent auditors. These financial statements reflect total assets of these subsidiaries amounted to NT\$1,233,689 thousand and NT\$762,368 thousand, constituting 16% and 11% of consolidated total assets as of June 30, 2021 and 2020, respectively, total liabilities amounted to NT\$1,062,613 thousand and NT\$428,707 thousand, constituting 27% and 15% of consolidated total liabilities as of June 30, 2021 and 2020, respectively, and total comprehensive income of these subsidiaries amounted to NT\$3,368 thousand, NT\$27,429 thousand, NT\$24,052 thousand, and NT\$16,359 thousand, constituting (10)%, 36%, 1,274% and 23% of the consolidated total comprehensive income for the three months and six months ended June 30, 2021 and 2020, respectively.

### **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 accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.

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## **Qualified Conclusion**

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain non-significant subsidiaries and investee companies been reviewed by independent accountants as described in the preceding paragraph, that we might have become aware of had it not been for the situation described above, 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 Jarllytec Co., Ltd. and its subsidiaries as of June 30, 2021 and 2020, and of its consolidated financial performance for the three months ended June 30, 2021 and 2020, and its consolidated cash flows for the six months then ended June 30, 2021 and 2020 in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

KPMG

Taipei, Taiwan (Republic of China)  
August 6, 2021

## **Notes to Readers**

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**June 30, 2021, December 31, 2020, June 30, 2020**

(Expressed in Thousands of New Taiwan Dollars)

(See accompanying notes to financial statements)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Reviewed only, not audited in accordance with Generally Auditing Standards**  
**JARLLYTEC CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**For the Three Months Ended June 30, 2021 and 2020 and for the Six months Ended June 30, 2021 and 2020**

(Expressed in Thousands of New Taiwan Dollars, except for earnings per common share)

		For the three months ended June 30,				For the six months ended June 30,			
		2021		2020		2021		2020	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Note 6(r))	\$1,797,337	100	1,376,763	100	3,325,463	100	2,359,595	100
5000	Operating costs (Note 6(e)(n))	1,544,024	86	1,096,984	80	2,790,688	84	1,934,265	82
	Net gross profit	253,313	14	279,779	20	534,775	16	425,330	18
	Operating expenses (Note 6(c)(l)(n)(s)):								
6100	Selling expenses	106,535	6	82,340	6	206,804	6	131,534	5
6200	Administrative expenses	65,871	3	72,121	5	137,712	4	135,321	6
6300	Research and development expenses	58,981	3	54,729	4	126,239	4	98,470	4
6450	Expected credit gain	362	-	4,892	-	(5,765)	-	(3,933)	-
	Total operating expenses	231,749	12	214,082	15	464,990	14	361,392	15
	Net operating income (loss)	21,564	2	65,697	5	69,785	2	63,938	3
	Non-operating income and expenses (Note 6(l)(t)):								
7010	Other income	52,789	3	123,120	9	90,411	2	146,438	6
7020	Other gains and losses, net	(46,473)	(3)	(20,242)	(2)	(41,533)	(1)	(8,343)	-
7050	Finance cost	(2,618)	-	(2,494)	-	(5,673)	-	(5,159)	-
7100	Interest income	1,984	-	2,034	-	4,537	-	(4,416)	-
	Total non-operating income and expenses	5,682	-	102,418	7	47,742	1	137,352	6
	Profit from continuing operations before tax	27,246	2	168,115	12	117,527	3	201,290	9
7950	Less: Income tax expenses (Note 6(o))	13,838	1	59,721	4	41,525	1	76,856	4
	Profit	13,408	1	108,394	8	76,002	2	124,434	5
8300	Other comprehensive income:								
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss								
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	(300)	-	-	-	(4,706)	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss	(300)	-	-	-	(4,706)	-	-	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss								
8361	Exchange differences on translation of foreign financial statements	(47,143)	(3)	(31,479)	(2)	(69,408)	(2)	(54,782)	(2)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss	(47,143)	(3)	(31,479)	(2)	(69,408)	(2)	(54,782)	(2)
8300	Other comprehensive income, net of tax	(47,443)	(3)	(31,479)	(2)	(74,114)	(2)	(54,782)	(2)
8500	Total comprehensive income	\$ (34,035)	(2)	76,915	6	1,888	-	69,652	3
	Earnings per share (NT dollars) (Note 6(q)):								
9750	Basic earnings per share	\$ 0.22		1.80		1.26		2.07	
9850	Diluted earnings per share	\$ 0.22		1.80		1.26		2.06	

(See accompanying notes to financial statements)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
Reviewed only, not audited in accordance with Generally Auditing Standards

JARLLYTEC CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the Six Months Ended June 30, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent					Other equity		
	Retained earnings					Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings			
Balance at January 1, 2020	\$ 601,214	1,334,534	303,404	-	1,718,528	(50,236)	-	3,907,444
Profit	-	-	-	-	124,434	-	-	124,434
Other comprehensive income	-	-	-	-	-	(54,782)	-	(54,782)
Total comprehensive income	-	-	-	-	124,434	(54,782)	-	69,652
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	46,469	-	(46,469)	-	-	-
Special reserve	-	-	-	50,236	(50,236)	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(150,303)	-	-	(150,303)
Balance at June 30, 2020	<u>\$ 601,214</u>	<u>1,334,534</u>	<u>349,873</u>	<u>50,236</u>	<u>1,595,954</u>	<u>(105,018)</u>	<u>-</u>	<u>3,826,793</u>
Balance at January 1, 2021	\$ 601,214	1,334,534	349,873	50,236	1,776,915	(26,973)	25,681	4,111,480
Profit	-	-	-	-	76,002	-	-	76,002
Other comprehensive income	-	-	-	-	-	(69,408)	(4,706)	(74,114)
Total comprehensive income	-	-	-	-	76,002	(69,408)	(4,706)	1,888
Appropriation and distribution of retained earnings:								
Cash dividends on ordinary shares	-	-	-	-	(150,303)	-	-	(150,303)
Balance at June 30, 2021	<u>\$ 601,214</u>	<u>1,334,534</u>	<u>349,873</u>	<u>50,236</u>	<u>1,702,614</u>	<u>(96,381)</u>	<u>20,975</u>	<u>3,963,065</u>

(See accompanying notes to financial statements)

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**Reviewed only, not audited in accordance with Generally Auditing Standards**  
**JARLLYTEC CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**  
**For the Six Months Ended June 30, 2021 and 2020**  
(Expressed in Thousands of New Taiwan Dollars)

	<b>For the six months ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities:</b>		
Profit before tax	\$ 117,527	201,290
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss)		
Depreciation expense	119,709	107,125
Amortization expense	12,603	19,722
Expected credit gain	(5,765)	(3,933)
Interest expense	5,673	5,159
Interest revenue	(4,537)	(4,416)
Dividend revenue	(12,702)	(6,433)
Loss (Gain) from disposal of property, plant and equipment	(56)	135
Net loss on financial assets or liabilities at fair value through profit or loss	295	-
<b>Total adjustments to reconcile profit (loss)</b>	<b>115,220</b>	<b>117,359</b>
<b>Changes in operating assets and liabilities:</b>		
Current financial assets at fair value through profit or loss	26,314	(9,000)
Notes receivables	(594)	(547)
Accounts receivable	(214,254)	215,337
Other receivables	5,203	16,006
Inventories	(176,265)	75,452
Prepayments	(49,097)	(4,475)
Other current assets	19,234	37,978
Notes payables	16,035	(10,181)
Accounts payable	(5,086)	(188,314)
Other payables	106,118	(46,713)
Other current liabilities	(1,520)	16,981
Net defined benefit liability	(479)	(341)
<b>Total changes in operating assets and liabilities</b>	<b>(274,391)</b>	<b>102,183</b>
<b>Total adjustments</b>	<b>159,171</b>	<b>219,542</b>
Cash inflow (outflow) generated from operations	(41,644)	420,832
Interest received	5,229	4,388
Interest paid	(4,412)	(4,836)
Income taxes paid	(46,378)	(67,167)
<b>Net cash flows provided by operating activities</b>	<b>87,205</b>	<b>353,217</b>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through profit or loss	(774,543)	(1,378,336)
Proceeds from disposal of financial assets at fair value through profit or loss	422,713	1,038,320
Acquisition of property, plant and equipment	(201,303)	(192,353)
Proceeds from disposal of property, plant and equipment	10,050	1,478
Decrease in other receivables	5,000	-
Acquisition of intangible assets	(6,926)	(1,926)
Acquisition of right-of-use asset	(40,567)	-
Decrease (increase) in prepayments for equipment	(42,163)	59,779
Increase in other non-current-assets	(3,040)	(43,153)
Dividends received	12,702	6,433
<b>Net cash flows used in investing activities</b>	<b>(618,077)</b>	<b>(509,758)</b>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term borrowings	(47,720)	169,581
Proceeds from long-term borrowings	326,034	99,063
Repayments of long-term borrowings	(351,803)	-
Payment of lease liabilities	(21,449)	(22,289)
Decrease in other non-current liabilities	(1,746)	(106)
<b>Net cash flows provided by (used in) from financing activities</b>	<b>(96,684)</b>	<b>246,249</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(47,972)</b>	<b>(39,791)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(849,938)</b>	<b>49,917</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,014,173</b>	<b>1,435,522</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 1,164,235</b>	<b>1,485,439</b>

(See accompanying notes to financial statements)



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

**Reviewed only, not audited in accordance with Generally Auditing Standards of June 30, 2021 and 2020**

**JARLLYTEC CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

**For the Six Months Ended June 30, 2021 and 2020**

(Expressed in Thousands of New Taiwan Dollars)

**(1) Company history**

Jarlllytec Co., Ltd. (the “Company”) was legally established with the approval of the Ministry of Economic Affairs (R.O.C.) on July 7, 2004, with registered address at No.13, Wugong 5th Rd., SinJhuang Dist., New Taipei City, Taiwan (R.O.C.). The Company and its subsidiaries (the “Group”) are primarily engaged in R&D, designing, manufacturing, assembly, inspection, production, and sales business of stamping parts, hinges and metal injection molding (MIM). The Group has been actively developing various hinges, which are widely applied in NB, LCD monitor, and other 3C related products and parts.

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

These consolidated financial statements were authorized for issue by the Board of Directors on August 6, 2021.

**(3) New standards, amendments and interpretations adopted**

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

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

- Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform – Phase 2”

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

- 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 IASB but not yet endorsed by the FSC

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

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

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

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

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

**JARLLYTEC CO., LTD. AND SUBSIDIARIES**  
Notes to the Consolidated Financial Statements

**(4) Summary of significant accounting policies**

(a) Statement of compliance

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

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

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

Name of Investor	Name of Subsidiary	Principal Activities	Percentage of Ownership (%)			Note
			2021.6.30	2020.12.31	2020.6.30	
The company	Great Hinge Trading Ltd. (Great Hinge)	Investments	100%	100%	100%	Note 1
The company	Smart Hinge Holdings Ltd.(Smart Hinge)	Investments	100%	100%	100%	-
The company	Jarson Precision Technology Co., Ltd. (Jarson Precision)	Powder metallurgy and other metal products manufacturing and trading business	100%	100%	100%	Note 1
The company	Jarlllytec USA L.L.C. (Jarlllytec USA)	Computer design and service	100%	100%	100%	Note 1
The company	Jarwin Investment Co., Ltd. (Jarwin Investment)	Investments	100%	100%	- %	Note 1 、 Note 3
The company	Jarlllytec Singapore Pte. Ltd. (Jarlllytec Singapore)	Computer design and service	100%	- %	- %	Note 1 、 Note 4
Great Hinge	Main Source Logistic Ltd. (Main Source)	Electronic professional equipment, tools/molds sales business	100%	100%	100%	Note 1
Great Hinge	Jarlllytec (Vietnam) Co., Ltd. (Jarlllytec Vietnam)	Production and sales business of precision hinges	100%	100%	100%	Note 1 、 Note 5
Smart Hinge	Royal Jarlly Holding Ltd. (Royal Jarlly)	Investments	100%	100%	100%	-
Royal Jarlly	Jarlly Technology (Shanghai) Co., Ltd. (Shanghai Jarlly)	Component equipment for the production and sale of materials business	100%	100%	100%	-
Royal Jarlly	Fu Qing Jarlly Electronics Co., Ltd. (Fu Qing Jarlly)	Production and sales business of precision hinges	100%	100%	100%	-
Royal Jarlly	Dong Guan Jarlly Electronics Co., Ltd. (Dong Guan Jarlly)	Production and sales business of precision hinges	100%	100%	100%	Note 1
Royal Jarlly	Kunshan Jarlly Electronics Ltd. (Kunshan Jarlly)	Production and sales business of precision hinges	100%	100%	100%	Note 1
Royal Jarlly	Jarlly Electronics Technology (Shanghai) Co., Ltd. (Jarllly Electronics Shanghai)	Production and sales business of precision hinges	100%	100%	100%	-

**JARLLYTEC CO., LTD. AND SUBSIDIARIES**  
Notes to the Consolidated Financial Statements

Name of Investor	Name of Subsidiary	Principal Activities	Percentage of Ownership (%)			Note
			2021.3.31	2020.12.31	2020.3.31	
Royal Jarlly	Xiamen Jarlly Electronics Co., Ltd. (Xiamen Jarlly)	Production and sales business of precision hinges	100%	100%	100%	Note 1
Royal Jarlly	Jarlly Technology (Chongqing) Co., Ltd. (Chongqing Jarlly)	Production and sales business of precision hinges	100%	100%	100%	-
Royal Jarlly	Jarllytec (Thailand) Co., Ltd. (Jarllytec Thailand)	Production and sales business of precision hinges	100%	100%	100%	Note 1 、 Note 2

Note 1: Insignificant subsidiary.

Note 2: The Jarllytec Thailand was listed as the Company's subsidiary in February 2020.

Note 3: Jarwin Investment was listed as the Company's subsidiary in April 2020.

Note 4: The Jarllytec Singapore was listed as the Company's subsidiary in April 2021.

Note 5: The Jarllytec Vietnam was listed as the Company's subsidiary in April 2021.

(ii) Subsidiaries excluded from the consolidated financial statements: None.

(c) Employee benefits

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

(d) Income taxes

The income tax expenses have been measured 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 effective tax rate at the time of realization or liquidation and recognized directly in equity or other comprehensive income as tax expense.

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

The preparation of the consolidated financial statements in accordance with IAS 34 "Interim Financial Reporting." and endorsed by the FSC requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2020. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2020.

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

**(6) Explanation of significant accounts**

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

(a) Cash and cash equivalents

	June 30, 2021	December 31, 2020	June 30, 2020
Cash on hand	\$ 1,201	818	770
Demand deposits	753,965	1,785,515	1,292,074
Time deposits	409,069	227,840	192,595
	<u><u>\$ 1,164,235</u></u>	<u><u>2,014,173</u></u>	<u><u>1,485,439</u></u>

Please refer to Note 6(u) for the exchange rate risk, interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial instruments

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

	June 30, 2021	December 31, 2020	June 30, 2020
Current mandatorily measured at fair value through profit or loss			
Domestic stocks	\$ 1,435	18,786	9,000
Open-ended funds	-	9,014	-
Investment products	351,830	-	340,016
	<u><u>\$ 353,265</u></u>	<u><u>27,800</u></u>	<u><u>349,016</u></u>
Non-current mandatorily measured at fair value through profit or loss			
Private offered funds	<u><u>\$ 2,633</u></u>	<u><u>2,877</u></u>	<u><u>-</u></u>

JARLLYTEC CO., LTD. AND SUBSIDIARIES  
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(ii) Financial assets at fair value through other comprehensive income

	<b>June 30, 2021</b>	<b>December 31, 2020</b>	<b>June 30, 2020</b>
Equity investments at fair value through other comprehensive income-non-current:			
Stocks unlisted on domestic market-Taiwan	\$ 67,115	71,821	46,140
Stocks unlisted on domestic market-China	<u>21,071</u>	<u>21,404</u>	<u>20,494</u>
Total	<b><u>\$ 88,186</u></b>	<b><u>93,225</u></b>	<b><u>66,634</u></b>

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

(iii) As of June 30, 2021, December 31, 2020 and June 30, 2020, the aforementioned financial assets were not pledged as collateral.

(c) Notes and accounts receivable

	<b>June 30, 2021</b>	<b>December 31, 2020</b>	<b>June 30, 2020</b>
Notes receivables	\$ 1,254	660	711
Accounts receivable	2,554,013	2,339,810	1,798,586
Less: loss allowance	<u>(2,776)</u>	<u>(8,592)</u>	<u>(7,855)</u>
	<b><u>\$ 2,552,491</u></b>	<b><u>2,331,878</u></b>	<b><u>1,791,442</u></b>

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

The loss allowance provisions were determined as follows:

	<b>June 30, 2021</b>		
	<b>Gross carrying amount</b>	<b>Weighted-averag e loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 2,398,029	0%~1%	253
1 to 30 days past due	101,401	0%~1%	619
31 to 60 days past due	51,222	0%~1%	262
61 to 90 days past due	1,611	1%~10%	140
More than 90 days past due	<u>3,004</u>	50%~100%	<u>1,502</u>
	<b><u>\$ 2,555,267</u></b>		<b><u>2,776</u></b>

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<b>December 31, 2020</b>			
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 2,275,531	0%~1%	-
1 to 30 days past due	22,870	0%~1%	-
31 to 60 days past due	26,536	0%~1%	338
61 to 90 days past due	7,681	0%~1%	402
More than 90 days past due	7,852	50%~100%	7,852
	<b><u>\$ 2,340,470</u></b>		<b><u>8,592</u></b>

  

<b>June 30, 2020</b>			
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 1,701,405	0%	-
1 to 30 days past due	59,150	0%	-
31 to 60 days past due	26,822	1%	268
61 to 90 days past due	4,377	1%	44
More than 90 days past due	7,543	100%	7,543
	<b><u>\$ 1,799,297</u></b>		<b><u>7,855</u></b>

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

	<b>For the six months ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
Balance at January 1	8,592	11,798
Impairment losses reversed	(5,765)	(3,933)
Effect of exchange rate changes	(51)	(10)
Balance at June 30	<b><u>2,776</u></b>	<b><u>7,855</u></b>

(d) Other receivables

	<b>June 30, 2021</b>	<b>December 31, 2020</b>	<b>June 30, 2020</b>
Other accounts receivable-loans	\$ -	5,000	10,000
Overpaid business tax returned	11,150	12,946	5,018
Interest receivable	586	1,278	930
Others	8,867	12,274	3,624
	<b><u>\$ 20,603</u></b>	<b><u>31,498</u></b>	<b><u>19,572</u></b>

For further credit risk information, please refer to note 6(u).

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(e) Inventories

	<b>June 30, 2021</b>	<b>December 31, 2020</b>	<b>June 30, 2020</b>
Raw materials and supplies	\$ 208,887	151,004	99,672
Work in process	166,653	105,110	89,074
Finished goods	402,507	345,668	275,217
	<b><u>\$ 778,047</u></b>	<b><u>601,782</u></b>	<b><u>463,963</u></b>

- (i) For the three months ended June 30, 2021, the amount of the loss on valuation of inventories was NT\$41,285, wherein such loss was included in cost of sales.
- (ii) For the six months ended June 30, 2021, the amount of the loss on valuation of inventories was NT\$60,740, wherein such loss was included in cost of sales.
- (iii) For the three months ended June 30, 2020, the amount of the loss on valuation of inventories was NT\$3,023, wherein such loss was included in cost of sales.
- (iv) For the six months ended June 30, 2020, the amount of the loss on valuation of inventories was NT\$29,585, wherein such loss was included in cost of sales.
- (v) As of June 30, 2021, December 31, 2020 and June 30, 2020, the inventories were not pledged as collateral.

(f) Prepayments, other current assets and others

Components of prepayments, other current and non-current assets were listed below:

	<b>June 30, 2021</b>	<b>December 31, 2020</b>	<b>June 30, 2020</b>
Prepayment for mold	\$ 53,740	25,798	24,449
Other prepayments	12,243	14,767	23,877
Input tax	3,228	440	1,261
Tax overpaid	61,661	57,458	32,301
Other financial assets	7,107	15,021	11,948
Others	18,234	18,006	11,285
Total prepayments and other current assets	<b><u>\$ 156,213</u></b>	<b><u>131,490</u></b>	<b><u>105,121</u></b>
Other deferred expenses	\$ 43,121	49,558	45,571
Refundable deposits	9,632	8,725	8,506
Prepayments for land and plant	-	-	19,300
Other financial assets	1,114	1,139	1,185
Others	1,620	2,392	2,392
Total other noncurrent assets	<b><u>\$ 55,487</u></b>	<b><u>61,814</u></b>	<b><u>76,954</u></b>

As of June 30, 2021, December 31, 2020 and June 30, 2020, other financial assets pledged as collateral for Forward Exchange Transaction and investment product were NT\$1,286, NT\$2,314 and NT\$2,353. Please refer to Note 8.



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(g) Property, plant and equipment

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

	Land	Buildings and construct ion	Machine and equipme nt	Mold equipme nt	Rental equipmen t	Other facilities	Construction in progress and testing equip	Total
Cost:								
Balance at January 1, 2021	\$ 1,057,119	519,597	1,171,787	3,618	183,708	152,272	61,304	3,149,405
Additions	-	3,219	142,178	-	-	26,975	28,931	201,303
Reclassifications	-	103,124	-	-	(99,450)	-	(3,674)	-
Disposals	-	(8,336)	(9,026)	-	-	(5,008)	-	(22,370)
Effect of exchange rate changes	(3,503)	(3,093)	(4,476)	(10)	(2,854)	(1,002)	(4,366)	(19,304)
Balance at June 30, 2021	<u>\$ 1,053,616</u>	<u>614,511</u>	<u>1,300,463</u>	<u>3,608</u>	<u>81,404</u>	<u>173,237</u>	<u>82,195</u>	<u>3,309,034</u>
Balance at January 1, 2020	\$ 1,016,281	445,126	892,526	9,540	180,686	132,135	31,131	2,707,425
Additions	-	6,039	141,766	-	-	13,083	31,465	192,353
Reclassifications	-	18,084	-	-	-	-	(18,084)	-
Disposals	-	-	(2,785)	(1,942)	-	(2,173)	-	(6,900)
Effect of exchange rate changes	-	(5,186)	(5,215)	(17)	(4,785)	(1,540)	-	(16,743)
Balance at June 30, 2020	<u>\$ 1,016,281</u>	<u>464,063</u>	<u>1,026,292</u>	<u>7,581</u>	<u>175,901</u>	<u>141,505</u>	<u>44,512</u>	<u>2,876,135</u>
Accumulated depreciation:								
Balance at January 1, 2021	\$ -	147,836	613,755	3,556	61,321	96,344	-	922,812
Depreciation	-	13,289	73,572	-	2,730	9,169	-	98,760
Reclassifications	-	34,912	-	-	(34,912)	-	-	-
Disposals	-	(1,637)	(7,086)	-	-	(3,653)	-	(12,376)
Effect of exchange rate changes	-	(1,113)	(2,029)	(9)	(952)	(680)	-	(4,783)
Balance at June 30, 2021	<u>\$ -</u>	<u>193,287</u>	<u>678,212</u>	<u>3,547</u>	<u>28,187</u>	<u>101,180</u>	<u>-</u>	<u>1,004,413</u>
Balance at January 1, 2020	\$ -	123,721	492,148	9,479	54,857	87,228	-	767,433
Depreciation	-	10,104	64,728	-	2,655	7,796	-	85,283
Disposals	-	-	(1,448)	(1,942)	-	(1,897)	-	(5,287)
Effect of exchange rate changes	-	(1,702)	(3,152)	(15)	(1,452)	(1,060)	-	(7,381)
Balance at June 30, 2020	<u>\$ -</u>	<u>132,123</u>	<u>552,276</u>	<u>7,522</u>	<u>56,060</u>	<u>92,067</u>	<u>-</u>	<u>840,048</u>
Carrying amounts								
Balance at January 1, 2021	<u>\$ 1,057,119</u>	<u>371,761</u>	<u>558,032</u>	<u>62</u>	<u>122,387</u>	<u>55,928</u>	<u>61,304</u>	<u>2,226,593</u>
Balance at June 30, 2021	<u>\$ 1,053,616</u>	<u>421,224</u>	<u>622,251</u>	<u>61</u>	<u>53,217</u>	<u>72,057</u>	<u>82,195</u>	<u>2,304,621</u>
Balance at January 1, 2020	<u>\$ 1,016,281</u>	<u>321,405</u>	<u>400,378</u>	<u>61</u>	<u>125,829</u>	<u>44,907</u>	<u>31,131</u>	<u>1,939,992</u>
Balance at June 30, 2020	<u>\$ 1,016,281</u>	<u>331,940</u>	<u>474,016</u>	<u>59</u>	<u>119,841</u>	<u>49,438</u>	<u>44,512</u>	<u>2,036,087</u>

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As of June 30, 2021, December 31, 2020 and June 30, 2020, the property, plant and equipment of the Group had been pledged as collateral for bank borrowings. Please refer to Note 8.

(h) Right-of-use assets

Information about leases for which the Group as a lessee was presented below:

	<u>Land</u>	<u>Buildings and construction</u>	<u>Other equipment</u>	<u>Total</u>
Cost:				
Balance at January 1, 2021	\$ 107,112	167,823	487	275,422
Additions	40,567	5,973	-	46,540
Effect of exchange rate changes	(1,664)	(4,414)	-	(6,078)
Balance at June 30, 2021	<u><b>\$ 146,015</b></u>	<u><b>169,382</b></u>	<u><b>487</b></u>	<u><b>315,884</b></u>
Balance at January 1, 2020	\$ 105,350	145,286	487	251,123
Additions	-	11,017	-	11,017
Effect of movements in exchange	(2,789)	(3,814)	-	(6,603)
Balance at June 30, 2020	<u><b>\$ 102,561</b></u>	<u><b>152,489</b></u>	<u><b>487</b></u>	<u><b>255,537</b></u>
Accumulated depreciation and impairment losses:				
Balance at January 1, 2021	\$ 5,637	74,749	377	80,763
Depreciation	1,402	19,453	94	20,949
Effect of exchange rate changes	(102)	(1,868)	-	(1,970)
Balance at June 30, 2021	<u><b>\$ 6,937</b></u>	<u><b>92,334</b></u>	<u><b>471</b></u>	<u><b>99,742</b></u>
Balance at January 1, 2020	\$ 2,772	34,351	189	37,312
Depreciation	1,372	20,376	94	21,842
Effect of exchange rate changes	(96)	(1,229)	-	(1,325)
Balance at June 30, 2020	<u><b>\$ 4,048</b></u>	<u><b>53,498</b></u>	<u><b>283</b></u>	<u><b>57,829</b></u>
Carrying amount:				
Balance at January 1, 2021	<u><b>\$ 101,475</b></u>	<u><b>93,074</b></u>	<u><b>110</b></u>	<u><b>194,659</b></u>
Balance at June 30, 2021	<u><b>\$ 139,078</b></u>	<u><b>77,048</b></u>	<u><b>16</b></u>	<u><b>216,142</b></u>
Balance at January 1, 2020	<u><b>\$ 102,578</b></u>	<u><b>110,935</b></u>	<u><b>298</b></u>	<u><b>213,811</b></u>
Balance at June 30, 2020	<u><b>\$ 98,513</b></u>	<u><b>98,991</b></u>	<u><b>204</b></u>	<u><b>197,708</b></u>

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(i) Intangible assets

Information about the Group's intangible assets was presented below:

	<u>Software</u>
Cost:	
Balance at January 1, 2021	\$ 100,675
Additions	6,926
Effect of exchange rate changes	<u>(497)</u>
Balance at June 30, 2021	<u><b>\$ 107,104</b></u>
Balance at January 1, 2020	\$ 96,172
Additions	1,926
Effect of exchange rate changes	<u>(774)</u>
Balance at June 30, 2020	<u><b>\$ 97,324</b></u>
Accumulated amortization and impairment losses:	
Balance at January 1, 2021	\$ 84,004
Amortization for the period	3,236
Effect of exchange rate changes	<u>(402)</u>
Balance at June 30, 2021	<u><b>\$ 86,838</b></u>
Balance at January 1, 2020	\$ 77,954
Amortization for the period	2,799
Effect of exchange rate changes	<u>(610)</u>
Balance at June 30, 2020	<u><b>\$ 80,143</b></u>
Carrying amounts :	
Balance at January 1, 2021	<u><b>\$ 16,671</b></u>
Balance at June 30, 2021	<u><b>\$ 20,266</b></u>
Balance at January 1, 2020	<u><b>\$ 18,218</b></u>
Balance at June 30, 2020	<u><b>\$ 17,181</b></u>

As of June 30, 2021, December 31, 2020 and June 30, 2020, none of the intangible assets were pledged as collateral.

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(j) Short-term borrowings

	June 30, 2021	December 31, 2020	June 30, 2020
Secured bank loans	\$ 288,160	234,238	191,681
Unsecured bank loans	48,358	150,000	70,000
Total	<u>\$ 336,518</u>	<u>384,238</u>	<u>261,681</u>
Unused short-term credit lines	<u>\$ 1,038,702</u>	<u>630,000</u>	<u>746,500</u>
Range of interest rates	<u>0.79%~2.38%</u>	<u>0.83%~2.38%</u>	<u>0.85%~2.38%</u>

Please refer to Note 8 for details of the assets pledged as collateral for bank borrowings.

(k) Long-term borrowings

The details were as follows:

	June 30, 2021			
	Currency	Interest range	Expiration	Amount
Secured bank loans	TWD	0.66%~0.91%	2024~2029	\$ 301,744
Unsecured bank loans	TWD	0.35%~0.40%	2024	317,300
Less: current portion				(158,056)
Total				<u>\$ 460,988</u>
Unused long-term credit lines				<u>\$ 939,006</u>

	December 31, 2020			
	Currency	Interest range	Expiration	Amount
Secured bank loans	TWD	0.66%~1.15%	2021~2029	\$ 404,244
Unsecured bank loans	TWD	0.35%~0.88%	2021	240,569
Less: current portion				(249,978)
Total				<u>\$ 394,835</u>
Unused long-term credit lines				<u>\$ 950,737</u>

	June 30, 2020			
	Currency	Interest range	Expiration	Amount
Secured bank loans	TWD	0.66%~0.91%	2024~2029	\$ 321,914
Unsecured bank loans	TWD	0.35%~0.40%	2024	85,705
Less: current portion				(78,503)
Total				<u>\$ 329,116</u>
Unused long-term credit lines				<u>\$ 919,181</u>

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(i) Borrowings issue and repayment

The long-term borrowings amounted to NT\$326,034 thousand and NT\$99,063 thousand for the six months ended June 30, 2021 and 2020, respectively; the repayment amounts were NT\$351,803 thousand and NT\$0.

(ii) Collaterals for bank secured borrowings

Please refer to Note 8 for details of the assets pledged as collateral for bank borrowings.

(l) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	<b>June 30, 2021</b>	<b>December 31, 2020</b>	<b>June 30, 2020</b>
Current	<u>\$ 23,743</u>	<u>26,270</u>	<u>15,838</u>
Non-current	<u>\$ 39,305</u>	<u>53,856</u>	<u>76,913</u>

For the maturity analysis, please refer to Note 6(u).

The amounts recognized in profit or loss were as follows:

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Interest on lease liabilities	<u>\$ 571</u>	<u>871</u>	<u>1,159</u>	<u>2,024</u>
Expenses relating to short-term leases	<u>\$ 3,688</u>	<u>5,780</u>	<u>7,446</u>	<u>10,208</u>

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

	For the six months ended June 30,	
	2021	2020
Total cash outflow for leases	\$ 30,054	34,521

(i) Real estate leases

The Group leases buildings for its office space, which typically run for a period of 3 years.

(ii) Other leases

The Group leases employee dormitory and other equipment, with contract terms of one to three years. These leases are short-term or leases of low-value items. Therefore, the Group has elected not to recognize its right-of-use assets and lease liabilities for these leases.

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(m) Operating lease

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date were as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Less than one year	\$ 24,144	20,822	24,559
One to two years	17,858	18,238	24,207
Two to three years	13,589	13,497	18,205
Three to four years	6,942	9,985	13,256
Four to five years	3,471	6,828	6,795
Over five years	-	-	3,397
	<u><u>\$ 66,004</u></u>	<u><u>69,370</u></u>	<u><u>90,419</u></u>

(n) Employee benefits

(i) Defined benefit plans

Given there was no significant volatility of the market or any significant reimbursement, settlement or other one-time events since prior fiscal year. As a result, pension cost in the accompanying interim consolidated financial statement was measured and disclosed in accordance with the actuarial report measured as of December 31, 2020 and 2019.

The pension costs of the defined benefit plans were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2021	2020	2021	2020
Operating costs	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Operating expenses	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

(ii) Defined contribution plans

The pension costs under the defined contribution plans were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2021	2020	2021	2020
Operating costs	<u><u>\$ 9,760</u></u>	<u><u>1,748</u></u>	<u><u>17,667</u></u>	<u><u>5,628</u></u>
Operating expenses	<u><u>\$ 3,842</u></u>	<u><u>1,777</u></u>	<u><u>7,593</u></u>	<u><u>3,962</u></u>

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(o) Income taxes

(i) The components of income tax were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2021	2020	2021	2020
Current tax expense				
Current period	\$ 13,838	59,721	41,525	76,856
Deferred tax expense				
Origination and reversal of temporary differences	-	-	-	-
	<u>\$ 13,838</u>	<u>59,721</u>	<u>41,525</u>	<u>76,856</u>

(ii) The Group's tax returns for the years through 2018 were assessed by the National Taiwan Bureau.

(p) Capital and other equity

There was no significant change for capital and other equity for the periods from for the six months ended June 30, 2021 and 2020. For the related information, please refer to Note 6(p) of the consolidated financial statements for the year ended December 31, 2020.

(i) Ordinary shares

As of June 30, 2021, December 31, 2020 and June 30, 2020, the number of authorized ordinary share each consisted were \$1,000,000. In addition, the issuance of ordinary shares each consisted of 60,121 thousand, with a par value of \$10 per share.

(ii) Capital surplus

The balances of capital surplus were as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Share capital	\$ 1,314,010	1,314,010	1,314,010
Treasury share transactions	6,195	6,195	6,195
Employee share options	14,329	14,329	14,329
	<u>\$ 1,334,534</u>	<u>1,334,534</u>	<u>1,334,534</u>

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(iii) Retained earnings

The Company's Articles of incorporation stipulate that any Company's net earnings should first be used to offset the prior years' deficits, before paying any income taxes. Then 10% of the remaining balance is to be appropriated as legal reserve, unless such legal reserve has amounted to the paid-in capital. The remainder, if any, should be set aside as special reserve in accordance with the operating requirement and the laws, together with any undistributed retained earnings that can be distributed up to 90% of the shareholder dividend after the board of directors has made the proposal of earnings distribution, wherein the distributable dividend and bonus may be paid by issuing new shares after a resolution has been adopted in the shareholders' meeting.

According to Article 240, paragraphs 5 of Company Act, the distributable dividends and bonus, in whole or in part, or the legal reserve and capital reserved, in whole or in part, which are brought in Article 241, paragraphs 1 of Company Act, may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, and in addition thereto, a report of such distribution shall be submitted to the shareholders' meeting.

Before the distribution of dividends, the Company shall first take into consideration its operating environment, industry developments, and the long-term interests of stockholders, as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the stock or cash dividends to be paid. After the above appropriations, the current and prior-period earnings that remain undistributed will be proposed for distribution by the board of directors to be approved during the meeting of the shareholders. The cash dividends shall not be more than 10% of total dividends.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing fund, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with Ruling No. 1010012865 issued by the FSC on April 6, 2012, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.



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3) Earnings distribution

The amounts of cash dividends on the appropriations of earnings for 2020 and 2019 had been approved during the board meetings on May 6, 2021 and May 6, 2020, respectively. The other appropriations of earnings for 2020 and 2019 had been resolved during the shareholders' meetings on July 7, 2021 and June 19, 2020, respectively. The details were as follows:

	2020		2019	
	Amount per share	Total Amount	Amount per share	Total Amount
Legal reserve		\$ 30,539		46,469
(Reversal) Special reserve		\$ (48,944)		50,236
Dividends distributed to ordinary shareholders				
Cash	\$ 2.50	<u>150,303</u>	2.50	<u>150,303</u>

(iv) OCI accumulated in reserves, net of tax

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2021	\$ (26,973)	25,681	(1,292)
Exchange differences on foreign operations	(69,408)	-	(69,408)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(4,706)	(4,706)
Balance at June 30, 2021	<u>\$ (96,381)</u>	<u>20,975</u>	<u>(75,406)</u>
Balance at January 1, 2020	\$ (50,236)	-	(50,236)
Exchange differences on foreign operations	(54,782)	-	(54,782)
Balance at June 30, 2020	<u>\$ (105,018)</u>	<u>-</u>	<u>(105,018)</u>

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(q) Earnings per share

	For the three months ended June 30,		For the six months ended June 30,	
	2021	2020	2021	2020
<b>Basic earnings per share</b>				
Profit attributable to ordinary shareholders of the Company	<u>\$ 13,408</u>	<u>108,394</u>	<u>76,002</u>	<u>124,434</u>
Weighted average number of ordinary shares (in thousands)	<u>60,121</u>	<u>60,121</u>	<u>60,121</u>	<u>60,121</u>
Basic earnings per share (in dollars)	<u>\$ 0.22</u>	<u>1.80</u>	<u>1.26</u>	<u>2.07</u>
<b>Diluted earnings per share</b>				
Profit attributable to ordinary shareholders of the Company	<u>\$ 13,408</u>	<u>108,394</u>	<u>76,002</u>	<u>124,434</u>
Weighted average number of ordinary shares (in thousands)	<u>60,121</u>	<u>60,121</u>	<u>60,121</u>	<u>60,121</u>
Effect of employee share bonus (in thousands)	<u>78</u>	<u>167</u>	<u>167</u>	<u>427</u>
Weighted average number of ordinary shares (diluted) (in thousands)	<u>60,199</u>	<u>60,289</u>	<u>60,288</u>	<u>60,548</u>
Diluted earnings per share (in dollars)	<u>\$ 0.22</u>	<u>1.80</u>	<u>1.26</u>	<u>2.06</u>

(r) Revenue from contracts with customers

(i) Details of revenue

	For the three months ended June 30, 2021		
	Hinge department	Fiber optic department	Total
Primary geographical markets:			
China	\$ 1,662,805	29,808	1,692,613
America	17,507	40,347	57,854
Taiwan	30,453	579	31,032
Other country	12,492	3,346	15,838
	<u>\$ 1,723,257</u>	<u>74,080</u>	<u>1,797,337</u>
Main product/service line:			
Electronic component manufacturing and sales	<u>\$ 1,723,257</u>	<u>74,080</u>	<u>1,797,337</u>
	For the three months ended June 30, 2020		
	Hinge department	Fiber optic department	Total
Primary geographical markets:			
China	\$ 1,267,910	20,706	1,288,616
America	37,503	20,933	58,436
Thailand	5,314	-	5,314
Taiwan	11,623	860	12,483
Other country	10,219	1,695	11,914
Total	<u>\$ 1,332,569</u>	<u>44,194</u>	<u>1,376,763</u>
Main product/service line:			
Electronic component manufacturing and sales	<u>\$ 1,332,569</u>	<u>44,194</u>	<u>1,376,763</u>

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For the six months ended June 30, 2021			
	Hinge department	Fiber optic department	Total
Primary geographical markets:			
China	\$ 3,066,529	52,993	3,119,522
America	38,989	77,674	116,663
Thailand	3,339	-	3,339
Taiwan	57,260	1,367	58,627
Other country	21,932	5,380	27,312
Total	<u>\$ 3,188,049</u>	<u>137,414</u>	<u>3,325,463</u>
Main product/service line:			
Electronic component manufacturing and sales	<u>\$ 3,188,049</u>	<u>137,414</u>	<u>3,325,463</u>

For the six months ended June 30, 2020			
	Hinge department	Fiber optic department	Total
Primary geographical markets:			
China	\$ 2,177,506	29,956	2,207,462
America	52,033	40,409	92,442
Thailand	11,770	-	11,770
Taiwan	28,497	1,242	29,739
Other country	14,992	3,190	18,182
Total	<u>\$ 2,284,798</u>	<u>74,797</u>	<u>2,359,595</u>
Main product/service line:			
Electronic component manufacturing and sales	<u>\$ 2,284,798</u>	<u>74,797</u>	<u>2,359,595</u>

(ii) Contract balances

	June 30, 2021	December 31, 2020	June 30, 2020
Notes receivables	\$ 1,254	660	711
Accounts receivable	2,554,013	2,339,810	1,798,586
Less: loss allowance	(2,776)	(8,592)	(7,855)
Total	<u>\$ 2,552,491</u>	<u>2,331,878</u>	<u>1,791,442</u>

For details on notes and accounts receivable and its loss allowance, please refer to note 6(c).

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(s) Remuneration to employees, and directors

The Group's Articles of incorporation, which were authorized by the board of directors but has yet to be approved by the shareholders, require that earnings shall first be offset against any deficit, then, a minimum of 2% will be distributed as employee remuneration, and a maximum of 2% will be allocated as remuneration to directors. Employees who are entitled to receive the abovementioned employee remuneration, in share or cash, include the employees of the Group's subsidiaries who meet certain specific requirements.

For the three months and six months ended June 30, 2021, the Company accrued and recognized its employee remuneration amounting to \$996 and \$5,887, respectively; as well as its remuneration to directors amounting to \$273 and \$1,472, respectively. These estimates amounts were calculated by using the Company's pre-tax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's Articles of incorporation, and expensed under operating expenses. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustments will be regarded as change in accounting estimates and will be reflected in profit or loss in the following year.

For the three months and six months ended June 30, 2020, the Company accrued and recognized its employee remuneration amounting to \$8,656 and \$10,457, respectively; as well as its remuneration to directors amounting to \$2,167 and \$2,614, respectively. These amounts were calculated by using the Company's pre-tax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's Articles of incorporation, and expensed under operating expenses. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustments will be regarded as change in accounting estimates and will be reflected in profit or loss in the following year.

For 2020 and 2019, the Company recognized its employee remuneration amounting to \$17,926 and \$45,248, respectively, and its remuneration to directors of \$4,481 and \$11,312, respectively. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distribution for 2020 and 2019. Related information is available on the Market Observation Post System website.

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(t) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Interest income from bank deposits	\$ 1,938	1,950	4,400	4,118
Other interest income	46	84	137	298
	<u>\$ 1,984</u>	<u>2,034</u>	<u>4,537</u>	<u>4,416</u>

(ii) Other income

The details of other income were as follows:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Rent income	\$ 7,711	9,726	17,638	20,429
Dividend income	7,844	1,015	12,702	6,433
Sample income	882	8,705	13,769	9,416
Mold income	1,228	2,689	4,032	4,356
Others	35,124	100,985	42,270	105,804
	<u>\$ 52,789</u>	<u>123,120</u>	<u>90,411</u>	<u>146,438</u>

(iii) Other gains and losses

The details of other gains and losses were as follows:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Losses on disposal of property, plant and equipment	\$ 325	(135)	56	(135)
Gains on financial assets at fair value through profit or loss	3,348	-	6,783	-
Compensation paid	-	563	-	(13)
Sample expenses	(4,101)	(3,615)	(7,721)	(6,321)
Mold expenses	(2,339)	(1,393)	(4,281)	(3,251)
Foreign exchange gains	(40,575)	(13,024)	(29,693)	7,015
Others	(3,131)	(2,638)	(6,677)	(5,638)
	<u>\$ (46,473)</u>	<u>(20,242)</u>	<u>(41,533)</u>	<u>(8,343)</u>

(iv) Finance costs

The details of finance costs were as follows:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Interest expense	<u>\$ 2,618</u>	<u>2,494</u>	<u>5,673</u>	<u>5,159</u>

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(u) Financial instruments

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

(i) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flow	Within six months	6-12 months	1-2 years	2-5 years	Over 5 years
<b>June 30, 2021</b>							
Non derivative financial liabilities							
Short-term borrowings	\$ 336,518	338,570	170,818	167,752	-	-	-
Notes and accounts payable	1,701,806	1,701,806	1,701,806	-	-	-	-
Other payables	853,169	853,169	853,169	-	-	-	-
Cash dividends payable	150,303	150,303	150,303	-	-	-	-
Lease liabilities	63,048	70,111	14,111	15,900	24,030	16,070	-
Long-term borrowings (current portion included)	619,044	627,086	80,810	80,563	171,987	268,455	25,271
	<b><u>\$ 3,723,888</u></b>	<b><u>3,741,045</u></b>	<b><u>2,971,017</u></b>	<b><u>264,215</u></b>	<b><u>196,017</u></b>	<b><u>284,525</u></b>	<b><u>25,271</u></b>
<b>December 31, 2020</b>							
Non derivative financial liabilities							
Short-term borrowings	\$ 384,238	384,939	384,939	-	-	-	-
Notes and accounts payable	1,690,857	1,690,857	1,690,857	-	-	-	-
Other payables	746,949	746,949	746,949	-	-	-	-
Lease liabilities	80,126	88,160	21,634	21,691	30,090	14,745	-
Long-term borrowings (current portion included)	644,813	653,812	194,536	59,010	117,495	252,272	30,499
	<b><u>\$ 3,546,983</u></b>	<b><u>3,564,717</u></b>	<b><u>3,038,915</u></b>	<b><u>80,701</u></b>	<b><u>147,585</u></b>	<b><u>267,017</u></b>	<b><u>30,499</u></b>
<b>June 30, 2020</b>							
Non derivative financial liabilities							
Short-term borrowings	\$ 261,681	261,790	261,790	-	-	-	-
Notes and accounts payable	1,103,731	1,103,731	1,103,731	-	-	-	-
Other payables	591,543	591,543	591,543	-	-	-	-
Cash dividends payable	150,303	150,303	150,303	-	-	-	-
Lease liabilities	92,751	110,877	20,997	21,042	55,139	13,699	-
Long-term borrowings (current portion included)	407,619	416,931	33,168	48,943	97,314	226,529	10,977
	<b><u>\$ 2,607,628</u></b>	<b><u>2,635,175</u></b>	<b><u>2,161,532</u></b>	<b><u>69,985</u></b>	<b><u>152,453</u></b>	<b><u>240,228</u></b>	<b><u>10,977</u></b>

The Group does not expect the cash flows included in the maturity analysis to 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:

	June 30, 2021			December 31, 2020			June 30, 2020		
	Foreign currency	Exchange rate	New Taiwan Dollars	Foreign currency	Exchange rate	New Taiwan Dollars	Foreign currency	Exchange rate	New Taiwan Dollars
<b>Financial assets</b>									
Monetary items									
USD	\$ 111,677	27.860	3,111,331	109,503	28.480	3,118,649	46,304	29.630	1,371,988
<b>Financial liabilities</b>									
Monetary items									
USD	41,930	27.860	1,168,173	31,487	28.480	896,739	10,464	29.630	310,048

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2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the conversion of the foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables, available-for-sale financial assets, loans and borrowings; and trade and other payables that are denominated in foreign currency. A strengthening (weakening) of 5% of the NTD against the USD as of the six-month periods ended June 30, 2021 and 2020 would have increased (decreased) the net profit before tax by \$97,158 and \$53,097, respectively. The analysis for the two periods was on the same basis.

3) Foreign exchange gains and loss on monetary items

Since the Group transacts in different functional currencies, the information on foreign exchange gains (losses) on monetary items is disclosed by total amount. For the three months and six months ended June 30, 2021 and 2020, the foreign exchange gain (loss) (including realized and unrealized portions) amounted to (\$40,575), (\$13,024), (\$29,693), and \$7,015, respectively.

(iii) Interest rate analysis

Please refer to the notes 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 derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to the management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased (decreased) by 1% basis points, the Group's net income would have decreased or increased by \$4,778 and \$3,347 for the six-month periods ended June 30, 2021 and 2020, assuming all other variable factors remain constant. This is mainly due to the Group's borrowing in floating variable rates and investment in variable-rate bills.

(iv) Fair value of financial instruments

1) Fair value hierarchy

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

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<b>June 30, 2021</b>					
	<b>Book value</b>	<b>Fair value</b>			
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through profit or loss	\$ 355,898	1,435	-	354,463	355,898
Financial assets at fair value through other comprehensive income	88,186	-	-	88,186	88,186
Financial assets measured at amortized cost					
Cash and cash equivalents	1,164,235	-	-	-	-
Notes and accounts receivable	2,552,491	-	-	-	-
Other receivables	20,603	-	-	-	-
Subtotal	3,737,329	-	-	-	-
Total	<b>\$ 4,181,414</b>	<b>1,435</b>	<b>-</b>	<b>442,649</b>	<b>444,084</b>
Financial liabilities at amortized cost					
Short-term borrowings	\$ 336,518	-	-	-	-
Notes and accounts payable	1,701,806	-	-	-	-
Other payables	853,169	-	-	-	-
Cash dividends payable	150,303	-	-	-	-
Lease liabilities	63,048	-	-	-	-
Long-term borrowings (current portion included)	619,044	-	-	-	-
Subtotal	3,723,888	-	-	-	-
Total	<b>\$ 3,723,888</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>December 31, 2020</b>					
	<b>Book value</b>	<b>Fair value</b>			
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through profit or loss	\$ 30,677	27,800	-	2,877	30,677
Financial assets at fair value through other comprehensive income	93,225	-	-	93,225	93,225
Financial assets measured at amortized cost					
Cash and cash equivalents	2,014,173	-	-	-	-
Notes and accounts receivable	2,331,878	-	-	-	-
Other receivables	31,498	-	-	-	-
Subtotal	4,377,549	-	-	-	-
Total	<b>\$ 4,501,451</b>	<b>27,800</b>	<b>-</b>	<b>96,102</b>	<b>123,902</b>
Financial liabilities at amortized cost					
Short-term borrowings	\$ 384,238	-	-	-	-
Notes and accounts payable	1,690,857	-	-	-	-
Other payables	746,949	-	-	-	-
Lease liabilities	80,126	-	-	-	-
Long-term borrowings (current portion included)	644,813	-	-	-	-
Subtotal	3,546,983	-	-	-	-
Total	<b>\$ 3,546,983</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



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	June 30, 2020				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss	\$ 349,016	9,000	-	340,016	349,016
Financial assets at fair value through other comprehensive income	66,634	-	-	66,634	66,634
Financial assets measured at amortized cost					
Cash and cash equivalents	1,485,439	-	-	-	-
Notes and accounts receivable	1,791,442	-	-	-	-
Other receivables	19,572	-	-	-	-
Subtotal	3,296,453	-	-	-	-
Total	<u>\$ 3,712,103</u>	<u>9,000</u>	<u>-</u>	<u>406,650</u>	<u>415,650</u>
Financial liabilities at amortized cost					
Short-term borrowings	\$ 261,681	-	-	-	-
Notes and accounts payable	1,103,731	-	-	-	-
Other payables	591,543	-	-	-	-
Cash dividends payable	150,303	-	-	-	-
Lease liabilities	92,751	-	-	-	-
Long-term borrowings (current portion included)	407,619	-	-	-	-
Subtotal	2,607,628	-	-	-	-
Total	<u>\$ 2,607,628</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

2) Valuation techniques for financial instruments measured at fair value

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. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

Measurements of fair value of financial instruments without an active market are based on fair value valuation technique, which is extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technology, including a model using observable market data at the balance sheet date.

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

The Group's financial instruments that use Level 3 inputs to measure fair value include "financial assets measured at fair value through profit or loss – debt investments" and "fair value through other comprehensive income (available-for-sale financial assets) – equity investments".

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Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income (Available-for-sale financial assets) equity investments without an active market	Net Asset Value Method	<ul style="list-style-type: none"> <li>Net asset value</li> <li>The market illiquidity discount rate (30% on June 30, 2021 and December 31, 2020, and 20% on June 30, 2020)</li> </ul>	<ul style="list-style-type: none"> <li>The market illiquidity discount were lower (higher)</li> </ul>
Financial assets at fair value through profit or loss — Investment product	Discounted Cash Flow Method	<ul style="list-style-type: none"> <li>Discount rate (2.5%~6.28% and 3.15%~3.75% on June 30, 2021 and 2020, respectively)</li> </ul>	<ul style="list-style-type: none"> <li>The discount rate were lower (higher)</li> </ul>
Financial assets at fair value through profit or loss — Private offered funds	Net Asset Value Method	<ul style="list-style-type: none"> <li>Net asset value</li> </ul>	Not applicable

4) Fair value measurement in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The fair value measurement of financial instruments by the Group is reasonable, but the use of different evaluation models or evaluation parameters may result in different evaluation results. For fair value measurements in Level 3, if the evaluation parameters change, would have the following effects of profit or loss or other comprehensive income:

	Input	Assumptions	Profit or loss		Other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
<b>June 30, 2021</b>						
Financial assets at fair value through profit or loss — Investment product	Discount rate	5%	124	(124)	-	-
Financial assets at fair value through profit or loss — Private offered funds	Net asset value	5%	132	(132)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	30%	5%	-	-	4,409	(4,409)
<b>December 31, 2020</b>						
Financial assets at fair value through profit or loss — Private offered funds	Net asset value	5%	144	(144)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	30%	5%	-	-	4,661	(4,661)
<b>June 30, 2020</b>						
Financial assets at fair value through profit or loss — Investment product	Discount rate	5%	229	(229)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	20%	5%	-	-	3,332	(3,332)

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

(v) Financial risk management

The Group's objectives and policies for managing the financial risk are consistent with those disclosed in the Note 6(v) of the consolidated financial statements for the year ended December 31, 2020.

(w) Capital management

The Group's objectives, policies and processes of capital management are the same as those disclosed in the consolidated financial statements for the year ended December 31, 2020. There were no significant changes of quantitative data of capital management compared with the consolidated financial statements for the year ended December 31, 2020. Please refer to Note 6(w) of the consolidated financial statements for the year ended December 31, 2020.

**(7) Related-party transactions**

(a) Parent company and ultimate controlling company

The Group is both the parent company and the ultimate controlling party of the Group.

(b) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended June 30,		For the six months ended June 30,	
	2021	2020	2021	2020
Short-term employee benefits	\$ 5,132	4,530	10,929	8,777
Post-employment benefits	134	111	267	223
	<u>\$ 5,266</u>	<u>4,641</u>	<u>11,196</u>	<u>9,000</u>

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**(8) Pledged assets**

The carrying values of pledged assets were as follows:

<b>Pledged assets</b>	<b>Object</b>	<b>June 30, 2021</b>	<b>December 31, 2020</b>	<b>June 30, 2020</b>
Land	Secured loans	\$ 1,016,281	1,016,281	1,016,281
Buildings	Secured loans	231,074	241,154	203,999
Bank deposits (classified as prepayments and other current assets)	Performance guarantee	-	1,000	1,000
Bank guarantee (classified as prepayments and other current assets)	Performance guarantee	172	175	168
Bank deposits (classified as other non-current assets-other)	Performance guarantee	1,141	1,139	1,185
		<u><u>\$ 1,248,641</u></u>	<u><u>1,259,749</u></u>	<u><u>1,222,633</u></u>

**(9) Commitments and contingencies**

The Group's significant contractual commitments were as follows:

	<b>June 30, 2021</b>	<b>December 31, 2020</b>	<b>June 30, 2020</b>
Acquisition of property, plant and equipment	<u><u>\$ 134,974</u></u>	<u><u>90,432</u></u>	<u><u>60,981</u></u>

**(10) Losses due to major disasters: None.**

**(11) Subsequent events: None.**

JARLLYTEC CO., LTD. AND SUBSIDIARIES  
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**(12) Other**

The employee benefits, depreciation, and amortization expenses categorized by function, were as follows:

By function By item	For the three months ended June, 30, 2021			For the three months ended June, 30, 2020		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefits						
Salaries	197,120	54,993	252,113	127,151	71,796	198,947
Labor and health insurance	10,797	5,561	16,358	6,112	4,111	10,223
Pension	9,760	3,842	13,602	1,748	1,990	3,738
Remuneration of directors	-	738	738	-	2,632	2,632
Others	11,423	3,148	14,571	7,091	2,286	9,377
Depreciation	53,477	7,533	61,010	46,721	7,442	54,163
Amortization	2,322	3,951	6,273	9,441	5,705	15,146

By function By item	For the six months ended June, 30, 2021			For the six months ended June, 30, 2020		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefits						
Salaries	400,331	144,961	545,292	229,625	136,936	366,561
Labor and health insurance	20,082	10,758	30,840	13,780	8,943	22,723
Pension	17,667	7,593	25,260	5,628	3,962	9,590
Remuneration of directors	-	2,417	2,417	-	3,559	3,559
Others	21,885	9,081	30,966	12,596	7,292	19,888
Depreciation	104,455	15,254	119,709	92,622	14,503	107,125
Amortization	4,429	8,174	12,603	10,594	9,128	19,722

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**(13) Other disclosures**

**(a) Information on significant transactions**

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” 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	Nature of financing (Note 3)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (Note 1 & 2)	Maximum limit of fund financing (Note 1 & 2)
													Item	Value		
0	The Company	Jarson Precision Technology Co., Ltd.	Other receivables	Yes	40,000	20,000	8,000 (Note 4)	2%	2	-	Operating turnover	-		-	528,408	1,585,225
0	The Company	Chian Fuh Enterprise Co., Ltd.	Other receivables	No	5,000	-	-	2%	2	-	Operating turnover	-	(Note 5)	-	528,408	1,585,225
1	Royal Jarlly Holding Ltd.	Jarlly Technology (Shanghai) Co., Ltd.	Other receivables	Yes	75,222	75,222	40,961 (Note 4)	0%	2	-	Operating turnover	-		-	1,393,973	1,393,973
2	Jarlly Technology (Shanghai) Co., Ltd.	Kunshan Jarlly Electronics Ltd.	Other receivables	Yes	17,236	-	-	2%	2	-	Operating turnover	-		-	266,579	266,579
3	Fu Qing Jarlly Electronics Co., Ltd.	Xiamen Jarlly Electronics Co., Ltd.	Other receivables	Yes	77,562	51,708	52,708 (Note 4)	2%	2	-	Operating turnover	-		-	539,077	539,077
3	Fu Qing Jarlly Electronics Co., Ltd.	Kunshan Jarlly Electronics Ltd.	Other receivables	Yes	64,635	64,635	64,635 (Note 4)	2%	2	-	Operating turnover	-		-	539,077	539,077
4	Jarlly Technology (Chongqing) Co., Ltd.	Kunshan Jarlly Electronics Ltd.	Other receivables	Yes	30,163	30,163	30,163 (Note 4)	2%	2	-	Operating turnover	-		-	173,462	173,462
4	Jarlly Technology (Chongqing) Co., Ltd.	Jarlly Technology (Shanghai) Co., Ltd.	Other receivables	Yes	86,180	43,090	43,090 (Note 4)	2%	2	-	Operating turnover	-		-	173,462	173,462

Note 1: The Company

- (a) The total amount available for financing purposes shall not exceed 40% of the Company's net worth.
- (b) The total amount for short-term financing to one entity shall not exceed one third of the Company's loanable amount or 40% of the net transaction amount in recent year, whichever is lower.
- (c) The total amount for short-term financing to one entity shall not exceed one third of the Company's loanable amount.

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**Note 2: Subsidiaries**

- (a) The total amount available for financing purposes shall not exceed 60% of the subsidiaries' net worth. The total amount for short-term financing to one entity shall not exceed one third of the subsidiaries' loanable amount or 40% of the transaction amount in recent year, whichever is lower.
- (b) For the entities that have short-term financing needs but have no business transaction with the Company, the total amount available for financing purposes shall not exceed 40% of the subsidiaries' net worth.
- (c) For short-term financing needs, the amount available for financing of each entity shall not exceed one third of the Company's loanable amount.
- (d) For those foreign subsidiaries in which the Company, directly or indirectly, owned 100% of their shares the amount available for financing shall not exceed the 60% of the Company's net worth.

**Note 3: Financing purpose**

- (a) 1 for entities the Company has business transactions with.
- (b) 2 for entities that have short-term financing needs.

**Note 4:** The transaction has been eliminated in the consolidated financial statements.

**Note 5:** Chian Fuh Enterprise Co., Ltd. provided the note payable of NT\$10,000 thousand for collateral.

**(ii) Guarantees and endorsements for other parties:**

Number	Name of guarantor and endorsements	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantee and endorsements during the period	Balance of guarantees and endorsements as of report date (Note 3)	Actual usage amount during the period	Property pledged for guarantee 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 (Note 1)	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 (Note 2)										
0	The Company	Jarll Technology (Shanghai) Co., Ltd.	2	1,321,021	334,320	222,880	111,440	-	8.44%	1,585,226	Y	N	Y
0	The Company	Jarson Precision Technology Co., Ltd.	2	1,321,021	30,000	30,000	14,000	-	0.76%	1,585,226	Y	N	N
0	The Company	Jarll Technology (Chongqing) Co., Ltd.	2	1,321,021	55,720	55,720	-	-	1.41%	1,585,226	Y	N	Y
0	The Company	Kunshan Jarll Electronics Ltd.	2	1,321,021	55,720	55,720	55,720	-	1.41%	1,585,226	Y	N	Y

**Note 1:** The total amount available for endorsement provided to others shall not exceed 40% of the Company's net worth (audited by Certified Public Accountant on June 30, 2021); and the total amount for endorsement provided to one entity shall not exceed one third of the Company's net worth.

**Note 2:** 7 forms of relationships in which corporate guarantees exist are defined as follows:

- (a) Entities have business relations with the Company.
- (b) The Company directly or indirectly holds more than 50% of voting shares of its subsidiaries.
- (c) Investees directly or indirectly own more than 50% of voting shares of the Company.
- (d) The Company directly or indirectly holds 90% of voting shares of its subsidiaries.
- (e) Entities have construction contract agreements with the Company.
- (f) The reason for The Company jointly invested in the entities is to provide proportionate endorsements.
- (g) The Company has contractual pre-sold home agreements with its related parties under the Consumer Protection Law.

**Note 3:** The transaction has been eliminated in the consolidated financial statements.

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

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	WK Technology Fund IX Ltd.	-	Non-current financial assets at fair value through other comprehensive income	4,614	67,115	4.61 %	67,115	-
Fu Qing Jarll Electronics Co., Ltd.	Fuqing Jelly Plastic Product Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	-	3,447	16.00 %	3,447	-
Fu Qing Jarll Electronics Co., Ltd.	Chongqing Jelly Plastics Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	-	4,654	18.00 %	4,654	-

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Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
Fu Qing Jarlly Electronics Co., Ltd.	Chongqing Yuli Hardware Products Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	-	2,327	18.00 %	2,327	-
Xiamen Jarlly Electronics Co., Ltd.	Xiamen Jinli Precision Hardware Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	-	4,093	19.00 %	4,093	-
Kunshan Jarlly Electronics Ltd.	Kunshan Huli Precision Hardware Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	-	6,550	19.00 %	6,550	-
Jarlly Electronics Technology (Shanghai) Co., Ltd.	Product of Fubon China (Redemption)	-	Current financial assets at fair value through profit or loss	-	51,708	- %	51,708	-
Dong Guan Jarlly Electronics Co., Ltd.	Product of DRC Bank (Redemption)	-	Current financial assets at fair value through profit or loss	-	49,554	- %	49,554	-
Dong Guan Jarlly Electronics Co., Ltd.	7-day rolling product of DRC Bank (Redemption)	-	Current financial assets at fair value through profit or loss	-	7,972	- %	7,972	-
Fu Qing Jarlly Electronics Co., Ltd.	China Bank linked structured finance products 186-day	-	Current financial assets at fair value through profit or loss	-	111,172	- %	111,172	-
Fu Qing Jarlly Electronics Co., Ltd.	Xiamen Bank structured finance products 246-day	-	Current financial assets at fair value through profit or loss	-	86,180	- %	86,180	-
Xiamen Jarlly Electronics Co., Ltd.	Product of Fubon China (Redemption)	-	Current financial assets at fair value through profit or loss	-	43,090	- %	43,090	-
Xiamen Jarlly Electronics Co., Ltd.	Product of China Construction Bank	-	Current financial assets at fair value through profit or loss	-	2,154	- %	2,154	-
Jarwin Investment Co., Ltd.	NANTEX INDUSTRY CO., LTD. Stock	-	Current financial assets at fair value through profit or loss	10	1,435	- %	1,435	-
Jarwin Investment Co., Ltd.	Treasure Cay Private Equity Fund	-	Non-current financial assets at fair value through profit or loss	1	2,633	- %	2,633	-



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

Name of company	Related party	Name of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchase/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Jarson Precision Technology Co., Ltd.	The Company	Associates	Sale	(176,696)	90.61%	150 days	-	Related parties are 150 days, third parties are ranged from 30 to 180 days.	160,352	92.48%	Note
The Company	Jarson Precision Technology Co., Ltd.	Associates	Purchase	176,696	16.73%	150 days	-	Related parties are 150 days, third parties are ranged from 30 to 180 days.	(160,352)	20.94%	Note
Dong Guan Jarlly Electronics Co., Ltd.	The Company	Associates	Sale	(124,995)	56.73%	150 days	-	Related parties are 150 days, third parties are ranged from 30 to 180 days.	81,149	47.77%	Note
The Company	Dong Guan Jarlly Electronics Co., Ltd.	Associates	Purchase	124,995	11.84%	150 days	-	Related parties are 150 days, third parties are ranged from 30 to 180 days.	(81,149)	10.60%	Note
Kunshan Jarlly Electronics Ltd.	The Company	Associates	Sale	(217,777)	32.40%	150 days	-	Related parties are 150 days, third parties are ranged from 30 to 180 days.	163,624	25.79%	Note
The Company	Kunshan Jarlly Electronics Ltd.	Associates	Purchase	217,777	20.62%	150 days	-	Related parties are 150 days, third parties are ranged from 30 to 180 days.	(163,624)	21.37%	Note
Jarlly Technology (Shanghai) Co., Ltd.	Royal Jarlly Holding Ltd.	Associates	Sale	(215,438)	37.46%	150 days	-	Related parties are 150 days, third parties are ranged from 30 to 180 days.	217,091	40.56%	Note
Royal Jarlly Holding Ltd.	Jarlly Technology (Shanghai) Co., Ltd.	Associates	Purchase	215,438	37.33%	150 days	-	Related parties are 150 days, third parties are ranged from 30 to 180 days.	(217,091)	35.26%	Note
Kunshan Jarlly Electronics Ltd.	Royal Jarlly Holding Ltd.	Associates	Sale	(279,766)	41.62%	150 days	-	Related parties are 150 days, third parties are ranged from 30 to 180 days.	329,829	51.99%	Note
Royal Jarlly Holding Ltd.	Kunshan Jarlly Electronics Ltd.	Associates	Purchase	279,766	48.48%	150 days	-	Related parties are 150 days, third parties are ranged from 30 to 180 days.	(329,829)	53.57%	Note

Note: The amount was eliminated in the consolidated financial statements.

- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Counter-party	Nature of relationship	Ending balance (Note)	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Kunshan Jarlly Electronics Ltd.	The Company	Associates	163,624	2.97	-	-	32,424	-
Jarson Precision Technology Co., Ltd.	The Company	Associates	160,352	2.16	-	-	33,291	-
Jarlly Technology (Shanghai) Co., Ltd.	Royal Jarlly Holding Ltd.	Associates	217,091	2.01	-	-	18,243	-
Kunshan Jarlly Electronics Ltd.	Royal Jarlly Holding Ltd.	Associates	329,829	2.04	-	-	34,601	-

Note: The amount was eliminated in the consolidated financial statements.

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(ix) Trading in derivative instruments: None.

(x) Business relationships and significant intercompany transactions:

Number	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	Jarson Precision	The Company	2	Sales revenue	176,696	Mark up by cost	5.31%
1	Jarson Precision	The Company	2	Accounts receivable	160,352	150 days	2.02%
2	Chongqing Jarlly	The Company	2	Sales revenue	73,355	Mark up by cost	2.21%
2	Chongqing Jarlly	The Company	2	Accounts receivable	36,134	150 days	0.46%
2	Chongqing Jarlly	Shanghai Jarlly	3	Other receivables	43,090	Follow the agreement	0.54%
2	Chongqing Jarlly	Kunshan Jarlly	3	Other receivables	30,163	Follow the agreement	0.38%
2	Chongqing Jarlly	Royal Jarlly	3	Sales revenue	82,752	Mark up by cost	2.49%
2	Chongqing Jarlly	Royal Jarlly	3	Accounts receivable	66,952	150 days	0.84%
3	Dong Guan Jarlly	The Company	2	Sales revenue	124,995	Mark up by cost	3.76%
3	Dong Guan Jarlly	The Company	2	Accounts receivable	81,149	150 days	1.02%
4	Fu Qing Jarlly	The Company	2	Sales revenue	94,728	Mark up by cost	2.85%
4	Fu Qing Jarlly	The Company	2	Accounts receivable	68,909	150 days	0.87%
4	Fu Qing Jarlly	Xiamen Jarlly	3	Other receivables	51,708	Follow the agreement	0.65%
4	Fu Qing Jarlly	Kunshan Jarlly	3	Other receivables	64,635	Follow the agreement	0.82%
5	Kunshan Jarlly	The Company	2	Sales revenue	217,777	Mark up by cost	6.55%
5	Kunshan Jarlly	The Company	2	Accounts receivable	163,624	150 days	2.06%
5	Kunshan Jarlly	Royal Jarlly	3	Sales revenue	279,766	Mark up by cost	8.41%
5	Kunshan Jarlly	Royal Jarlly	3	Accounts receivable	329,829	150 days	4.16%
6	Shanghai Jarlly	The Company	2	Sales revenue	60,208	Mark up by cost	1.81%
6	Shanghai Jarlly	The Company	2	Accounts receivable	32,123	150 days	0.40%
6	Shanghai Jarlly	Royal Jarlly	3	Sales revenue	215,438	Mark up by cost	6.48%
6	Shanghai Jarlly	Royal Jarlly	3	Accounts receivable	217,091	150 days	2.74%
7	Xiamen Jarlly	The Company	2	Sales revenue	28,626	Mark up by cost	0.86%
7	Xiamen Jarlly	The Company	2	Accounts receivable	22,716	150 days	0.29%
8	Royal Jarlly	Shanghai Jarlly	3	Other receivables	40,961	150 days	0.52%

Note 1. Number represents:

- (a) 0 represents the Company.
- (b) 1 and thereafter represent subsidiaries.

Note 2. The relationships between guarantor and guarantee are as follows:

- (a) Parent to subsidiary.
- (b) Subsidiary to parent.
- (c) Subsidiary to subsidiary.

Note 3. Disclose only operating revenue and accounts receivable; related purchase, expense, and prepayment are neglected.

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(b) Information on investees:

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

Name of investor	Name of investee	Location	Main business and products	Original investment amount		Balance as of June 30, 2021			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2021	December 31, 2020	Shares	Percentage of ownership	Carrying value			
The Company	Great Hinge Trading Ltd.	British Virgin Islands	Investments	318	318	10	100.00%	57,273	(5,353)	(5,353)	Note
The Company	Smart Hinge Holdings Ltd.	British Virgin Islands	Investments	750,588	750,588	23,434	100.00%	2,323,376	3,591	4,836	Note
The Company	Jarson Precision Technology Co., Ltd.	Republic of China	Powder metallurgy industry	134,076	134,076	11,480	100.00%	229,731	33,512	32,789	Note
The Company	JARLLY TEC USA L.L.C.	America	Computer design and service	2,959	2,959	-	100.00%	62	(1,655)	(1,655)	Note
The Company	Jarwin Investment Co., Ltd.	Republic of China	Investments	50,000	50,000	5,000	100.00%	56,818	6,985	6,985	Note
The Company	JARLLYTEC SINGAPORE PTE. LTD.	Singapore	Computer design and service	423	-	-	100.00%	347	(68)	(68)	Note
Great Hinge Trading Ltd.	Main Source Logistic Ltd.	British Virgin Islands	Electronic equipment and mold trading	318	318	10	100.00%	279	(2,940)	(2,940)	Note
Great Hinge Trading Ltd.	JARLLYTEC (VIETNAM) CO., LTD.	Vietnam	Sale and produce Precision Hinge	111,440	-	-	100.00%	91,607	33	33	Note
Smart Hinge Holdings Ltd.	Royal Jarly Holding Ltd.	Hong Kong	Investments	750,588	750,588	23,434	100.00%	2,323,290	3,592	3,592	Note
Royal Jarly Holding Ltd.	JARLLYTEC (THAILAND) CO., LTD.	Thailand	Sale and produce Precision Hinge	149,229	149,229	2,000	100.00%	134,895	1,994	1,994	Note

Note: The amount was eliminated in the consolidated financial statements.

(c) Information on overseas branches and representative offices:

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

Name of investee	Main business and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment form Taiwan as of January 1, 2021	Investment flows		Accumulated outflow of investment form Taiwan as of June 30, 2021	Net income (losses) of the investee	Percentage of ownership	Invest income (losses) (Note 2 and 3)	Book value (Note 3)	Accumulated remittance of earnings in current period
					匯出	收回						
Jarllly Technology (Shanghai) Co., Ltd.	Sale and produce special purpose material of component equipment	261,462	(2)	131,272	-	-	131,272	(24,444)	100.00%	(24,444)	444,300	-
Fu Qing Jarly Electronics Co., Ltd.	Sale and produce Precision Hinge	240,658	(2)	27,370	-	-	27,370	15,321	100.00%	15,321	898,462	-
Dong Guan Jarly Electronics Co., Ltd.	Sale and produce Precision Hinge	81,466	(2)	81,466	-	-	81,466	6,881	100.00%	6,881	113,128	15,366
Kunshan Jarly Electronics Ltd.	Sale and produce Precision Hinge	71,906	(2)	65,369	-	-	65,369	(1,356)	100.00%	(1,356)	35,199	-
Jarllly Electronics Technology (Shanghai) Co., Ltd.	Sale and produce Precision Hinge	473,450	(2)	386,330	-	-	386,330	2,160	100.00%	2,160	442,529	-
Xiamen Jarly Electronics Co., Ltd.	Sale and produce Precision Hinge	43,801	(2)	29,281	-	-	29,281	8,178	100.00%	8,178	69,152	-
Jarllly Technology (Chongqing) Co., Ltd.	Sale and produce Precision Hinge	58,890	(2)	29,500	-	-	29,500	(7,009)	100.00%	(7,009)	289,104	-

Note 1: Investments are made through one of three ways:

- (1) Direct investment from Mainland China.
- (2) Indirect investment from third-party country.
- (3) Others.

Note 2: The recognition of gain and loss on investment for partial subsidiaries based on the financial report which was assured by R.O.C. Accountant, the rest of them have not been reviewed.

Note 3: The amount was eliminated in the consolidated financial statements.

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(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of June 30, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
735,222	735,222	2,377,839

(iii) Significant transactions:

As of the six months ended of June 30, 2021, the significant inter-company directly or indirectly transactions with the subsidiary in Mainland China, which were eliminated in the preparation of financial statements, are disclosed in "Information on significant transactions".

(d) Major shareholders:

Shareholder's name	Shareholding	Shares	Percentage
Sunrise Investment Co., Ltd.		6,100,000	10.14%
Dellson Investment Co., Ltd.		3,392,000	5.64%

Note: (1) The information on major shareholders, which is provided by Taiwan Depositor & Clearing Corporation, summarized the shareholders who held over 5% of total non-physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non-physical stocks may be different from the capital stocks disclosed in the financial statement due to different calculation basis.

Note: (2) If shares are entrusted, the above information regarding such shares will be revealed by each trustor of individual trust account. The shareholders holding more than 10% of the total shares of the company should declare insider's equity according to Securities and Exchange Act. The numbers if the shares declared by the insider include the shares of the trust assets which the insiders have discretion over use. For details of the insider's equity announcement please refer to the MOPS.

**(14) Segment information**

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

For the three months ended June 30, 2021				
	Hinge department	Fiber optic department	Reconciliati on and elimination	Total
Revenue:				
Revenue from external customers	\$ 1,723,257	74,080	-	1,797,337
Intersegment revenues	-	-	-	-
Total revenue	<u>\$ 1,723,257</u>	<u>74,080</u>	<u>-</u>	<u>1,797,337</u>
Reportable segment profit or loss	<u>\$ 18,974</u>	<u>8,272</u>	<u>-</u>	<u>27,246</u>

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2020				
	Hinge department	Fiber optic department	Reconciliati on and elimination	Total
Revenue:				
Revenue from external customers	\$ 1,332,569	44,194	-	1,376,763
Intersegment revenues	-	-	-	-
Total revenue	<u>\$ 1,332,569</u>	<u>44,194</u>	<u>-</u>	<u>1,376,763</u>
Reportable segment profit or loss	<u>\$ 161,740</u>	<u>6,375</u>	<u>-</u>	<u>168,115</u>

For the six months ended June 30,				
2021				
	Hinge department	Fiber optic department	Reconciliati on and elimination	Total
Revenue:				
Revenue from external customers	\$ 3,188,049	137,414	-	3,325,463
Intersegment revenues	-	-	-	-
Total revenue	<u>\$ 3,188,049</u>	<u>137,414</u>	<u>-</u>	<u>3,325,463</u>
Reportable segment profit or loss	<u>\$ 102,334</u>	<u>15,193</u>	<u>-</u>	<u>117,527</u>

2020				
	Hinge department	Fiber optic department	Reconciliati on and elimination	Total
Revenue:				
Revenue from external customers	\$ 2,284,798	74,797	-	2,359,595
Intersegment revenues	-	-	-	-
Total revenue	<u>\$ 2,284,798</u>	<u>74,797</u>	<u>-</u>	<u>2,359,595</u>
Reportable segment profit or loss	<u>\$ 190,871</u>	<u>10,419</u>	<u>-</u>	<u>201,290</u>