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review or verification.

Advanced International Multitech Co., Ltd. and Subsidiaries
Consolidated Financial Statements and Independent Auditors' Review Report
For the Three Months Ended March 31, 2021 and 2020
(Stock Code: 8938)

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Advanced International Multitech Co., Ltd. and Subsidiaries
Quarterly Consolidated Financial Statements for the Three Months Ended March 31,
2021 and 2020 and Independent Auditors' Review Report
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Independent Auditors' Review Report

To Advanced International Multitech Co., Ltd.

Introduction

Advanced International Multitech Co., Ltd. and Subsidiaries' ("the Group" hereinafter) consolidated balance sheets ended March 31, 2021 and 2020, consolidated statements of comprehensive income, the consolidated statements of changes in equity, consolidated statements of cash flows from January 1 to March 31, 2021 and 2020, and the notes to the consolidated financial statements (including the summary of significant accounting policies) have been reviewed by the auditor. It is the management's responsibility to prepare a set of fairly presented financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 Interim Financial Reporting as endorsed by the Financial Supervisory Commission (FSC). Our responsibility is to provide a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except for matters described in the following paragraph titled "Basis for Qualified Conclusion", we conducted our reviews in compliance with Statements of Auditing Standards (SAS) No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Since a review is substantially less in scope than an audit, we might not be fully aware of all material matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basics for Qualified Conclusion

As explained in Note IV(III) and Note VI(VIII), the financial statements for the same periods of some subsidiaries that are immaterial and have been included in the consolidated financial statements, the investments accounted for using the equity method, and related information disclosed in Note XIII were not reviewed by independent auditors, which statements reflected total assets (including the investments accounted for using the equity method) of NT\$1,154,744 thousand and NT\$937,898 thousand, representing 10% of total consolidated assets of March 31, 2021 and 2020 ; total liabilities of NT\$686,785 thousand and NT\$479,652 thousand, representing 11% and 10% of total consolidated liabilities as of March 31, 2021 and 2020, respectively; and its total comprehensive income (including the share of the profit or loss of associates and joint ventures accounted for using the equity method and the share of other comprehensive income of associates and joint ventures accounted for using the equity method) of (NT\$25,644) thousand and NT\$42,453 thousand, representing (8%) and 38% of total consolidated comprehensive income for the three-month periods ended March 31, 2021 and 2020.

Qualified Conclusion

Based on our reviews, except for possible effects from financial statements of some subsidiaries that are immaterial and the investments accounted for using the equity method mentioned in the paragraph titled "Basis for Qualified Conclusion" if they were reviewed by independent auditors, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the consolidated financial position of Advanced International Multitech Co., Ltd. and its subsidiaries as of March 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 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.

PwC Taiwan

A-Shen Liao

CPA:

Chien-Chih Wu

Approval No. by the former Financial Supervisory
Commission of the Executive Yuan:

Approval No.: Jin Guan Zheng Shen Zi No. 1010015969
Financial Supervisory Commission

Approval No.: Jin Guan Zheng Shen Zi No. 1030027246

May 7, 2021

Advanced International Multitech Co., Ltd. and Subsidiaries

Consolidated Balance Sheet

As of March 31, 2021, and December 31 and March 31, 2020

(The Consolidated Balance Sheets on March 31, 2021 and 2020 Were Reviewed Only, Not Audited in Accordance with Generally Accepted Auditing Standards)

Unit: In Thousands of New Taiwan Dollars

	Assets	Notes	March 31, 2021		December 31, 2020		March 31, 2020	
			Amount	%	Amount	%	Amount	%
Current assets								
1100	Cash and cash equivalents	VI(I)	\$ 938,935	8	\$ 930,555	9	\$ 1,774,596	19
1110	Financial assets measured at FVTPL - current	VI(II)	8	-	472	-	-	-
1136	Financial assets measured at amortized cost - current	VI(III)	295,197	3	465,088	4	219,612	2
1150	Notes receivable - Net	VI(IV)	6,701	-	7,808	-	2,252	-
1170	Accounts receivable- Net	V and VI(IV)	3,939,006	34	3,152,746	29	2,071,414	23
1200	Other receivables		15,090	-	17,789	-	10,665	-
130X	Inventories	V and VI(V)	2,243,068	19	2,245,667	21	1,753,342	19
1410	Prepayments	VI(VII)	211,293	2	200,180	2	133,784	2
1470	Other current assets		14,553	-	7,988	-	12,880	-
11XX	Total current assets		<u>7,663,851</u>	<u>66</u>	<u>7,028,293</u>	<u>65</u>	<u>5,978,545</u>	<u>65</u>
Non-current assets								
1517	Financial assets measured at FVTOCI - non-current	VI(VI)	55	-	55	-	55	-
1535	Financial assets at amortized cost - non-current	VI(III)	-	-	44,649	-	428,829	5
1550	Investments accounted for using equity method	VI(VIII)	49,064	1	51,708	1	2,572	-
1600	Property, plant and equipment	VI(IX) and VIII	2,748,719	24	2,607,969	24	2,397,657	26
1755	Right-of-use assets	VI(X)	829,346	7	840,786	8	177,308	2
1780	Intangible assets	VI(XI),	9,490	-	7,533	-	11,193	-
1840	Deferred income tax assets		64,074	1	72,182	1	47,564	-
1915	Prepayments for business facilities		48,118	-	46,548	-	102,581	1
1990	Other non-current assets - Others	VIII	124,266	1	116,517	1	58,139	1
15XX	Total non-current assets		<u>3,873,132</u>	<u>34</u>	<u>3,787,947</u>	<u>35</u>	<u>3,225,898</u>	<u>35</u>
1XXX	Total assets		<u>\$ 11,536,983</u>	<u>100</u>	<u>\$ 10,816,240</u>	<u>100</u>	<u>\$ 9,204,443</u>	<u>100</u>

(Continue to next page)

Advanced International Multitech Co., Ltd. and Subsidiaries

Consolidated Balance Sheet

As of March 31, 2021, and December 31 and March 31, 2020

(The Consolidated Balance Sheets on March 31, 2021 and 2020 Were Reviewed Only, Not Audited in Accordance with Generally Accepted Auditing Standards)

Unit: In Thousands of New Taiwan Dollars

Liabilities and Equity	Notes	March 31, 2021		December 31, 2020		March 31, 2020		
		Amount	%	Amount	%	Amount	%	
Current liabilities								
2100	Short-term loans	XI(XII) and VIII	\$ 1,933,594	17	\$ 1,016,201	10	\$ 1,784,463	19
2120	Financial liabilities measured at fair value through profit and loss - current	VI(II)	7,733	-	21	-	77	-
2150	Notes payable		2,436	-	3,248	-	1,533	-
2170	Accounts payable		1,650,835	14	1,867,748	17	1,048,310	11
2200	Other payables	VI(XIII)	1,253,599	11	1,474,545	14	928,868	10
2230	Income tax liabilities		258,654	2	226,004	2	89,771	1
2280	Lease liabilities - current		61,839	1	121,022	1	36,726	1
2300	Other current liabilities	VI(XIV)(XV)(XX)and VIII	235,914	2	240,404	2	89,075	1
21XX	Total current liabilities		<u>5,404,604</u>	<u>47</u>	<u>4,949,193</u>	<u>46</u>	<u>3,978,823</u>	<u>43</u>
Non-current liabilities								
2540	Long-term loans	VI(XV) and VIII	188,705	1	212,055	2	287,240	3
2570	Deferred income tax liabilities		140,898	1	137,785	1	127,487	2
2580	Lease liabilities - non-current		545,818	5	559,583	5	111,317	1
2630	Long-term deferred income	VI(XXIII)	-	-	6,152	-	-	-
2640	Net defined benefit liability - Non-current		82,049	1	82,050	1	80,329	1
2670	Other non-current liabilities - Others		543	-	548	-	577	-
25XX	Total non-current liabilities		<u>958,013</u>	<u>8</u>	<u>998,173</u>	<u>9</u>	<u>606,950</u>	<u>7</u>
2XXX	Total liabilities		<u>6,362,617</u>	<u>55</u>	<u>5,947,366</u>	<u>55</u>	<u>4,585,773</u>	<u>50</u>
Equity								
Equity attributable to shareholders of the parent company								
Share capital								
3110	Capital of common shares	VI(XVII)	1,353,127	12	1,353,127	12	1,353,127	15
Capital surplus								
3200	Capital surplus	VI(XVIII)	781,236	6	781,236	7	781,236	8
Retained earnings								
3310	Legal reserve	VI(XIX)	861,536	8	861,536	8	799,969	9
3320	Special reserve		133,828	1	133,828	1	75,285	1
3350	Undistributed earnings		1,775,461	15	1,473,609	14	1,333,836	14
Other equity								
3400	Other equity		(148,990)	(1)	(142,996)	(1)	(133,212)	(1)
31XX	Total equity attributable to shareholders of the parent company		<u>4,756,198</u>	<u>41</u>	<u>4,460,340</u>	<u>41</u>	<u>4,210,241</u>	<u>46</u>
36XX	Non-controlling interests	IV(III)	418,168	4	408,534	4	408,429	4
3XXX	Total equity		<u>5,174,366</u>	<u>45</u>	<u>4,868,874</u>	<u>45</u>	<u>4,618,670</u>	<u>50</u>
Significant Contingent Liabilities and Unrecognized Contractual Commitments								
3X2X	Total liabilities and equity		<u>\$ 11,536,983</u>	<u>100</u>	<u>\$ 10,816,240</u>	<u>100</u>	<u>\$ 9,204,443</u>	<u>100</u>

The accompanying Notes to the Consolidated Financial Statements are an integral part of the consolidated financial statements. Please refer to them as well.

Chairman: Hsi-Chien Cheng

Manager: Hsi-Chien Cheng

Accounting Manager: Yi-Miao Kuo

Advanced International Multitech Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to March 31, 2021 and 2020

(Reviewed Only, Not Audited in Accordance with the Generally Accepted Auditing Standards in the Republic of China)

Unit: In Thousands of New Taiwan Dollars (Except for Earnings Per Share Presented in New Taiwan Dollars)

Item	Notes	January 1 to March 31, 2021		January 1 to March 31, 2020	
		Amount	%	Amount	%
4000	Operating revenue	\$ 4,006,330	100	\$ 2,684,000	100
5000	Operating costs	(3,258,602)	(81)	(2,306,646)	(86)
5900	Gross operating profit	747,728	19	377,354	14
	Operating Expenses				
6100	Selling expenses	(53,491)	(1)	(44,577)	(2)
6200	Administrative expenses	(122,478)	(3)	(110,511)	(4)
6300	Research and development expenses	(144,827)	(4)	(110,796)	(4)
6450	Expected credit impairment loss	(3,499)	-	(541)	-
6000	Total operating expenses	(324,295)	(8)	(266,425)	(10)
6500	Other income and expenses - net	21,395	-	23,459	1
6900	Operating income	444,828	11	134,388	5
	Non-operating income and expenses				
7100	Interest revenue	579	-	4,160	-
7010	Other income	6,357	-	1,107	-
7020	Other gains and losses	(45,558)	(1)	24,901	1
7050	Finance costs	(8,046)	-	(6,079)	-
7060	Share of the profit (loss) of associates and joint ventures accounted for using equity method	(347)	-	(282)	-
7000	Total non-operating income and expenses	(47,015)	(1)	23,807	1
7900	Profit before tax	397,813	10	158,195	6
7950	Income tax expense	(86,327)	(2)	(47,131)	(2)
8200	Net income	<u>\$ 311,486</u>	<u>8</u>	<u>\$ 111,064</u>	<u>4</u>
	Other comprehensive income				
	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(\$ 5,994)	-	\$ 616	-
8500	Total comprehensive income loss	<u>\$ 305,492</u>	<u>8</u>	<u>\$ 111,680</u>	<u>4</u>
	Net income (loss) attributable to:				
8610	Owners of the parent company	\$ 301,852	8	\$ 107,124	4
8620	Non-controlling interests	9,634	-	3,940	-
	Total	<u>\$ 311,486</u>	<u>8</u>	<u>\$ 111,064</u>	<u>4</u>
	Total comprehensive income (loss) attributable to:				
8710	Owners of the parent company	\$ 295,858	8	\$ 107,740	4
8720	Non-controlling interests	9,634	-	3,940	-
	Total	<u>\$ 305,492</u>	<u>8</u>	<u>\$ 111,680</u>	<u>4</u>
	Earnings per share				
9750	Basic	\$ 2.23		\$ 0.79	
9850	Diluted	\$ 2.22		\$ 0.79	

The accompanying Notes to the Consolidated Financial Statements are an integral part of the consolidated financial statements. Please refer to them as well.

Chairman: Hsi-Chien Cheng

Manager: Hsi-Chien Cheng

Accounting Manager: Yi-Miao Kuo

Advanced International Multitech Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to March 31, 2021 and 2020

(Reviewed Only, Not Audited in Accordance with the Generally Accepted Auditing Standards in the Republic of China)

Unit: In Thousands of New Taiwan Dollars

	Equity attributable to shareholders of the parent company											
	Notes	Capital surplus				Retained earnings				Exchange differences on translation of foreign financial statements	Total	Non-controlling interests
Capital of common shares		Share premium	Changes in ownership interest in subsidiaries	Others	Legal reserve	Special reserve	Undistributed earnings					
<u>January 1 to March 31, 2020</u>												
Balance as of January 1, 2020		\$ 1,353,127	\$ 739,866	\$ 16,480	\$ 24,890	\$ 799,969	\$ 75,285	\$ 1,226,712	(\$ 133,828)	\$ 4,102,501	\$ 404,489	\$ 4,506,990
Net income		-	-	-	-	-	-	107,124	-	107,124	3,940	111,064
Other comprehensive income loss		-	-	-	-	-	-	-	616	616	-	616
Total comprehensive income loss		-	-	-	-	-	-	107,124	616	107,740	3,940	111,680
Balance as of March 31, 2020		<u>\$ 1,353,127</u>	<u>\$ 739,866</u>	<u>\$ 16,480</u>	<u>\$ 24,890</u>	<u>\$ 799,969</u>	<u>\$ 75,285</u>	<u>\$ 1,333,836</u>	<u>(\$ 133,212)</u>	<u>\$ 4,210,241</u>	<u>\$ 408,429</u>	<u>\$ 4,618,670</u>
<u>January 1 to March 31, 2021</u>												
Balance at January 1, 2021		\$ 1,353,127	\$ 739,866	\$ 16,480	\$ 24,890	\$ 861,536	\$ 133,828	\$ 1,473,609	(\$ 142,996)	\$ 4,460,340	\$ 408,534	\$ 4,868,874
Net income		-	-	-	-	-	-	301,852	-	301,852	9,634	311,486
Other comprehensive income loss		-	-	-	-	-	-	-	(5,994)	(5,994)	-	(5,994)
Total comprehensive income loss		-	-	-	-	-	-	301,852	(5,994)	295,858	9,634	305,492
Balance at March 31, 2021		<u>\$ 1,353,127</u>	<u>\$ 739,866</u>	<u>\$ 16,480</u>	<u>\$ 24,890</u>	<u>\$ 861,536</u>	<u>\$ 133,828</u>	<u>\$ 1,775,461</u>	<u>(\$ 148,990)</u>	<u>\$ 4,756,198</u>	<u>\$ 418,168</u>	<u>\$ 5,174,366</u>

The accompanying Notes to the Consolidated Financial Statements are an integral part of the consolidated financial statements. Please refer to them as well.

Chairman: Hsi-Chien Cheng

Manager: Hsi-Chien Cheng

Accounting Manager: Yi-Miao Kuo

Advanced International Multitech Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to March 31, 2021 and 2020

(Reviewed Only, Not Audited in Accordance with the Generally Accepted Auditing Standards in the Republic of China)
Unit: In Thousands of New Taiwan Dollars

Notes	January 1 to March 31, 2021	January 1 to March 31, 2020
<u>Cash flows from operating activities</u>		
Profit before tax	\$ 397,813	\$ 158,195
Adjustments		
Income and expense item		
Depreciation expenses	VI(IX)(X)(XXVI) 127,857	100,148
Amortization expenses	VI(XXVI) 4,826	5,021
Expected credit impairment loss	XII(II) 3,499	541
Net losses from financial assets and liabilities measured at fair value through profit or loss	8,390	73
Interest revenue	VI(XXII) (579)	(4,160)
Interest expense	VI(XXV) 7,980	5,667
Loss (gain) on disposal and retirement of property, plant and equipment	VI(XXIV) (26)	13,082
Gains on lease modification	VI(X) -	(426)
Share of the profit (loss) of associates and joint ventures accounted for using equity method	347	282
Changes in operating assets and liabilities:		
Net changes in operating assets		
Financial assets measured at FVTPL - current	858	60
Notes receivable - Net	1,107	3,437
Accounts receivable	(801,189)	568,751
Other receivables	2,700	(792)
Inventories	(3,601)	142,390
Prepayments	(12,199)	(6,458)
Other current assets	(6,583)	(3,974)
Net changes in operating liabilities		
Financial liabilities measured at fair value through profit and loss - current	(1,047)	(46)
Notes payable	(812)	766
Accounts payable	(208,445)	(208,864)
Other payables	(169,063)	(232,549)
Other current liabilities	(4,481)	11,332
Long-term deferred income	(6,152)	-
Net defined benefit liability - Non-current	(1)	(19)
Cash provided by (used in) operating activities	(658,801)	550,925
Income tax paid	(42,229)	(27,716)
Net cash provided by (used in) operating activities	(701,030)	523,209

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Advanced International Multitech Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to March 31, 2021 and 2020

(Reviewed Only, Not Audited in Accordance with the Generally Accepted Auditing Standards in the Republic of China)
Unit: In Thousands of New Taiwan Dollars

Notes	January 1 to March 31, 2021	January 1 to March 31, 2020
<u>Cash provided by investing activities</u>		
Decrease (Increase) in financial assets at amortized cost - current	\$ 169,891	(\$ 219,612)
Decrease (Increase) in financial assets at amortized cost - non-current	44,649	(428,829)
Acquisition of property, plant and equipment	VI(XXX) (279,588)	(104,818)
Increase in prepayments for business facilities	(25,122)	(153,056)
Proceeds from disposal of property, plant and equipment	70	73
Acquisition of intangible assets	VI(XI), (2,900)	(240)
Increase in refundable deposits	(1,602)	(3,413)
Decrease in refundable deposits	-	525
Increase in other non-current assets - other	(6,596)	(21,423)
Interest received	579	9,626
Net cash used in investing activities	(100,619)	(921,167)
<u>Cash provided by financing activities</u>		
Increase in short-term loans	VI(XXXI) 3,825,602	4,481,511
Decrease in short-term loans	VI(XXXI) (2,902,877)	(3,222,954)
Repayment of the principal amount of rentals	VI(XXXI) (81,121)	(10,844)
Increase in long-term loans	VI(XXXI) -	58,360
Repayment of long-term loan	VI(XXXI) (23,350)	-
Decrease in deposits received	-	(711)
Interest paid	(5,920)	(5,667)
Net cash provided by (used in) financing activities	812,334	1,299,695
Effect of exchange rate changes on cash and cash equivalents	(2,305)	(95,907)
Increase in cash and cash equivalents for the current period	8,380	805,830
Cash and cash equivalents, beginning of the period	930,555	968,766
Cash and cash equivalents, end of the period	\$ 938,935	\$ 1,774,596

The accompanying Notes to the Consolidated Financial Statements are an integral part of the consolidated financial statements. Please refer to them as well.

Chairman: Hsi-Chien Cheng

Manager: Hsi-Chien Cheng

Accounting Manager: Yi-Miao Kuo

Advanced International Multitech Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

For the Three Months Ended March 31, 2021 and 2020

(Reviewed Only, Not Audited in Accordance with the Generally Accepted Auditing Standards in the Republic of China)

Unit: NT\$ thousands (Unless otherwise specified)

I. Company History

- (I) Established on July 20, 1987, Advanced International Multitech Co., Ltd. ("the Company" hereinafter) started operation in January 1988 under its former name as Advanced Composite Design Co., Ltd. The Company merged with its subsidiaries, namely Dian Precision Casting Co., Ltd. and Advanced International Co. Ltd., on July 1, 1998. The Company and subsidiaries ("the Group" hereinafter) are mainly engaged in manufacturing, processing, trading, import and export of carbon fiber prepackaged materials, and carbon fiber products (e.g., baseball bat, billiard stick, arrow target, golf club shaft and head, fishing tools, bicycle and accessories), as well as composite materials, namely carbon fiber fabrics, for aviation industry.
- (II) The Company's stocks have been traded on the Taipei Exchange ("TPEX" hereinafter) since December 2002.

II. Approval Date and Procedure of Financial Statements

The consolidated financial statements were released on May 7, 2021, after being approved by the Board of Directors.

III. Application of New and Amended Standards and Interpretations

- (I) Effects of the adoption of new and amended IFRSs endorsed by the Financial Supervisory Commission ("FSC")

The following table summarizes the new, revised, and amended standards and interpretations of IFRSs endorsed by the FSC that are applicable in 2021:

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective date issued by the International Accounting Standards Board (IASB)</u>
Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"	January 1, 2021
Phase II amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform"	January 1, 2021
Amendments to IFRS 16 "Covid-19-Related Rent Concessions After June 30, 2021"	April 1, 2021 (Note)

Note: The FSC allows early application on January 1, 2021.

The Group assessed the effects of adopting the aforementioned standards and interpretations and found no significant effects on the Group's financial position and financial performance.

- (II) Effects of not yet applying the newly-announced and revised IFRSs endorsed by the FSC
None.

(III) Effects of IFRSs issued by IASB but not yet endorsed by the FSC:

The following table summarizes the new, amended, revised standards and interpretation of IFRSs that have been issued by IASB but not yet endorsed by the FSC:

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective date issued by the International Accounting Standards Board (IASB)</u>
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022
Amendments to IFRS 10 and IAS 28 - Sales or Contributions of Assets between Its Associate/Joint Venture	Yet to be determined by the IASB
IFRS 17 - Insurance Contracts	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022
Amendments to IAS 37 "Onerous contract-the cost of fulfilling the contract"	January 1, 2022
Annual Improvements to IFRSs 2018-2020 Cycle	January 1, 2022

The Group assessed the effects of adopting the aforementioned standards and interpretations and found no significant effects on the Group's financial position and financial performance.

IV. Summary of Significant Accounting Policies

Among the significant accounting policies, except for the statement of compliance, basis of preparation, basis of consolidation and additions which are stated below, the rest are the same as Note IV of the consolidated financial statements for the year ended December 31, 2020. Unless otherwise specified, the policies shall be applicable to all reporting periods presented.

(I) Statement of Compliance

1. The consolidated financial statements are prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", and the FSC endorsed IAS 34 "Interim Financial Reporting".
2. The consolidated financial statements shall be read together with the consolidated financial statements for the year ended December 31, 2020.

(II) Basis of preparation

1. Except for the following significant items, these consolidated financial statements have been prepared under the historical cost convention:
 - (1) Financial assets and liabilities measured at FVTPL (including derivatives).
 - (2) Financial assets measured at FVTOCI.
 - (3) Defined benefit liability that is derived from retirement plan assets less the present value of net defined benefit obligation.

- Critical accounting estimates are required in preparing a set of financial statements in compliance with the FSC endorsed version of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations, and SIC Interpretations (collectively referred to as "IFRSs"). Management judgments are also required in the process of applying the Group's accounting policies. For items that are highly judgmental, complex, or related to significant assumptions and estimates of the consolidated financial statements, please refer to Note V.

(III) Basis of consolidation

- Principles for Preparation of Consolidated Financial Statements

The principles followed in preparing the consolidated financial statements are the same as those for the year ended December 31, 2020.

- Subsidiaries that are consolidated into the consolidated financial statements:

Investor	Subsidiary	Main Business Activities	Ownership (%)			Note
			March 31, 2021	December 31, 2020	March 31, 2020	
Advanced International Group Co., Ltd.	Advanced International (BVI) Co., Ltd.	Overseas investment	100	100	100	
Advanced International Multitech Co., Ltd.	Advanced International Multitech (VN) Corporation Ltd.	Engaged in the production and sales of various golf club shafts and heads, and golf sets.	100	100	100	Note 1
Advanced International Multitech Co., Ltd.	Launch Technologies Co., Ltd. (LTC)	Engaged in production of sports products, other plastic products and international trade	55.93	55.93	55.93	
Advanced International Multitech Co., Ltd.	Advanced International Multitech (BVI) Co., Ltd.	Overseas investment	-	-	100	Note 1 and Note 2
Advanced International Group (BVI) Co., Ltd.	Advanced Sporting Goods (Dongguan) Co., Ltd.	Engaged in production, import and export of carbon fiber prepreg materials and sports products	100	100	100	
Advanced International Multitech (BVI) Co., Ltd.	Advanced Sporting Goods (Shatian, Dongguan) Co., Ltd.	Engaged in production, import and export of carbon fiber prepreg materials and sports products	-	-	100	Note 1 and Note 3

Note 1: This subsidiary has not been reviewed by independent auditors.

Note 2: The Group has liquidated this company on December 22, 2020 and ceased to include this company in the Group's consolidated financial statements.

Note 3: The Group disposed of 100% equity interest in this company on August 24, 2020 and ceased to include this company in the Group's consolidated financial statements.

- Subsidiaries that are not consolidated into the consolidated financial statements: None.
- Different accounting and adjustments adopted by subsidiaries in the accounting period: None.

5. Significant restrictions: None.
6. Subsidiaries with material non-controlling interests to the Group:
As of March 31, 2021, December 31, 2020, and March 31, 2020, the Group's non-controlling interests totaled \$418,168, \$408,534, and \$408,429, respectively. What stated below is the information in respect of subsidiaries with material non-controlling interests:

Subsidiary	Principal place of business	Non-controlling interests					
		March 31, 2021		December 31, 2020		March 31, 2020	
		Amount	Ownership (%)	Amount	Ownership (%)	Amount	Ownership (%)
Launch Technologies Co., Ltd. (LTC)	Taiwan	\$418,168	44.07	\$408,534	44.07	\$408,429	44.07

Summary of the financial information of subsidiaries is as follows:

Balance Sheets

	Launch Technologies Co., Ltd. (LTC)		
	March 31, 2021	December 31, 2020	March 31, 2020
Current assets	\$ 738,644	\$ 732,655	\$ 830,559
Non-current assets	1,144,099	1,170,724	1,120,729
Current liabilities	(667,597)	(684,814)	(657,823)
Non-current liabilities	(266,287)	(291,565)	(366,702)
Total net assets	\$ 948,859	\$ 927,000	\$ 926,763

Statements of Comprehensive Income

	Launch Technologies Co., Ltd. (LTC)	
	January 1 to March 31, 2021	January 1 to March 31, 2020
Revenue	\$ 531,512	\$ 408,302
Profit before tax	27,638	11,176
Income tax expense	(5,779)	(2,235)
Net income	21,859	8,941
Other comprehensive income (loss) (net amount after tax)	-	-
Total comprehensive income loss	\$ 21,859	\$ 8,941

Statements of Cash Flows

	Launch Technologies Co., Ltd. (LTC)	
	January 1 to March 31, 2021	January 1 to March 31, 2020
Net cash used in operating activities	(\$ 7,958)	(\$ 21,759)
Net cash used in investing activities	(36,564)	(66,404)
Net cash provided by financing activities	15,059	340,037
Net increase (decrease) in cash and cash equivalents	(29,463)	251,874
Cash and cash equivalents, beginning of the period	64,687	10,525
Cash and cash equivalents, end of the period	\$ 35,224	\$ 262,399

(IV) Income tax

Income tax expense in the interim is computed by applying the estimated average effective tax rate in annual term to the pre-tax profit or loss in the interim, and is disclosed in accordance with the afore-mentioned policies.

V. The Primary Sources of Uncertainties in Major Accounting Judgments, Estimates, and Assumptions

When preparing the consolidated financial statement, management of the Group had determined its accounting policies based on its judgments and made accounting estimates and assumptions based on a rational expectation of future events depending on the circumstances at the balance sheet date. If there is any difference between any major accounting estimates and assumptions made and actual results, the historical experience, the impact of COVID-19 and other factors will be taken into account in order to continue assessment and adjustment. Such estimates and assumptions may result in a risk of a material adjustment to the carrying amount of assets and liabilities in the next year. Description of the uncertainties in major accounting judgments, estimates, and assumptions is as follows:

(I) Major judgments in adopting the accounting policies

None.

(II) Major Accounting Estimates and Assumptions

1. Expected credit loss of accounts receivables

A loss allowance for accounts receivables is provided based on their full lifetime expected credit losses. In measuring the expected credit losses, the Group must use its judgment to identify the factors that affect the future recoverability of the accounts receivable (e.g., customers' operation condition and historical transaction records that may affect customers' ability to pay), and consider the time value of money, and the information that is reasonable and available to prove the forecast of future economic conditions. The said judgments and factors may significantly affect the measurement of the expected credit losses.

As of March 31, 2021, the carrying amount of the Group's accounts receivable was \$3,939,006.

2. Inventory valuation

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgments and estimates. Due to the rapid technological changes, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on the balance sheet date, and writes down the cost of inventories to the net realizable value. Since the inventory valuation is estimated based on demands for products in a specific future period, it may be subject to significant changes.

As of March 31, 2021, the carrying amount of the Group's inventory was \$2,243,068.

VI. Descriptions of Major Accounting Subjects

(I) Cash and cash equivalents

	March 31, 2021	December 31, 2020	March 31, 2020
Cash on hand and revolving funds	\$ 1,610	\$ 1,407	\$ 2,840
Checking deposits and demand deposits	488,875	457,028	580,887
Cash equivalents - time deposits	248,450	158,400	176,669
Cash equivalents - repo bonds	200,000	313,720	1,014,200
	<u>\$ 938,935</u>	<u>\$ 930,555</u>	<u>\$ 1,774,596</u>

1. The Group deals with financial institutions having high credit quality. The Group also deals with various financial institutions in order that credit risks can be diversified. Therefore, the expected risk of default is pretty low.
2. No cash or its equivalents were pledged as collateral by the Group.

(II) Financial assets and liabilities measured at fair value through profit or loss (FVTPL)

Item	March 31, 2021	December 31, 2020	March 31, 2020
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Non-hedging financial derivatives	\$ 8	\$ 472	\$ -
Adjustment for valuation	-	-	-
	<u>\$ 8</u>	<u>\$ 472</u>	<u>\$ -</u>
Financial liabilities held for trading			
Non-hedging financial derivatives	\$ 7,733	\$ 21	\$ 77
Adjustment for valuation	-	-	-
	<u>\$ 7,733</u>	<u>\$ 21</u>	<u>\$ 77</u>

1. Financial assets and liabilities at FVTPL recognized in profit or loss are as follows:

	January 1 to March 31, 2021	January 1 to March 31, 2020
Financial assets mandatorily measured at fair value through profit or loss		
Non-hedging Derivatives	\$ 394	\$ -
Financial liabilities held for trading		
Non-hedging financial derivatives	(8,784)	(73)
	<u>(\$ 8,390)</u>	<u>(\$ 73)</u>

Below states the Group's engagement in transactions and contracts of financial derivatives that do not apply hedge accounting:

March 31, 2021		
Derivative financial assets	Contract amount (nominal principal)	Contract period
Current items:		
Forward foreign exchange contracts	USD 300 thousand	2021.3.25~2021.4.23
<hr/>		
Current items:		
Forward foreign exchange contracts	USD 19,350 thousand	2021.2.9~2021.5.26
<hr/>		
December 31, 2020		
Derivative financial assets	Contract amount (nominal principal)	Contract period
Current items:		
Forward foreign exchange contracts	USD 14,230 thousand	2020.11.30~2021.03.25
<hr/>		
Current items:		
Forward foreign exchange contracts	USD 1,034 thousand	2020.12.16~2021.1.29
<hr/>		
March 31, 2020		
Derivative financial liabilities	Contract amount (nominal principal)	Contract period
Current items:		
Forward foreign exchange contracts	USD 460 thousand	2020.3.11~2020.4.17

The Group entered into foreign exchange forward contracts to sell US dollars in order to hedge the risk arising from purchase and sales of goods. However, such transactions did not apply hedge accounting.

- For information on the credit risks of financial assets at FVTPL, please refer to Note XII(II).

(III) Financial assets measured at amortized cost

Item	March 31, 2021	December 31, 2020	March 31, 2020
Current items:			
Restricted bank deposits	\$ 295,197	\$ 465,088	\$ 219,612
<hr/>			
Non-current items:			
Restricted bank deposits	\$ -	\$ 44,649	\$ 428,829

- As of March 31, 2021, and December 31, 2020, and March 31, 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost was its carrying amount.

2. The Group had no financial assets at amortized cost pledged to others.
3. For information on the credit risk of financial assets measured by amortized cost, please refer to Note XII(II).

(IV) Notes receivables and accounts receivables

	March 31, 2021	December 31, 2020	March 31, 2020
Notes receivable	\$ 6,701	\$ 7,808	\$ 2,252
Accounts receivable	\$ 3,944,312	\$ 3,154,553	\$ 2,072,820
Less: Loss allowance	(5,306)	(1,807)	(1,406)
	<u>\$ 3,939,006</u>	<u>\$ 3,152,746</u>	<u>\$ 2,071,414</u>

1. Aging analysis of accounts receivable and notes receivable is stated as follows:

	March 31, 2021		December 31, 2020		March 31, 2020	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Not overdue	\$ 6,701	\$3,060,128	\$ 7,808	\$ 3,079,476	\$ 2,252	\$ 1,913,052
Overdue:						
Up to 30 days	-	751,634	-	70,712	-	155,911
31 to 90 days	-	130,900	-	4,324	-	3,571
91 to 180 days	-	1,650	-	41	-	286
	<u>\$ 6,701</u>	<u>\$3,944,312</u>	<u>\$ 7,808</u>	<u>\$ 3,154,553</u>	<u>\$ 2,252</u>	<u>\$ 2,072,820</u>

The above aging analysis is based on the number of days past due.

2. As of March 31, 2021, December 31, 2020, March 31, 2020, and January 1, 2020, the Group's accounts receivable and contracts receivable (including notes receivable) amounted to \$3,951,013, \$3,162,361, \$2,075,072, and \$2,652,129, respectively.
3. No accounts receivables or notes receivables were pledged as collateral by the Group.
4. As of March 31, 2021, December 31, 2020, and March 31, 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the notes and accounts receivable was its carrying amount.
5. For information on the credit risks of notes receivables and accounts receivables, please refer to Note XII(II).

(V) Inventories

	March 31, 2021		
	Cost	Allowance for price decline	Carrying amount
Raw materials	\$ 790,230	(\$ 33,995)	\$ 756,235
Work in progress	542,013	(2,075)	539,938
Finished goods	926,564	(24,855)	901,709
Inventory in transit	45,186	-	45,186
	<u>\$ 2,303,993</u>	<u>(\$ 60,925)</u>	<u>\$ 2,243,068</u>

	December 31, 2020		
	Cost	Allowance for price decline	
		Carrying amount	
Raw materials	\$ 782,910	(\$ 38,250)	\$ 744,660
Work in progress	476,109	(1,969)	474,140
Finished goods	985,059	(30,344)	954,715
Inventory in transit	72,152	-	72,152
	<u>\$ 2,316,230</u>	<u>(\$ 70,563)</u>	<u>\$ 2,245,667</u>

	March 31, 2020		
	Cost	Allowance for price decline	
		Carrying amount	
Raw materials	\$ 731,853	(\$ 27,594)	\$ 704,259
Work in progress	365,735	(2,289)	363,446
Finished goods	631,503	(14,920)	616,583
Inventory in transit	69,054	-	69,054
	<u>\$ 1,798,145</u>	<u>(\$ 44,803)</u>	<u>\$ 1,753,342</u>

The Group's inventory cost recognized as an expense for the current period:

	January 1 to March 31, 2021	January 1 to March 31, 2020
Cost of inventories sold	\$ 3,267,742	\$ 2,307,278
Recovery gain from price decline	(9,465)	(1,784)
Others	325	1,152
	<u>\$ 3,258,602</u>	<u>\$ 2,306,646</u>

For the three months ended March 31, 2021 and 2020, a decrease in cost of sales was recognized due to the recovery of the net realizable value of inventories contributed by the well-performed liquidation of excess stocks.

(VI) Financial assets measured at FVTOCI

Item	March 31, 2021	December 31, 2020	March 31, 2020
Non-current items:			
Unlisted stocks	\$ 55	\$ 55	\$ 55
Adjustment for valuation	-	-	-
	<u>\$ 55</u>	<u>\$ 55</u>	<u>\$ 55</u>

1. The Group elects to classify its strategic equity investments as financial assets measured at FVTOCI. The fair value of such investments as of March 31, 2021, December 31, 2020, and March 31, 2020, amounted to \$1,011, \$1,011, and \$1,014, respectively.

2. No financial asset measured at FVTOCI was pledged by The Group as collateral.

(VII) Prepayments

	March 31, 2021	December 31, 2020	March 31, 2020
Input tax	\$ 111,682	\$ 102,094	\$ 60,344
Tax overpaid retained for offsetting the future tax payable	50,070	42,232	30,374
Prepaid expense	42,662	37,008	37,794
Prepayment for purchases	6,879	18,846	5,272
	<u>\$ 211,293</u>	<u>\$ 200,180</u>	<u>\$ 133,784</u>

(VIII) Investments accounted for using equity method

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Munich Composites GmbH	\$ 45,570	\$ 48,361	\$ -
Baoji Zatech Material Co., Ltd.	3,494	3,347	2,572
	<u>\$ 49,064</u>	<u>\$ 51,708</u>	<u>\$ 2,572</u>

1. As of March 31, 2021, December 31, 2020, and March 31, 2020, the Group did not have any significant associates.
2. The carrying amount and operating results of the Group's individually insignificant associates are summarized as follows:

As of March 31, 2021, December 31, 2020, and March 31, 2020, the carrying amounts of the Group's individually insignificant associates totaled \$49,064, \$51,708, and \$2,572, respectively.

	<u>January 1 to March 31, 2021</u>	<u>January 1 to March 31, 2020</u>
Net loss for the period	(\$ 347)	(\$ 282)
Other comprehensive income (loss) (net amount after tax)	-	-
Total comprehensive income loss	<u>(\$ 347)</u>	<u>(\$ 282)</u>

3. The Group's investees accounted for using equity method for the three months ended March 31, 2021 and 2020 are obtained from the financial statements not reviewed by independent auditors for the same periods of the investees.
4. The Group holds 27.27% equity interest in Munich Composites GmbH and is the single largest shareholder of the Company. As it only holds one out of four seats of Directors, the Group has no practical ability to direct the relevant activities, and thus it is judged that it has no control but only significant influence over the Company.

(IX) Property, plant and equipment

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Land	\$ 162,544	\$ 162,544	\$ 162,544
Housing and structures	931,208	945,212	900,373
Machinery equipment	918,573	937,567	720,919
Utility equipment	134,807	141,404	144,294
Transportation equipment	2,083	1,470	848
Office equipment	25,783	27,566	25,748
Other equipment	173,979	175,061	142,342
Equipment to be inspected and construction in progress	399,742	217,145	300,589
	<u>\$ 2,748,719</u>	<u>\$ 2,607,969</u>	<u>\$ 2,397,657</u>

January 1 to March 31, 2021

Cost						
Name of assets	January 1	Additions	Disposals	Reclassifications	Net exchange differences	March 31
Land	\$ 162,544	\$ -	\$ -	\$ -	\$ -	\$ 162,544
Housing and structures	1,637,706	6,443	(14,710)	3,701	(2,605)	1,630,535
Machinery equipment	1,937,235	25,625	(61,776)	11,822	(2,757)	1,910,149
Utility equipment	331,957	215	(3,078)	61	(1,025)	328,130
Transportation equipment	4,005	760	(1,608)	-	(7)	3,150
Office equipment	77,617	1,001	(392)	-	(282)	77,944
Other equipment	422,610	10,279	(7,615)	6,761	(1,093)	430,942
Equipment to be inspected and construction in progress	217,145	184,966	-	(2,529)	160	399,742
	<u>\$ 4,790,819</u>	<u>\$ 229,289</u>	<u>(\$ 89,179)</u>	<u>\$ 19,816</u>	<u>(\$ 7,609)</u>	<u>\$ 4,943,136</u>

Accumulated depreciation and impairment

Name of assets	January 1	Depreciation expenses and impairment loss	Disposals	Reclassifications	Net exchange differences	March 31
Housing and structures	\$ 692,494	\$ 23,635	(\$ 14,693)	\$ -	(\$ 2,109)	\$ 699,327
Machinery equipment	999,668	56,096	(61,761)	-	(2,427)	991,576
Utility equipment	190,553	6,586	(3,078)	-	(738)	193,323
Transportation equipment	2,535	144	(1,608)	-	(4)	1,067
Office equipment	50,051	2,697	(392)	-	(195)	52,161
Other equipment	247,549	17,892	(7,603)	-	(875)	256,963
	<u>\$ 2,182,850</u>	<u>\$ 107,050</u>	<u>(\$ 89,135)</u>	<u>\$ -</u>	<u>(\$ 6,348)</u>	<u>\$ 2,194,417</u>
	<u>\$ 2,607,969</u>					<u>\$ 2,748,719</u>

January 1 to March 31, 2020

Cost						
Name of assets	January 1	Additions	Disposals	Reclassifications	Net exchange differences	March 31
Land	\$ 162,544	\$ -	\$ -	\$ -	\$ -	\$ 162,544
Housing and structures	1,550,681	6,480	(9,711)	6,834	(3,222)	1,551,062
Machinery equipment	1,581,219	50,019	(34,205)	69,359	(2,804)	1,663,588
Utility equipment	329,883	3,661	(17,899)	155	(1,420)	314,380
Transportation equipment	6,505	320	-	-	(22)	6,803
Office equipment	69,383	2,036	(2,453)	-	(288)	68,678
Other equipment	395,167	14,008	(23,468)	4,221	(1,413)	388,515
Equipment to be inspected and construction in progress	154,770	65,486	-	80,060	273	300,589
	<u>\$ 4,250,152</u>	<u>\$ 142,010</u>	<u>(\$ 87,736)</u>	<u>\$ 160,629</u>	<u>(\$ 8,896)</u>	<u>\$ 4,456,159</u>

Accumulated depreciation and impairment

Name of assets	January 1	Depreciation expenses and impairment loss	Disposals	Reclassifications	Net exchange differences	March 31
Housing and structures	\$ 640,908	\$ 22,446	(\$ 9,711)	\$ -	(\$ 2,954)	\$ 650,689
Machinery equipment	933,832	42,377	(30,617)	-	(2,923)	942,669
Utility equipment	173,595	6,344	(8,881)	-	(972)	170,086
Transportation equipment	5,836	141	-	-	(22)	5,955
Office equipment	43,178	2,426	(2,452)	-	(222)	42,930
Other equipment	255,351	14,816	(22,920)	-	(1,074)	246,173
	<u>\$ 2,052,700</u>	<u>\$ 88,550</u>	<u>(\$ 74,581)</u>	<u>\$ -</u>	<u>(\$ 8,167)</u>	<u>\$ 2,058,502</u>
	<u>\$ 2,197,452</u>					<u>\$ 2,397,657</u>

1. Capitalized amount and interest range of borrowing costs attributable to property, plant and equipment:

	<u>January 1 to March 31, 2021</u>	<u>January 1 to March 31, 2020</u>
Capitalization amounts	\$ 231	\$ 513
Range of capitalized interest rate	0.467%~1.145%	0.92%~1.395%

2. Significant components of the Group's buildings and structures include buildings and air conditioning engineering works, which are respectively depreciated over the periods of 41~ 56 years and 3~21 years.
3. For the information about property, plant and equipment pledged as collateral, please see Note VIII for details.

(X) Lease transaction - lessee

1. The Group's leased underlying assets comprise lands and buildings, of which the lease term is usually between 2 years to 50 years. Lease contracts are individually negotiated and include various terms and conditions that impose no other restrictions except that the leased assets shall not be collateralized against any borrowings, nor shall they be subleased, co-leased, lent out for others' use, nor the right of lease be transferred to others.
2. Below is the carrying amounts of right-of-use assets and their recognized depreciation expenses:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 780,507	\$ 787,285	\$ 118,873
Housing and structures	48,839	53,501	58,435
	<u>\$ 829,346</u>	<u>\$ 840,786</u>	<u>\$ 177,308</u>

	<u>January 1 to March 31, 2021</u>	<u>January 1 to March 31, 2020</u>
	<u>Depreciation expenses</u>	<u>Depreciation expenses</u>
Land	\$ 7,604	\$ 1,888
Housing and structures	13,203	9,710
	<u>\$ 20,807</u>	<u>\$ 11,598</u>

3. Additions to the Group's right-of-use assets for the three months ended March 31, 2021 and 2020 amounted to \$8,783 and \$23,117, respectively.
4. Profit or loss items in connection with lease contracts are stated as follows:

	<u>January 1 to March 31, 2021</u>	<u>January 1 to March 31, 2020</u>
<u>Items that affect current profit or loss</u>		
Interest expense on lease liability	\$ 2,237	\$ 1,342
Expense on leases of low-value assets	6,669	4,067
Gains on lease modification	-	426

5. The cash outflow used in the Group's leases for the three months ended March 31, 2021 and 2020 totaled \$90,027 and \$16,253, respectively.
6. The option to extend a lease and the option to terminate a lease
 - (1) Contracts of which the underlying assets are types of land, buildings and structures contain a lease extension option exercisable by the Group.
 - (2) The Group determines the lease term by taking into consideration all relevant facts and circumstances that create an economic incentive for the Group to exercise the extension option. The lease term is reassessed if there occurs significant events that affect the assessment as to whether the Company would exercise the option to extend the lease or would not exercise the option to terminate the lease.

(XI) Intangible assets

	<u>Computer software</u>
January 1, 2021	
Cost	\$ 19,829
Accumulated amortization	(12,296)
	<u>\$ 7,533</u>
2021	
January 1	\$ 7,533
Addition - separately acquired	2,900
Derecognition - cost reduction	(5,376)
Amortization expenses	(949)
Derecognition - reduction in accumulated amortization	5,376
Effect of exchange rate changes	6
March 31	<u>\$ 9,490</u>
March 31, 2021	
Cost	\$ 17,353
Accumulated amortization	(7,863)
	<u>\$ 9,490</u>
	<u>Computer software</u>
January 1, 2020	
Cost	\$ 29,919
Accumulated amortization	(16,713)
	<u>\$ 13,206</u>
2020	
January 1	\$ 13,206
Addition - separately acquired	240
Derecognition - cost reduction	(360)
Amortization expenses	(2,280)
Derecognition - reduction in accumulated amortization	360
Effect of exchange rate changes	27
March 31	<u>\$ 11,193</u>
March 31, 2020	
Cost	\$ 29,799
Accumulated amortization	(18,606)
	<u>\$ 11,193</u>

Amortization of intangible assets is detailed below:

	<u>January 1 to March 31, 2021</u>	<u>January 1 to March 31, 2020</u>
Operating costs	\$ 61	\$ 246
Administrative expenses	499	933
Research and development expenses	389	1,101
	<u>\$ 949</u>	<u>\$ 2,280</u>

(XII) Short-term loans

<u>Type of loans</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Bank credit loan	\$ 1,867,414	\$ 945,061	\$ 1,772,038
Loans against letter of credit	66,180	71,140	12,425
	<u>\$ 1,933,594</u>	<u>\$ 1,016,201</u>	<u>\$ 1,784,463</u>
Interest rate range	<u>0.43%~4.00%</u>	<u>0.50%~3.70%</u>	<u>0.78%~3.30%</u>

1. For collateral against the said short-term loans, please refer to Note VIII - Pledged Assets.
2. For information on the Group's interest expense of bank loans recognized in profit or loss, please refer to Note VI(XXV).

(XIII) Other payables

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Payroll and bonus payable	\$ 384,608	\$ 594,572	\$ 299,079
Expenses payable	424,556	400,504	276,832
Processing fee payable	316,583	323,930	167,880
Employee, directors and supervisors remuneration payable	88,274	68,292	77,795
Equipment expenses payable	17,332	67,631	98,370
Others	22,246	19,616	8,912
	<u>\$ 1,253,599</u>	<u>\$ 1,474,545</u>	<u>\$ 928,868</u>

(XIV) Other current liabilities

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Receipts under custody	\$ 112,908	\$ 120,597	\$ 51,485
Long-term loans due within one year	93,400	93,400	20,710
Contract liabilities – current	14,877	20,221	826
Others	14,729	6,186	16,054
	<u>\$ 235,914</u>	<u>\$ 240,404</u>	<u>\$ 89,075</u>

(XV) <u>Long-term loans</u>				
<u>Type of loans</u>	<u>Loan period and repayment method</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>March 31, 2021</u>
Long-term bank loans				
Secured loan	Duration from June 2018 to June 2023 and interest paid on a monthly basis. In addition, from September 2020 onwards, the remaining amounts are paid back in 12 installments on a quarterly basis.	0.945%~ 1.145%	Machinery equipment	
				\$ 138,195
Secured loan	Duration from July 2018 to July 2025 and interest paid on a monthly basis. In addition, from October 2020 onwards, the remaining amounts are paid back in 20 installments on a quarterly basis.	1.145%	Housing and structures	
				143,910
				<u>282,105</u>
Less: long-term loan due in one year				(93,400)
				<u>\$ 188,705</u>

<u>Type of loans</u>	<u>Loan period and repayment method</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2020</u>
Long-term bank loans				
Secured loan	Duration from June 2018 to June 2023 and interest paid on a monthly basis. In addition, from September 2020 onwards, the remaining amounts are paid back in 12 installments on a quarterly basis.	0.945%~ 1.145%	Machinery equipment	
				\$ 153,550
Secured loan	Duration from July 2018 to July 2025 and interest paid on a monthly basis. In addition, from October 2020 onwards, the remaining amounts are paid back in 20 installments on a quarterly basis.	1.145%	Housing and structures	
				151,905
				<u>305,455</u>
Less: long-term loan due in one year				(93,400)
				<u>\$ 212,055</u>

<u>Type of loans</u>	<u>Loan period and repayment method</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>March 31, 2020</u>
Long-term bank loans				
Secured loan	Duration from June 2018 to June 2023 and interest paid on a monthly basis. In addition, from September 2020 onwards, the remaining amounts are paid back in 12 installments on a quarterly basis.	0.945%~ 1.145%	Machinery equipment	
Secured loan	Duration from July 2018 to July 2025 and interest paid on a monthly basis. In addition, from October 2020 onwards, the remaining amounts are paid back in 20 installments on a quarterly basis.	1.145%	Housing and structures	\$ 148,050
				<u>159,900</u>
				307,950
Less: long-term loan due in one year				(20,710)
				<u>\$ 287,240</u>

1. For collateral against the said long-term borrowings, please refer to Note VIII - Pledged Assets.
2. For information on the Group's interest expense of bank loans recognized in profit or loss, please refer to Note VI(XXV).

(XVI) Pensions

1. (1) In compliance with the requirements set forth in the Labor Standards Law, the Company has stipulated a defined benefit pension plan, which is applicable to the years of service rendered by regular employees prior to, and after (if employees elect to continue to apply the Labor Standards Law), the implementation of the Labor Pension Act on July 1, 2005. Pension payments for employees qualified for the aforementioned retirement criteria are calculated in accordance with the years of service rendered and the average salaries or wages of the last 6 months prior to retirement. Two bases are given for each full year of service over the first 15 years, and one base is given for an additional year of service thereafter, provided that the total bases do not exceed forty-five (45). The Company contributes on a monthly basis 2% of the total salary (wages) as the pension fund, which is deposited in a designated account with the Bank of Taiwan under the name of the Supervisory Committee of Workers' Retirement Fund. Prior to the end of each annual period, the Company assesses the balance of the aforementioned designated account for the labor pension fund. If the balance is determined insufficient to pay off the pension amount computed by the aforementioned

approach for employees qualified for retirement within next year, the Company will make a lump sum contribution to make up the shortfall before the end of March of the following year.

- (2) The pension costs recognized by the Group in accordance the aforementioned contribution plans for the three months ended March 31, 2021 and 2020 were \$557 and \$508, respectively.
 - (3) The Company expects to make contributions of \$2,222 to the pension plans within one year.
2. (1) Starting from July 1, 2005, the Company and subsidiaries have set up a defined contribution plan for all employees with ROC citizenship in accordance with the Labor Pension Act. Where the employees have elected to apply the labor pension system as stipulated in the Labor Pension Act, the Company and subsidiaries make a contribution in an amount equal to 6% of the employees' monthly salaries or wages to their individual accounts in the Bureau of Labor Insurance.
- The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (2) Advanced Sporting Goods (Dongguan) Co., Ltd. and Advanced Sporting Goods (Shatian, Dongguan) Co., Ltd. make a pension contribution on a monthly basis in an amount equal to a certain percentage of the employees' monthly salaries and wages in accordance with the requirements as set forth in the pension system of the People's Republic of China. The contribution percentage for the three months ended March 31, 2021 and 2020 were both 13%. The pension for each employee is managed by the government, hence the Group doesn't have further obligation except for making a monthly contribution.
 - (3) As required by the Vietnamese government, Advanced International Multitech (VN) Corporation Ltd. makes a monthly contribution in an amount equal to one month of an employee's minimum wages to the retirement plan, which is managed by the various responsible departments of the Vietnamese government. Other than making a monthly contribution, the Company has no further obligations.
 - (4) The pension costs recognized by the Group in accordance the aforementioned contribution plans for the three months ended March 31, 2021 and 2020 were \$28,723 and \$20,545.

(XVII) Capital

As of March 31, 2021, the Company had an authorized capital in the amount of \$1,800,000 for 180,000 thousand shares (including 5,000 thousand shares of employee stock option certificates and 10,000 thousand shares of convertible corporate bonds), and a paid-in capital in the amount of \$1,353,127 with each share priced at NT\$10. Share payments for the Company's issued stocks have been collected in full. Quantities of the Company's outstanding common shares at the

beginning of periods are the same as at the end of the periods.

(XVIII) Capital surplus

Under the Company Act, capital surplus arising from shares issued at the premium or from donation may be used for offsetting the deficit. Furthermore, if the Company has no accumulated loss, the capital surplus may be used for issuing new shares or distributing cash in proportion to shareholders' original holdings. In accordance with regulations in the Securities and Exchange Act, when the above-mentioned capital surplus is used for capitalization, the total amount every year shall not exceed 10% of the paid-in capital. The Company may use the capital surplus to offset loss only when the number of earnings and reserves are insufficient to offset the loss.

(XIX) Retained earnings

1. The Articles of Incorporation requires that earnings after the final account, if any, be used in the first place to pay off the profit-seeking enterprise income tax and to offset the previous deficits according to law; and 10% of the remainder, if any, be set aside as its legal reserve, except in cases when the legal reserve has reached the capital amount. If there is any remaining earnings, a special reserve shall be provided or reversed in accordance with laws or regulations imposed by the competent authority; the remaining amount, if any, shall be added up to the undistributed earnings of the prior periods to serve as the allocable earnings, of which the amount of distribution and retention shall be indicated in the earnings distribution proposal which is made by the Board of Directors before submitting to the Shareholders' Meeting for approval. The cash dividends distributed shall not exceed 10% of the total dividends distributed.
2. The Company's dividend policy is stated as below: The Company adopts a residual dividend policy in order to operate sustainably and increase profits.
3. Legal reserves may only be used for offsetting deficits and issuing new shares or distributing cash in proportion to shareholders' original holdings. However, when new shares are issued or cash is distributed, the amount shall be limited to 25% of the reserves in excess of the paid-in capital.
4. The Company may allocate earnings only after providing special reserve for debt balance in other equity on the date of balance sheet, and the reversal of debit balance in other equity, if any, may be stated into allocable earnings.
5. The Company recognized dividends distributed to shareholders of the Company in the amounts equal to \$311,219 (NT\$2.3 per share) and \$297,688 (NT\$2.2 per share) for the years ended December 31, 2020 and 2019, respectively. The Board of Directors proposed on February 26, 2021 to distribute NT\$2.7 to each common share using the undistributed earnings, and the dividends came to a total of \$365,344.

(XX) Operating revenue

1. All the Group's revenue comes from contracts with customers under which revenue is generated by transferring goods at a point of time. Revenue can be sub-divided by geographical areas as follows:

Customer by geographical areas	January 1 to March 31, 2021	January 1 to March 31, 2020
Americas	\$ 2,938,496	\$ 1,950,474
Asia	948,316	667,119
Others	119,518	66,407
	<u>\$ 4,006,330</u>	<u>\$ 2,684,000</u>

2. Contract liabilities

- (1) The contract liabilities in relation to contract with customers recognized by the Group are as follows:

	March 31, 2021	December 31, 2020	March 31, 2020	January 1, 2020
Consumer products	<u>\$ 14,877</u>	<u>\$ 20,221</u>	<u>\$ 826</u>	<u>\$ 1,203</u>

- (2) Income Recognized in the Current period for Opening Contract Liabilities

	January 1 to March 31, 2021	January 1 to March 31, 2020
Consumer products	<u>\$ 3,553</u>	<u>\$ 429</u>

(XXI) Other income and expenses - net

	January 1 to March 31, 2021	January 1 to March 31, 2020
Income from molds	\$ 4,085	\$ 8,451
Income from samples	2,661	7,004
Other income	14,649	8,004
	<u>\$ 21,395</u>	<u>\$ 23,459</u>

(XXII) Interest revenue

	January 1 to March 31, 2021	January 1 to March 31, 2020
Interest from bank deposits	<u>\$ 579</u>	<u>\$ 4,160</u>

(XXIII) Other income

	January 1 to March 31, 2021	January 1 to March 31, 2020
Government Subsidy Income	\$ 6,304	\$ 1,039
Others	53	68
	<u>\$ 6,357</u>	<u>\$ 1,107</u>

In December 2020, the Group received a government subsidy of \$11,300 from the "Taiwan Industry Innovation Platform Program," which has been transferred to profit or loss upon the incurrence of expenses associated with the implementation of the program, and recognized government subsidy income amounted to \$6,152 for the three months ended March 31, 2021.

(XXIV) Other gains and losses

	<u>January 1 to March 31, 2021</u>	<u>January 1 to March 31, 2020</u>
Gain (loss) on disposal and retirement of property, plant and equipment	\$ 26	(\$ 13,082)
Net gain (loss) on foreign exchange	(40,190)	34,297
Net losses from financial assets and liabilities measured at fair value through profit or loss	(8,390)	(73)
Others	2,996	3,759
	<u>(\$ 45,558)</u>	<u>\$ 24,901</u>

(XXV) Finance costs

	<u>January 1 to March 31, 2021</u>	<u>January 1 to March 31, 2020</u>
Interest expense	\$ 7,980	\$ 5,667
Other financing costs	66	412
	<u>\$ 8,046</u>	<u>\$ 6,079</u>

(XXVI) Additional information regarding the nature of expense

	<u>January 1 to March 31, 2021</u>	<u>January 1 to March 31, 2020</u>
Employee benefits expense	\$ 774,423	\$ 605,729
Depreciation expenses	127,857	100,148
Amortization expenses	4,826	5,021
	<u>\$ 907,106</u>	<u>\$ 710,898</u>

(XXVII) Employee benefits expense

	<u>January 1 to March 31, 2021</u>	<u>January 1 to March 31, 2020</u>
Salary and wages	657,910	\$ 508,088
Labor and health insurance premiums	43,827	43,121
Pension expense	29,280	21,053
Remuneration to Directors	2,805	2,475
Other personnel cost	40,601	30,992
	<u>\$ 774,423</u>	<u>\$ 605,729</u>

1. The Articles of Incorporation requires that the Company allocate no less than one percent (1%) of its annual earnings as employee compensation, and no greater than five percent (5%) of its annual earnings as remuneration for directors and supervisors, However, that a portion of earnings shall be reserved if the Company still has an accumulated deficit.
2. For the three months ended March 31, 2021 and 2020, the Company recognized compensation to employees in the amounts equal to \$14,559 and \$7,350 respectively, and remuneration to directors and supervisors in the amounts equal to \$2,500 and \$2,500 respectively, all presented under payroll expense. The amounts for the three months ended March 31, 2021 were estimated at certain percentages based on the profits earned by the end of the year.

The amounts of compensation to employees and remuneration to directors and supervisors for 2020 that had been resolved by the Board of Directors are the same as the amounts stated on the 2020 financial statements. The above-mentioned employee compensation was distributed in cash. In addition, compensation to employees and remuneration to directors and supervisors for the previous year has not been distributed.

Information about employee compensation and remuneration to directors and supervisors approved by the Board of Directors is available on the Market Observation Post System.

(XXVIII) Income tax

1. Components of income tax expense

	<u>January 1 to March 31, 2021</u>	<u>January 1 to March 31, 2020</u>
Current income tax:		
Income tax arising from the current period	\$ 75,733	\$ 78,576
Overestimation of prior years' income tax payable	250	-
Total current income tax	<u>75,983</u>	<u>78,576</u>
Deferred income tax:		
Originating and reversed temporary differences	10,344	(31,445)
Income tax expense	<u>\$ 86,327</u>	<u>\$ 47,131</u>

2. The profit-seeking enterprise income tax of the Company is approved by the taxation authority through 2018.

(XXIX) Earnings per share

	<u>January 1 to March 31, 2021</u>		
	<u>After-tax amount</u>	<u>Weighted average number of outstanding shares (thousand shares)</u>	<u>Earnings per share (\$)</u>
<u>Basic earnings per share</u>			
Net income attributable to common shares shareholders of the parent company	<u>\$ 301,852</u>	<u>135,313</u>	<u>\$ 2.23</u>
<u>Diluted earnings per share</u>			
Net income attributable to common shares shareholders of the parent company	\$ 301,852	135,313	
Assumed conversion of all dilutive potential ordinary shares - employees' compensation	-	833	
Profit attributable to ordinary shareholders of the parent company plus effect of potentially dilutive common stocks	<u>\$ 301,852</u>	<u>136,146</u>	<u>\$ 2.22</u>

	January 1 to March 31, 2020		
	After-tax amount	Weighted average number of outstanding shares (thousand shares)	Earnings per share (\$)
<u>Basic earnings per share</u>			
Net income attributable to common shares shareholders of the parent company	\$ 107,124	135,313	\$ 0.79
<u>Diluted earnings per share</u>			
Net income attributable to common shares shareholders of the parent company	\$ 107,124	135,313	
Assumed conversion of all dilutive potential ordinary shares - employees' compensation	-	982	
Profit attributable to ordinary shareholders of the parent company plus effect of potentially dilutive common stocks	\$ 107,124	136,295	\$ 0.79

(XXX) Additional information regarding cash flows

1. Investing activities with partial cash payments:

	January 1 to March 31, 2021	January 1 to March 31, 2020
Acquisition of property, plant and equipment	\$ 229,289	\$ 142,010
Add: Equipment payable, beginning of period (recognized in other payables)	67,631	61,178
Less: Equipment payable, end of period (recognized in other payables)	(17,332)	(98,370)
Amount paid in cash	\$ 279,588	\$ 104,818

2. Investing activities that do not affect cash flows:

	January 1 to March 31, 2021	January 1 to March 31, 2020
Equipment prepayments transferred to property, plant and equipment	\$ 23,472	\$ 160,629
Reclassification of property, plant and equipment to other non-current assets	\$ 3,656	\$ -

(XXXI) Changes in liabilities from financing activities

	Short-term loans	Long-term loans (including 1-year due)	Lease liabilities	Total financing liability
January 1, 2021	\$1,016,201	\$ 305,455	\$ 680,605	\$ 2,002,261
Changes in financing cash flows	922,725	(23,350)	(81,121)	818,254
Effect of exchange rate changes	(5,332)	-	(521)	(5,853)
Other non-cash changes	-	-	8,694	8,694
March 31, 2021	<u>\$1,933,594</u>	<u>\$ 282,105</u>	<u>\$ 607,657</u>	<u>\$ 2,823,356</u>

	Short-term loans	Long-term loans (including 1-year due)	Lease liabilities	Total financing liability
January 1, 2020	\$ 531,141	\$ 249,590	\$ 150,321	\$ 931,052
Changes in financing cash flows	1,258,557	58,360	(10,844)	1,306,073
Effect of exchange rate changes	(5,235)	-	(608)	(5,843)
Other non-cash changes	-	-	9,174	9,174
March 31, 2020	<u>\$1,784,463</u>	<u>\$ 307,950</u>	<u>\$ 148,043</u>	<u>\$ 2,240,456</u>

VII. Related-party Transactions

(I) Name and relationship of related parties

Name of related party	Relationship with the Group
Beijing Mingda Titanium Technology ("Mingda Titanium" hereinafter)	Associates of the Group
Baoji Zatech Material Co., Ltd. ("Zatech" hereinafter)	Associates of the Group
Munich Composites GmbH ("MC" hereinafter)	Associates of the Group

(II) Information about remunerations to the major management:

	January 1 to March 31, 2021	January 1 to March 31, 2020
Salary and other employee benefits	<u>\$ 29,523</u>	<u>\$ 20,401</u>

VIII. Pledged Assets

Assets pledged as collateral by the Group are enumerated as follows:

Assets	Carrying amount			Guarantee use
	March 31, 2021	December 31, 2020	March 31, 2020	
Land	\$ 125,648	\$ 125,648	\$ 125,648	Short-term loans
Buildings and structures - net	247,836	251,206	261,562	Short-term and long-term loans and credit facility guarantee
Machinery and equipment - net	188,820	195,531	158,092	Long-term loans and credit facility guarantee
Other equipment - net	4,935	5,314	6,453	Long-term loans and credit facility guarantee
Pledged time deposits (presented as "other non-current assets - others")	42,312	42,311	1,085	Customs deposits, performance security deposits, and lease deposit
	<u>\$ 609,551</u>	<u>\$ 620,010</u>	<u>\$ 552,840</u>	

IX. Significant Contingent Liabilities and Unrecognized Contractual Commitments

(I) Contingency

None.

(II) Commitments

1. Balance of outstanding letters of credit

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Raw materials imported	\$ 107,071	\$ 51,839	\$ 43,215

2. Capital expenditure committed but yet to incur

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Property, plant and equipment	\$ 434,654	\$ 286,680	\$ 301,466

3. Operating lease agreements

Please refer to Note VI(X) for details.

X. Significant Losses from Disasters

None.

XI. Significant Subsequent Events

None.

XII. Others

(I) Capital management

There is no significant change in the current period. Please refer to Note XII to the consolidated financial statements for the year ended December 31, 2020.

(II) Financial instruments

1. Types of Financial instruments

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
<u>Financial assets</u>			
Financial assets measured at FVTPL			
Financial assets mandatorily measured at FVTPL	\$ 8	\$ 472	\$ -
Financial assets measured at FVTOCI			
Election of the designated equity instrument investment	55	55	55
Financial assets measured at amortized cost			
Cash and cash equivalents	938,935	930,555	1,774,596
Financial assets measured at amortized cost	295,197	509,737	648,441
Notes receivable	6,701	7,808	2,252
Accounts receivable	3,939,006	3,152,746	2,071,414
Other receivables	15,090	17,789	10,665
Refundable deposits	65,526	64,049	14,579
	<u>\$ 5,260,518</u>	<u>\$ 4,683,211</u>	<u>\$ 4,522,002</u>

	March 31, 2021	December 31, 2020	March 31, 2020
Financial liabilities			
Financial liabilities at amortized costs			
Financial liabilities held for trading	\$ 7,733	\$ 21	\$ 77
Short-term loans	1,933,594	1,016,201	1,784,463
Notes payable	2,436	3,248	1,533
Accounts payable	1,650,835	1,867,748	1,048,310
Other payables	1,253,599	1,474,545	928,868
Long-term loans (including 1-year due)	282,105	305,455	307,950
Deposits received	543	547	574
	<u>\$ 5,130,845</u>	<u>\$ 4,667,765</u>	<u>\$ 4,071,775</u>
Lease liabilities (including non-current)	<u>\$ 607,657</u>	<u>\$ 680,605</u>	<u>\$ 148,043</u>

2. Risk management policy

There is no significant change in the current period. Please refer to Note XII to the consolidated financial statements for the year ended December 31, 2020.

3. The nature and degree of significant financial risks

Except for matters stated below, there is no significant change in the current period. Please refer to Note XII to the consolidated financial statements for the year ended December 31, 2020.

(1) Market risk

Foreign exchange rate risk

A. The Group's business involves use of various non-functional currencies (the Company and some subsidiaries' functional currency is NTD, whereas some subsidiaries' functional currency is RMB), as a consequence, it is subject to effects arising from changes in exchange rates. Assets and liabilities that are denominated in foreign currency and significantly affected by changes in exchange rates are stated as below:

	March 31, 2021		
	Foreign currency (in \$ thousands)	Exchange rate	Carrying amount (New Taiwan Dollars)
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 147,843	28.485	\$ 4,211,308
USD:RMB	54,079	6.5713	1,540,440
<u>Non-monetary items</u>			
USD:NTD	22,864	28.485	651,273
RMB:NTD	147,678	4.344	641,515
EUR:NTD	1,369	33.28	45,570
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	92,240	28.585	2,636,680
USD:RMB	40,160	6.5713	1,147,974

				December 31, 2020	
		Foreign currency (in \$ thousands)	Exchange rate	Carrying amount (New Taiwan Dollars)	
(Foreign currency: Functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	\$	140,861	28.43	\$	4,004,707
USD:RMB		47,597	6.5249		1,353,183
<u>Non-monetary items</u>					
USD:NTD		23,718	28.43		674,299
RMB:NTD		138,434	4.377		605,925
EUR:NTD		1,389	34.82		48,361
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD		77,117	28.53		2,200,148
USD:RMB		29,994	6.5249		855,729

				March 31, 2020	
		Foreign currency (in \$ thousands)	Exchange rate	Carrying amount (New Taiwan Dollars)	
(Foreign currency: Functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	\$	128,050	30.18	\$	3,864,549
USD:RMB		23,544	7.0851		710,558
<u>Non-monetary items</u>					
USD:NTD		21,251	30.18		641,347
RMB:NTD		103,823	4.26		442,285
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD		37,769	30.28		1,143,645
USD:RMB		20,369	7.0851		616,773

- B. Due to the exchange rate volatility, total exchange losses from the Group's monetary items amounted to (\$40,190) and \$34,297 for the three months ended March 31, 2021 and 2020, respectively.
- C. The table below illustrates assets and liabilities denominated in foreign currencies of which the values were materially affected by the exchange rate volatility:

		January 1 to March 31, 2021		
		Sensitivity analysis		
		Range of change	Effects on profit or loss	Effects on other comprehensive income
(Foreign currency: Functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	42,113	\$ -
USD:RMB	1%		15,404	-
<u>Non-monetary items</u>				
USD:NTD	1%		-	6,513
RMB:NTD	1%		-	6,415
EUR:NTD	1%		-	456
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%		26,367	-
USD:RMB	1%		11,480	-

		January 1 to March 31, 2020		
		Sensitivity analysis		
		Range of change	Effects on profit or loss	Effects on other comprehensive income
(Foreign currency: Functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	38,645	\$ -
USD:RMB	1%		7,106	-
<u>Non-monetary items</u>				
USD:NTD	1%		-	6,413
USD:RMB	1%		-	4,423
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%		11,436	-
USD:RMB	1%		6,168	-

Price risk

The Group is not exposed to price risks from products.

Cash flow interest rate risk and fair value interest rate risk

- A. The Group's interest rate risk mainly comes from its issuance of long term loans and short term loans with floating interest rates that have resulted in the Group exposing to cash flow interest rate risks. The Group's policy aims to maintain at least 1.145% of the loans as fixed interests and, if necessary, achieves the target by means of interest rates swaps. For the three months ended March 31, 2021 and 2020, the Group's issuance of short-term and long-term loans with floating interest rates was mainly denominated in New Taiwan Dollars.

- B. If the borrowing interest rate of NTD increases or decreases by 0.25%, held other variables constant, the net income after tax for the three months ended March 31, 2021 and 2020 will decrease or increase by \$543 and \$673, respectively, primarily due to changes in interest expense incurred by borrowings with floating interest rates.

(2) Credit risk

Credit risk refers to the risk of financial loss to the Group arising from default by customers or counterparties of financial instruments on the contract obligations. The internal risk control assesses customers' credit quality by taking into account their financial position, historical experience, and other factors.

Cash and cash equivalents and financial derivatives

Since the transaction policy adopted requires the Group to trade only with counter-parties having a good credit rating, there hasn't been any default on cash and cash equivalents or financial derivatives.

Accounts receivable

- A. The Group has established a specific internal credit policy, which requires entities within the Group to manage and conduct a credit analysis on every new customer before stipulating the terms and conditions for payments and delivery. The internal risk control assesses customers' credit quality by taking into account their financial position, historical experience, and other factors.
- B. The Group adopts the presumption that the credit risk of a financial asset is deemed significantly increased since initial recognition when contractual payments are more than 90 days past due, and that a default is deemed to have occurred when the contractual payments are more than 180 days past due.
- C. The Group's accounts receivables are due from ordinary enterprises. The Group assesses the credit quality of an individual customer by type by taking into account such customer's financial position, historical transaction records, and current economic status, and estimates the expected credit losses on the basis of the provision matrix using the simplified approach.
- D. After the recourse process, the Group writes off the financial asset to the extent of the recovery amount that can not be reasonably expected; nonetheless, the Group will keep legal recourse to secure its creditor's rights.
- E. The Group has established an expected loss rate for different segments of the accounts receivable due from customers as at March 31, 2021, December 31, 2020, and March 31, 2020, respectively: 0.00% to 0.02%, 0.00% to 0.04%, and 0.00% to 0.04% for accounts receivable not past due,

0.02% to 0.23%, 0.02% to 0.51%, and 0.02% to 0.51% for accounts receivable within 30 days past due, 0.02% to 1.94%, 0.02% to 3.39%, and 0.02% to 3.39% for accounts receivable 31 days to 60 days past due, 0.04% to 4.77%, 0.04% to 7.35%, and 0.04% to 7.35% for accounts receivable 61 days to 90 days past due, 0.19% to 10.32%, 0.19% to 14.47%, and 0.19% to 14.47% for accounts receivable 91 days to 120 days past due, 1.86% to 34.37%, 1.86% to 58.06%, 1.86% to 58.06% for accounts receivable 121 days to 150 days past due, 22.31% to 67.99%, 22.31% to 93.69%, 22.31% to 93.69% for accounts receivable 151 days to 180 days past due, and 100%, 100%, 100% for accounts receivable more than 180 days past due; the amount of the accounts receivable that is more than 31 days past due constituted roughly 3.36%, 0.14%, and 0.19% of the Group's total accounts receivable.

F. Changes in loss allowance for notes receivables and accounts receivables using the simplified approach are stated as follows:

	2021	
	Notes receivable	Accounts receivable
January 1	\$ -	\$ 1,807
Provision of impairment loss	-	3,499
March 31	\$ -	\$ 5,306

	2020	
	Notes receivable	Accounts receivable
January 1	\$ -	\$ 865
Provision of impairment loss	-	541
March 31	\$ -	\$ 1,406

(3) Liquidity risk

- A. Cash flows forecasting is carried out by the Group's Office of Finance and Accounting in order to ensure that sufficient funds are readily available, both for the operating needs and for the unused loan commitments.
- B. The Group's remaining cash in excess of its operating needs is invested in demand deposits bearing interests, time deposits, bonds sold under repurchase agreement, and marketable securities, all of which are instruments either with appropriate maturity or with sufficient liquidity so as to satisfy the said forecasting and provide sufficient position for dispatching of funds. As of March 31, 2021, December 31, 2020, and March 31, 2020, the Group had a money market position in the amounts equal to \$937,325, \$929,148, and \$1,771,756, respectively.
- C. The table below shows an analysis of the non-derivative financial liabilities held by the Group with defined repayment terms based on maturity dates and undiscounted payment at maturity:

	March 31, 2021		
	Less than 1 year	1-2 years	Over 2 years
<u>Non-derivative financial liabilities:</u>			
Short-term loans	\$ 1,936,938	\$ -	\$ -
Notes payable	2,436	-	-
Accounts payable	1,650,835	-	-
Other payables	1,253,599	-	-
Lease liabilities (including non-current)	68,420	26,567	596,343
Long-term loans	96,030	95,034	96,451
<u>Derivative financial liabilities:</u>			
Forward foreign exchange contracts	\$ 7,733	\$ -	\$ -
	December 31, 2020		
	Less than 1 year	1-2 years	Over 2 years
<u>Non-derivative financial liabilities:</u>			
Short-term loans	\$ 1,018,041	\$ -	\$ -
Notes payable	3,248	-	-
Accounts payable	1,867,748	-	-
Other payables	1,478,745	-	-
Lease liabilities (including non-current)	128,088	35,670	602,534
Long-term loans	96,279	95,283	120,116
<u>Derivative financial liabilities:</u>			
Forward foreign exchange contracts	\$ 21	\$ -	\$ -
	March 31, 2020		
	Less than 1 year	1-2 years	Over 2 years
<u>Non-derivative financial liabilities:</u>			
Short-term loans	\$ 1,787,656	\$ -	\$ -
Notes payable	1,533	-	-
Accounts payable	1,048,310	-	-
Other payables	928,868	-	-
Lease liabilities (including non-current)	42,327	31,975	92,194
Long-term loans	24,058	68,964	224,400
<u>Derivative financial liabilities:</u>			
Forward foreign exchange contracts	\$ 77	\$ -	\$ -

D. The Group does not expect a maturity analysis of which the cash flows timing would be significantly earlier, or the actual amount would be significantly different.

(III) Fair value information

1. Below states the definition of different levels of valuation techniques used to measure the fair value of financial and non-financial instruments:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

Level 3: Unobservable inputs for the asset or liability.

2. Financial instruments not measured at fair value

The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, financial assets valued at amortized cost, notes receivables, accounts receivable, other receivables, refundable deposits, short-term borrowings, notes payable, accounts payable, other payables, lease liabilities, long-term borrowings including those due within one year, and guarantee deposits) are reasonable approximation of fair value.

3. Below states the information regarding the Group's financial instruments that have been classified in accordance with the nature, characteristics, risks and fair value hierarchy of such an asset or liability:

(1) Classified by nature of assets or liabilities:

March 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets measured at FVTPL				
Forward foreign exchange contracts	\$ -	\$ 8	\$ -	\$ 8
Financial assets measured at FVTOCI				
Equity securities	-	-	55	55
	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ 55</u>	<u>\$ 63</u>

Liabilities

Recurring fair value

Financial liabilities measured at FVTPL

Forward foreign exchange contracts	\$ -	\$ 7,733	\$ -	\$ 7,733
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December 31, 2020

	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets measured at FVTPL				
Forward foreign exchange contracts	\$ -	\$ 472	\$ -	\$ 472
Financial assets measured at FVTOCI				
Equity securities	-	-	55	55
	<u>\$ -</u>	<u>\$ 472</u>	<u>\$ 55</u>	<u>\$ 527</u>

Liabilities

Recurring fair value

Financial liabilities measured at FVTPL

Forward foreign exchange contracts	\$ -	\$ 21	\$ -	\$ 21
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March 31, 2020	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets measured at FVTPL				
Equity securities	\$ -	\$ -	\$ 55	\$ 55
Liabilities				
<u>Recurring fair value</u>				
Financial liabilities measured at FVTPL				
Forward foreign exchange contracts	\$ -	\$ 77	\$ -	\$ 77

(2) Methods and assumptions adopted by the Group for measurement of fair value are stated as follows:

Valuation of derivative financial instruments adopts valuation models that are commonly used by market participants, e.g., discounted cash flows method and option pricing model. Forward foreign exchange contracts are usually valued based on the current forward exchange rates.

- There was no transfer between Level 1 and Level 2 of the fair value hierarchy for the three months ended March 31, 2021 and 2020.
- There were no changes in Level 3 of the fair value hierarchy for the three months ended March 31, 2021 and 2020.
- Valuation process regarding fair value Level 3 is conducted by the Group's finance department, by which the independence of fair value of financial instruments is verified through use of independent data source in order that such valuation results are close to market conditions, and that the data source is independent, reliable, consistent with other resources, and representative of the exercisable price. In addition, multiple actions are regularly taken to ensure the reasonableness of the fair value valuation, e.g. calibrating the valuation model, conducting retrospective testing, updating the inputs and data for the valuation model, and making any necessary fair value adjustments.
- Below states the quantitative information about the significant unobservable inputs of the valuation model used in the measurements categorized within Level 3 of the fair value hierarchy, as well as the sensitivity analysis of changes in significant unobservable inputs:

	<u>March 31, 2021</u>	<u>Valuation technique(s)</u>	<u>Significant unobservable inputs</u>	<u>Interval (weighted-average)</u>	<u>Relations between input value and fair value</u>
Non-derivative equity instruments: Shares of venture capital company	\$ 1,011	Net asset value method	Not applicable.	Not applicable.	Not applicable.
	<u>December 31, 2020</u>	<u>Valuation technique(s)</u>	<u>Significant unobservable inputs</u>	<u>Interval (weighted-average)</u>	<u>Relations between input value and fair value</u>
Non-derivative equity instruments: Shares of venture capital company	\$ 1,011	Net asset value method	Not applicable.	Not applicable.	Not applicable.
	<u>March 31, 2020</u>	<u>Valuation technique(s)</u>	<u>Significant unobservable inputs</u>	<u>Interval (weighted-average)</u>	<u>Relations between input value and fair value</u>
Non-derivative equity instruments: Shares of venture capital company	\$ 1,014	Net asset value method	Not applicable.	Not applicable.	Not applicable.

8. The Group elects to adopt the valuation model and valuation parameters through cautious assessment. Nonetheless, using different valuation models or valuation parameters may lead to different valuation results. For financial assets categorized within Level 3 of the fair value hierarchy, changes in valuation parameters will not have a significant influence on either profit or loss or other comprehensive income.

XIII. Additional Disclosures

(I) Information about significant transactions:

- Loans to others: None.
- Endorsements and Guarantees: None.
- Marketable Securities Held at the End of the Period (Excluding investment in Subsidiaries, Associates and Joint Ventures): Please refer to Table 1.
- The aggregate trading value on the same securities (including purchase and sales) reaching NT\$300 million or Exceeding 20% of the paid-in capital or more: None.
- Acquisition of Property Amounting to At Least NT\$300 Million or Exceeding 20% of Paid-in Capital: None.
- Disposal of Property Amounting to at Least NT\$300 Million or Exceeding 20% of Paid-in Capital: None.
- Purchases from and Sales to Related Parties Amounting to at Least NT\$100 Million or Exceeding 20% of Paid-in Capital: Please refer to Appendix Table 2.
- Receivables from Related Parties Amounting to at Least NT\$100 Million or Exceeding 20% of Paid-in Capital: Please refer to Appendix Table 3.
- For engagement in derivatives transactions, refer to Notes VI(II) and XII(III).
- Parent-Subsidiary and Subsidiary-Subsidiary Business Relations and Significant Transactions and Amounts Thereof: Please refer to Appendix Table 4.

- (II) Reinvestment information
Name, Location, and Information on Investee Companies (Excluding Investee Companies in China): Table 5.
- (III) Investments in Mainland China
 1. Investee Information: Please refer to Appendix Table 6.
 2. Significant transactions between the Company and investees in Mainland China directly or indirectly through entities in a third area: Please refer to Appendix Table 7.
- (IV) Major shareholder information
Please refer to Table 8.

XIV. Segment Information

- (I) General information
The Group is primarily engaged in manufacturing of consumer products for the prestigious brands around the world. The chief operating decision makers conduct performance evaluation and resources allocation based on the operating profit (loss) of the Division of Consumer Products. According to the requirements as set forth in IFRS 8, the Group is a single reportable segment.
- (II) Measurement of segment information
The Group evaluates the performance of an operating segment by examining the profit before tax of a continuing operation. Such measurement standard precludes the effects from non-recurring expenses of an operating segment. Management of interest income and expenses is not authorized to the operating segments but assigned to the Group's finance department that is responsible for management of the status of cash.
- (III) Information on segment profit or loss, assets, and liabilities
The reportable segment information provided to the chief operating decision makers is the financial statements prepared in accordance with the International Financial Reporting Standards (IFRSs).

Advanced International Multitech Co., Ltd. and Subsidiaries

Marketable Securities Held at the End of the Period (Excluding Investment in Subsidiaries, Associates and Joint Ventures)

January 1 to March 31, 2021

Table 1

Unit: In Thousands of New Taiwan Dollars

(Unless Otherwise Specified)

Investor	Type and name of securities	Relationship with the issuer	General ledger account	End of the period			Fair value	Note
				Number of shares	Carrying amount	Shareholding ratio		
Advanced International Multitech Co., Ltd.	Hua Nan Venture Capital Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	57,438	\$ 55	10.6	1,011	

Advanced International Multitech Co., Ltd. and Subsidiaries

Purchases from and Sales to Related Parties Amounting to at Least NT\$100 Million or Exceeding 20% of Paid-in Capital

January 1 to March 31, 2021

Table 2

Unit: In Thousands of New Taiwan Dollars
(Unless Otherwise Specified)

Name of company	Name of the counterparty	Relationship	Transaction details				Situation and reason of why trading conditions are different from general trading			Notes or accounts receivable (payable)	
			Purchase (sale)	Amount	Ratio to total purchases (sales) (%)	Loan period	Unit price	Loan period	Balance	Ratio to total notes or accounts receivable (payable) (%)	Note
Advanced International Multitech Co., Ltd.	Advanced Sporting Goods (Dongguan) Co., Ltd.	Second-tier subsidiary	Purchases	\$ 1,936,166	67%	Note 1	Note 1	Note 1	(\$ 1,466,589)	79%	Note 2
Advanced International Multitech Co., Ltd.	Advanced International Multitech (VN) Corporation Ltd.	Subsidiary	Purchases	682,120	23%	Note 1	Note 1	Note 1	(237,880)	13%	Note 2
Advanced Sporting Goods (Dongguan) Co., Ltd.	Advanced International Multitech Co., Ltd.	Ultimate parent company	Sales	(1,936,166)	(100%)	Note 3	Note 3	Note 3	1,466,589	100%	
Advanced International Multitech (VN) Corporation Ltd.	Advanced International Multitech Co., Ltd.	Parent company	Sales	(682,120)	(100%)	Note 3	Note 3	Note 3	237,880	100%	

Note 1: The prices and terms of payment of the Company's purchases from Advanced Sporting Goods (Dongguan) Co., Ltd. and Advanced International Multitech (VN) Corporation Ltd. were agreed by both parties and were not comparable to the normal transactions as there were no transactions of similar products.

Note 2: The purchase/sales amount comprises the sales revenue (sales of raw materials and work-in-process) and operating costs (purchase of goods) arising from the Company's sales to its subsidiaries and sub-subsidiaries, that's about processing of removal materials, offset by \$308,962 for the three months ended March 31, 2021.

Note 3: The price and collection terms of the company's sales to Advanced International Multitech Co., Ltd. were agreed by both parties, which were not comparable to normal transactions as there were no similar counterparties or products.

Advanced International Multitech Co., Ltd. and Subsidiaries

Receivables from Related Parties Amounting to at Least NT\$100 Million or Exceeding 20% of Paid-in Capital

January 1 to March 31, 2021

Table 3

Unit: In Thousands of New Taiwan Dollars

(Unless Otherwise Specified)

Name of company	Name of the counterparty	Relationship	Balance of receivables		<u>Overdue receivables from related parties</u>		Amounts received in subsequent period	Allowance for doubtful accounts	Note
			from related parties	Turnover rate	Amount	Action taken			
			\$						
Advanced Sporting Goods (Dongguan) Co., Ltd.	Advanced International Multitech Co., Ltd.	Ultimate parent company	1,466,589	0.63	-	-	\$ 378,826	\$ -	
Advanced International Multitech (VN) Corporation Ltd.	Advanced International Multitech Co., Ltd.	Parent company	237,880	0.64			120,629	-	

Table 3-1

Advanced International Multitech Co., Ltd. and Subsidiaries

Parent-subsidiary and Subsidiary-subsidiary Business Relations and Significant Transactions and Amounts Thereof

January 1 to March 31, 2021

Table 4

Unit: In Thousands of New Taiwan Dollars

(Unless Otherwise Specified)

No. (Note 1)	Name of the company	Name of the transaction counterparty	Relationship (Note 2)	Conditions of transactions			Ratio to consolidated total revenue or total assets (%)
				General ledger account	Amount	Transaction terms	
0	Advanced International Multitech Co., Ltd.	Advanced Sporting Goods (Dongguan) Co., Ltd.	1	Purchases	\$ 1,936,166	According to the agreement between both parties	48%
0	Advanced International Multitech Co., Ltd.	Advanced Sporting Goods (Dongguan) Co., Ltd.	1	Accounts payable	1,466,589	According to the agreement between both parties	13%
0	Advanced International Multitech Co., Ltd.	Advanced International Multitech (VN) Corporation Ltd.	1	Purchases	682,120	According to the agreement between both parties	17%
0	Advanced International Multitech Co., Ltd.	Advanced International Multitech (VN) Corporation Ltd.	1	Accounts payable	237,880	According to the agreement between both parties	2%

Note 1: The information of transactions between the Company and the consolidated subsidiaries should be noted in "Number" column.

(1) The parent company is coded 0.

(2) The subsidiaries are coded from "1" in the order presented in the table above.

Note 2: 3 kinds of relationship with counterparty are as follows:

(1) Parent company to its subsidiary.

(2) Subsidiary to its parent company.

(3) Subsidiary to another subsidiary.

Advanced International Multitech Co., Ltd. and Subsidiaries

Name, Location and Information on Investee Companies (Excluding Investee Companies in Mainland China)

January 1 to March 31, 2021

Table 5

Unit: In Thousands of New Taiwan Dollars											
(Unless Otherwise Specified)											
Investor	Name of investee company	Location	Primary business	Original investment amount		Ownership, end of period			Net profit or loss of investee company	Recognized investment gain or loss for the period	Note
				End of the period	End of last year	Number of shares	Ownership (%)	Carrying amount			
Advanced International Multitech Co., Ltd.	ADVANCED GROUP INTERNATIONAL (BVI) CO., LTD.	British Virgin Islands	Investment in other regions	\$ 149,434	\$ 149,434	4,584,815	100	\$ 641,515	\$ 42,039	\$ 40,489	Note 1
Advanced International Multitech Co., Ltd.	Advanced International Multitech (VN) Corporation Ltd.	Vietnam	Engaged in the production and sales of various golf club shafts and heads, and golf sets.	447,331	447,331	14,000,000	100	651,273	(23,189)	(24,201)	Note 1
Advanced International Multitech Co., Ltd.	Launch Technologies Co., Ltd. (LTC)	Taiwan	Engaged in production of sports products, other plastic products and international trade	266,495	266,495	28,518,424	55.93	530,692	21,859	12,226	
Advanced International Multitech Co., Ltd.	ADVANCED INTERNATIONAL MULTITECH (BVI) CO., LTD.	British Virgin Islands	Investment in other regions	-	34,471	-	-	-	-	-	
Advanced International Multitech Co., Ltd.	Munich Composites GmbH	Germany	Engaged in design, research, development and production of carbon fiber bicycle wheels and carbon fiber reinforced polymer product.	49,212	49,212	21,003	27.27	45,570	(1,908)	(520)	Note 2

Note 1: The difference between the profit or loss of the investee for the period and the investment profit or loss recognized by the Company is the unrealized gain or loss arising from inter-company transactions.

Note 2: Investment gain or loss recognized in the financial statements of the investee company.

Advanced International Multitech Co., Ltd. and Subsidiaries

Investments in Mainland China - General Information

January 1 to March 31, 2021

Table 6

Unit: In Thousands of New Taiwan Dollars

Investee company	Primary business	Actual paid-in capital	Method of investment	Beginning balance of accumulated outflow of investment from Taiwan	Remittance or recovery of investment amount		Ending balance of accumulated outflow of investment from Taiwan	Net profit or loss of investee company	Direct or indirect ownership of the Company (%)	Share of profit or loss of investee company	Carrying amount, end of period	(Unless Otherwise Specified)	
					Remittance	Recovery						Ending balance of accumulated inward remittance of investment income	Note
Advanced Group International (BVI) Co., Ltd.:	Engaged in production and sale of carbon fiber prepreg materials and sports products	\$149,446	2	\$ 149,434	\$ -	\$ -	\$ 149,434	\$ 42,036	100	\$ 42,036	\$ 646,039	\$ 860,163	Note 1 and Note 2
Advanced Sporting Goods (Dongguan) Co., Ltd.	Engaged in production of materials	17,744	3	-	-	-	-	692	25	173	3,493	-	Note 1, Note 3, Note 4, and Note 5
Baoji Zatech Material Co., Ltd.													

Note 1: Investment methods are classified into the following four categories:

1. Remittance to mainland China through a third region
2. Investment in mainland China company through company invested and established by third-party region.
3. Investment in mainland China company through reinvestment in existing company in third-party region.
4. Others

Note 2: Investment gain or loss recognized in accordance with the financial statements reviewed by the parent company in Taiwan.

Note 3: Investment gain or loss recognized in the financial statements of the investee company.

Note 4: the amount of paid-in capital is converted based on the RMB4,000 thousand exchange rate of 4.436.

Note 5: Being the subsidiary of the Company, Advanced Sporting Goods (Dongguan) Co., Ltd. directly invested in the investee company in Mainland China, the Company does not have actual remittance amount.

Name of company	Accumulated investment remitted from Taiwan to Mainland China at the end of the period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Upper limit on investment authorized by the Investment Commission, M.O.E.A.
Advanced International Multitech Co., Ltd. (Note 6, Note 7, Note 8)	\$ 149,434	\$ 130,605	\$ 2,069,746

Note 6: Accumulated outward remittance from Taiwan to Mainland China at the end of the period is translated at the spot exchange rate of USD4,577 thousand at the time of the remittance.

Note 7: The investment amount approved by the Investment Commission of the Ministry of Economic Affairs is USD4,577 thousand, which is translated using the USD exchange rate of 28.535 at the balance sheet date.

Note 8: According to the quota stipulated in letter No. 09704604680 of the Ministry of Economic Affairs on August 29, 2008.

Advanced International Multitech Co., Ltd. and Subsidiaries

Investments in Mainland China - Significant Transactions between the Company and Investee Companies in Mainland China Directly or Indirectly through Entities in a Third Area

January 1 to March 31, 2021

Table 7

Unit: In Thousands of New Taiwan Dollars

(Unless Otherwise Specified)

Investee company	Sales/purchases		Property transaction		Accounts receivable (payable)		Endorsement/guarantee or collateral provided		Financing				Others Note	
	Amount	%	Amount	%	Balance	%	Ending balance	Purpose	Maximum balance	Ending balance	Interest rate range	Interest during the current period		
Advanced Sporting Goods (Dongguan) Co., Ltd.	(\$ 1,936,166)	(67%)	\$ -	-	(\$ 1,466,589)	(79%)	\$ -	-	\$ -	\$ -	-	\$ -	-	-

Note: The purchase/sales amount comprises the sales revenue (sales of raw materials and work-in-process) and operating costs (purchase of goods) arising from the Company's sales to Advanced Sporting Goods (Dongguan) Co., Ltd., that's about processing of removal materials, offset by \$308,962 for the three months ended March 31, 2021.

Advanced International Multitech Co., Ltd. and Subsidiaries

Major shareholder information

March 31, 2021

Table 8

Shareholder's name	Shareholding	
	Number of shares	Shareholding ratio
Ming An Investment Co., Ltd.	12,134,838	8.96%

Note: (1) The major shareholders in this table are shareholders holding more than 5% of the common and preference shares that have completed delivery of non-physical registration (incl. treasury shares) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. However, the share capital recorded in the Company's financial statements and the number of shares actually delivered by the Company without physical registration may differ due to calculation bases.

(2) For the above are shares entrusted by the shareholders, the information thereto shall based on the shares disclosed by the individual trust account of opened by the trustees. For information on shareholders, who declare to be insiders holding more than 10% of shares in accordance with the Securities and Exchange Act and whose shareholdings include their shareholdings plus their delivery of trust and shares with the right to make decisions on trust property, please refer to the Market Observation Post System.