Promate Electronic Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2020 and 2019 and Independent Auditors' Audit Report

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DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies that are required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2020 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies as of and for the year ended December 31, 2020. Hence, we did not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

Promate Electronic Co., Ltd.

By

March 24, 2021

INDEPENDENT AUDITORS REPORT

The Board of Directors and Shareholders
Promate Electronics Co. Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Promate Electronics Co. Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2020 is stated as follows:

<u>Occurrence of shipment with revenue gained from specific clients</u>

The Group specializes in trading distributed components, Liquid Crystal Display products, and image processing IC. Based on the materiality and auditing standards, revenue recognition is presumed to be a significant risk. Therefore, the engaging partner believes that the existence of sales revenue with specific clients would materially affect the occurrence of the financial statement, which is the reason the audit team listed the occurrence of shipment with sales revenue from certain clients as the key audit matter of 2020 audit process. Refer to note 4(14) for more details of revenue recognition policy.

Our main audit procedures performed in respect of above matter include the following:

1. We understood the internal control procedures for revenue recognition and the relevant approval process followed by the Group's management.

2 We utilized audit sampling on specific clients' shipments, which we would verify the relevant documents and test the receivable collection to confirm the existence of sales transaction.

3 We ascertained sales returns and discounts that occurred after the balance sheet date, to ensure whether there is a material misstatement on sales revenue from specific clients in the group's financial statement.

Other Matters

We have also audited the parent company only financial statements of Promate Electronics Co. Ltd as of and for the years ended December 31, 2020 and 2019 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Li-Huang Lee and Po-Jen Weng..

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 26, 2021

Notice to Readers

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

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

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020		2019	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 34)	$ 2,150,430	18	$ 1,625,366	16
Financial assets at fair value through profit or loss - current (Notes 4, 7 , and 34)	19,375	-	4,560	-
Financial assets at amortized cost - current (Notes 4, 9, 10 and 34)	116,592	1	2,423	-
Notes receivable (Notes 4, 11 and 34)	68,817	1	70,548	1
Accounts receivable (Notes 4, 10, 11 and 34)	5,513,335	46	3,434,321	34
Accounts receivable from related parties (Notes 4, 11, 34 and 35)	2,194	-	666,208	7
Other receivables (Notes 4, 11 and 34)	714,080	6	643,279	7
Current tax assets (Notes 4 and 28)	447	-	31,894	-
Inventories (Notes 4 and 12)	2,340,329	19	2,721,980	27
Other current assets (Notes 18)	9,271	-	16,070	-
Total current assets	10,934,870	91	9,216,649	92
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4, 8 and 34)	78,433	1	32,450	-
Investments accounted for using the equity method (Notes 4 and 14)	645	-	4,693	-
Property, plant and equipment (Notes 4, 15, 32 and 36)	391,976	3	388,807	4
Right-of-use assets (Notes 4, 16 and 35)	105,340	1	136,029	1
Other intangible assets (Notes 4 and 17)	6,704	-	10,579	-
Deferred tax assets (Notes 4 and 28)	117,562	1	74,189	1
Other non-current assets (Notes 18 and 37)	408,870	3	160,141	2
Total non-current assets	1,109,530	9	806,888	8
TOTAL	$ 12,044,400	100	$ 10,023,537	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 19, 32, 34 and 37)	$ 2,405,108	20	$ 2,712,284	27
Short-term bills payable (Notes 19, 32, 34 and 36)	190,000	2	210,000	2
Contract liabilities - current (Notes 22 and 26)	77,704	1	104,410	1
Notes payable (Notes 21 and 34)	24	-	30	-
Accounts payable (Notes 21 and 34)	2,739,476	23	1,922,778	19
Accounts payable to related parties (Notes 21, 34 and 35)	19,899	-	26,306	-
Other payables (Notes 22 and 34)	405,209	3	365,797	4
Current tax liabilities (Notes 4 and 28)	75,105	1	28,879	1
Lease liabilities - current (Notes 4, 16, 32 and 34)	34,528	-	33,930	1
Provisions- current (Notes 4 and 23)	3,285	-	11,164	-
Current portion of long-term borrowings (Notes 19, 32, 34 and 37)	-	-	18,828	-
Other current liabilities (Note 22)	309,606	2	223,472	2
Total current liabilities	6,259,944	52	5,657,878	57
NON-CURRENT LIABILITIES				
Bonds Payable (Notes 20)	967,284	8	-	-
Provisions- noncurrent (Notes 4 and 23)	2,239	-	6,960	-
Lease liabilities - noncurrent (Notes 4, 16, 32 and 35)	71,908	1	102,364	1
Deferred tax liabilities (Notes 4 and 28)	146,866	1	110,529	1
Net defined benefit liabilities - noncurrent (Notes 4 and 24)	47,559	1	47,419	-
Other non-current liabilities (Notes 22)	284,864	2	60,046	1
Total non-current liabilities	1,520,720	13	327,318	3
Total liabilities	7,780,664	65	5,985,196	60
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 24, 25, 29, 30 and 31)				
Share capital	1,791,260	15	1,790,452	18
Ordinary shares	1,791,260	15	1,790,452	18
Capital surplus	712,730	6	657,690	7
Retained earnings				
Legal reserve	818,510	7	771,714	8
Special reserve	15,204	-	4,789	-
Unappropriated earnings	541,910	4	468,168	4
Total retained earnings	1,375,624	11	1,244,671	12
Other equity	6,778	-	(15,205)	-
Total equity attributable to owners of the Company	3,886,392	32	3,677,608	37
NON-CONTROLLING INTERESTS (Notes 25, 29, 30 and 31)	377,344	3	360,733	3
Total equity	4,263,736	35	4,038,341	40
TOTAL	$ 12,044,400	100	$ 10,023,537	100

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

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 26 and 35)				
Sales	$ 26,710,813	100	$ 22,824,272	100
OPERATING COSTS (Notes 4, 12, 27 and 35)				
Cost of sales	(24,691,055)	(92)	(21,019,423)	(92)
GROSS PROFIT	2,019,758	8	1,804,849	8
OPERATING EXPENSES (Notes 27 and 35)				
Selling and marketing expenses	(763,525)	(3)	(737,432)	(3)
General and administrative expenses	(136,388)	(1)	(145,962)	(1)
Research and development expenses	(87,364)	-	(86,313)	-
Total operating expenses	(987,277)	(4)	(969,707)	(4)
OPERATING PROFIT	1,032,481	4	835,142	4
NON-OPERATING INCOME AND EXPENSES (Notes 4, 14, 27,30 and 35)				
Interest income	5,444	-	9,483	-
Other income	7,027	-	4,068	-
Other gains and losses	(219,398)	(1)	(59,606)	-
Finance costs	(74,490)	-	(114,283)	(1)
Share of loss of associates	(3,449)	-	(300)	-
Total non-operating income and expenses	(284,866)	(1)	(160,638)	(1)
PROFIT BEFORE INCOME TAX	747,615	3	674,504	3
INCOME TAX EXPENSE (Notes 4 and 28)	(142,939)	(1)	(135,022)	(1)
NET PROFIT FOR THE PERIOD	604,676	2	539,482	2
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans（Notes 4 and 24）	(1,255)	-	(2,358)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income（Notes 4 and 25）	29,879	-	(4,896)	-

(Continued)

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
Income tax relating to items that will not be reclassified（Notes 4 and 28）	$ 251	-	$ 471	-
	28,875	-	(6,783)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations（Notes 25）	(1,491)	-	(3,904)	-
Unrealized gain on investments in debt instruments at fair value through other comprehensive income（Notes 4 ,9 and 25）	4,044	-	(3,218)	-
Income tax relating to items that may be reclassified subsequently to profit or loss（Notes 4 and 28）	298	-	782	-
	2,851	-	(6,340)	-
Other comprehensive income (loss) for the period, net of income tax	$ 31,726	-	($ 13,123)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 636,402	2	$ 526,359	2
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 536,016	2	$ 469,655	2
Non-controlling interests	68,660	-	69,827	-
	$ 604,676	2	$ 539,482	2
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ 561,159	2	$ 457,540	2
Non-controlling interests	75,243	-	68,819	-
	$ 636,402	2	$ 526,359	2
EARNINGS PER SHARE (Note 29)				
Basic	$ 2.99		$ 2.62	
Diluted	$ 2.73		$ 2.60	

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

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company										
	Issued Capital			Retained Earnings			Other Equity				
	Shares (Thousands)	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operation	Unrealized Gain on financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2019	179,045	$ 1,790,452	$ 657,809	$ 719,517	$ 4,544	$ 523,543	($ 910)	($ 3,879)	$ 3,691,076	$ 350,190	$ 4,041,266
Appropriation of the 2018 earnings											
Legal reserve	-	-	-	52,197	-	(52,197)	-	-	-	-	-
Special reserve	-	-	-	-	245	(245)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(470,889)	-	-	(470,889)	-	(470,889)
Cash dividends from subsidiaries	-	-	-	-	-	-	-	-	-	(58,169)	(58,169)
Changes in capital surplus：											
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	(119)	-	-	-	-	-	(119)	(107)	(226)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	93	-	(93)	-	-	-
Net profit for the year ended December 31, 2019	-	-	-	-	-	469,655	-	-	469,655	69,827	539,482
Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax	-	-	-	-	-	(1,792)	(3,115)	(7,208)	(12,115)	(1,008)	(13,123)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	467,863	(3,115)	(7,208)	457,540	68,819	526,359
BALANCE AT DECEMBER 31, 2019	179,045	1,790,452	657,690	771,714	4,789	468,168	(4,025)	(11,180)	3,677,608	360,733	4,038,341
Appropriation of the 2019 earnings											
Legal reserve	-	-	-	46,796	-	(46,796)	-	-	-	-	-
Special reserve	-	-	-	-	10,415	(10,415)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(408,223)	-	-	(408,223)	-	(408,223)
Cash dividends from subsidiaries	-	-	-	-	-	-	-	-	-	(64,632)	(64,632)
Convertible bonds issued by the Company recognized as equity	81	808	1,708	-	-	-	-	-	2,516	-	2,516
Changes in capital surplus：											
Recognition of equity components due to the issuance of convertible corporate bonds-occurred by subscription right	-	-	53,332	-	-	-	-	-	53,332	-	53,332
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	-	-	-	-	-	6,000	6,000
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	4,073	-	(4,073)	-	-	-
Net profit for the year ended December 31, 2020	-	-	-	-	-	536,016	-	-	536,016	68,660	604,676
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	(913)	(1,193)	27,249	25,143	6,583	31,726
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	535,103	(1,193)	27,249	561,159	75,243	636,402
BALANCE AT DECEMBER 31, 2020	179,126	$ 1,791,260	$ 712,730	$ 818,510	$ 15,204	$ 541,910	($ 5,218)	$ 11,996	$ 3,886,392	$ 377,344	$ 4,263,736

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

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 747,615	$ 674,504
Adjustments for:		
Expected loss on credit impairment	3,983	535
Depreciation expenses	62,004	64,199
Amortization expenses	3,876	4,469
Finance costs	74,490	114,282
Share of profit (loss) of associates accounted for using the equity method	3,449	300
Interest income	(5,444)	(9,483)
Dividend income	(3,486)	(3,790)
Impairment loss (gain) on inventories	70	26,727
Loss (gain) on disposal right-of-use assets	-	8
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(5,262)	365
Net (gain) loss on foreign currency exchange	(6,859)	(20,234)
Loss on disposal of scrap inventories and inventory physical count	4,791	5,233
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(9,453)	(1,428)
Notes receivable	1,731	(17,130)
Account receivables	(2,078,906)	(407,341)
Account receivables from related parties	664,014	(489,510)
Other receivables	(70,801)	(304,701)
Inventories	376,800	109,952
Other current assets	8,362	4,080
Contract liabilities	(26,706)	11,159
Notes payable	(6)	(233)
Account payables	816,698	129,864
Account payables to related parties	(6,407)	21,875
Other payables	44,591	28,568
Provisions	(12,600)	(8,891)
Net defined benefit liabilities	(1,115)	(945)
Other current liabilities	79,040	92,504
Cash generated from (used in) operations	664,469	24,938
Interest paid	(68,036)	(100,494)
Income tax paid	(71,753)	(248,589)
Net cash generated from (used in) operating activities	524,680	(324,145)

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PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

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

	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	($ 31,077)	($ 36,340)
Proceeds from disposal of financial assets at fair value through other comprehensive income	14,973	1,740
Acquisition of financial assets at amortized cost	(1,457,569)	(955,853)
Proceeds from disposal of financial assets at amortized cost	1,342,035	953,430
Interest received	5,444	9,483
Other dividends received	3,486	3,790
Acquisition of subsidiary company	2,710	-
Proceeds from capital reduction of investments accounted for using equity method	500	1,951
Acquisition of property, plant and equipment	(4,249)	(6,147)
Increase in prepayments for business facilities	(17,175)	(7,721)
Acquisition of intangible assets	-	(1,163)
Increase in refundable deposits	(248,736)	-
Decrease in refundable deposits	-	3,213
Net cash used in investing activities	(389,658)	(33,617)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	(298,952)	746,066
Decrease in short-term notes and bills payable	(20,000)	140,000
Issuance of corporate bond	1,015,887	-
Repayments of long-term debt	(18,828)	(26,739)
Increase in guarantee deposits received	224,624	47,352
Payments of lease liabilities	(38,840)	(37,085)
Payments of cash dividends	(408,223)	(470,889)
Acquisition of equity of subsidiaries	-	(226)
Dividends paid to non-controlling interests	(64,632)	(58,169)
Net cash generated from financing activities	391,036	340,310
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(994)	(3,054)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	525,064	(20,506)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,625,366	1,645,872
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 2,150,430	$ 1,625,366

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

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Promate Electronic Co., Ltd. (the “Company”) is a listed company that was established in May, 1986. The Company is mainly engaged in the distribution and sales of electronic/electrical components, sales of computer software and electrical products and sales of electronic/electrical components.

The Company conducted an IPO on the Taipei Exchange (TPEx) on September, 2002, and its common shares were listed on the Taiwan Stock Exchange (TWSE) since May, 2004.

As of August 1st, 2013, the Company is pleased to announce that this business unit will form a fully owned subsidiary under the name Promate Solutions Corporation.

After carefully evaluating the opportunities of the business unit as well as Promate Electronic as a whole, the Board of Directors concluded that creating a separate entity is the next logical step for the business. As two separate entities, both Promate Electronic and Promate Solutions will have the flexibility and agility necessary to pursue focused avenues of growth. Most importantly, this will enable each entity to more effectively service customers and deliver shareholder value.

The functional currency of the Company is the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on March 23, 2021.

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

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by Financial Supervisory Commission (FSC).

   Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies.

b. The IFRs endorsed by FSC for application starting from 2021:

New IFRSs	Effect Date Announced by IASB
Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”	Effective immediately upon promulgation by the IASB
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform - Phase 2”	January 1, 2021

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

   “Interest Rate Benchmark Reform - Phase 2” primarily amends IFRS 9, IFRS 7 and IFRS 16 to provide practical relief from the impact of the interest rate benchmark reform.

Changes in the basis for determining contractual cash flows as a result of interest rate benchmark reform

The changes in the basis for determining contractual cash flows of financial assets, financial liabilities or lease liabilities are accounted for by updating the effective interest rate at the time the basis is changed, provided the changes are necessary as a direct consequence of the reform and the new basis is economically equivalent to the previous basis.

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

New IFRSs	Effective Date Announced by IASB (Note1)
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 2)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 6)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 7
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 4)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 5

Note1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note2: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Note 6: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 7: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

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

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

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

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

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

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

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

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

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

4) Amendments to IAS 1 "Disclosure of Accounting Policies"

This amendment clearly stipulates that the consolidated company shall determine the material accounting policy information to be disclosed according to the definition of materiality. Accounting policy information is material to the extent that it can reasonably be expected to influence the decisions made by major users of the financial statements for general purpose on which the financial statements are based. This amendment clarifies:

- Accounting policy information relating to non-material transactions, other matters or circumstances is non-material and the consolidated company is not required to disclose such information.

- The consolidated company may judge the relevant accounting policy information to be material due to the nature of the transaction, other matters or circumstances, even if the amount is not material.
- Not all accounting policy information relating to material transactions, other matters or circumstances is material.

In addition, the amendment provides an example of how accounting policy information may be material if it is related to material transactions, other matters or circumstances and if:

(1) The consolidated company changes its accounting policies during the reporting period and the change results in a material change in the financial statement information;

(2) The consolidated company selects its applicable accounting policies from the options permitted by the Standards;

(3) Accounting policies are established by the consolidated company in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" due to the lack of specific standards;

(4) The consolidated company discloses relevant accounting policies determined by the application of material judgments or assumptions; or

(5) There are complex accounting requirements and users of financial statements rely on such information in order to understand such material transactions, other matters or circumstances.

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

This amendment clearly stipulates that the accounting estimates refer to the monetary amounts in financial statements that are affected by measurement uncertainties. When the accounting policies apply to the consolidated company, the financial statement items may have to be measured in terms of monetary amounts that cannot be directly observed but must be estimated. Measuring techniques and input values are used to establish the accounting estimates for this purpose. If the impact of change in the measurement technology or input value on accounting estimates is not correction of previous errors, it is the change in accounting estimates.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; and
2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;
2) Assets expected to be realized within 12 months after the reporting period; and
3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held for the purpose of trading;
2) Liabilities due to be settled within 12 months, and
3) Liabilities for which the entity does not have the right at the end of the reporting period to defer settlement beyond 12 months.

Assets and liabilities that are not classified as current are classified as non-current

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

See Note 13 and Table 6 for the detailed information of subsidiaries (including the percentage of ownership and main businesses).

e. Business combinations

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gains on bargain purchases. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. The measurement period does not exceed 1 year from the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity and included in capital surplus - options is not remeasured at the end of the subsequent reporting period and its subsequent settlement is accounted for within equity and transferred to capital surplus - share premiums. Other contingent consideration is remeasured at fair value at the end of subsequent reporting period with any gain or loss recognized in profit or loss.

f. Foreign Currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise except for:

1) Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and,

2) Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investments.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise. Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of the Company's foreign operations that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

g. Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

h. Investments in associates

An associate is an entity over which the Group has significant influence.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group' consolidated financial statements only to the extent that interests in the associate are not related to the Group.

i. Property, plant, and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, plant and equipment, right-of-use asset, intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in debt instruments and equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 29: Financial Instruments.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivable and notes receivable (including associates) at amortized cost, contract assets and other trade receivables (including associates), are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits held for the purpose of meeting short-term cash commitments, highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

iii. Investments in debt instruments designated at FVTOC

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

i) The financial asset is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and

ii) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Investments in debt instruments designated at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

iv. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including cash and cash equivalents, trade receivable and notes receivable (including related party) at amortized cost, contract assets and other trade receivables (including related party).

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables and contract assets. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3）Convertible bonds

The component parts of compound financial instruments (convertible bonds) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

On initial recognition, the fair value of the liability component is estimated at the prevailing market interest rate for similar non-convertible instruments. The amount is recognized as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be reclassified as capital surplus - additional paid-in capital. If the conversion option remains unexercised at maturity, the balance recognized in equity will be reclassified as capital surplus –share premiums..

Transaction costs that relate to the issuance of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

4) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts and cross currency swaps.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that are within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

m. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Warranty

Provisions for the expected cost of warranty obligations to assure that products comply with agreed-upon specifications are recognized on the date of sale of the relevant products at the best estimate by the management of the Company of the expenditures required to settle the Group's obligations.

n. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

Revenue from the sale of goods mainly comes from the distribution of electronic components, and the sale and manufacture of embedded control systems, medical displays, and application-specific display modules at the agreed prices stipulated in contracts, quotations or orders. Sales of goods are recognizes as revenue when the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables and contract assets are recognized concurrently. Any amounts previously recognized as contract assets are reclassified to trade receivables when the remaining obligations are performed.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Service revenue

Service revenue mainly comprises revenue from the design of embedded, medical, and application specific display modules during product development; revenue from customers' request for repair when defects occur in products that exceed the warranty period; and revenue recognized at the agreed prices stipulated in contracts.

o. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

p. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

The accounting treatment for other long-term employee benefits is the same as that of the defined benefit retirement plan, except that the relevant remeasurements are recognized as profit and loss.

4) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

r. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

The accounting policies, estimates, and basic assumptions adopted by the Group have been evaluated by the Group's management, and there are no major accounting judgments, estimates, and assumptions that are uncertain

6. CASH AND CASH EQUIVALENTS

	December 31, 2020	December 31, 2019
Cash on hand	$ 2,129	$ 1,547
Checking accounts	1,880,482	1,185,868
Cash equivalents (investment with original maturities less than three months)		
Time deposits	267,819	437,951
	$ 2,150,430	$ 1,625,366

The market rate intervals of cash in bank, at the end of the reporting period were as follows:

	December 31, 2020	December 31, 2019
Demand deposits	0.001%～0.5%	0.001%～0.43%
Time deposits	0.17%～0.35%	0.59%～2.28%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2020	December 31, 2019
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTP:		
Non-derivative financial assets	$ 19,275	$ 4,560
Redemption option on convertible bonds	100	-
	$ 19,375	$ 4,560

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31, 2020	December 31, 2019
Non-current		
Investments in equity instruments	$ 78,433	$ 32,450
Non-current		
Domestic investments Listed shares		
ITE Tech. Inc.	$ -	$ 195
HIGGSTEC Inc.	76,035	30,310
Unlisted shares		
UPI Semiconductor Corp.	1,009	1,009
Medimaging Integrated Solution Inc.	951	936
Tricorntech Corp.	438	-
	$ 78,433	$ 32,450

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

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2020	December 31, 2019
Current		
Domestic investments		
Time deposits with original maturities of more than 3 months	$ 2,278	$ 2,423
Foreign investments		
Repurchase agreement		
—PERTAMINA	28,715	-
—CITIC Group Corporation Ltd.	28,567	-
—Corporation Nacional del Cobre de Chile	28,517	-
—Bank of China	28,515	-
	$ 116,592	$ 2,423

Refer to Note 10 for information related to credit risk management and impairment evaluation of financial assets at amortized cost.

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments are classified as at FVTOCI and as at amortized cost.

At Amortized cost

	December 31, 2020	December 31, 2019
Gross carrying amount	$ 116,592	$ 2,423
Allowance for impairment loss	-	-
Amortized cost	116,592	2,423
Fair value adjustment	-	-
	$ 116,592	$ 2,423

In order to minimize credit risk, the Group has tasked its credit management committee with the development and maintenance of a credit risk grading framework for categorizing exposures according to the degree of the risk of default. The credit rating information may be obtained from independent rating agencies, where available, and if not available, the credit management committee uses other publicly available financial information to rate the debtors. The Group's exposure and the external credit ratings are continuously monitored and assessed for whether there has been a significant increase in credit risk since the last period to the reporting date.

The Group considers the historical default rates of each credit rating supplied by external rating agencies to estimate 12-month or lifetime expected credit losses.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for Recognizing Expected Credit Losses
Normal	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12-month ECLs

Gross carrying amount and applicable expected credit loss rate of investments in debt instruments are as follows:

At Amortized Cost

Category		Gross Carrying Amount	
	Expected Loss Rate	December 31, 2020	March 31, 2020
Normal	0%-0.01%	$ 116,592	$ 2,423

There was no change in the allowance for impairment loss of investments in debt instruments at amortized cost for the year ended December 31, 2020 and 2019.

11. NOTES RECEIVABLE, ACCOUNTS RECEIVABLES AND OTHER RECEIVABLES

	December 31, 2020	December 31, 2019
Notes receivable		
At amortized cost		
Gross carrying amount	$ 68,817	$ 70,548
Less: Allowance for impairment loss	-	-
	$ 68,817	$ 70,548
From operation	$ 68,817	$ 70,548
Accounts receivables		
At amortized cost		
Gross carrying amount-unrelated parties	$ 5,542,797	$ 3,459,312
Gross carrying amount-related parties	2,194	666,208
Less: Allowance for impairment loss	(29,462)	(24,991)
	$ 5,515,529	$ 4,100,529
Overdue receivables		
At amortized cost		
Gross carrying amount	$ 13,972	$ 13,969
Less: Allowance for impairment loss	(13,972)	(13,969)
	$ -	$ -
Others receivables		
Accounts receivables at FVTOCI	$ 623,283	$ 576,586
Tax refund receivables	78,196	59,475
Customs duty refund receivables	1,923	1,488
Others	10,678	5,730
	$ 714,080	$ 643,279

Notes Receivable and Accounts Receivables

At amortized cost

The average credit period of the sales of goods was 90-150 days. No interest was charged on accounts receivables. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual accounts debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Group measures the loss allowance for all accounts receivables at an amount equal to lifetime ECLs. The expected credit losses on accounts receivables are estimated using an allowance matrix, which takes into consideration the historical credit loss experience with the respective debtor, the current financial position of the debtor, and the current and future economic conditions of the industry as well as the overall economy. As the Group’s historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group’s different customer base.

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

The following table details the loss allowance of notes receivables and accounts receivable based on the Group's provision matrix.

December 31, 2020

	Not Past Due	Less than 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Total
Expected credit loss rate	0.00%-0.08%	0.27%-8.34%	3.94%-30.21%	18.75%-56.20%	22.22%-100.%	
Gross carrying amount	$ 4,900,719	$ 615,172	$ 79,122	$ 7,373	$ 11,422	$ 5,613,808
Loss allowance (Lifetime ECL)	(1,093)	(10,943)	(6,095)	(2,294)	(9,037)	(29,462)
Amortized cost	$ 4,899,626	$ 604,229	$ 73,027	$ 5,079	$ 2,385	$ 5,584,346

December 31, 2019

	Not Past Due	Less than 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Total
Expected credit loss rate	0.04%-1.23%	0.26%-21.89%	0.38%-61.12%	2.52%-82.19%	2.38%-100.00%	
Gross carrying amount	$ 3,791,883	$ 336,655	$ 52,983	$ 4,270	$ 10,277	$ 4,196,068
Loss allowance (Lifetime ECL)	(6,436)	(5,280)	(3,657)	(427)	(9,191)	(24,991)
Amortized cost	$ 3,785,447	$ 331,375	$ 49,326	$ 3,843	$ 1,086	$ 4,171,077

The movements of the loss allowance of accounts receivables and overdue receivables were as follows:

	For the Years Ended December 31			
	2020		2019	
	Trade Receivables	Overdue Receivables	Trade Receivables	Overdue Receivables
Balance at January 1	$ 24,991	$ 13,969	$ 24,466	$ 13,969
Business combination	469	-	-	-
Add: Amount of expected loss recognized	3,983	-	535	-
Classified to overdue receivable	(3)	3		
Foreign exchange gains and losses	22		(10)	-
Balance on December 31	$ 29,462	$ 13,972	$ 24,991	$ 13,969

Compared to the balance on January 1, 2020 and 2019, the gross carrying amount of accounts receivables on December 31, 2020 and 2019 increased $1,417,740 thousand and increased $1,417,740 thousand. Due to increase in projected credit loss, the loss allowance increased $3,983 thousand and $535 thousand.

12. INVENTORIES

	December 31, 2020	December 31, 2019
Raw materials and work in process	$ 111,978	$ 148,102
Merchandise inventories	2,228,351	2,573,878
	$ 2,340,329	$ 2,721,980

Operating costs summarized by nature are as below.

	For the Year ended December 31	
	2020	2019
Cost of Goods Sold	$ 24,686,194	$ 20,987,463
Impairment（Price recovery）	70	26,727
Inventory Scrap	4,791	5,233
	$ 24,691,055	$ 21,019,423

13. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

The entities included in the consolidated statements are listed below.

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31, 2020	Proportion of Ownership (%) December 31, 2019	Remark
Promate Electronic Co., Ltd	Promate Solutions Corporation.	Production and sale of electronic products	66.21%	66.21%	a
	PROMATE INTERNATIONAL CO., LTD.	Investment	100%	100%	b
	HAPPY ON SUPPLY CHAIN MANAGEMENT LTD.	Warehouse and logistic device	100%	100%	c
	PROMATE ELECTRONICS COMPANY USA	Sales of electronic/ electrical components	100%	100%	d
	CT Continental Corporation	International trade	90%-	-	e
PROMATE INTERNATIONAL CO., LTD.	Promate Electronic (Shenzhen) Co., Ltd.	International trade	100%	100%	f
	Promate Electronic (Shanghai) Co., Ltd	International trade	100%	100%	g
Promate Solutions Corporation.	Promate Japan Inc.	International trade	100%	100%	h

Remarks:

a) Promate Solutions Corporation. (Promate Solutions) was incorporated on May 29, 2000 in Taiwan.

b) PROMATE INTERNATIONAL CO., LTD. (Promate International) was incorporated on October 4, 2000 in Hong Kong.

c) HAPPY ON SUPPLY CHAIN MANAGEMENT LTD. (Happy on) was incorporated in February 2006 in Hong Kong.

d) PROMATE ELECTRONICS COMPANY USA (PROMATE USA) was incorporated in November 2011 in California, U.S.A.

e) CT Continental Corporation (CTC) was incorporated on March 12, 1990. Since September 15, 2020, the Company holds 90% ownership in this subsidiary. Main businesses include manufacturing, distribution, and import and export of computer motherboards and computer peripherals.

f) Promate Electronic (Shenzhen) Co., Ltd. was incorporated in February 2009 in Shenzhen, China by PROMATE INTERNATIONAL, 100% shareholding. Main businesses include the import/export of electronical components, economic information consulting, and the development and transfer of electronical products.

g) Promate Electronic (Shanghai) Co., Ltd. was incorporated in November 2009 in Shanghai, China. by PROMATE INTERNATIONAL, 100% shareholding. Main businesses include the import/export of electronical components and related services.

h) Promate Japan Inc. was incorporated in March 2017 in Tokyo, Japan.

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests December 31, 2020	Proportion of Ownership and Voting Rights Held by Non-controlling Interests December 31, 2019
Promate Solutions and its subsidiaries	33.79%	33.79%

See Table 7 for the information on place of incorporation and principal place of business.

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests For the Years Ended December 31, 2020	Profit (Loss) Allocated to Non-controlling Interests For the Years Ended December 31, 2019	Accumulated Non-controlling Interests December 31, 2020	Accumulated Non-controlling Interests December 31, 2019
Promate Solutions and its subsidiaries	$ 68,619	$ 69,827	$ 371,303	$ 360,733

The summarized financial information below represents amounts before intragroup eliminations.

Promate Solutions and its subsidiaries

	December 31, 2020	December 31, 2019
Current assets	$ 1,320,594	$ 1,419,184
Non-current assets	180,117	173,042
Current liabilities	(341,446)	(439,908)
Non-current liabilities	(60,410)	(84,745)
Equity	$ 1,098,855	$ 1,067,573
Equity attributable to:		
The Parent Company	$ 727,552	$ 706,840
Non-controlling interests of Promate Solutions	371,303	360,733
	$ 1,098,855	$ 1,067,573

	For the Year ended December 31 2020	For the Year ended December 31 2019
Revenue	$ 1,771,303	$ 1,874,393
Net income for the period	$ 203,075	$ 206,641
Other comprehensive income for the period	19,481	(2,986)
Total comprehensive income for the period	$ 222,556	$ 203,655
Net income attributable to:	$ 134,456	$ 136,814
The Parent Company	68,619	69,827
Non-controlling interests of Promate Solutions	$ 203,075	$ 206,641
Total comprehensive income (loss) attributable to:	$ 147,354	$ 134,836
The Parent Company	75,202	68,819
Non-controlling interests of Promate Solutions	$ 222,556	$ 203,655
Net cash flow from:		
Operating activities	$ 129,110	$ 507,760
Investing activities	(140,087)	(24,607)
Financing activities	(213,508)	(194,345)
Foreign exchange translation	2	(31)
Net cash inflow (outflow)	($ 224,483)	$ 288,777
Dividends paid to non-controlling interests		
Promate Solutions	$ 64,632	$ 58,169

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	December 31, 2020	December 31, 2019
Associates that are not individually material		
Prosperity Venture Capital I, Limited	$ 645	$ 4,693

Name of Associate	Proportion of Ownership and Voting Rights Held by the Group	
	December 31, 2020	December 31, 2019
Prosperity Venture Capital I, Limited	21.62%	21.62%

Refer to Table 7 "Information on Investees" for the nature of activities, principal place of business and country of incorporation of the associates.

Investments accounted for using the equity method and the share of profit or loss and other comprehensive loss of those investments were calculated based on the financial statements that have not been audited. Management believes that there is no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income from the financial statements of investees that have not been audited

The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRSs adjusted by the Group for equity accounting purpose.

	December 31, 2020	December 31, 2019
Total assets	$ 2,848	$ 21,542
Liability	($ 25)	$ -
Equity	$ 2,823	$ 21,542
Proportion of the Group's ownership	21.62%	21.62%
Equity attributable to the Group	$ 610	$ 4,658
Difference between previous year's investment cost and equity value	35	35
Carry amount	$ 645	$ 4,693

	For the Year ended December 31	
	2020	2019
Revenue	$ -	$ -
Net loss for the period	($ 15,954)	($ 1,389)
Dividend distribution	$ 500	$ -

15. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2020	December 31, 2019
Assets used by the Group	$ 391,976	$ 388,807
Assets leased under operating leases	-	-
	$ 391,976	$ 388,807

Assets used by the Group

	Freehold Land	Buildings	Machinery Equipment	Transportation Equipment	Office Equipment	Miscellaneous Equipment	Total
Cost							
Balance at January 1, 2020	$ 205,987	$ 187,876	$ 72,318	$ 18,771	$ 51,625	$ 70,886	$ 607,463
Additions	-	-	-	72	3,704	473	4,249
Disposals	-	-	-	-	(2,534)	(314)	(2,848)
Acquired in business combination	6,236	3,808	-	1,780	82	280	12,186
Reclassifications	-	-	11,357	-	285	5,670	17,312
Effect of foreign currency	-	689	3	58	(183)	(25)	542
Balance at December 31, 2020	$ 212,223	$ 192,373	$ 83,678	$ 20,681	$ 52,979	$ 76,970	$ 638,904
Accumulated depreciation							
Balance at January 1, 2021	$ -	$ 64,239	$ 44,389	$ 16,361	$ 41,919	$ 51,748	$ 218,656
Disposals	-	-	-	-	(2,534)	(314)	(2,848)
Acquired in business combination	-	2,371	-	630	68	233	3,302
Reclassifications	-	-	-	-	-	-	-
Depreciation expenses	-	6,601	7,269	764	3,693	9,274	27,601
Effect of foreign currency	-	333	2	79	(173)	(24)	217
Balance at December 31, 2020	$ -	$ 73,544	$ 51,660	$ 17,834	$ 42,973	$ 60,917	$ 246,928
Carrying amounts at December 31, 2019	$ 205,987	$ 123,637	$ 27,929	$ 2,410	$ 9,706	$ 19,138	$ 388,807
Carrying amounts at December 31, 2020	$ 212,223	$ 118,829	$ 32,018	$ 2,847	$ 10,006	$ 16,053	$ 391,976

	Freehold Land	Buildings	Machinery Equipment	Transportation Equipment	Office Equipment	Miscellaneous Equipment	Total
Cost							
Balance at January 1, 2019	$ 205,987	$ 189,231	$ 71,238	$ 18,099	$ 49,113	$ 66,754	$ 600,422
Additions	-	-	1,084	929	2,629	1,505	6,147
Disposals	-	-	-	-	-	(390)	(390)
Reclassifications	-	-	-	-	-	3,026	3,026
Effect of foreign currency	-	(1,355)	(4)	(257)	(117)	(9)	(1,742)
Balance at December 31, 2019	$ 205,987	$ 187,876	$ 72,318	$ 18,771	$ 51,625	$ 70,886	$ 607,463
Accumulated depreciation							
Balance at January 1, 2019	$ 205,987	$ 189,231	$ 71,238	$ 18,099	$ 49,113	$ 66,754	$ 600,422
Disposals	-	-	1,084	929	2,629	1,505	6,147
Reclassifications	-	-	-	-	-	(390)	(390)
Depreciation expenses	-	-	-	-	-	3,026	3,026
Effect of foreign currency	-	(1,355)	(4)	(257)	(117)	(9)	(1,742)
Balance at December 31, 2019	$ 205,987	$ 187,876	$ 72,318	$ 18,771	$ 51,625	$ 70,886	$ 607,463
Carrying amounts at December 31, 2018	$ 205,987	$ 130,999	$ 34,897	$ 2,852	$ 11,777	$ 24,404	$ 410,916
Carrying amounts at December 31, 2019	$ 205,987	$ 123,637	$ 27,929	$ 2,410	$ 9,706	$ 19,138	$ 388,807

There was no indication of an impairment loss; therefore, the Group did not perform impairment assessment during the year ended December 31, 2020 and 2019.

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

Buildings- Office in China	20 years
Buildings- Office in Taiwan	61 years
Buildings- Plant in Taiwan	25-30 years
Machinery Equipment	3-10 years
Transportation Equipment	3-10 years
Office Equipment	3-10 years
Miscellaneous Equipment	3-20 years

Property, plant and equipment pledged as collateral for borrowings are set out in Note 36.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2020	December 31, 2019
Carrying amounts		
Buildings	$ 102,075	$ 132,322
Transportation equipment	3,265	3,707
	$ 105,340	$ 136,029

	For the Year ended December 31	
	2020	2019
Additions to right-of-use assets	$ 9,532	$ 6,876
Depreciation charge for right-of-use assets		
Buildings	$ 32,530	$ 32,682
Transportation equipment	1,873	1,084
	$ 34,403	$ 33,766

b. Lease liabilities

	December 31, 2020	December 31, 2019
Carrying amounts		
Current	$ 34,528	$ 33,930
Non-current	$ 71,908	$ 102,364

Range of discount rate for lease liabilities was as follows:

	December 31, 2020	December 31, 2019
Buildings	2.75%～6.4%	2.75%～6.4%
Transportation equipment	5.69%	4.75%～5.69%

c. Material lease-in activities and terms

The Group leased a number of cars for use by business personnel or warehouse personnel in a period of 3 to 5 years. The lease contracts for these cars do not contain terms for the right of renewal or the right of purchase.

The Group also leased certain buildings for use as plant and office in a period of 5 years.

The lease contracts for offices located in Taiwan specify that the lease payments will be adjusted by customer price index each year. The Group does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor’s consent.

d. Other lease information

	For the Year ended December 31	
	2020	2019
Expenses relating to low-value asset leases	$ 3,112	$ 4,300
Total cash outflow for lease	($ 41,952)	($ 41,385)

The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

17. OTHER INTANGIBLE ASSETS

	Computer Software
Cost	
Balance at January 1, 2020	$ 29,119
Disposals	(6,012)
Effect of foreign currency	5
Balance on December 31, 2020	23,112
Accumulated amortization	
Balance at January 1, 2020	(18,540)
Amortization expenses	(3,876)
Disposals	6,012
Effect of foreign currency	(4)
Balance on December 31, 2020	(16,408)
Carrying amount on December 31, 2020	$ 6,704
Cost	
Balance at January 1, 2019	$ 27,404
Additions	1,834
Disposals	(110)
Effect of foreign currency	(9)
Balance on December 31, 2019	29,119
Accumulated amortization	
Balance at January 1, 2019	($ 14,188)
Amortization expenses	(4,469)
Disposals	110
Effect of foreign currency	7
Balance on December 31, 2019	(18,540)
Carrying amount on December 31, 2019	$ 10,579

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

Computer Software	3-10 years

	For the Year ended December 31	
	2020	2019
Amortization expenses summarized by function:		
Operating costs	$ -	$ -
Selling and marketing expenses	128	123
General and administrative expenses	3,377	3,776
Research and development expenses	371	570
	$ 3,876	$ 4,469

18. OTHER ASSETS

	December 31, 2020	December 31, 2019
Current		
Prepayments	$ 9,250	$ 16,025
Others	21	45
	$ 9,271	$ 16,070

	December 31, 2020	December 31, 2019
Non-current		
Prepayments for equipment	$ 3,888	$ 4,025
Refundable deposits	404,982	156,116
Overdue receivables (Note 11)	13,972	13,969
Allowance for impairment loss - Overdue receivables (Note 11)	(13,972)	(13,969)
	$ 408,870	$ 160,141

Refundable deposits

Refundable deposits are mainly paid to suppliers as performance bond.

19. BORROWINGS

a. Short-term borrowings

	December 31, 2020	December 31, 2019
Secured borrowings (Note 36)		
Bank loans (1)	$ 2,060,000	$ 1,805,538
Bank loans - letters of credit (2)	345,108	906,746
	$ 2,405,108	$ 2,712,284

1) The effective weighted average interest rates for bank loans ranged from 0.6035%-0.9371% and 0.85%～4.79% per annum as of December 31, 2020 and December 31,2019, respectively.

2) The effective weighted average interest rate for letters of credit loans was 0.63%-0.86% and 1.09%-2.55% per annum as of December 31, 2020 and December 31, 2019, respectively.

b. Short-term bills payable

	December 31, 2020	December 31, 2019
Commercial paper	$ 190,000	$ 210,000
Less: Unamortized discount on bills payable	-	-
	$ 190,000	$ 210,000

Outstanding short-term bills payable were as follows:

December 31, 2020

Promissory Institutions	Nominal Amount	Discount Amount	Carrying Value
Commercial papers	$ 190,000	$ -	$ 190,000

December 31, 2019

Promissory Institutions	Nominal Amount	Discount Amount	Carrying Value
Commercial papers	$ 210,000	$ -	$ 210,000

The interest rates on the commercial paper range from 0.908%~0.958% and 0.99% ~1.008% as of December 31, 2020 and 2019 respectively.

c. Long-term borrowings

	December 31, 2020	December 31, 2019
Secured borrowings		
Bank loans	$ -	$ 18,828
Less: Current portion	-	(18,828)
Long-term borrowing	$ -	$ -

The weighted average effective interest rate of the bank borrowings secured by the Group's freehold land and buildings (refer to Note 36) were 1.81% per annum as of September 30, 2020, and December 31, 2019 respectively, and the principal and interests will be repayable monthly until September 30, 2020.

20. Convertible Bond

	December 31, 2020
Domestic unsecured convertible bonds	$ 997,400
Less：Discounts on bonds payable	(30,116)
	$ 967,284

Unsecured Domestic Convertible Bonds - Third Issue

On June 8, 2020, the Company issued 10 thousand NTD-denominated unsecured convertible bonds in Taiwan, with an aggregate principal amount of $1,000,000 thousand. In addition, the bond is publicly underwritten by bidding auction, the issue price is $101, and the actual total issue amount is $1,020,987 thousand. The annual interest rate of the issuance coupon is 0%, the issuance period is three years, and the maturity date is June 8, 2023.

The major terms are as follows:

a. In the period of circulation from three months after the issuance of the convertible corporate bonds to forty business days before the maturity of the bonds, the Company may notify the bondholders under the conversion measures and redeem all bonds in cash at the nominal amount when the agreed conditions are met.

b. When this convertible bond expires, it will be repaid in cash based on the denomination of the bond.

c. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. The conversion price at issuance was NT$ 34.50, and the conversion price has been adjusted to $32.16 as of December 31, 2020.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - option. The effective interest rate of the liability component was 1.28% per annum on initial recognition.

Proceeds from issuance (less transaction costs of $5,100 thousand)	$ 1,015,887
Equity component (less transaction costs allocated to the equity component of $255 thousand)	(53,332)
Redemption right	100
Liability component on the date of issuance (less transaction costs allocated to the liability component of $4,845 thousand)	962,655
Conversion of corporate bond payable into common shares	(2,516)
Interest charged at an effective interest rate of 1.28%	7,145
Liability component on December 31, 2020	$ 967,284

21. NOTES AND ACCOUNTS PAYABLE

	December 31, 2020	December 31, 2019
Notes payable		
Non-trade	$ 24	$ 30
Accounts payable		
Accounts payable	$ 2,739,476	$ 1,922,778
Accounts payable - related parties	$ 19,899	$ 26,306

Accounts Payable

The average credit period for purchases of certain goods was 30-120 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

22. OTHER LIABILITIES

	December 31, 2020	December 31, 2019
Current		
Other payables		
Accrued commissions	$ 16,505	$ 26,470
Payables for salaries or bonuses	111,170	103,570
Payables for annual leave	17,850	17,000
Payables for compensation of employees and remuneration of directors	62,000	54,900
Subsidiaries' payables for compensation of employees and remuneration of directors	24,700	25,300
Accrued freights	46,662	34,787
Payables for dividends	519	519
Others	125,803	103,251
	$ 405,209	$ 365,797
Contract liability	$ 77,704	$ 104,410
Others		
Refund liability (1)	$ 291,379	$ 218,356
Others	18,227	5,116
	$ 309,606	$ 223,472
Non-current		
Other liabilities		
Guarantee deposits(2)	$ 284,864	$ 60,046

1) Refund liabilities is based on historical experience, management's judgments and other known reasons for which estimated product returns and rebates may occur in the reporting period. Refund liabilities are recognized as a reduction of operating income in the periods in which the related goods are sold.

2) Guarantee deposits

   Guarantee deposits are mainly collected from customers.

23. PROVISIONS

	December 31, 2020	December 31, 2019
Current		
Warranties	$ 3,285	$ 11,164
Non-current		
Warranties	$ 2,239	$ 6,960

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under sale of goods legislation. The estimate had been made on the basis of historic warranty trends, and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

24. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Parent Company and subsidiary adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Group makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.#

The employees of the Group's subsidiary in China are members of a state-managed retirement benefit plan operated by the government of China. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to this retirement benefit plan is to make the specified contributions.

b. Defined benefit plans

The defined benefit plans adopted by the Company and Promate Solutions in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average of monthly salaries of the 6 months before retirement. The Group contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31, 2020	December 31, 2019
Present value of defined benefit obligation	$ 76,456	$ 73,662
Fair value of plan assets	(28,897)	(26,243)
Net defined benefit liabilities (assets)	$ 47,559	$ 47,419

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance on January 1, 2019	$ 69,598	($ 23,593)	$ 46,005
Service cost			
Service cost of current period	169	-	169
Net interest expense (income)	757	(268)	489
Recognized in loss (profit)	926	(268)	658
Remeasurement			
Return on plan assets (other than amounts included in net interest)	-	(779)	(779)
Actuarial loss – change in demographic assumptions	307	-	307
Actuarial loss – changes in financial assumptions	2,560	-	2,560
Actuarial loss – experience adjustments	271	-	271
Recognized in other comprehensive loss (gain)	3,138	(779)	2,359
Contributions from employer	-	(1,603)	(1,603)
Balance on December 31, 2019	73,662	(26,243)	47,419
Service cost			
Service cost of current period	150	-	150
Net interest expense (income)	553	(203)	350
Recognized in loss (profit)	703	(203)	500
Remeasurement			
Return on plan assets (other than amounts included in net interest)	-	(836)	(836)
Actuarial loss – change in demographic assumptions	611	-	611
Actuarial loss – changes in financial assumptions	1,910	-	1,910
Actuarial loss – experience adjustments	(430)	-	(430)
Recognized in other comprehensive loss (gain)	2,091	(836)	1,255
Contributions from employer	-	(1,615)	(1,615)
Balance on December 31, 2020	$ 76,456	($ 28,897)	$ 47,559

The amount recognized as profit or loss for the defined benefit plan is summarized by function as follows:

	For the Year ended December 31	
	2020	2019
Operating cost	$ 26	$ 42
Selling and marketing expenses	313	416
General and administrative expenses	136	160
Research & development expense	25	40
	$ 500	$ 658

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by

plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2020	December 31, 2019
Discount rate(s)	0.50%	0.75%
Expected rate(s) of salary increase	2.00%	2.00%
Death rate	According to the fifth mortality experience table of Taiwan life insurance industry	According to the fifth mortality experience table of Taiwan life insurance industry
Disability rate	According to 10% of expected mortality rate	According to 10% of expected mortality rate

Employee turnover rate

Based on the empirical data of consolidated company on the turnover rate of the Company in the past and the future trend, the revised data were adopted.

The Company

Age	2020	2019
20 years old ~ 30 years old	7%~10%	9%~12.5%
35 years old ~ 60 years old	1%~4%	2%~6%

Promate Solutions

Age	2020	2019
20 years old ~ 30 years old	6%~10%	7%~13%
35 years old ~ 60 years old	2%~4%	0.5%~5%

The turnover rate under 20 years old shall be calculated as 20 years old; the turnover rate of each age group shall be calculated in the way of internal difference.

Voluntary retirement rate

Assuming that Z is the earliest retirement age for individual employees

Age	December 31, 2020	December 31, 2019
Z	15%	15%
Z＋1～64	3%	3%
65	100%	100%

However, the voluntary retirement rate of individual employees shall not be less than 1.5 times of the turnover rate for the same age adopted by the Company.

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31, 2020	December 31, 2019
Discount rate(s)		
0.25% increase	($ 1,916)	($ 1,893)
0.25% decrease	$ 1,992	$ 1,972

	December 31, 2020	December 31, 2019
Expected rate(s) of salary increase		
0.25% increase	$ 1,931	$ 1,916
0.25% decrease	($ 1,867)	($ 1,849)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31, 2020	December 31, 2019
The expected contributions to the plan for the next year	$ 1,653	$ 1,643
The average duration of the defined benefit obligation	9.9～10.2年	9.8～10.7年

25. EQUITY

a. Share capital

Common stock

	December 31, 2020	December 31, 2019
Number of shares authorized (in thousands)	250,000	250,000
Shares authorized	$ 2,500,000	$ 2,500,000
Number of shares issued and fully paid (in thousands)	179,126	179,045
Shares issued	$ 1,791,260	$ 1,790,452

Fully paid ordinary shares, with a par value of NT$10, each of which carries one vote per share and carry a right to receive dividends

Of the Company’s authorized shares, 10,000 thousand shares had been reserved for the issuance of convertible bonds and employee share options.

b. Capital surplus

	December 31, 2020	December 31, 2019
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	$ 291,960	$ 291,960
The difference between the consideration received or paid and the carrying amount of the subsidiaries’ net assets during actual disposal of acquisition	45,604	45,604
Conversion of employee stock options	66,208	66,208
Conversion of bonds	438,152	436,444
Less: transfer to capital	(267,199)	(267,199)
Less: cash dividends paid	(73,408)	(73,408)

	December 31, 2020	December 31, 2019
Less: Treasury stock cancellation	(9,461)	(9,461)
	491,856	490,148
May be used to offset a deficit only		
Changes in percentage of ownership interest in subsidiaries (2)	166,292	166,292
May not be used for any purpose	1,250	1,250
Employee share options	53,332	-
Share options on Convertible Bond	54,582	1,250
	$ 712,730	$ 657,690

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

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

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on distribution of employees' compensation and remuneration of directors after amendment, refer to employees' compensation and remuneration of directors in Note 27, h.

The Company's dividend policy is formulated according to the Company's capital budget, mid- and long-term operational planning and financial status, as well as by reference to the general level of dividends in the industry and capital markets as the basis for dividend policy. Related earnings can be distributed in the form of stock dividends or cash dividends. However, the percentage of cash dividends shall not be less than 20% of the total dividends. The percentage of cash dividends will be increased when future earnings and funds are more abundant.

A legal reserve should be appropriated from earnings until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset any deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2019 and 2018, which have been approved in the shareholders' meetings on June 15, 2020 and June 14, 2019, respectively, were as follows:

	2019	2018
Legal reserve	$ 46,796	$ 52,197
Special reserve	$ 10,415	$ 245
Cash dividends	$ 408,223	$ 470,889
Cash dividends per share (NT$)	$ 2.28	$ 2.63

The appropriation of earnings for 2020 was proposed by the Company's board of directors on March 24, 2021. The appropriation and dividends per share were as follows:

Legal reserve	$ 53,918
Cash dividends	501,553
Cash dividends per share (NT$)	2.80

The above appropriation for cash dividends had been resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting to be held on June 9, 2021.

d. Special reserves

	For the Year ended December 31	
	2020	2019
Beginning on January 1	$ 4,789	$ 4,544
Appropriations of special reserves		
In respect of debits to other equity items	10,415	245
Balance on December 31	$ 15,204	$ 4,789

e. Other equity items

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

	For the Year ended December 31	
	2020	2019
Balance at January 1	($ 4,025)	($ 910)
Recognized during the period		
Exchange differences arising on translating the financial statements of foreign operations	(1,193)	(3,115)
Other comprehensive income recognized for the period	(1,193)	(3,115)
Balance on December 31	($ 5,218)	($ 4,025)

2) Unrealized gain or loss on Financial Assets at FVTOCI

	For the Year ended December 31	
	2020	2019
Balance at January 1	($ 11,180)	($ 3,879)
Recognized for the period		
Unrealized gain (loss) - equity instruments	23,205	(3,991)
Net remeasurement of loss allowance	4,044	(3,217)
Other comprehensive income recognized for the period	27,249	(7,208)
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	(4,073)	(93)
Balance on December 31	$ 11,996	($ 11,180)

f. Non-controlling interests

	For the Year ended December 31	
	2020	2019
Balance at January 1	$ 360,733	$ 350,190
Share of profit (loss) for the period	68,660	69,827
Other comprehensive income during the period		
Exchange differences arising on translating the foreign operations	1	(7)
Actuarial profit and loss of defined benefit plans	(92)	(96)
Unrealized gain on FVTOCI financial assets	6,674	(905)
Cash dividends distributed by subsidiaries	(64,632)	(58,169)
Increase in non-controlling interests arising from the acquisition of subsidiary. (Note 30)	6,000	-
Non-controlling interests of the acquisition of subsidiary . (Note 31)	-	(107)
Balance on December 31	$ 377,344	$ 360,733

26. REVENUE

	For the Year ended December 31	
	2020	2019
Revenue from contracts with customers		
Revenue from sale of goods	$ 26,633,714	$ 22,787,507
Revenue from NRE service	58,378	21,244
Revenue from repair	13,012	9,837
	26,705,104	22,818,588
Other operating income		
Service revenue	5,709	5,684
	$ 26,710,813	$ 22,824,272

a. Revenue from contracts with customers

Revenue from the sale of goods

Revenue from the sale of goods mainly comes from the distribution of electronic components and the sale and manufacture of industrial computer monitors and customized products. Goods are categorized into electronic components (application-specific and LCD display products, linear/distributed components, application-specific and image processing ICs) as well as embedded control systems, medical displays, and application-specific display modules (e.g., medical, factory automation, military, outdoor use, and sports equipment). The Group sells goods at the agreed prices stipulated in contracts, quotations or orders.

Service revenue

Service revenue mainly comprises revenue from the design of embedded, medical, and application specific display modules during product development; revenue from customers' request for repair when defects occur in products that exceed the warranty period; and revenue recognized at the agreed prices stipulated in contracts.

b. Contract balances

	December 31, 2020	December 31, 2019
Notes and accounts receivables (Note 11)	$ 5,584,346	$ 4,171,077
Contract liabilities - current (Note 21)		
Sale of goods	$ 77,704	$ 104,410

The changes in the balance of contract liabilities primarily result from the timing difference between the Group's performance and the respective customer's payment.

c. Disaggregation of revenue

For the year ended December 31,2020

	Reportable Segment					
	Application-specific and LCD Display Products	Linear/ Distributed Components	Image Processing ICs	Application-specific ICs	Others	Total
Types of goods or services						
Revenue from the sale of goods	$ 5,386,659	$ 12,039,535	$ 5,636,472	$ 1,930,122	$ 1,640,926	$ 26,633,714
Service revenue	71,390	-	-	-	5,709	77,099
	$ 5,458,049	$ 12,039,535	$ 5,636,472	$ 1,930,122	$ 1,646,635	$ 26,710,813

For the year ended December 31,2019

	Reportable Segment					
	Application-specific and LCD Display Products	Linear/ Distributed Components	Image Processing ICs	Application-specific ICs	Others	Total
Types of goods or services						
Revenue from the sale of goods	$ 5,655,101	$ 9,466,497	$ 4,437,361	$ 1,694,430	$ 1,534,118	$ 22,787,507
Service revenue	36,474	-	-	-	291	36,765
	$ 5,691,575	$ 9,466,497	$ 4,437,361	$ 1,694,430	$ 1,534,409	$ 22,824,272

27. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS AND OTHER COMPREHENSIVE INCOME (LOSS)

a. Interest income

	For the Year ended December 31	
	2020	2019
Interest income		
Bank deposits	$ 3,825	$ 8,254
Financial assets at amortized cost	1,597	1,218
Imputed interest of deposit	22	11
	$ 5,444	$ 9,483

b. Other income

	For the Year ended December 31	
	2020	2019
Rental income		
Other operating lease	$ 288	$ 160
Dividend income		
Financial assets at FVTPL	661	505
Financial assets at FVTOCI	2,825	3,285
	3,486	3,790
Other	3,253	118
	$ 7,027	$ 4,068

c. Other gains and losses

	For the Year ended December 31	
	2020	2019
Gain (loss) on financial instruments		
Mandatorily measured at FVTPL	$ 5,262	($ 365)
Net foreign exchange gains (losses)	(215,711)	(63,476)
Bank charge	(14,126)	(11,899)
Loss on disposal right-of-use assets	-	(8)
Others	5,177	16,142
	($ 219,398)	($ 59,606)

There was no interest capitalization in the Group for the three months ended March 31, 2021 and 2020.

d. Finance costs

	For the Year ended December 31	
	2020	2019
Interest on bank loans	$ 62,789	$ 108,745
Interest on convertible corporate bond	7,145	-
Interest on lease liabilities	4,556	5,538
	$ 74,490	$ 114,283

e. Impairment losses recognized

	For the Year ended December 31	
	2020	2019
Trade receivables	($ 3,983)	($ 535)
Inventories (included in operating costs)	($ 70)	($ 26,727)

f. Depreciation and amortization

	For the Year ended December 31	
	2020	2019
An analysis of deprecation by function		
Operating costs	$ 935	$ 10,328
Operating expenses	61,069	53,871
	$ 62,004	$ 64,199
An analysis of amortization by function		
Operating costs	$ -	$ -
Operating expenses	3,876	4,469
	$ 3,876	$ 4,469

g. Employee benefits expense

	For the Year ended December 31	
	2020	2019
Short-term benefits	$ 553,262	$ 531,967
Post-employment benefits		
Defined contribution plans	14,916	23,640
Defined benefit plans (see Note 24)	500	658
	15,416	24,298
Other employee benefits	41,415	31,836
Total employee benefits expense	$ 610,093	$ 588,101

	For the Year ended December 31	
	2020	2019
An analysis of employee benefits expense by function		
Operating costs	$ 54,497	$ 54,879
Operating expenses	555,558	533,222
	$ 610,055	$ 588,101

h. Employees' compensation and remuneration of directors and supervisors

The Company accrued employees' compensation and remuneration of directors at the rates 7.5%-10% and no higher than 3%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors.

Employees' compensation and the remuneration of directors for the year ended December 31, 2020 and 2019 were approved by the Board of Directors on March 24, 2021 and March 17, 2020, respectively, and are as follows:

Accrual rate

	For the Year ended December 31	
	2020	2019
Employees' compensation	7.5%	7.5%
Remuneration of directors	1.5%	1.5%

Amount

	For the Year ended December 31	
	2020	2019
Employees' compensation	$ 52,000	$ 45,700
Remuneration of directors	10,500	9,900

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

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2019 and 2018.

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

i. Gain or loss on foreign currency exchange

	For the Year ended December 31	
	2020	2019
Foreign exchange gains	$ 864,082	$ 1,230,141
Foreign exchange losses	(1,079,793)	(1,293,617)
Net foreign exchange gains and losses	($ 215,711)	($ 63,476)

28. INCOME TAXES RELATING TO CONTINUING

a. Income tax recognized in profit or loss

Major components of tax expense (income) recognized in profit or loss are as follows:

	For the Year ended December 31	
	2020	2019
Current tax		
In respect of the current period	$ 155,730	$ 97,197
Income tax on unappropriated earnings	712	10
Adjustment for prior years	(7,016)	202
	149,426	97,409
Deferred tax		
In respect of the current period	(6,487)	37,613
Income tax expense recognized in profit or loss	$ 142,939	$ 135,022

A reconciliation of accounting profit and income tax expenses is as follows:

	For the Year ended December 31	
	2020	2019
Income before income tax	$ 747,615	$ 674,504
Income tax expense calculated at the statutory rate	$ 178,093	$ 134,762
Non-deductible tax loss	525	44
Tax-exempt income	(29,316)	(587)
Surtax on undistributed retained earnings	712	10
Unrecognized deductible temporary difference	(59)	591
Adjustments for prior year	(7,016)	202
Income tax expense recognized in profit or loss	$ 142,939	$ 135,022

b. Income tax expense recognized in other comprehensive income

	For the Year ended December 31	
	2020	2019
Deferred tax		
In respect of current period		
Translating the financial statements of foreign operations	$ 298	$ 782
Actuarial profit and loss of defined benefit plans	251	471
	$ 549	$ 1,253

c. Current tax assets and liabilities

	For the Year ended December 31	
	2020	2019
Current tax assets		
Tax refund receivable	$ -	$ 31,567
Prepaid income tax	447	327
	$ 447	$ 31,894
Current tax liabilities		
Income tax payable	$ 75,105	$ 28,879

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Deferred tax liabilities				
Temporary differences				
Unrealized sales return and allowance	$ 26,827	$ 31,449	$ -	$ 58,276
Impairment loss	5,993	-	-	5,993
Provisions	3,625	(2,520)	-	1,105
Defined benefit obligation	5,019	(222)	251	5,048
Associates	269	-	-	269
Allowance for write-down of inventories	24,907	14	-	24,921
Unrealized foreign exchange losses	4,043	13,178	-	17,221
Exchange differences on translating foreign operations	1,012	(1)	298	1,309
Financial liabilities at FVPL	-	240	-	240
Others	2,494	686	-	3,180
	$ 74,189	$ 42,824	$ 549	$ 117,562
Deferred tax assets				
Temporary differences				
Unrealized exchange gains	($ 3)	$ 3	$ -	$ -
Associates	(7,094)	(3,881)	-	(10,975)
Unrealized purchase allowance	(103,048)	(32,487)	-	(135,535)
Others	(384)	28	-	(356)
	($ 110,529)	($ 36,337)	$ -	($ 146,866)

For the year ended December 31, 2019

	Opening Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Deferred tax liabilities				
Temporary differences				
Unrealized sales return and allowance	$ 19,057	$ 7,770	$ -	$ 26,827
Impairment loss	5,993	-	-	5,993
Provisions	5,403	(1,778)	-	3,625
Defined benefit obligation	4,737	(189)	471	5,019
Associates	230	39	-	269
Allowance for write-down of inventories	19,544	5,363	-	24,907
Unrealized foreign exchange losses	727	3,316	-	4,043
Exchange differences on translating foreign operations	230	-	782	1,012
Others	2,375	119	-	2,494
	$ 58,296	$ 14,640	$ 1,253	$ 74,189
Deferred tax assets				
Temporary differences				
Unrealized exchange gains	($ 82)	$ 79	$ -	($ 3)
Associates	(6,901)	(193)	-	(7,094)
Unrealized purchase allowance	(50,733)	(52,315)	-	(103,048)
Others	(560)	176	-	(384)
	($ 58,276)	($ 52,253)	$ -	($ 110,529)

e. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31, 2020	December 31, 2019
Loss carryforwards		
Expiry in 2022	$ 504	$ 778
Deductible temporary differences	$ 74	$ 8,563

f. Income tax assessments

The tax returns of the Company through 2018 have been assessed and cleared by the tax authorities.

The tax returns of Promate Solutions Corporation through 2018 have been assessed and cleared by the tax authorities.

29. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year ended December 31	
	2020	2019
Basic earnings per share	$ 2.99	$ 2.62
Diluted earnings per share	$ 2.99	$ 2.62

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

Net Profit for the Period

	For the Year ended December 31	
	2020	2019
Income for the period attributable to owners of the Company	$ 536,016	$ 469,655
Earnings used in the computation of basic earnings per share	$ 536,016	$ 469,655
Effect of potentially dilutive ordinary shares:		
The after-tax interest of convertible bonds	5,716	-
Earnings used in the computation of diluted earnings per share	$ 541,732	$ 469,655

Weighted Average Number of Ordinary Shares Outstanding (In Thousand Shares)

	For the Year ended December 31	
	2020	2019
Weighted average number of ordinary shares in computation of basic earnings per share	179,059	179,045
Effect of potentially dilutive ordinary shares:		
Employees’ compensation	1,984	1,746
Corporate bond	17,607	-
Weighted average number of ordinary shares used in the computation of diluted earnings per share	198,650	180,791

If the Group offered to settle compensation or bonuses paid to employees in cash or shares, the Group assumed the entire amount of the compensation or bonus would be settled in shares, and if the resulting potential shares have a dilutive effect, these shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share. The dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

30. BUSINESS COMBINATIONS

a. Subsidiaries acquired

	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
CT Continental Corporation	Agent distribution of computers and peripheral devices	June 15, 2020	50%	$ 6,000

The Group acquired CT Continental Corporation in order to expand its agent distribution of computers and peripheral devices.

b. Consideration transferred

	CT Continental Corporation
Cash	$ 6,000

c. Assets acquired and liabilities assumed at the dates of acquisitions

	CT Continental Corporation
Current assets	
Cash and cash equivalents	$ 8,710
Accounts receivable and other receivables	69
Prepayments	1,563
Noncurrent assets	
Property, plant, and equipment	8,884
Refundable deposits	130
Current liabilities	
Other payables	(68)
Others	(7,094)
Noncurrent liabilities	
Guarantee deposits received	(194)
	$ 12,000

The original accounting treatment for the acquisition of CT Continental Corp. on the balance sheet date is adopted temporarily. For the purpose of taxation, the taxation basis of CT Continental Corp.'s assets must be re-determined in accordance with the market value of such assets.

The Group's net value of accounts receivable and payable from sales to other customers through CT Continental Corp. as of December 31, 2020 was NT$1,076,857 thousand.

d. Non-controlling interests

The non-controlling interest (50% in CTC) recognized on the acquisition date was measured with reference to the fair value of the non-controlling interest in the amount of $12,000 thousand.

e. Net cash inflow on acquisitions of subsidiaries

	CT Continental Corp
Consideration paid in cash	($ 6,000)
Less: Cash and cash equivalent balances acquired	8,710
	$ 2,710

f. Impact of acquisitions on the results of the Group

The results of the acquisition since the acquisition date included in the consolidated statements of comprehensive income were as follows:

	CT Continental Corp
Revenue	$ 15,250
Profit	$ 412

Had these business combinations been in effect at the beginning of the annual reporting period, the Group's revenue from continuing operations would have been NT$26,712,703 thousand, and the profit from continuing operations would have been NT$605,411 thousand for the year ended December 31, 2020. This pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2020 nor is it intended to be a projection of future results.

When hypothetical operating income and net profit are prepared if the Group acquires CTC from the beginning of the fiscal year to which the acquisition date belongs, the management has taken the following factors into consideration:

1) The fair value of the plant and property at the time of original accounting treatment for the merger is adopted as the basis for depreciation calculation, rather than the carrying value recognized in the financial statements before the acquisition;

2) The Group's capital status, credit rating, and debt-to-equity ratio after the merger are adopted as the basis for estimation of the borrowing cost.

31. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

a. For the year ended December 31,2019

In January 2019, the Group acquired interest of Promate Solutions Corporation., thereby increasing its interest from 66.20% to 66.21%.

The above transaction was accounted for as an equity transaction since the Group did not cease to have control over the subsidiary.

	Promate Solutions Corporation
	For the year ended December 31,2020
Cash consideration received (paid)	($ 226)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	107
Differences recognized to equity transactions	($ 119)

Line items adjusted for equity transactions	Promate Solutions Corporation For the year ended December 31,2020 2019
Capital surplus - difference between consideration received or paid and carrying amount of the subsidiaries' net assets during actual disposal or acquisition	($ 119)

b. For the year ended December 31,2020

In June 2020, the Group subscribed for additional new shares of CT Continental Corp, and increased its shareholding ratio from 50% to 90%.

	CT Continental Corporation For the Year Ended December 31, 2020
Cash consideration received (paid)	($ 48,000)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	48,000
Differences recognized to equity transactions	$ -

32. CASH FLOW INFORMATION

a. Non-cash transaction

For the year ended December 31, 2020 and 2019, the Group entered into the following non-cash investing and financing activities which were not reflected in the consolidated statements of cash flows:

1) The Group reclassified prepayments for equipment in the amount of NT$17,312 and NT$3,026 thousand to property, plant and equipment for the year ended December 31, 2020 and 2019, respectively.

2) The Group reclassified long-term borrowings amounting to NT$0 thousand and NT$18,828 thousand to the current portion of long-term borrowings for the year ended December 31, 2020 and 2019, respectively.

b. Reconciliation of liabilities arising from financing activities

For the year ended December 31, 2020

	Balance as of January 1, 2020	Cash Flows	Non-cash Changes Changes in Foreign Currency Exchange Rates	Others	Balance on December 31, 2020
Short-term borrowings	$ 2,712,284	($ 298,952)	($ 8,224)	$ -	$ 2,405,108
Short-term bills payable	210,000	(20,000)	-	-	190,000
Long-term borrowings	18,828	(18,828)	-	-	-
Guarantee deposits received	60,046	224,624	-	194	284,864
Lease liabilities	136,294	(38,840)	-	8,982	106,436
	$ 3,137,452	($ 151,996)	($ 8,224)	$ 9,176	$ 2,986,408

For the year ended December 31, 2019

	Balance as of January 1, 2019	Cash Flows	Non-cash Changes: Changes in Foreign Currency Exchange Rates	Others	Balance on December 31, 2019
Short-term borrowings	$ 1,986,452	$ 746,066	($ 20,234)	$ -	$ 2,712,284
Short-term bills payable	70,000	140,000	-	-	210,000
Long-term borrowings	45,567	(26,739)	-	-	18,828
Guarantee deposits received	12,692	47,354	-	-	60,046
Lease liabilities	163,454	(37,085)	-	9,925	136,294
	$ 2,278,165	$ 869,596	($ 20,234)	$ 9,925	$ 3,137,452

33. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

Adopting a prudent risk management strategy and regularly reviewing the strategy, the Group engages in overall planning based on business development strategies and operational needs, in order to determine the appropriate capital structure of the Group.

The Group is not subject to any externally imposed capital requirements.

34. FINANCIAL INSTRUMENTS

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

December 31, 2020

	Carrying Amount	Fair Value: Level 1	Level 2	Level 3	Total
Financial assets					
Financial liabilities at amortized cost:					
Foreign repurchase agreements	$ 114,314	$ -	$ 114,314	$ -	$ 114,314
Financial liabilities					
Financial liabilities at amortized cost:					
Convertible bond	967,284	997,400	-	-	997,400

The Level 2 and Level 3 fair value measurements above are determined by discounted cash flow analysis based on the income approach. The significant unobservable inputs used in Level 3 fair value measurements reflect the discount rates of counterparty credit risk.

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

1) Fair value hierarchy

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-Derivative financial instruments				
Domestic listed shares	$ 19,275	$ -	$ -	$ 19,275
Derivative financial instruments				
Redemption option on convertible bonds	-	100	-	100
	$ 19,275	$ 100	$ -	$ 19,375
Financial assets at FVTOCI				
Investments in equity				
Domestic listed shares	$ 76,035	$ -	$ -	$ 76,035
Domestic unlisted shares and domestic emerging market shares	-	-	2,398	2,398
	$ 76,035	$ -	$ 2,398	$ 78,433

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-Derivative financial instruments				
Domestic listed shares	$ 4,560	$ -	$ -	$ 4,560
Financial assets at FVTOCI				
Investments in equity				
Domestic listed shares	$ 30,505	$ -	$ -	$ 30,505
Domestic unlisted shares and domestic emerging market shares	-	-	1,945	1,945
	$ 30,505	$ -	$ 1,945	$ 32,450

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

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

For the year ended December 31, 2020

	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2020	$ 1,945
Purchases	453
Recognized in other comprehensive income	-
Balance at December 31, 2020	$ 2.398
Unrealized gain (loss) for the current year included in profit or loss relating to assets held at the end of the year	$ -

For the year ended December 31, 2019

	Financial Assets at FVTOCI
	Equity Instruments
Balance at January 1, 2019	$ 1,945
Purchases	-
Recognized in other comprehensive income	-
Balance at December 31, 2019	$ 1,945
Unrealized gain (loss) for the current year included in profit or loss relating to assets held at the end of the year	$ -

3) Valuation techniques and inputs applied for the purpose of measuring Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Input
Factored accounts receivables	Discounted cash flow method: discounted at a discount rate that reflects the current borrowing rate at the end of the period.
Redemption option on convertible bonds	Discounted cash flow method: estimated future cash flow based on stock price volatility and annual bond yield in the most recent year.
Derivative financial instruments- FX Swap contract	Discounted cash flow method: Estimate the future cash flow according to the observable forward exchange rate on the balance sheet date and the exchange rate stipulated in the contract, and discount them respectively at the discount rate that can reflect the credit risk of each counterpart

4) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

The Group measures the fair value of its investments on domestic unlisted shares by using the market approach. The judgment is based on the industry type, the evaluation of the same type of company and the company's operating situation.

c. Categories of financial instruments

	December 31, 2020	December 31, 2019
Financial assets		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 19,375	$ 4,560
Financial assets at amortized cost (Note 1)	8,970,429	6,598,264
Financial assets at FVTOCI		
Equity instruments	78,433	32,450
Debit instruments	623,283	576,586
Financial liabilities		
Measured at amortized cost (Note 2)	7,011,864	5,316,069

Note 1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, debt investments, notes and accounts receivables, other receivables and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term loans, short-term bills payable, notes and accounts payable, other payables, bonds payable, long-term loans and guarantee deposits.

d. Financial risk management objectives and policies

The Group's major financial instruments included equity and debit investments, accounts receivables, accounts payables, borrowings and lease liabilities. The Group's Corporate Treasury monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk, and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price risk (see (c) below).

a) Foreign currency risk

The Company and its subsidiaries had foreign currency sales and purchases, which exposed the Group to foreign currency risk. The Group manages the risk that fluctuations in foreign currency could have on foreign-currency denominated assets and future cash flow by using forward exchange contracts, which was governed by the Group's policies

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the year are set out in Note 39.

Sensitivity analysis

The Group was mainly exposed to the U.S. dollar

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

	U.S. Dollar Impact	
	For the Year ended December 31	
	2020	**2019**
Profit or loss	$ 42,139 (i)	$ 26,017 (i)

i. This was mainly attributable to the exposure outstanding on U.S. dollar-denominated accounts receivables, accounts payables and loans, which were not hedged at the end of the reporting period

   The Group's sensitivity to foreign currency increased during the current year mainly due to the increase of accounts receivable balance in the USD.

   In management's opinion, the sensitivity analysis did not reflect the inherent exchange rate risk because the exposure at the end of the year did not reflect the exposure during the period.

b) Interest rate risk

The Group evaluates hedging activities regularly to align with interest rate views and defined risk appetite and ensures that the most cost-effective hedging strategies are applied.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows.

	December 31, 2020	December 31, 2019
Fair value interest rate risk		
Financial assets	$ 384,411	$ 440,374
Financial liabilities	1,157,284	210,000
Cash flow interest rate risk		
Financial assets	1,880,482	1,185,868
Financial liabilities	2,405,108	2,731,112

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the year. For floating-rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the year was outstanding for the whole year. A 50 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax profits for the years ended December 31, 2020 and 2019 would decrease/increase by NT$2,623 thousand and NT$7,726 thousand, respectively, mainly attributable to the Group's exposure to the floating-interest rates on bank borrowings and bank deposits

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities and beneficiary certificates. The Group manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group has appointed a special team to monitor the price risk and evaluate when it is necessary to increase the risk aversion position.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had fluctuated by 3%, the pre-tax profit for the years ended December 31, 2020 and 2019 would have increased/decreased by $581 thousand and $137 thousand as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the years ended December 31, 2020 and 2019 would have increase/decreased by $2,353 thousand and $974 thousand as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

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

a) The carrying amount of the financial assets recognized in the balance sheets; and

b) The maximum amount payable by the Group due to financial guarantees provided by the Group, regardless of possibility.

Financial assets are potentially affected by the failure of the Group's counterparties to fulfill their contractual obligations. The Group's credit risk is evaluated based on contracts whose fair value at the end of the financial reporting period is positive. The Group's counterparties are financial institutions and companies with sound credit ratings. The Group has a dedicated unit that regularly monitors counterparty credit exposure levels every year, so no significant credit risk is expected.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts.

The maximum credit exposure of the Group is the net carrying amount of financial assets after deducting the amount that can be offset against each other and the impairment loss recognized in accordance with the regulations without considering collateral and other credit enhancement policies.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2020 and 2019, the Group's available unutilized bank loan facilities set out in section (b) below.

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

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on agreed repayment dates.

To the extent that interest flows are floating, the undiscounted amount was derived from the yield curve at the end of the year.

December 31, 2020

	Less Than 1 Year	**2-3 Years**	**4-5 Years**	**Over 5 Years**
Non-derivative financial liabilities				
Short-term borrowings	$ 2,425,156	$ -	$ -	$ -
Short-term bills payable	190,000	-	-	-
Notes and accounts payables	2,759,399	-	-	-
Other payables	405,209	-	-	-
Lease liabilities	37,197	72,012	7,101	-
Refund liability	291,379	-	-	-
Bond payable	-	997,400	-	-
	$ 6,108,340	$ 1,069,412	$ 7,101	$ -

Additional information about the maturity analysis for lease liabilities:

	Less than 1 year	1-5 years	Over 5 years
Lease liabilities	$ 37,197	$ 79,113	$ -

December 31, 2019

	Less Than 1 Year	2-3 Years	4-5 Years	Over 5 Years
Non-derivative financial liabilities				
Short-term borrowings	$ 2,752,723	$ -	$ -	$ -
Short-term bills payable	210,000	-	-	-
Notes and accounts payables	1,949,114	-	-	-
Other payables	365,797	-	-	-
Lease liabilities	37,035	36,180	70,050	-
Refund liability	218,356	-	-	-
Long-term borrowings	19,168	-	-	-
	$ 5,552,193	$ 36,180	$ 70,050	$ -

Additional information about the maturity analysis for lease liabilities:

	Less than 1 year	1-5 years	Over 5 years
Lease liabilities	$ 37,035	$ 106,230	$ -

b) Financing facilities

	December 31, 2020	December 31, 2019
Unsecured bank overdraft facilities		
Amount used	$ 3,187,442	$ 3,703,970
Amount unused	4,875,502	4,207,643
	$ 8,062,944	$ 7,911,613
Secured bank borrowings facility		
Amount unused	$ -	$ 18,828

e. Transfers of financial assets

Factored accounts receivables were as follows:

December 31, 2020

Counter-parties	Balance at January 1	Receivables Factoring Proceeds	Cash Received	Advances Received - Used	Balance at March 31	Credit Lines
Bank SinoPac	$ 227,376	$ 3,725,646	($ 371,908)	($ 3,328,749)	$ 252,365	USD 54,000
	USD 7,672	USD 126,082	(USD 12,641)	(USD 112,211)	USD 8,902	
Taishin International Bank	160,591	2,483,350	(213,557)	(2,314,315)	116,069	$ 1,283,000
	USD 5,433	USD 83,824	(USD 7,241)	(USD 77,921)	USD 4,095	
Chang Hwa Bank	13,100	540,523	(216,592)	(320,494)	16,537	USD 6,000
	USD 441	USD 18,263	(USD 7,559)	(USD 10,563)	USD 582	
E.Sun Bank	71,980	1,366,675	(172,498)	(1,185,485)	80,672	USD 21,000
	USD 2,427	USD 46,021	(USD 5,872)	(USD 39,730)	USD 2,846	
HSBC Bank	103,539	1,196,122	(288,122)	(853,899)	157,640	USD 12,000
	USD 3,487	USD 40,333	(USD 9,908)	(USD 28,355)	USD 5,557	
	$ 576,586	$ 9,312,316	($ 1,262,677)	($ 8,002,942)	$ 623,283	
	USD 19,460	USD 314,523	(USD 43,221)	(USD 268,780)	USD 21,982	

December 31, 2019

Counter-parties	Balance at January 1	Receivables Factoring Proceeds	Cash Received	Advances Received - Used	Balance at March 31	Credit Lines
Bank SinoPac	$ 90,717	$ 2,415,900	($ 233,598)	($ 2,045,643)	$ 227,376	$ 910,000
	USD 2,954	USD 78,079	(USD 7,558)	(USD 65,803)	USD 7,672	
Taishin International Bank	92,461	2,299,881	(225,095)	(2,006,656)	160,591	$ 1,283,000
	USD 3,010	USD 74,342	(USD 7,301)	(USD 64,618)	USD 5,433	
Chang Hwa Bank	8,068	262,114	(26,267)	(230,815)	13,100	$ 98,934
	USD 263	USD 8,467	(USD 851)	(USD 7,438)	USD 441	
E.Sun Bank	13,164	1,189,107	(108,005)	(1,022,286)	71,980	$ 494,670
	USD 429	USD 38,493	(USD 3,500)	(USD 32,995)	USD 2,427	
HSBC Bank	61,776	1,125,658	(64,436)	(1,019,459)	103,539	$ 449,700
	USD 2,011	USD 36,367	(USD 2,088)	(USD 32,803)	USD 3,487	
	$ 266,186	$ 7,292,660	($ 657,401)	($ 6,324,859)	$ 576,586	
	USD 8,667	USD 235,748	(USD 21,298)	(USD 203,657)	USD 19,460	

The above credit lines may be used on a revolving basis.

The effective weighted average interest rates for factoring ranged from 0.77%-2.8541% for the year ended December 31, 2020, and 2.33%-3.875% for the year ended December 31, 2019.

Pursuant to the factoring agreements, losses from commercial disputes (such as sales returns and discounts) are borne by the Company, while losses from credit risk are borne by banks

Refer to Note 37 for information on the use of promissory notes provided by the Group as collateral for the sale of accounts receivable.

35. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are the related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. The details of transactions between the Group and other related parties are disclosed below.

a. Names and categories of related parties

Name	Related Party Categories
Weikeng Industrial Co., Ltd.	Substantive related party
Prosperity Venture Capital I, Limited	Substantive related party
CT Continental Corp.	Substantive related party (became subsidiary since June 15, 2020)
HIGGSTEC Inc.	The management – The company is a corporate director of the entity.

b. Sales of goods

Line Items	Related Party Categories/Name	For the Year ended December 31 2020	2019
Sales	Substantive related parties	$ 12,398	$ 6,817
	The management	2,284	975
		$ 14,682	$ 7,792

c. Purchases of goods

Related Party Categories/Name	For the Year ended December 31 2020	2019
Substantive related parties	$ 75,171	$ 58,016
The management	12,494	10,828
	$ 87,665	$ 68,844

The related-party transactions were conducted under normal terms.

d. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	December 31, 2020	December 31, 2019
Accounts receivable	Substantive related parties- others	$ 2,180	$ 1,718
	Substantive related parties- CT Continental Corp.	-	664,490
	The management	14	-
		$ 2,194	$ 666,208

The revenue from sales to other customers through CT Continental Corp. for the years ended December 31, 2020 and 2019 were NT$2,021,187 thousand, and NT$1,495,635 thousand respectively.

Its accounts receivable as of December 31, 2020 was NT$1,076,857 thousand. The Company acquired CT Continental Corporation as a subsidiary on June 15, 2020. All inter-company transactions have been eliminated from consolidation, please see Table 5 in Note 40.

e. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category/Name	December 31, 2020	December 31, 2019
Accounts payables	Substantive related parties	$ 17,985	$ 24,035
	The management	1,914	2,271
		$ 19,899	$ 26,306

The outstanding accounts payables to related parties are unsecured.

f. Lease arrangements - the Group is lessee

Acquisition of right-of-use assets

Related Party Categories/Name	For the Year ended December 31 2020	2019
Acquisition of right-of-use assets		
Substantive related parties	$ -	$ -

Lessor	Location	Lease term and Payment Method
Weikeng Industrial Co., Ltd.	Office building on Huanshan Road, Neihu District	The lease term begins on January 1, 2016 and ends on December 31, 2020. Rent is paid every six months, where the monthly rent is NT$65,000.

Line Item	Related Party Category/Name	December 31, 2020	December 31, 2019
Lease liabilities	Substantive related parties	$ 3,441	$ 3,392
Lease liabilities - non-current	Substantive related parties	6,877	10,166
		$ 10,318	$ 13,558

Related Party Categories/Name	For the Year ended December 31 2020	2019
Interest expense		
Substantive related parties	$ 329	$ 424

Lease expense

Lessor	Location	Lease Term and Payment Method	For the Year ended December 31 2020	2019
CT Continental Corp	Office building on Huanshan Road, Neihu District	The lease term begins on March 1, 2017 and ends on February 28, 2019.	$ -	$390

g. Lease arrangements - the Group is lessor

Operating leases

Lessor	Location	Lease Term and Payment Method	For the Year ended December 31 2020	2019
Prosperity Venture Capital I, Limited	Office building on Huanshan Road, Neihu District	The lease term begins on March 1, 2017 and ends on February 28, 2019, and then begins on March 1, 2019 and ends on February 28, 2021. Rent is paid every six months.	$ 20	$ 24

h. Acquisition of financial instruments

Related Party Categories/Name	Line Item	Number of shares	Transaction subject	Amount
Prosperity Venture Capital I, Limited	Investments in equity instruments at FVTOCI- non current	819	Medimaging Integrated Solution Inc.	$ 15
		48,645	Tricorntech Corp.	438
				$ 453

i. Other transactions with related parties

1) Other revenue

Line Items	Related Party Categories/Name	For the Year ended December 31 2020	2019
Other revenue	The management	$ 153	$ -

2) Operating expense

Line Items	Related Party Categories/Name	For the Year ended December 31 2020	2019
Research and development fee	Substantive related parties	$ 424	$ 567
	The management	1,033	603
Other Operating Expenses	Subsidiaries	2,315	1,825
		$ 3,772	$ 2,995

j. Other transactions with related parties

Due to business needs, the company purchased 600,000 shares of CT Continental Corp. from the chairman at NT$10 per share and total price is NT$ 6 million, The proposition was presented on the third board of directors' meetings in 2020, and the chairman left due to avoidance of interests. The case was passed unanimously by other directors.

k. Compensation of key management personnel

Line Items	For the Year ended December 31 2020	2019
Short-term employee benefits	$ 69,777	$ 75,777
Other long-term employee benefits	820	817
	$ 70,597	$ 76,594

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

36. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31, 2020	December 31, 2019
Land	$ 202,723	$ 186,047
Buildings	118,794	98,838
Financial assets at amortized cost	2,278	2,423
	$ 323,795	$ 287,308

The land and buildings above have been pledged as collateral for bank loans. The Group may not use the pledged assets as collateral for other loans or sell them to other companies.

37. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group were as follows:

a. Significant commitments

1) As of December 31, 2020 and 2019, unused letters of credit for purchases of inventories were as follows:.

	December 31, 2020	December 31, 2019
USD	$ 598	$ 1,222
NTD	150,000	300,000

2) As of December 31, 2020 and 2019, the Group had issued promissory notes for the facilities of bank loans, the facilities of accounts receivables factoring and for purchase of inventories amounted to $903,000 thousand and $753,000 thousand, respectively.

3) As of December 31, 2020 and 2019, the Group has issued letters of guarantee for purchase of inventories amounted to $218,796 thousand and $219,015 thousand, respectively.

4) As of December 31, 2020 and 2019, the Group has all issued letters of guarantee for tariff guarantee amounted to $22,000 thousand.

5) As of December 31, 2020 and 2019, commitment for acquisition of property, plant and equipment were as follows:

	December 31, 2020	December 31, 2019
Contract amount	$ 11,380	$ 12,897
Paid amount	(3,888)	(4,025)
Unpaid amount	$ 7,492	$ 8,872

b. Contingent liabilities: None

38. GNIFICANT EVENTS AFTER THE BALANCE SHEET DATE: NONE

39. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2020

Unit: In Thousands for Currencies, Except Exchange Rates

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 284,263	28.48 (USD:NTD)	$ 8,095,815
CNY	2,659	4.3777 (CNY:NTD)	11,637
CNY	76	1.19215 (CNY:HKD)	333
CNY	1,758	0.15369 (CNY:USD)	7,696
HKD	2,415	3.673 (HKD:NTD)	8,869
HKD	27	0.12897 (HKD:USD)	101
EUR	168	35.02 (EUR:NTD)	5,869
JPY	585	0.2763 (JPY:NTD)	162
			$ 8,130,482
Nonmonetary items			
Investments accounted for using the equity			
USD	21	28.48 (USD:NTD)	$ 645
Financial liabilities			
Monetary items			
USD	136,304	28.48 (USD:NTD)	$ 3,881,930
USD	6,424	6.5067 (USD:CNY)	182,943
CNY	86	4.377 (CNY:NTD)	375
CNY	187	1.19215 (CNY:HKD)	819
HKD	1,264	3.673 (HKD:NTD)	4,643
EUR	10	35.02 (EUR:NTD)	340
			$ 4,071,050

December 31, 2019

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 203,262	29.98 (USD:NTD)	$ 6,093,806
CNY	1,428	4.305 (CNY:NTD)	6,146
CNY	155	1.0989 (CNY:HKD)	667
CNY	1,727	0.1414 (CNY:USD)	7,433
HKD	904	3.849 (HKD:NTD)	3,479
EUR	119	33.59 (EUR:NTD)	3,998
GBP	86	39.36 (GBP:NTD)	3,392
			$ 6,118,921
Nonmonetary items			
Investments accounted for using the equity			
USD	155	29.98 (USD:NTD)	$ 4,693
Financial liabilities			
Monetary items			
USD	116,482	29.98 (USD:NTD)	$ 3,492,139
USD	3,722	6.964 (USD:CNY)	111,574
CNY	219	4.305 (CNY:NTD)	941
CNY	250	1.0989 (CNY:HKD)	1,077
HKD	1,209	3.849 (HKD:NTD)	4,652
			$ 3,610,383

The Group is mainly exposed to the USD and CNY The following information was aggregated by the functional currencies of the entities of the Group, and the exchange rates between respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Year ended December 31			
	2020		2019	
Functional Currencies	Exchange Rate	Net Foreign Exchange (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
NTD	1 (NTD:NTD)	($ 225,298)	1 (NTD:NTD)	($ 55,821)
CNY	4.377 (CNY:NTD)	9,809	4.305 (CNY:NTD)	(8,052)
HKD	3.673 (HKD:NTD)	(222)	3.894 (HKD:NTD)	397
		($ 215,711)		($ 63,476)

40. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. information on investees:

1) Financing provided to others. (None)

2) Endorsement/guarantee provided. (Table 1)

3) Marketable securities held. (Table 2)

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital. (None)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital. (None)

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

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 3)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 4)

9) Trading in derivative instruments. (Table 7)

10) Significant transactions between the Company and subsidiaries. (Table 5)

b. Information of investees. (Table 6)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 7)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses. (Table 8)

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

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

c) The amount of property transactions and the amount of the resultant gains or losses.

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

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

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

d. Information of major shareholders. (Table 9)

41. SEGMENT INFORMATION

Information reported to the chief operating decision maker ("CODM") for the purpose of resource allocation and assessment of segment performance focuses on the area of operations. The Group's segment information which is disclosed is as follows:

China region:

Manufacturing and distribution agents established in Mainland China and Hong Kong, including Happy On Supply Chain Management Limited, Promate Electronic (Shenzhen) Co., Ltd., and Promate Electronic (Shanghai) Company Limited.

Non-China region:

Manufacturing and distribution agents established outside Mainland China and Hong Kong, including the Company, Promate Solutions Corporation, CT Continental Corporation, Promate Japan Inc., and Promate Electronics Company USA.

The CODM considers manufacturing and distribution agent as a separate operating segment. But for financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment, taking into account the following factors:

1) These operating segments have customers with similar risks;

2) These operating segments have the same method of product delivery to customers.

a. Segment Revenues and Operating Results

Analysis by reportable segment of revenues and operating results of continuing operations was as follows:

	For the Year ended December 31, 2020		
	China Region	Non-China Region	Total
Segment revenue	$ 8,191,814	$ 18,518,999	$ 26,710,813
Segment income	$ 244,700	$ 787,781	$ 1,032,481
Interest income			5,444
interest expenses			(74,490)
Share of loss of associates			(3,449)
Net foreign exchange gains (losses)			(215,711)
Other gains and losses			3,340
Profit before income tax			$ 747,615

	For the Year ended December 31, 2019		
	China Region	Non-China Region	Total
Segment revenue	$ 6,860,267	$ 15,964,005	$ 22,824,272
Segment income	$ 208,752	$ 626,390	$ 835,142
Interest income			9,483
interest expenses			(114,283)
Share of loss of associates			(300)
Net foreign exchange gains (losses)			(63,476)
Other gains and losses			7,938
Profit before income tax			$ 674,504

The above revenues were generated through transactions with external customers and among segments. The inter-segment revenues for the years ended December 31, 2020 and 2019 had been adjusted and eliminated from the consolidated financial statements.

Segment profit represented the profit before tax earned by each segment without allocation of central administration costs and directors' and supervisors' salaries, share of profits of associates, gain recognized on the disposal of interest in former associates, rental revenue, interest income, gain or loss on disposal of property, plant and equipment, gains or losses on disposal of financial instruments, exchange gains or losses, valuation gains or losses on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment assets and liabilities

	December 31, 2020	December 31, 2019
Segment assets		
Operating operation segments		
China region	$ 2,089,654	$ 1,416,070
Non-China region	6,962,323	6,588,988
Total segment assets	9,051,977	8,005,058
Unallocated assets	2,992,423	2,018,479
Consolidated total assets	$ 12,044,400	$ 10,023,537

	December 31, 2020	December 31, 2019
Segment liabilities		
Operating operation segments		
China region	$ 229,790	$ 169,330
Non-China region	3,004,136	2,109,499
Total segment liabilities	3,233,926	2,278,829
Unallocated liabilities	4,546,738	3,706,367
Consolidated total liabilities	$ 7,780,664	$ 5,985,196

For the purpose of monitoring segment performance and allocating resources between segments:

1) The reportable departments are assessed for performance primarily on the basis of receivables, inventories and immovable property, plant and equipment held and used by them, with no allocation of the remaining assets; and

2) All liabilities other than borrowings, other financial liabilities and current and deferred income tax liabilities are allocated to reportable segments. Liabilities shared by reportable segments are apportioned in proportion to the department assets.

c. Revenue from sales of products and services

The Group's operating segment's revenue from sales of products and services are as follows:

	For the Year Ended December 31	
	2020	2019
Application specific and LCD Display Products	$ 5,458,049	$ 5,691,575
Linear/Distributed Components	12,039,535	9,466,497
Image Processing ICs	5,636,472	4,437,361
Application specific ICs	1,930,122	1,694,430
Others	1,646,635	1,534,409
	$ 26,710,813	$ 22,824,272

d. Geographic information

Single customers contributing 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31	
	2020	2019
Asia	$ 24,450,451	$ 20,689,548
America	1,541,893	1,623,433
Europe	715,473	505,605
Other	2,996	5,686
	$ 26,710,813	$ 22,824,272

e. Information about main customers

No single customers contributed 10% or more to the Group's revenue for the years ended December 31, 2020 and 2019.

TABLE 1

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE YARS ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/Guaranteed During the Period (Note 3)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 3)	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Maximum Collateral/ Guarantee Amounts Allowable (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Promate Electronic Co., Ltd. and subsidiaries	Promate Electronic (Shenzhen) Co., Ltd.	(1)	$1,360,237	$ 26,370	$ 26,262	$ -	$ -	0.68	$1,943,196	Y	N	Y
		Promate Electronic (Shanghai) Co., Ltd	(1)	1,360,237	95,555	52,524	-	-	1.35	1,943,196	Y	N	Y
1	Promate Electronic (Shanghai) Co., Ltd	Promate Electronic (Shenzhen) Co., Ltd.	(2)	1,360,237	27,618	26,262	-	26,262	0.68	1,943,196	N	N	Y

Note 1：The 2 types of relationship between a guarantor and a guarantee are set out as follows:

(1) Companies in which the Company directly and indirectly holds more than 50 % of the voting shares.

(2) Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares
.

Note 2：The endorsement/guarantee limit is determined by the Company in accordance with Articles 36 and 38 of the Securities and Exchange Act and Operational Procedures for Endorsements/Guarantees resolved by the shareholders' meeting: the total amount of endorsement/guarantee provided by the Company shall not exceed 50% of the net worth of the current period. The endorsement/guarantee provided to a single entity shall not exceed 35% of the net worth of the current period.

(1)According to the above regulations, aggregate Endorsement/Guarantee Limit: shall not exceed forty percent (50%) of net worth NT$3,886,392 (in thousands) × 50% = $1,943,196 (in thousands).
(2)According to the above regulations, limits on Endorsement/Guarantee Given on Behalf of Each Party: Shall not exceed thirty percent (35%) of net worth NT$3,886,392 (in thousands) × 35% = $1,360,237 (in thousands).

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
FOR THE YARS ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Issuer of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Shares	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Promate Electronic Co., Ltd. and subsidiaries	Ordinary shares							
	Higgstec Inc.	None	Financial assets at fair value through other comprehensive income - noncurrent	789,000	$ 32,428	-	$ 32,428	Publicly traded stocks
	Jam Technologies, Inc.	〃	〃	77,821	-	Preferred	-	Non-publicly traded equity investment
	Always Positive Solar Silicon, Inc.	〃	〃	525,000	-	Preferred	-	〃
	MiTAC Inc. (Claridy Solutions, Inc.)	〃	〃	18,140	-	0.01	-	〃
	Easycard Corporation	〃	〃	8,889	-	12.70	-	〃
	uPI Semiconductor Corp.,	〃	〃	56,080	1,009	-	1,009	〃
	Medimaging Integrated Solution Inc.	〃	〃	52,819	951	-	951	〃
	TricornTech Taiwan Corporation			48,645	438	-	438	〃
Promate Solutions Corporation.	Higgstec Inc.	〃	〃	1,061,000	43,607	-	43,607	Publicly traded stocks
					$ 78,433			
Promate Electronic Co., Ltd. and subsidiaries	Ordinary shares:							
	KO JA (CAYMAN) CO., LTD.	None	Financial assets at fair value through profit or loss - current	40,000	$ 5,260	-	5,260	Publicly traded stocks
	Zhong Yang Technology Co. Ltd.			30,000	1,662	-	1,662	
Promate Solutions Corporation.	PACIFIC HOSPITAL SUPPLY CO., LTD.	〃	〃	9,598	672	-	672	〃
	Great Tree Pharmacy Co., Ltd.	〃	〃	5,352	512	-	512	〃
	Power Wind Health Industry Incorporated.	〃	〃	1,256	198	-	198	〃
	M.J. International Co., Ltd.	〃	〃	2,000	129	-	129	〃
	Global Lighting Technologies (Cayman), Inc.	〃	〃	35,000	3,920	-	3,920	〃
	KO JA (CAYMAN) CO., LTD.	〃	〃	40,000	5,260	-	5,260	〃
	Zhong Yang Technology Co. Ltd.	〃	〃	30,000	1,662	-	1,662	〃
					$ 19,375			
Promate Electronic Co., Ltd. and subsidiaries	Time deposit with an original maturity of more than three months	〃	Financial assets at amortized cost - current	USD 80	$ 2,278	-	$ 2,278	
Promate Solutions Corporation.	Foreign debt instruments:							
	PERTAMINA	〃	〃	USD1,001	28,515	-	28,515	
	CITIC Group Corporation Ltd.	〃	〃	USD1,008	28,715	-	28,715	
	Corporation Nacional del Cobrede Chile	〃	〃	USD1,002	28,517	-	28,517	
	Bank of China	〃	〃	USD1,003	28,567	-	28,567	
					$116,592			

Note: Refer to Tables 6 and 7 for information on interests in subsidiaries, associates, and joint ventures.

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YARS ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Promate Electronic Co., Ltd	Promate Solutions Corporation.	Subsidiary	Sale	$259,886	0.97%	Transaction terms are not significantly different from those for third parties	$ -	—	Accounts receivable $ 34,739	0.62%	
	Promate Electronic (Shenzhen) Co., Ltd.	Subsidiary	〃	432,166	1.62%		-	—	Accounts receivable 126,503	2.25%	
	Promate Electronic (Shanghai) Co., Ltd	Subsidiary	〃	247,664	0.93%		-	—	Accounts receivable 53,147	0.95%	

Note: The related party transaction of the group entity has been adjusted and written off.

TABLE 4

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YARS ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Promate Electronic Co., Ltd	CT Continental Corporation	Subsidiary	Accounts receivable $1,076,857	2.32	$ -	—	$ 479,095	$ -
	Promate Electronic (Shenzhen) Co., Ltd.	Subsidiary	Accounts receivable $126,503	4.28	-	—	90,818	

Note: All intercompany transactions have been eliminated from consolidation.

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YARS ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Investee Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			% to Total Sales or Assets (Note 3)
				Financial Statement Account	Amount (Note 4)	Payment Terms	
0	Promate Electronic Co., Ltd	Promate Solutions Corporation.	1	Sale	$259,886	Transaction terms are not significantly different from those for third parties	0.97%
	〃	〃	1	Purchase	20,506		0.08%
	〃	〃	1	Accounts receivable	34,739	〃	0.29%
	〃	CT Continental Corporation	1	Accounts receivable	1,076,857	Sales to other customers through CTC; transaction terms vary depending on each customer.	8.94%
	〃	Happy On Supply Chain Management Ltd.	1	Freight expenses	54,092	Transaction terms are not significantly different from those for third parties	0.20%
	〃	Promate Electronic (Shenzhen) Co., Ltd	1	Sale	432,166	〃	1.62%
	〃	〃	1	Accounts receivable	126,503	〃	1.05%
	〃	〃	1	Service expenses	64,227	〃	0.24%
	〃	Promate Electronic (Shanghai) Co., Ltd	1	Sale	247,664	〃	0.93%
	〃	〃	1	Accounts receivable	53,147	〃	0.44%
	〃	〃	1	Service expenses	30,890	〃	0.12%
1	Promate Solutions Corporation	Promate Electronics Company USA	1	Service expenses	9,342	〃	0.03%

Note 1: The parent company and its subsidiaries are numbered as follows:

a. “0” for the parent company.
b. Subsidiaries are numbered from “1”.

Note 2: The flow of related-party transactions is as follows:

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

Note 3: For assets and liabilities, amounts are shown as a percentage to consolidated total assets as of March 31, 2021, while revenues, costs and expenses are shown as a percentage to consolidated total operating revenues for the years ended December 31, 2020.

Note 4: All intercompany transactions have been eliminated from consolidation.

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YARS ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars/Foreign Currency)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2020			Net Income (Loss) of the Investee)	Investment Gain (Loss) (Note)	Note
				December 31, 2020	December 31, 2019	Shares	Percentage of Ownership	Carrying Value			
	With control ability										
Promate Electronic Co., Ltd	Promate Solutions Corporation.	Taipei, Taiwan	Production and trade of electronic components	$ 297,527	$ 297,527	25,328	66.21	$ 727,839	$ 203,075	$ 134,747	Subsidiary
	PROMATE INTERNATIONAL CO., LTD.	Hong Kong	General investment	52,101	52,101	12,360	100.00	59,306	18,856	18,856	Subsidiary
	HAPPY ON SUPPLY CHAIN MANAGEMENT LTD.	Hong Kong	Warehousing and logistics services	12,124	12,124	3,000	100.00	33,613	4,314	4,314	Subsidiary
	PROMATE ELECTRONICS COMPANY USA	USA	General trade of electronic components	606	606	20	100.00	8,661	(586)	(586)	Subsidiary
	CT Continental Corporation	Taipei, Taiwan	General trade of electronic components	54,000	-	5,400	90.00	54,371	1,146	371	Subsidiary
	Having significant influence										
Promate Electronic Co., Ltd	Prosperity Venture Capital I, Limited	Taipei, Taiwan	General investment	17,215	17,215	11	21.62	645	(15,954)	(3,449)	Equity method investee
	With control ability										
Promate Solutions Corporation	PROMATE JAPAN Inc.	Japan	General trade of electronic components	2,791	2,791	10	100.00	3,002	424	424	Subsidiary

Note: Refer to Table 8 for information on investment in mainland China.

TABLE 7

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA
FOR THE YARS ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. For investments in China, disclose the name of the investee, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, gain or loss for the period, carrying amount of the investment, repatriated investment gains:

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020	Net Income (Losses) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2020	Accumulated Repatriation of Investment Income as of December 31, 2020
					Outward	Inward						
Promate Electronic (Shenzhen) Co., Ltd.	International trade, entrepot trade, trade with companies and trading agents in free trade zones	$ 6,782 (USD 200)	100% Indirectly invested through Promate International Co, Ltd. (Note 1)	$ 6,782 USD 200	$ -	$ -	$ 6,782 USD 200	$ 13,753 (Note 2)	100	$ 13,753 (Note 2)	$ 19,560	$ -
Promate Electronic (Shanghai) Co., Ltd	〃	32,500 (USD 1,000)	Same as above	32,500 USD 1,000	-	-	32,500 USD 1,000	4,984 (Note 2)	100	4,984 (Note 2)	31,159	-

2. Limit on the amount of investment in China

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$39,282 USD1,200	$39,282 USD1,200	$2,558,242

Note 1: Indirect investment in mainland China through holding companies - Promate International co., Ltd.

Note 2: The amount was recognized based on the audited financial statements of the investee company.

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE YARS ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Relationship Between the Company and Related Party	Purchase/ Sale		Unit Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized Gains or Losses
		Amount	Percentage		Payment Terms	Compared to General Transactions	Ending Balance	% of Total	
Promate Electronic (Shenzhen) Co., Ltd.	Sub-subsidiary indirectly wholly owned by the Company	$ 432,166	1.62%	No significant difference	No significant difference	No significant difference	Accounts receivable $126,503	2.04%	$ 46
Promate Electronic (Shanghai) Co., Ltd	Sub-subsidiary indirectly wholly owned by the Company	247,664	0.93%	〃	〃	〃	Accounts receivable $53,147	0.86%	65

1. Endorsements, guarantees or collateral directly and indirectly provided by investee companies in mainland China through businesses in a third area: Table 1.

2. Financial intermediation directly and indirectly provided by investee companies in mainland China through a third area: None.

3. Other transactions that have a material impact on current profit or loss or financial status: None.

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
FOR THE YARS ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
None	-	-

Note: The percentage of ownership of major shareholders included in the table should be more than 5%, which was calculated based on the total number of ordinary shares, preference shares and treasury shares owned in the last trading day of the quarter that were traded in and registered electronically and was prepared by the Taiwan Depository & Clearing Corporation. In addition, the share capital and the actual number of traded shares with the completion of electronic registration stated in the consolidated financial statements might vary due to different calculation basis.