Promate Solutions Corporation and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2021 and 2020 and Independent Auditors' Review Report

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Promate Solutions Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Promate Solutions Corporation and its subsidiaries (collectively, the "Group") as of March 31, 2021 and 2020, the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of review

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

Basis for Qualified Conclusion

As disclosed in Note 13 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2021 and 2020, combined total assets of these non-significant subsidiaries were NT$4,798 thousand and NT$4,565 thousand, respectively, representing 0.31% and 0.27%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT$1,760 thousand NT$1,953 thousand, respectively, representing 0.46% and 0.36%, respectively, of the consolidated total liabilities; for the three-month periods ended March 31, 2021 and 2020, the amounts of combined comprehensive income (loss) of these subsidiaries were NT$280 thousand and NT$35 thousand, respectively, representing 0.54% and 0.06% respectively, of the consolidated total comprehensive income.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of March 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the three months then ended March 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Po Jen Weng .*and Huei Ming Chen

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 7, 2021

<u>*Notice to Readers*</u>

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 SOLUTIONS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2021 (Reviewed)		December 31, 2020 (Audited)		March 31, 2020 (Reviewed)	
ASSETS	**Amount**	%	**Amount**	%	**Amount**	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 4, 6 and 29)	$ 793,149	52	$ 608,947	41	$ 780,279	47
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 29)	9,102	1	12,354	1	8,721	-
Financial assets at amortized cost - current (Notes 4, 9, 10 and 29)	57,464	4	114,314	8	121,084	7
Accounts receivable (Notes 4, 11,23 and 29)	186,230	12	270,397	18	212,930	13
Accounts receivable from related parties (Notes 4, 11, 23, 29 and 30)	3,008	-	5,167	-	4,024	-
Other receivables (Notes 4, 11 and 29)	19,634	1	8,590	-	15,910	1
Current tax assets	-	-	-	-	1	-
Inventories (Note 4 and 12)	285,601	19	298,287	20	342,281	21
Prepayments (Notes 17 and 30)	7,655	-	2,508	-	5,913	-
Other current assets (Note 17)	30	-	30	-	125	-
Total current assets	1,361,873	89	1,320,594	88	1,491,268	89
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4, 8 and 29)	49,292	3	43,607	3	28,938	2
Property, plant and equipment (Notes 4 and 14)	48,145	3	48,946	3	47,664	3
Right-of-use assets (Notes 4, 15 and 30)	61,390	4	65,120	5	79,335	5
Other intangible assets (Note 4 and16)	3,488	-	4,027	-	6,372	-
Deferred tax assets (Note 25)	10,447	1	13,893	1	10,008	1
Prepayments for business facilities (Note 17)	1,926	-	3,888	-	3,582	-
Guarantee deposits paid (Notes 17 and 29)	631	-	636	-	136	-
Total non-current assets	175,319	11	180,117	12	176,035	11
TOTAL	$ 1,537,192	100	$ 1,500,711	100	$ 1,667,303	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities - current (Notes 4, 19 and 23)	$ 56,884	4	$ 30,466	2	$ 38,074	2
Notes payable (Notes 18 and 29)	-	-	-	-	11	-
Accounts payable (Notes 18 and 29)	105,633	7	123,026	8	202,514	12
Accounts payable to related parties (Notes 18, 29 and 30)	39,774	3	43,392	3	70,539	4
Other payables (Notes 19 and 29)	74,356	5	94,222	6	93,141	6
Other payables - related parties (Notes 19, 29 and 30)	904	-	955	-	3,173	-
Current tax liabilities (Note 25)	29,620	2	22,078	2	36,675	2
Provisions - current (Note 20)	3,441	-	3,285	-	5,268	1
Lease liabilities - current (Notes 4, 15, 29 and 30)	21,571	1	21,665	2	20,633	1
Other current liabilities (Note 19)	2,150	-	2,357	-	2,138	-
Total current liabilities	334,333	22	341,446	23	472,166	28
NON-CURRENT LIABILITIES						
Provisions - noncurrent (Note 20)	1,683	-	2,239	-	3,256	-
Deferred tax liabilities (Note 25)	119	-	55	-	468	-
Lease liabilities - noncurrent (Notes 4, 15, 29 and 30)	35,454	2	43,072	3	53,937	4
Net defined benefit liabilities - noncurrent (Note 21)	14,904	1	15,044	1	15,116	1
Total non-current liabilities	52,160	3	60,410	4	72,777	5
Total liabilities	386,493	25	401,856	27	544,943	33
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 22)						
Share capital						
Ordinary shares	382,549	25	382,549	25	382,549	23
Capital surplus	386,829	25	386,829	26	396,393	24
Retained earnings						
Legal reserve	105,299	7	105,299	7	84,663	5
Special reserve	2,728	-	2,728	-	26	-
Unappropriated earnings	256,257	17	210,207	14	263,697	16
Total retained earnings	364,284	24	318,234	21	348,386	21
Other equity						
Exchange differences on translation of foreign financial statements	(244)	-	(49)	-	(30)	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	17,281	1	11,292	1	(4,938)	(1)
Total other equity interest	17,037	1	11,243	1	(4,968)	(1)
Total equity attributable to owners of the Company	1,150,699	75	1,098,855	73	1,122,360	67
Total equity	1,150,699	75	1,098,855	73	1,122,360	67
TOTAL	$ 1,537,192	100	$ 1,500,711	100	$ 1,667,303	100

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

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 30)				
Sales	$ 325,367	100	$ 422,217	100
OPERATING COSTS (Notes 4,12, 16, 21, 24 and 30)				
Cost of sales	(220,076)	(68)	(296,908)	(70)
GROSS PROFIT	105,291	32	125,309	30
OPERATING EXPENSES (Notes 11, 16, 21, 24 and 30)				
Selling and marketing expenses	(19,962)	(6)	(29,450)	(7)
General and administrative expenses	(7,949)	(3)	(9,018)	(2)
Research and development expenses	(19,741)	(6)	(19,766)	(5)
Total operating expenses	(47,652)	(15)	(58,234)	(14)
OPERATING PROFIT	57,639	17	67,075	16
NON-OPERATING INCOME (Note 24 and 30)				
Interest income	423	-	1,663	-
Other income	-	-	3	-
Other gains and losses	(619)	-	2,408	1
Finance costs	(444)	-	(570)	-
Total non-operating income and expenses	(640)	-	3,504	1
PROFIT BEFORE INCOME TAX	56,999	17	70,579	17
INCOME TAX EXPENSE (Notes 4 and 25)	(11,115)	(3)	(13,539)	(3)
NET PROFIT FOR THE PERIOD	45,884	14	57,040	14

(Continued)

	For the Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4 ,22and 25)				
Unrealized gain (loss) on investments in equity				
Instruments as at fair value through other comprehensive income	$ 6,155	2	($ 2,273)	(1)
	6,155	2	(2,273)	(1)
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating the financial statements of foreign operations	(244)	-	26	-
Income tax relating to items that may be reclassified subsequently to profit or loss	49	-	(6)	-
	(195)	-	20	-
Other comprehensive loss for the year, net of income tax	5,960	2	(2,253)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 51,844	16	$ 54,787	13
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 26)				
From continuing operations				
Basic	$ 1.20		$ 1.49	
Diluted	$ 1.19		$ 1.48	

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

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company								
							Other Equity		
	Issued Capital			Retained Earnings			Exchange Differences on Translating the Financial Statements of Foreign Operation	Unrealized gain on Financial Assets at Fair Value Through Other Comprehensive Income	
	Shares (Thousands)	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings			Total Equity
BALANCE AT JANUARY 1, 2020	38,255	$ 382,549	$ 396,393	$ 84,663	$ 26	$ 206,670		($ 2,678)	$ 1,067,573
Net profit for the three months March 31, 2020	-	-	-	-	-	57,040	-	-	57,040
Other comprehensive income (loss) for the three months March 31, 2020, net of income tax	-	-	-	-	-	-	20	(2,273)	(2,253)
Total comprehensive income for the three months March 31, 2020	-	-	-	-	-	57,040	20	(2,273)	54,787
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	(13)	-	13	-
BALANCE AT MARCH 31, 2020	38,255	$ 382,549	$ 396,393	$ 84,663	$ 26	$ 263,697	($ 30)	($ 4,938)	$ 1,122,360
BALANCE AT JANUARY 1, 2021	38,255	$ 382,549	$ 386,829	$ 105,299	$ 2,728	$ 210,207	($ 49)	$ 11,292	$ 1,098,855
Net profit for the three months March 31, 2021	-	-	-	-	-	45,884	-	-	45,884
Other comprehensive income (loss) for the three months March 31, 2021, net of income tax	-	-	-	-	-	-	(195)	6,155	5,960
Total comprehensive income for the three months March 31, 2021	-	-	-	-	-	45,884	(195)	6,155	51,844
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	166	-	(166)	-
BALANCE AT MARCH 31, 2021	38,255	$ 382,549	$ 386,829	$ 105,299	$ 2,728	$ 256,257	($ 244)	$ 17,281	$ 1,150,699

The accompanying notes are an integral part of the consolidated financial statement

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31 2021	For the Three Months Ended March 31 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 56,999	$ 70,579
Adjustments for:		
Depreciation expenses	9,313	8,949
Amortization expenses	539	847
Expected credit loss (gain)/provision (reversal of provision) for bad debt expense	(6,000)	(90)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(2,906)	2,726
Finance costs	444	570
Other adjustments to reconcile profit (loss)	(1,435)	(8,279)
Interest incomes	(423)	(1,663)
Gain on Lease Modification	(111)	-
Dividend income	-	(3)
Unrealized foreign exchange loss (gain)	-	(612)
Loss (gain) on inventory impairment	(6,000)	(1,000)
Net (gain) loss on foreign currency exchange	(1,779)	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	6,158	(8,411)
Decrease (increase) in accounts receivable	90,167	65,631
Decrease (increase) in accounts receivable due from related parties	2,159	940
Decrease (increase) in other receivable	(11,044)	(4,787)
Decrease (increase) in inventories)	18,686	(58,797)
Decrease (increase) in prepayments	(5,147)	(293)
Decrease (increase) in other current assets	-	(72)
Increase (decrease) in contract liabilities	26,418	(1,693)
Increase (decrease) in accounts payable	(17,393)	34,077
Increase (decrease) in accounts payable to related parties	(3,618)	6,710
Increase (decrease) in other payable	(19,866)	(9,264)
Increase (decrease) in other payable to related parties	(51)	848
Increase (decrease) in other current liabilities	(207)	(196)

(Continued)

	For the Three Months Ended March 31 2021	For the Three Months Ended March 31 2020
Increase (decrease) in net defined benefit liability	($ 140)	($ 136)
Increase (decrease) in provisions	1,035	(1,321)
Cash generated from operations	135,798	95,260
Interest received	423	1,663
Income tax paid	(14)	(126)
Net cash generated from operating activities	136,207	96,797
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in refundable deposits	5	-
Increase in prepayments f or business facilities	(1,208)	(3,702)
Other dividends received	-	3
Acquisition of financial assets at fair value through other comprehensive income	-	(16,364)
Proceeds from disposal of financial assets at fair value through other comprehensive income	470	45
Acquisition of financial assets at amortized cost	(57,040)	(300,518)
Proceeds from disposal of financial assets at amortized cost	115,669	180,060
Net cash used in investing activities	57,896	(140,476)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Payments of lease liabilities	(9,729)	(9,484)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(9,729)	(9,484)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(172)	12
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	184,202	(53,151)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	608,947	833,430
CASH AND CASH EQUIVALENTS REPORTED IN THE STATEMENT OF FINANCIAL POSITION	$ 793,149	$ 780,279

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

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)
(Reviewed, Not Audited)

1. GENERAL INFORMATION

Promate Solutions Corporation (the "Company") is a listed company established on May 29. 2000. The main business of the Company include research & development and manufacture of medical touch screen displays, embedded control systems, special application and industrial displays, and research & development of applicable software and hardware.

According to resolutions of the shareholders' meeting on June 10, 2013 , the department of special application product of Promate Electronic Co., Ltd had been transfer to the Company based on Business Mergers And Acquisitions Act. The purpose of division was due to organization adjustment of Promate Electronic Co. According to Board resolutions, the reference date of the division was August 1.2013. , the value of the division department was 123,900 thousand. The Company had been issued 8,260 thousand ordinary share priced at 15 for division.

The parent company of the Company is Promate Electronic Co., Ltd. with equity interests of 66.21% on March 31, 2021 and 2020.

The Company's shares have been listed on OTC trading at Taipei Exchange since March 2004.

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 April 29, 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. New IFRSs in issue but not yet endorsed and issued into effect by the FSC:

New IFRSs	Effect Date Announced by IASB (Note1)
"Annual Improvements to IFRS Standards 2018–2020"	January 1, 2022 (Note2)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note3)
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
Amendment to IFRS 16 "Covid19 Related Rent Concessions beyond 30 June 2021"	April 1, 2021 (Note 8)
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)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments to IFRS 9 are 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" are 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" are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business mergers for which the acquisition date is on or after the beginning of the first 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.

Note 8: A lessee should apply the amendment for annual reporting periods beginning on or after April 1, 2021, recognizing the cumulative effect of initial application at the beginning of the annual reporting period

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 results 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) Annual Improvements to IFRS Standards 2018-2020

Several standards, including IFRS 9 "Financial Instruments", were amended in the annual improvements. IFRS 9 requires to compare the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, with that of the cash flows under the original financial liability when there is an exchange or modification of debt instruments. The new terms and the original terms are substantially different if the difference between those discounted present values is at least 10 per cent. The amendments to IFRS 9 clarify that the only fees that should be included in the above assessment are those fees paid or received between the borrower and the lender.

4) Amendments to IFRS 3 "'Reference to the Conceptual Framework"

The amendments replace the references to the Conceptual Framework of IFRS 3 and specify that the acquirer shall apply IFRIC 21 "Levies" to determine whether the event that gives rise to a liability for a levy has occurred at the acquisition date.

5) 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.

6) Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"

The amendments specify that when assessing whether a contract is onerous, the "cost of fulfilling a contract" includes both the incremental costs of fulfilling that contract (for example, direct labor and materials) and an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of depreciation for an item of property, plant and equipment used in fulfilling the contract).

The Group will recognize the cumulative effect of the initial application of the aforementioned amendments in the retained earnings at the date of the initial application.

7) 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.

8) 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.

9) Amendment to IFRS 16 “Covid19 Related Rent Concessions beyond 30 June 2021”

In May 2020, the amendment to IFRS 16 permits a lessee to apply the practical expedient only to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021.

This amendment extend the availability of the practical expedient described above so that it applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met..

In May 2020, the amendment to IFRS 16 permits a lessee to apply the practical expedient only to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021.

This amendment extend the availability of the practical expedient described above so that it applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met..

Except for the above impact, 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

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

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;

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. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of 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 of the Group. 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 interests of the Group 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 2 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, for the summary of other significant accounting policies, refer to the consolidated financial statements for the year ended December 31, 2020.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

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, estimates 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 Group considers the economic implications of the COVID-19 when making its critical accounting 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.

6. CASH AND CASH EQUIVALENTS

	March 31, 2021	December 31, 2020	March 31, 2020
Cash on hand	$ 530	$ 873	$ 918
Checking accounts and demand deposits	402,619	348,074	429,361
Cash equivalents (investment with original maturities less than three months time deposits)			
Bank time deposit	390,000	260,000	350,000
	$ 793,149	$ 608,947	$ 780,279

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

	March 31, 2021	December 31, 2020	March 31, 2020
Demand deposits	0.001%~0.35%	0.001%~0.05%	0.001%～0.35%
Time deposits	0.34%~0.4%	0.34%~0.4%	0.59%～0.6%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2021	December 31, 2020	March 31, 2020
Financial assets at FVTPL - current			
Financial assets mandatorily classified as at FVTP:			
－Domestic investments	$ 9,102	$ 12,354	$ 8,721

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2021	December 31, 2020	March 31, 2020
Non-current			
Investments in equity instruments	$ 49,292	$ 43,607	$ 28,938

Investments in equity instruments at FVTOCI

	March 31, 2021	December 31, 2020	March 31, 2020
Non-current			
Domestic investments			
Listed shares			
HIGGSTEC Inc	$ 49,292	$ 43,607	$ 28,938

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 COSTS

	March 31, 2021	December 31, 2020	March 31, 2020
Current			
Foreign investments			
Repurchase agreement			
—Bank of China	$ 28,807	$ 28,515	$ -
—Chailease Finance Co., Ltd.	28,657	-	-
—CITIC Group Corporation Ltd.	-	28,567	-
—Corporacion Nacional del Cobre de Chile	-	28,517	-
—PERTAMINA	-	28,715	-
—Standard Chartered PLC	-	-	15,203
—Mizuho Bank, Ltd.	-	-	45,386
—Citigroup Inc.	-	-	30,270
—Goldman Sachs group Inc.	-	-	30,225
Less：Allowance for loss	-	-	-
	$ 57,464	$ 114,314	$ 121,084

The Group company purchased the Repurchase agreement bonds issued by International Bill Finance Co., Ltd. on March 31, 2021 and 2020, and the coupon rates were 0.45% and 1.35% to 1.9%, respectively.

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 were classified as at amortized cost:

March 31, 2021

	At Amortized Cost
Gross carrying amount	$ 57,464
Less: Allowance for impairment loss	-
Amortization costs	57,464
Fair value adjust	-

	At Amortized Cost
	$ 57,464

December 31, 2020

	At Amortized Cost
Gross carrying amount	$ 114,314
Less: Allowance for impairment loss	-
Amortization costs	114,314
Fair value adjust	-
	$ 114,314

March 31, 2020

	At Amortized Cost
Gross carrying amount	$ 121,084
Less: Allowance for impairment loss	-
Amortization costs	121,084
Fair value adjust	-
	$ 121,084

In order to minimize credit risk, the management of the Group has delegated a dedicated team to build a credit rating database, with a view to assessing the default risk of investments in debt instruments. For items without external credit ratings, appropriate internal ratings can be given by reference to publicly available financial information. The Group continuously tracks major information from financial institutions to monitor changes in the credit risk of investments in debt instruments, and uses such information to assess whether there is a significant increase in the initially recognized credit risk of investments in debt instruments 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 considers the historical default records and current financial status of financial institutions supplied by the internal rating team to measure the 12-month or lifetime expected credit losses of investments in debt instruments.

The Group's current credit risk rating mechanism is as follows:

Credit Rating	Definition	Basis of Recognition of Expected Credit Losses
Normal	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12-month ECLs

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

March 31, 2021

Credit Rating	Basis of Recognition of Rate Credit Losses	Gross Carrying Amount Amortized Cost
Normal	0%~0.01%	$ 57,464

December 31, 2020

Credit Rating	Basis of Recognition of Rate Credit Losses	Gross Carrying Amount Amortized Cost
Normal	0%~0.01%	$ 114,314

March 31, 2020

Credit Rating	Basis of Recognition of Rate Credit Losses	Gross Carrying Amount Amortized Cost
Normal	0%~0.01%	$ 121,084

There was no change in the allowance for impairment loss of investments in debt instruments at amortized cost for the three months ended March 31, 2021 and 2020.

11. NOTES RECEIVABLE, ACCOUNTS RECEIVABLES AND OTHER RECEIVABLES

	March 31, 2021	December 31, 2020	March 31, 2020
Accounts receivables			
At amortized cost			
Gross carrying amount	$ 186,838	$ 277,005	$ 213,088
Gross carrying amount-related parties	3,008	5,167	4,024
Less: Allowance for impairment loss	(608)	(6,608)	(158)
	$ 189,238	$ 275,564	$ 216,954

	March 31, 2021	December 31, 2020	March 31, 2020
Overdue receivables			
Overdue receivables	$ 30	$ 30	$ 30
Less: Allowance for impairment loss	(30)	(30)	(30)
	$ -	$ -	$ -
Others receivables			
Tax refund receivables	$ 9,046	6,667	$ 14,667
Duty Tax refund receivables	2,175	1,923	1,243
Proceeds from sale of financial assets	8,413	-	-
	$ 19,634	$ 8,590	$ 15,910

a. Accounts receivables

At amortized cost

The average credit period of the sales of goods was 90-135 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 trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivables. 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 a 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 accounts receivables based on the Group's provision matrix:

March 31, 2021

	Not Past Due	Less than 1-30 Days	Less than 31-60 Days	Less than 61-90 Days	Less than 91-120 Days	Total
Expected credit loss rate	0.01%	0.07%	4.32%	17.84%	16.85~100%	
Gross carrying amount	$ 153,857	$ 26,721	$ 9,228	$ -	$ 40	$ 189,846
Loss allowance (Lifetime ECL)	(10)	(26)	(532)	-	(40)	(608)
Amortized cost	$ 153,847	$ 26,695	$ 8,696	$ -	$ -	$ 189,238

December 31, 2020

	Not Past Due	Less than 1-30 Days	Less than 31-60 Days	Less than 61-90 Days	Less than 91-120 Days	Total
Expected credit loss rate	0.01%	0.27%	30.21%	56.2%	71.15~100%	
Gross carrying amount	$ 238,514	$ 25,201	$ 14,853	$ 3,564	$ 40	$ 282,172
Loss allowance (Lifetime ECL)	(24)	(67)	(4,478)	(1,999)	(40)	(6,608)
Amortized cost	$ 238,490	$ 25,134	$ 10,375	$ 1,565	$ -	$ 275,564

March 31, 2020

	Not Past Due	Less than 1-30 Days	Less than 31-60 Days	Less than 61-90 Days	Less than 91-120 Days	Total
Expected credit loss rate	0.05%	0.26%	0.26%	0.26%	15.07~100%	
Gross carrying amount	$ 200,064	$ 16,975	$ -	$ -	$ 73	$ 217,112
Loss allowance (Lifetime ECL)	(103)	(44)	-	-	(11)	(158)
Amortized cost	$ 199,961	$ 16,931	$ -	$ -	$ 62	$ 216,954

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

	For the Three Months Ended March 31 2021	For the Three Months Ended March 31 2020
Accounts receivables		
Balance on January 1	$ 6,608	$ 248
Add: Amount of expected credit loss	(6,000)	(90)
Balance on March 31	$ 608	$ 158
Overdue receivables		
Balance on January 1	$ 30	$ 30
Balance on March 31	$ 30	$ 30

Compared to the balance on January 1, 2021 and 2020, the gross carrying amount of accounts receivables on March 31, 2021 and 2020 decreased $92,326 thousand and $66,571 thousand. Due to increase in projected credit loss, the loss allowance decreased $6,000 thousand and $90 thousand.

b. Other receivables

The Group does not accrue interest on other receivables. When determining the recoverability of other receivables, the Group considers any changes in the credit quality of other receivables from the original credit date to the balance sheet date. As historical experience shows that other receivables overdue for more than one year are not recoverable, the Company recognizes 100% allowance for bad debts for other receivables aged over one year. For other receivables aged within one year, the Company determines allowance for bad debt by reference to the past arrears of counterparties and analyzing their current financial position, in order to evaluate irrecoverable amounts.

There was no allowance for impairment loss of other receivables on March 31, 2021, December 31, 2020, and March 31, 2020.

12. INVENTORIES

	March 31, 2021	December 31, 2020	March 31, 2020
Raw materials	$ 154,197	$ 103,410	$ 168,972
Work in process	35,569	24,214	34,025

	March 31, 2021	December 31, 2020	March 31, 2020
Finished goods	92,276	166,134	135,821
Merchandise inventories	3,559	4,529	3,463
	$ 285,601	$ 298,287	$ 342,281

Cost of Goods Sold were as follows:

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Cost of Goods Sold	$ 226,076	$ 297,908
Loss (gain) on inventory impairment	(6,000)	(1,000)
	$ 220,076	$ 296,908

The net realizable value of inventories is the increase in the sales price of the inventory in specific markets

13. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements:

The entity included in the consolidated statements is listed below.

			Proportion of Ownership (%)			
Investor	Investee	Nature of Activities	March 31, 2021	Dec 31, 2020	March 31, 2020	Note
Promate Solutions Co., Ltd	Promate Japan Inc	Trade of electronic commodities	100%	100%	100%	a& b

a. Promate Japan Inc. was incorporated on March 2017 in Tokyo, Japan. It is 100% owner by the Company and the nature of its activities include trade of electronic commodities.

b. Promate Japan Inc. is not a significant subsidiary and their financial statements has not been reviewed.

The financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2021 and 2020, the combined total assets of these non-significant subsidiaries were NT$4,798 thousand and NT$4,565 thousand, respectively, representing 0.31% and 0.27%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT$1,760 thousand and NT$1,953 thousand, respectively, representing 0.46% and 0.36%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2021 and 2020, the amounts of combined comprehensive income (loss) of these subsidiaries were NT$280 thousand and NT$35 thousand, representing 0.54%, 0.06% of the consolidated total comprehensive income.

14. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2021	December 31, 2020	March 31, 2020
Assets used by the Group	$ 48,145	$ 48,946	$ 47,664

Assets used by the Group:

	Machinery Equipment	Transportation Equipment	Office Equipment	Miscellaneous Equipment	Leasehold Improvements	Total
Cost						
Balance at January 1, 2021	$ 72,642	$ 2,810	$ 10,688	$ 62,593	$ 15,083	$163,816
Addition	-	-	-	-	-	-
Reclassification	-	-	-	3,170	-	3,170
Disposal	-	-	-	(2,210)	-	(2,210)
Balance at March 31, 2021	$ 72,642	$ 2,810	$ 10,688	$ 63,553	$ 15,083	$164,776
Accumulated depreciation						
Balance at January 1, 2021	$ 40,911	$ 2,810	$ 9,739	$ 48,950	$ 12,460	$114,870
Depreciation expenses	1,805	-	116	1,806	244	3,971
Disposal	-	-	-	(2,210)	-	(2,210)
Balance at March 31, 2021	$ 42,716	$ 2,810	$ 9,855	$ 48,546	$ 12,704	$116,631
Carrying amount at March 31, 2021	$ 29,926	$ -	$ 833	$ 15,007	$ 2,379	$ 48,145
Carrying amount at January 1 2021/December 31, 2020	$ 31,731	$ -	$ 949	$ 13,643	$ 2,623	$ 48,946

	Machinery Equipment	Transportation Equipment	Office Equipment	Miscellaneous Equipment	Leasehold Improvements	Total
Cost						
Balance at January 1, 2020	$ 61,285	$ 2,810	$ 10,381	$ 56,923	$ 17,452	$148,851
Additions	-	-	-	-	-	-
Reclassification	3,990	-	-	155	-	4,145
Disposal	-	-	-	-	(2,369)	(2,369)
Balance at March 31, 2020	$ 65,275	$ 2,810	$ 10,381	$ 57,078	$ 15,083	$150,627
Accumulated depreciation						
Balance at January	$ 33,910	$ 2,810	$ 9,252	$ 41,859	$ 13,752	$101,583

1, 2020						
Depreciation expenses	1,550	-	125	1,797	277	3,749
Disposal	-	-	-	-	(2,369)	(2,369)
Balance at March 31, 2020	$ 35,460	$ 2,810	$ 9,377	$ 43,656	$ 11,660	$102,963
Carrying amount at March 31, 2020	$ 29,815	$ -	$ 1,004	$ 13,422	$ 3,423	$ 47,664

There was no indication of an impairment loss; therefore, the Group did not perform impairment assessment. during the three months ended March 31, 2021 and 2020.

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

Machinery equipment	3-10 years
Transportation equipment	5 years
Office equipment	3-5 years
Miscellaneous equipment	3-20 years
Leasehold improvements	3-10ears

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2021	December 31, 2020	March 31, 2020
Carrying amounts			
Buildings	$ 60,116	$ 63,727	$ 79,335
Transportation	1,274	1,393	-
	$ 61,390	$ 65,120	$ 79,335

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Addition to right-of-use assets	$ 5,438	$ -
Depreciation charge for right-of-use assets		
Buildings	$ 5,223	$ 5,200
Transportation	119	-
	$ 5,342	$ 5,200

b. Lease liabilities

	March 31, 2021	December 31, 2020	March 31, 2020
Carrying amounts			
Current	$ 21,571	$ 21,665	$ 20,633
Non-current	$ 35,454	$ 43,072	$ 53,937

Discounted rate ranges of lease liabilities were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Buildings	3%	3%	3%
Transportation	5.69%	5.69%	-

c. Material lease-in activities and terms

The Group also leased certain buildings for the use as plant and office in a period of 5 years. 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 Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Expenses relating to low-value asset leases	$ 47	$ 50
Total cash outflow for lease	($ 9,776)	($ 9,534)

16. OTHER INTANGIBLE ASSETS

	Computer Software
Cost	
Balance on January 1, 2021	$ 18,379
Balance on March 31, 2021	$ 18,379
Accumulated amortization	
Balance on January 1, 2021	$ 14,352
Amortization expenses	539
Balance on March 31, 2021	$ 14,891
Carrying amount on January 1, 2021/December 31, 2020	$ 4,027
Carrying amount on March 31, 2021	$ 3,488

	Computer Software
Cost	
Balance on January 1, 2020	$ 20,179
Addition	-
Disposal	(1,800)
Balance on March 31, 2020	$ 18,379
Accumulated amortization	
Balance on January 1, 2020	$ 12,960

	Computer Software
Amortization expenses	847
Disposals	(1,800)
Balance on March 31, 2020	$ 12,007
Carrying amount on March 31, 2020	$ 6,372

Besides amortization expense, the Group did not acquire, dispose, nor impair any other intangible assets between three months ended March 31, 2021 and 2020. Other intangible assets were amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	3-10 years

Amortization expenses summarized by function:

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Operating costs	$ -	$ -
Selling and marketing expenses	27	27
General and administrative expenses	512	678
Research and development expenses	-	142
	$ 539	$ 847

17. OTHER ASSETS

	March 31, 2021	December 31, 2020	March 31, 2020
Current			
Prepayments			
Prepayment for purchases and expenses	$ 7,513	$ 2,508	$ 5,913
Offsets against business tax payable	142	-	-
	7,655	2,508	5,913

	March 31, 2021	December 31, 2020	March 31, 2020
Others current assets			
Temporary payment	$ 30	$ 30	$ 125
	$ 7,685	$ 2,538	$ 6,038
Non-current			
Prepayments for equipment	$ 1,926	$ 3,888	$ 3,582

	March 31, 2021	December 31, 2020	March 31, 2020
Refundable deposits	631	636	136
Overdue receivables (Note 11)	30	30	30
Allowance for impairment loss - overdue receivables	(30)	(30)	(30)
	$ 2,557	$ 4,524	$ 3,718

18. NOTES AND ACCOUNTS PAYABLE

	March 31, 2021	December 31, 2020	March 31, 2020
Notes payable			
Non-trade	$ -	$ -	$ 11
Accounts payable			
Accounts payable	$ 105,633	$ 123,026	$ 202,514
Accounts payable - related parties	39,774	43,392	70,539
	$ 145,407	$ 166,418	$ 273,053

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

19. OTHER LIABILITIES

	March 31, 2021	December 31, 2020	March 31, 2020
Current			
Other payables			
Accrued commissions	$ 2,218	$ 2,244	$ 2,217
Payables for salaries or bonuses	21,289	46,028	36,628
Payables for annual leave	7,750	7,750	6,400
Payables for compensation of employees and remuneration of directors (Note 24)	30,300	24,700	32,200
Other payables-related party (Note 30)	904	955	3,173
Payable for service	$ 1,438	$ 1,380	$ 1,339
Accrued freights	1,494	1,770	2,108
Other	9,867	10,350	12,249
	$ 75,260	$ 95,177	$ 96,314

Contract liability

Advance payment	$ 56,884	$ 30,466	$ 38,074
Others liability			
Receipts under custody and others	$ 2,150	$ 2,357	$ 2,138

20. PROVISIONS

	March 31, 2021	December 31, 2020	March 31, 2020
Current			
Warranties*	$ 3,441	$ 3,285	$ 5,268
Non-current			
Warranties*	$ 1,683	$ 2,239	$ 3,256

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Balance on January 1	$ 5,524	$ 18,124
Amount used	-	(1,321)
Additional provisions recognized	1,035	-
Rotate unused	(1,435)	(8,279)
Balance on March 31	$ 5,124	$ 8,524

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.

21. RETIREMENT BENEFIT PLANS

Employee benefits expense in respect of the Group's defined retirement benefit plans was NTD$18 thousand and NTD$28 thousand for the three months ended March 31, 2021 and 2020, respectively. They were calculated using the prior year's actuarially determined pension cost discount rate as of December 31, 2020 and 2019, respectively.

22. EQUITY

a. Share capital

Common stock

	March 31, 2021	December 31, 2020	March 31, 2020
Number of shares authorized (in thousands)	50,000	50,000	50,000
Shares authorized	$ 500,000	$ 500,000	$ 500,000

	March 31, 2021	December 31, 2020	March 31, 2020
Number of shares issued and fully paid (in thousands)	38,255	38,255	38,255
Shares issued	$ 382,549	$ 382,549	$ 382,549

The authorized shares include 4,000 thousand shares allocated for the exercise of employee stock options.

b. Capital surplus

	March 31, 2021	December 31, 2020	March 31, 2020
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*			
Issuance of ordinary shares	$ 386,829	$ 396,393	$ 396,393
Less：Cash dividend from additional paid-in-capital	-	(9,564)	-
	$ 386,829	$ 386,829	$ 396,393

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).

c. Retained earnings and dividends 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 24, (g).

Taking into account future capital expenditure requirements and long-term financial planning of the Company, the total dividends paid in any given year may not be less than 50% of the distributable earnings in that year. However, cumulative distributable earnings cannot be distributed if it is less than 20% of the total paid-up capital. Dividends could be distributed either through cash or shares, and cash dividends shall not be less than 10% of the total dividends for the year.

An appropriation of earnings to a legal reserve should be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset 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 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 2020 and 2019 that were approved in the shareholders' meetings on March 23, 2021 and June 9, 2020, respectively, were as follows:

	For the Year Ended December 31, 2020	For the Year Ended December 31, 2019
Legal reserve	$ 20,859	$ 20,636
Special reserve	-	2,702
Reversal of special surplus reserve	(2,728)	-
Cash dividends	191,274	181,710
Cash dividends (additional paid-in capital)	-	9,564
Cash dividends per share (NT$)	5	5

The appropriation of earnings for 2020 are subject to the resolution in the shareholders' meeting to be held on June 11, 2021

d. Special reserves

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Balance on January 1	$ 2,728	$ 26
Balance on March 31	$ 2,728	$ 26

e. Other equity items

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

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Balance on January 1	($ 49)	($ 50)
Current period:		

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Exchange differences arising on translating the financials statements of foreign operations	(244)	26
Income tax related to gains arising on translating the financial statements of foreign operations7	49	(6)
Other comprehensive income recognized for the period	(195)	20
Balance on March 31	($ 244)	($ 30)

2) Unrealized gain or loss on Financial Assets at FVTOCI

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Balance on January 1	$ 11,292	($ 2,678)
Recognized for the year		
Unrealized gain (loss)- equity instruments	6,155	(2,273)
Other comprehensive Income recognized for the year	6,155	(2,273)
Gain (loss) on disposal of equity instruments transfer to retained earnings	(166)	13
Balance on March 31	$ 17,281	($ 4,938)

23. REVENUE

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Revenue from contracts with customers:		
Revenue from the sale of goods	$301,105	$412,468
Service revenue	24,262	9,749

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
	$325,367	$422,217

a. Revenue from sales to customers

Revenue from the sale of goods

Goods are categorized into computer monitors and customized products for manufacturing engineering. The Group engages in the sale of embedded control systems, medical displays, and application-specific display modules 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

	March 31, 2021	December 31, 2020	March 31, 2020	January 1, 2020
Trade receivables (Note 11)	$ 189,238	$ 275,564	$ 216,954	$ 283,435
Contract liabilities (Note 20)				
Sale of goods	$ 56,884	$ 30,466	$ 38,074	$ 39,767

c. Disaggregation of revenue

For the three months ended March 31, 2021

	Embedded Control	Application specific	Medical Touch	Others	Total
Goods or service					
Revenue from sale of goods	$ 89,551	$ 56,115	$117,559	$ 37,880	$301,105
Service revenue	1,784	20,664	1,697	117	24,262
	$ 91,335	$ 76,779	$119,256	$ 37,997	$325,367

For the three months ended March 31, 2020

	Embedded Control	Application specific	Medical Touch	Others	Total
Goods or service					
Revenue from sale of goods	$191,673	$ 65,354	$120,156	$ 35,285	$412,468
Service revenue	1,047	7,643	1,059	-	9,749
	$192,720	$ 72,997	$121,215	$ 35,285	$422,217

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

a. Interest income

	For the Three Months Ended March 31 2021	For the Three Months Ended March 31 2020
Bank deposits	$ 284	$ 1,353
Financial assets at amortized cost	139	310
	$ 423	$ 1,663

b. Other income

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Dividend income	$ -	$ 3

c. Other gains and losses

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Gain (loss) on financial instruments		
Mandatorily measured at FVTPL	$ 2,906	($ 2,726)
Gain on Lease Modification	111	-
Net foreign exchange gain (losses)	(3,636)	5,133
Others	-	1
	($ 619)	$ 2,408

d. Finance costs

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Interest on lease liabilities	($ 444)	($ 570)

There was no interest capitalization in the combined company from January 1 to March 31, 2021 and 2020.

e. Depreciation and amortization

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
An analysis of deprecation by function		
Operating costs	$ 2,662	$ 2,661

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Operating expenses	6,651	6,288
	$ 9,313	$ 8,949
An analysis of amortization by function		
Operating costs	$ -	$ -
Operating expenses	539	847
	$ 539	$ 847

f. Employee benefits expense

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Short-term benefits	$ 43,175	$ 43,950
Post-employment benefits(Note 21)		
Defined contribution plans	1,487	1,483
Defined benefit plans	18	28
	1,505	1,511
Other employee benefits	1,447	1,627
Total employee benefits expense	$ 46,127	$ 47,088
An analysis of employee benefits expense by function		
Operating costs	$ 13,185	$ 13,781
Operating expenses	32,942	33,307
	$ 46,127	$ 47,088

g. Employees' compensation and remuneration of directors and supervisors

The Company accrued employees' compensation at the rates of no less than 7.5%~10% and remuneration of directors at the rates of no higher than 3%, of net profit before income tax, employees' compensation, and remuneration of directors. For the three months ended March 31, 2021 and 2020, the employees' compensation and the remuneration of directors were as follows:

Accrual rate

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Employees' compensation	7.5%	7.5%
Remuneration of directors	1.5%	1.5%

Amount

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Employees' compensation	$ 4,700	$ 5,810
Remuneration of directors	$ 900	$ 1,090

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.

The compensation to employees and remuneration to the directors of 2020 and 2019 were approved by the Company's board of directors on March 23, 2021 and March 16, 2020 respectively, were as below:

	For the Year Ended December 31, 2020		For the Year Ended December 31, 2019	
	Cash	Share	Cash	Share
Employees' compensation	$ 20,600	$ -	$ 21,170	$ -
Remuneration of directors	4,100	-	4,200	-

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2020 and 2019.'

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.

h. Gain or loss on foreign currency exchange

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Foreign exchange gains	$ 7,839	$ 50,797
Foreign exchange losses	(11,475)	(45,664)
Net gain (loss)	($ 3,636)	$ 5,133

i. The reversal of impairment of non-financial instruments

	For the Three Months Ended March 31 2021	For the Three Months Ended March 31 2020
Inventories (included in costs of goods sold)	($ 6,000)	($ 1,000)

25. INCOME TAXES RELATING TO CONTINUING OPERATION

a. Income tax recognized in profit or loss

Major components of tax expense were as follows:

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Current tax		
In respect of the current period	$ 7,556	$ 8,616
Adjustment for the prior year	-	(509)
	7,556	8,107
Deferred tax		
In respect of the current period	3,559	5,432
Income tax expense recognized in profit or loss	$ 11,115	$ 13,539

b. Income tax expense recognized in other comprehensive income

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Deferred tax		
In respect of the current year-		
Translation of foreign operations		
Income tax recognized in other comprehensive income	$ 49	$ 6
Deferred tax	$ 49	$ 6

c. Income tax assessments

The tax returns of the Company through 2019 have been assessed by tax authorities. The tax returns of subsidiary Promate Japan prior to 2019 have not been assessed by tax authorities.

26. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Basic earnings per share		
From continuing and discounted operations	$ 1.20	$ 1.49
Basic earnings per share	$ 1.20	$ 1.49
Diluted earnings per share		

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
From continuing and discounted operations	$ 1.19	$ 1.48
Total	$ 1.19	$ 1.48

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

Net Profit for the Year

	For the Three Months Ended March 31 2021	For the Three Months Ended March 31 2020
Income for the year attributable to owners of the Company	$ 45,884	$ 57,040
Earnings used in the computation of basic earnings per share	$ 45,884	$ 57,040
Earnings used in the computation of diluted earnings per share	$ 45,884	$ 57,040

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

Unit: NT$ Per Share

	For the Three Months Ended March 31 2021	For the Three Months Ended March 31 2020
Weighted average number of ordinary shares in computation of basic earnings per share	38,255	38,255
Effect of potentially dilutive ordinary shares:		
Employees' compensation	340	386
Weighted average number of ordinary shares used in the computation of diluted earnings per share	38,595	38,641

If the Group offered to settle compensation paid to employees in cash or shares, the Group assumed the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. CASH FLOW INFORMATION

a. Non-cash transactions

For the three months ended March 31, 2021 and 2020, 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 amounting to $3,170 thousand and $4,145 thousand, respective, to property, plant and equipment for the three months ended March 31, 2021 and 2020, respectively.

b. Reconciliation of liabilities arising from financing activities:

For the three months ended March 31, 2021

	Balance as of January 1, 2021	Financing Cash Flows	Lease	Amortizati on of Interest Expense	Foreign Exchange Difference	Balance as of March 31, 2021
Lease liabilities	$ 64,737	($ 9,729)	$ 1,573	$ 444	$ -	$ 57,025

For the three months ended March 31 2020

			Non-cash Changes		
	Balance as of January 1, 2020	Financing Cash Flows	Amortizatio n of Interest Expense	Foreign Exchange Difference	Balance as of March 31, 2020
Lease liabilities (note 3)	$ 83,470	($ 9,484)	$ 570	$ 14	$ 74,570

28. 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. The Group’s overall strategy remains unchanged.

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.

29. FINANCIAL INSTRUMENTS

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

The management of the Group believes the carrying amounts of financial assets and financial liabilities not measured at fair value that are very close to maturity or whose future prices equals their carrying amounts, approximates their fair values.

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

Fair value hierarchy

Balance as of March 31, 2021

	Level 1	Level 2	Level 3	Total

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in ROC	$ 9,102	$ -	$ -	$ 9,102
Financial assets at FVTOCI				
Investments in equity				
－Securities listed in ROC	$ 49,292	$ -	$ -	$ 49,292

Balance as of December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in ROC	$ 12,354	$ -	$ -	$ 12,354
Financial assets at FVTOCI				
Investments in equity				
－Securities listed in ROC	$ 43,607	$ -	$ -	$ 43,607

Balance as of March 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in ROC	$ 8,721	$ -	$ -	$ 8,721
Financial assets at FVTOCI				
Investments in equity				
－Securities listed in ROC	$ 28,938	$ -	$ -	$ 28,938

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

c. Categories of financial instruments

	March 31, 2021	December 31, 2020	March 31, 2020
Financial assets			
Fair value through profit or loss (FVTPL)			
Mandatory at FVTPL	$ 9,102	$ 12,354	$ 8,721
Financial assets at amortized (Note 1)	1,060,116	1,008,051	1,134,363
Financial assets at FVTOCI equity instruments			
Investments in equity instruments	49,292	43,607	28,938
Financial liabilities			
Measured at amortized cost (Note 2)	220,667	261,595	369,378

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

Note 2: The balances included financial liabilities measured at amortized cost, which comprise notes payable, accounts payables, and other payable.

d. Financial risk management objectives and policies

The Group's major financial instruments included equity and debit investments, accounts receivables, accounts payables 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 financial risks of changes in foreign currency exchange rates.

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group's had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing forward exchange contracts and currency swaps.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities and as for the carrying amounts of derivatives exposing to foreign currency risk at the end of the reporting period, refer to Note 33.

Sensitivity analysis

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

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

	U.S. Dollar Impact	
	For the Three Months Ended March 31, 2021	**For the Three Months Ended March 31, 2020**

	U.S. Dollar Impact	
	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Profit or loss	$ 2,091	$ 2,608

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

The Group's sensitivity to foreign currency increase 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 amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Fair value interest rate risk			
－Financial assets	$ 447,464	$ 374,314	$ 471,084
Cash flow interest rate risk			
－Financial assets	$ 403,149	$ 348,947	$ 430,279

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. A 100 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 had been 100 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2021 and 2020 would decrease by $1,008 thousand and $1,076 thousand, which was mainly attributable to the Group's exposure to the floating-interest rates on bank deposits.

The Group's sensitivity to interest rates reduced during the year, mainly affected by the decrease in bank deposits with variable interest rates.

c) Other price risk

The Group was exposed to equity price risk through its investments in mutual funds. The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

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 been 3% higher/lower, the pre-tax other comprehensive income for the three months ended March 31, 2021 and 2020 would have increased/decreased by $1,479 thousand and $868 thousand, as a result of the changes in fair value of financial assets at FVTOCI.
If equity prices had been 3% higher/lower, the pre-tax profit for the three months ended March 31, 2021, and 2020, would have increased/decreased by $273 thousand and $262 thousand, as a result of the changes in fair value of financial assets at FVTPL.

The Group's sensitivity to equity prices reduced in the current year, mainly due to a decrease in investments in fund beneficiary certificates.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation provided by the Group could arise from the carrying amount of the respective recognized financial assets, as stated in the balance sheets.

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 Group has signed a contract with the bank to sell accounts receivable, and there is no need to guarantee to the ability of debtors in accounts receivable to affect fulfillment of debt obligations due to credit risk within the bank's underwriting limit. Hence, the management of the Group believes that the credit risk of the Group has declined significantly

Ongoing credit evaluation is performed on the status of accounts receivables and, where appropriate, credit guarantee insurance cover would be purchased.

Accounts receivable from customers exceeding 5% of the total accounts receivable accounted for 58.9%, 71.9%, and 62.24% of the Group's accounts receivable balance as of March 31, 2021, December 31, 2020, and March 31, 2020, respectively.

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 March 31, 2021, December 31, 2020 and March 31, 2020, 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.

March 31, 2021

	Less Than 1 Year	**1-5 Years**
Non-interest bearing liabilities		
Notes payable	$ -	$
Trade payable	145,407	
Other payable	75,260	
Lease liabilities	22,804	42,936
	$243,471	$ 42,936

Additional information about the maturity analysis for lease liabilities:

	Less Than 1 Year	1-5 Years
Lease liabilities	$ 22,804	$ 42,936

December 31, 2020

	Less Than 1 Year	1-5 Years
Non-interest bearing liabilities		
Notes payable	$ -	$ -
Trade payable	166,418	-
Other payable	95,177	-
Lease liabilities	22,710	47,327
	$284,305	$ 47,327

Additional information about the maturity analysis for lease liabilities:

	Less Than 1 Year	1-5 Years
Lease liabilities	$ 22,710	$ 47,327

March 31, 2020

	Less Than 1 Year	1-5 Years
Non-interest bearing liabilities		
Notes payable		
Trade payable	$ 11	$ -
Other payable	273,053	-
Lease liabilities	96,314	-
Non-interest bearing liabilities	22,193	56,350
	$391,571	$ 56,350

Additional information about the maturity analysis for lease liabilities:

	Less Than 1 Year	1-5 Years
Lease liabilities	$ 22,193	$ 56,350

b) Financing facilities

	March 31, 2021	December 31, 2020	March 31, 2020
Unsecured bank overdraft facilities			
－Amount used	$ 10,000	$ 10,000	$ 10,000
－Amount unused	184,140	183,920	190,900
	$ 194,140	$ 193,920	$ 200,900

30. TRANSACTIONS WITH RELATED PARTIES

The parent company of the Company is Promate Electronic Co., Ltd., which held 66.21% of the Company’s ordinary shares on March 31, 2021 December 31, 2020 and March 31, 2020.

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. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Names and categories of related parties

Name	Related Party Category
Promate Electronic Co., Ltd	The Company's Parent company
Promate Electronic (Shenzhen) Co., Ltd	Subsidiary of Promate
Promate Electronic (Shanghai) Co., Ltd	Subsidiary of Promate
PROMATE ELECTRONICS COMPANY USA	Subsidiary of Promate
Weikeng Industrial Co., Ltd	Substantive related party-chairman is a director of the Company
HIGGSTEC Inc.	The management - parent company of the Company is the corporate director of the Company

b. Operating revenues

Line Item	Related Party Category/Name	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Sale of goods	The Company's Parent company	$ 3,065	$ 4,454
	Subsidiary of Promate	5	-
	The management	215	-
		$ 3,285	$ 4,454
Repairs	The Company's Parent company	$ 14	$ 9

c. Purchases of goods

Related Party Category/Name	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Promate Electronic Co., Ltd	$ 39,458	$ 67,448
The management	1,531	3,369
Substantive related party-chairman is a director of the Company	4,104	3,377
	$ 45,093	$ 74,194

The related-party transactions were conducted under normal terms.

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

Related Party Category/Name	March 31, 2021	December 31, 2020	March 31, 2020
The Company's parent company	$ 2,776	$ 5,167	$ 4,024
Subsidiary of Promate	5	-	-
The management	227	-	-
	$ 3,008	$ 5,167	$ 4,024

The outstanding accounts receivables from related parties are unsecured. For the three months ended March 31, 2021 and 2020, no impairment loss was recognized for accounts receivables from related parties.

e. Other receivables from related parties

Line Item	Related Party Category/Name	March 31, 2021	December 31, 2020	March 31, 2020
Accounts payables	Promate Electronic Co., Ltd	$ 34,246	$ 34,739	$ 50,480
	Substantive related party-chairman is a director of the Company	4,829	6,740	17,975
	The management	699	1,913	2,084
		$ 39,774	$ 43,392	$ 70,539
Other payables	Subsidiary of Promate	$ 904	$ 955	$ 3,173

The outstanding accounts payables to related parties are unsecured.

f. Lease arrangements

Acquisition of right-of-use assets

Related Party Category/Name	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Right-of-use assets		
Promate Electronic Co., Ltd	$ 28,677	$ 39,846
Substantive related party - chairman is a director of the Company	2,379	4,692
	$ 31,056	$ 44,538

Line Item	Related Party Category	March 31, 2021	December 31, 2020	March 31, 2020
Lease liabilities	Promate Electronic Co., Ltd	$26,807	$31,819	$36,984
	Substantive related party-chairman is a director of the Company	4,758	3,808	4,443
		$31,565	$35,627	$41,427

Related Party Category/Name	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Interest expense		
Promate Electronic Co., Ltd	$ 210	$ 286
Substantive related party -	35	33

Related Party Category/Name	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
chairman is a director of the Company		
	$ 245	$ 319

Lessor	Location	Lease Term Payment Method
Promate Electronic Co., Ltd	Chingpu Plant	The lease term begins on January 1, 2019 and ends on December 31, 2023. Rent is paid every six months, where the monthly rent is NT$929,000.
Substantive related party-chairman is a director of the Company	Office building along Huanshan Road, Neihu District	The lease term begins on January 1, 2019 and ends on December 31, 2023. Rent is paid every six months, where the monthly rent is NT$111,000。

g. Other transactions with related parties

Line Item	Related Party Category/Name	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Research and development expense	Promate Electronic Co., Ltd	$ 465	$ 374
	Substantive related party - chairman is a director of the Company	88	87
	The management	89	179
		$ 642	$ 640
Professional service fees	Promate Electronics Company USA	$ 2,277	$ 1,961
IT information expense	Promate Electronic Co., Ltd	$ 1,220	$ 1,290

h. Compensation of key management personnel

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Short-term employee benefits	$ 3,289	$ 4,054
Other long-term employee benefits	113	140
	$ 3,402	$ 4,194

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

31. GNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The company proposed to acquire Esquarre IoT Landing Fund, L.P. for 5 Million dollars, and this proposition was passed by the board of directors' meeting on April

29, 2021. The private equity investments for securities (including this transaction) accounted for 9.32% of the total assets in the company's latest financial statement.

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of March 31, 2021 and 2020 were as follows:

a. As of March 31, 2021 and 2020, the Group has all issued letters of guarantee for tariff guarantee amounted to $10,000 thousand.

b. As of March 31, 2021 and 2020, commitments due to contracts for the acquisition of equipment were as follows:

	March 31, 2021	March 31, 2020
Contract amount		
Paid amount	$ 1,926	$ 3,582
Unpaid amount	3,114	5,875
	$ 5,040	$ 9,457

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's 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:

Unit: In Thousands for Currencies

March 31, 2021

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 11,045	28.54（USD：NTD）	$ 315,166
			$ 315,166

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial liabilities			
Monetary items			
USD	$ 3,717	28.54（USD：NTD）	$ 106,054

December 31, 2020

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			

USD	$ 15,974	28.48 （USD：NTD）	$ 454,940
EUR	166	35.02 （EUR：NTD）	5,813
			$ 460,753
Financial liabilities			
Monetary items			
USD	3,931	28.48 （USD：NTD）	$ 111,955

March 31, 2020

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 15,281	30.225 （USD：NTD）	$ 461,868
EUR	64	33.240 （EUR：NTD）	2,127
			$ 463,995
Financial liabilities			
Monetary items			
USD	6,651	30.225 （USD：NTD）	$ 201,026

The Group is mainly exposed to the fluctuations other than USD. For the three months ended March 31, 2021 and 2020, realized foreign exchange gains(losses) were $(1,057) thousand and $2,794 thousand, respectively; Unrealized foreign exchange gains(losses) were $(2,579) thousand and $2,339 thousand, respectively.

34. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and information in investees:
   1) Financing provided to others. (None)
   2) Endorsement/guarantee provided. (None)
   3) Marketable securities held. (Table 1)
   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. (None)
   8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (None)
   9) Trading in derivative instruments. (None)
   10) Significant transactions between the Company and subsidiaries. (None)
   11) Information of investees. (Table 2)

b. Information on investments in mainland China (None)

c. Information of major shareholders: The following is the information of major shareholders: Name of major shareholder, number of shares owned and percentage of ownership of shareholders whose percentage of ownership of shareholders is higher than 5%. (Table 3)

35. 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 types of goods or services delivered or provided. According to the requirements of IAS 34, the Group engages in organization management and resource allocation in a single operating segment, and its business is concentrated in a single industry related to mainframes and peripheral equipment for point-of-sale systems. In addition, the Group provides segment information reviewed by the CODM, whose basis of measurement is similar to that of financial statements. Therefore, the revenue and total assets of reportable segments for the three months ended March 31, 2021 and 2020 can be determined by reference to the balance sheet and consolidated statement of profit and loss for the three months ended March 31, 2021 and 2020.

The CODM considers the sales units engaging in the sale of mainframes and peripheral equipment in each country as separate operating segments. But for financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment, taking into account the following factors:

a. These operating segments have similar long-term gross profit margins.
b. Similar product nature and transaction method.
c. Products are delivered to customers in the same way.

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES
MARKETABLE SECURITIES HELD
March 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company (Note 2)	Financial Statement Account	March 31, 2021				Note (Note 4)
				Number of Shares	Carrying Amount (Noted 3)	Percentage of Ownership (%)	Fair Value	
Promate Solutions Corporation	Foreign debt investment vehicle							
	Bank of China	None	Financial assets at amortized cost - current	-	$ 28,807 USD 1,010	-	$ 28,807 USD 1,010	Domestic Public Companies
	Chailease Finance Co., Ltd.	〃	〃	-	28,657 USD 1,004	-	28,657 USD 1,004	
					$ 57,464		$ 57,464	
Promate Solutions Corporation	Ordinary shares							
	HIGGSTEC INC	None	Financial assets at fair value through other comprehensive income or loss - non-current	1,051,000	$ 49,292		$ 49,292	〃
	Pacific Hospital Supply Co. Ltd	〃	Financial assets at fair value through profit or loss - current	9,598	$ 708	-	$ 708	〃
	Avita Corporation	〃	〃	4,000	406	-	406	〃
	Jinan Acetate Chemical Co., LTD.	〃	〃	4,000	530	-	530	〃
	Primax Electronics Ltd.	〃	〃	9,000	572	-	572	〃
	Sigurd Microelectronics Corporation	〃	〃	4,000	209	-	209	〃
	Green Tree Pharmacy Co., Ltd.	〃	〃	5,352	680	-	680	〃
	E Ink Holdings Inc.	〃	〃	2,000	110	-	110	〃
	MJ International Flooring and Interior Products Inc.	〃	〃	2,000	127	-	127	〃
	Xxentria Technology Materials Co., Ltd	〃	〃	3,000	200	-	200	〃
	KO JA (CAYMAN) CO., LTD.	〃	〃	40,000	5,560	-	5,560	〃
					$ 9,102		$ 9,102	

Note 1: Marketable securities in this table refer to stocks, bonds, beneficiary certificates, and other relevant derivative securities as promulgated in IFRS 9 "Financial Instruments."

Note 2: When the issuers of marketable securities are not related parties, this column can be left blank

Note 3: If measured by fair value, please fill in the carrying balance, which is adjusted through fair value valuation with loss allowance deducted, in the carrying amount column; if not measured by fair value, please fill in the carrying balance at amortized cost (loss allowance is already deducted).

Note 4: The number of shares of securities, the amount pledged as security or pledged for loans, and the restrictions on use under some agreements shall be stated in the remarks column if the securities presented herein have such conditions.

Note 5: Please refer to Table 2 for relevant information on investments in subsidiaries.

TABLE 2

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(In Thousands of New Taiwan Dollars/Foreign Currency)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2021			Net Income (Loss) of the Investee (Note 2(2))	Investment Gain (Loss) （Note 2(3)）	Note
				March 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Value			
Promate Solutions Corporation	PROMATE JAPAN Inc	Japan	Trade of electronic commodities	$ 3,002	$ 3,002	10,000	100%	$ 3,038	$ 280	$ 280	

Note 1: Where a public company has a foreign holding company and the consolidated financial report is the main financial report according to local laws and regulations, the disclosure of information on foreign investees may only include the holding company's relevant information.

Note 2: In cases other than those described in Note 1, the following information shall be provided:

1) "Investee name," "region," "main business items," "the original investment amount," and "the final stake" shall be filled in in order according to the reinvestment situation of the (public) Company and the reinvestment situation of each investee directly or indirectly controlled, and the relationship between each investee and the (public) Company shall be indicated in the remarks column (e.g., a subsidiary or a sub-subsidiary).
2) In the column of "Profit and loss of investee in the current period," the current profit and loss amount of each investee shall be filled in.
3) In the column of "investment gains and losses recognized in the current period," only the recognized profit and loss amount of each subsidiary that is directly invested by the (public) Company and each investee assessed by equity method shall be filled in, and the rest is not required to be filled in.Where the "gains and losses of subsidiaries that are invested directly are recognized for the current period," it shall be confirmed that the gains and losses of the subsidiaries have included their investment gains and losses that shall be recognized in accordance with the regulations.

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
March 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Name of Major Shareholder	Shares	
	Number of Shares	Number of Shares
Promate Electronic Co., Ltd	25,327,500	66.21%

Note 1: 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.