Promate Solutions Corporation and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 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 June 30, 2021 and 2020, the related consolidated statements of comprehensive income for the three months ended June 30, 2021 and 2020 and for the six months ended June 30, 2021 and 2020, the consolidated statements of changes in equity and cash flows for the six 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 June 30, 2021 and 2020, the combined total assets of these non-significant subsidiaries were NT$5,260 thousand and NT3,883 thousand, respectively, representing 0.34% and 0.22%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT$1,197 thousand and NT$1,724 thousand, respectively, representing 0.20% and 0.23%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2021 and 2020 and for the six months ended June 30, 2021 and 2020, the amounts of combined comprehensive income (loss) of these subsidiaries were NT$1,316 thousand, NT$(453) thousand, NT$1,596 thousand, and NT$(418) thousand, respectively, representing 1.65%, 0.63%, 2.19% and 0.33%, 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 June 30, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the three-months and six-months then ended June 30, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China

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

August 5, 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)

	June 30, 2021 (Reviewed)		December 31, 2020 (Audited)		June 30, 2020 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Notes 4, 6 and 29)	$ 746,540	48	$ 608,947	41	$ 679,226	39
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 29)	11,247	1	12,354	1	10,803	1
Financial assets at amortized cost - current (Notes 4, 9, 10 and 29)	171,440	11	114,314	8	148,579	9
Notes receivable (Notes 4, 11 ,23 and 29)	825	-	-	-	-	-
Accounts receivable (Notes 4, 11,23 and 29)	154,678	10	270,397	18	287,517	17
Accounts receivable from related parties (Notes 4, 11, 23, 29 and 30)	5,688	-	5,167	-	5,754	-
Other receivables (Notes 4, 11 and 29)	19,911	1	8,590	-	20,752	1
Current tax assets	-	-	-	-	1	-
Inventories (Note 4 and 12)	291,732	19	298,287	20	389,078	22
Prepayments (Notes 17)	3,793	-	2,508	-	4,635	-
Other current assets (Note 17)	105	-	30	-	42	-
Total current assets	1,405,959	90	1,320,594	88	1,546,387	89
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4, 8 and 29)	43,489	3	43,607	3	48,413	3
Property, plant and equipment (Notes 4 and 14)	46,476	3	48,946	3	48,070	3
Right-of-use assets (Notes 4, 15 and 30)	52,909	3	65,120	5	74,119	4
Other intangible assets (Note 4 and16)	3,283	-	4,027	-	5,524	-
Deferred tax assets (Note 25)	10,695	1	13,893	1	10,072	1
Prepayments for business facilities (Note 17)	3,483	-	3,888	-	4,987	-
Guarantee deposits paid (Notes 17 and 29)	660	-	636	-	136	-
Total non-current assets	160,995	10	180,117	12	191,321	11
TOTAL	$ 1,566,954	100	$ 1,500,711	100	$ 1,737,708	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities - current (Notes 4, 19 and 23)	$ 56,412	4	$ 30,466	2	$ 38,653	2
Notes payable (Notes 18 and 29)	-	-	-	-	11	-
Accounts payable (Notes 18 and 29)	113,660	7	123,026	8	205,106	12
Accounts payable to related parties (Notes 18, 29 and 30)	51,301	3	43,392	3	75,841	5
Other payables (Notes 19 and 29)	149,699	10	94,222	6	169,408	10
Other payables - related parties (Notes 19, 29 and 30)	127,883	8	955	-	127,634	7
Current tax liabilities (Note 25)	13,021	1	22,078	2	21,370	1
Provisions - current (Note 20)	3,209	-	3,285	-	3,617	-
Lease liabilities - current (Notes 4, 15, 29 and 30)	20,595	1	21,665	2	21,050	1
Other current liabilities (Note 19)	2,151	-	2,357	-	2,170	-
Total current liabilities	537,931	34	341,446	23	664,860	38
NON-CURRENT LIABILITIES						
Provisions - noncurrent (Note 20)	1,615	-	2,239	-	2,107	-
Deferred tax liabilities (Note 25)	91	-	55	-	-	-
Lease liabilities - noncurrent (Notes 4, 15, 29 and 30)	32,434	2	43,072	3	52,433	3
Net defined benefit liabilities - noncurrent (Note 21)	14,768	1	15,044	1	14,979	1
Total non-current liabilities	48,908	3	60,410	4	69,519	4
Total liabilities	586,839	37	401,856	27	734,379	42
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 22)						
Share capital						
Ordinary shares	382,549	24	382,549	25	382,549	22
Capital surplus	386,829	25	386,829	26	386,829	22
Retained earnings						
Legal reserve	126,158	8	105,299	7	105,299	6
Special reserve	-	-	2,728	-	2,728	-
Unappropriated earnings	73,764	5	210,207	14	111,442	7
Total retained earnings	199,922	13	318,234	21	219,469	13
Other equity						
Exchange differences on translation of foreign financial statements	(265)	-	(49)	-	(55)	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	11,080	1	11,292	1	14,537	1
Total other equity interest	10,815	1	11,243	1	14,482	1
Total equity attributable to owners of the Company	980,115	63	1,098,855	73	1,003,329	58
Total equity	980,115	63	1,098,855	73	1,003,329	58
TOTAL	$ 1,566,954	100	$ 1,500,711	100	$ 1,737,708	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 June 30				For the Six Months Ended June 30			
	2021		2020		2021		2020	
	Amount	%	**Amount**	%	**Amount**	%	**Amount**	%
OPERATING REVENUE (Notes 4, 23 and 30)								
Sales	$ 314,518	100	$ 458,603	100	$ 639,885	100	$ 880,820	100
OPERATING COSTS (Notes 4,12, 16, 21, 24 and 30)								
Cost of sales	(224,776)	(71)	(323,700)	(71)	(444,852)	(70)	(620,608)	(70)
GROSS PROFIT	89,742	29	134,903	29	195,033	30	260,212	30
OPERATING EXPENSES (Notes 11, 16, 21, 24 and 30)								
Selling and marketing expenses	(26,734)	(9)	(39,018)	(9)	(46,696)	(7)	(68,468)	(8)
General and administrative expenses	(6,996)	(2)	(6,608)	(1)	(14,945)	(2)	(15,626)	(2)
Research and development expenses	(21,831)	(7)	(23,506)	(5)	(41,572)	(7)	(43,272)	(5)
Total operating expensess	(55,561)	(18)	(69,132)	(15)	(103,213)	(16)	(127,366)	(15)
OPERATING PROFIT	34,181	11	65,771	14	91,820	14	132,846	15
NON-OPERATING INCOME (Note 24 and 30)								
Interest income	454	-	1,037	-	877	-	2,700	-
Other income	241	-	16	-	241	-	19	-
Other gains and losses	(7,267)	(2)	(2,399)	-	(7,886)	(1)	9	-
Finance costs	(418)	-	(541)	-	(862)	-	(1,111)	-
Total non-operating income and expenses	(6,990)	(2)	(1,887)	-	(7,630)	(1)	1,617	-
PROFIT BEFORE INCOME TAX	27,191	9	63,884	14	84,190	13	134,463	15
INCOME TAX EXPENSE (Notes 4 and 25)	(279)	-	(11,091)	(2)	(11,394)	(2)	(24,630)	(3)
NET PROFIT FOR THE PERIOD	26,912	9	52,793	12	72,796	11	109,833	12
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4 ,22and 25)								
Items that will not be reclassified								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(6,201)	(2)	19,475	4	(46)	-	17,202	2
Income tax relating to items that not be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-
	(6,201)	(2)	19,475	4	(46)	-	17,202	2
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translating the financial statements of foreign operations	(26)	-	(32)	-	(270)	-	(6)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	5	-	7	-	54	-	1	-
	(21)	-	(25)	-	(216)	-	(5)	-
Other comprehensive loss for the year, net of income tax	(6,222)	(2)	19,450	4	(262)	-	17,197	2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 20,690	7	$ 72,243	16	$ 72,534	11	$ 127,030	14
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 26)								
From continuing operations								
Basic	$ 0.70		$ 1.38		$ 1.90		$ 2.87	
Diluted	$ 0.70		$ 1.37		$ 1.89		$ 2.85	

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 SIX MONTHS ENDED JUNE 30, 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	($ 50)	($ 2,678)	$ 1,067,573
Appropriation of 2019 earnings									
Legal reserve	-	-	-	20,636	-	(20,636)	-	-	-
Special reserve	-	-	-	-	2,702	(2,702)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(181,710)	-	-	(181,710)
Changes other Capital Surplus									
Capital Surplus issue Cash dividends	-	-	(9,564)	-	-	-	-	-	(9,564)
Net profit for the six months June 30, 2020	-	-	-	-	-	109,833	-	-	109,833
Other comprehensive income (loss) for the six months June 30, 2020, net of income tax	-	-	-	-	-	-	(5)	17,202	17,197
Total comprehensive income for the six months June 30, 2020	-	-	-	-	-	109,833	(5)	17,202	127,030
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	(13)	-	13	-
BALANCE AT JUNE 30, 2020	38,255	$ 382,549	$ 386,829	$ 105,299	$ 2,728	$ 111,442	($ 55)	$ 14,537	$ 1,003,329
BALANCE AT JANUARY 1, 2021	38,255	$ 382,549	$ 386,829	$ 105,299	$ 2,728	$ 210,207	($ 49)	$ 11,292	$ 1,098,855
Appropriation of 2018 earnings									
Legal reserve	-	-	-	20,859	-	(20,859)	-	-	-
Special surplus reserve	-	-	-	-	(2,728)	2,728	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(191,274)	-	-	(191,274)
Net profit for the six months June 30, 2021	-	-	-	-	-	72,796	-	-	72,796
Other comprehensive income (loss) for the six months June 30, 2021, net of income tax	-	-	-	-	-	-	(216)	(46)	(262)
Total comprehensive income for the six months June 30, 2021	-	-	-	-	-	72,796	(216)	(46)	72,534
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	166	-	(166)	-
BALANCE AT JUNE 30, 2021	38,255	$ 382,549	$ 386,829	$ 126,158	$ -	$ 73,764	($ 265)	$ 11,080	$ 980,115

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 Six Months Ended June 30	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 84,190	$ 134,463
Adjustments for:		
Depreciation expenses	18,440	18,011
Amortization expenses	744	1,695
Expected credit loss (gain)/provision (reversal of provision) for bad debt expense	(6,500)	1,960
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(2,592)	(2,192)
Finance costs	862	1,111
Other adjustments to reconcile profit (loss)	(3,047)	(9,542)
Interest incomes	(877)	(2,700)
Gain on Lease Modification	(254)	-
Dividend income	(41)	(14)
Loss (gain) on inventory impairment	(10,000)	3,000
Net (gain) loss on foreign currency exchange	(1,790)	955
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	3,699	(5,575)
Decrease (increase) Notes receivable	(825)	-
Decrease (increase) in accounts receivable	122,219	(11,006)
Decrease (increase) in accounts receivable due from related parties	(521)	(790)
Decrease (increase) in other receivable	(11,321)	(9,629)
Decrease (increase) in inventories)	16,555	(109,594)
Decrease (increase) in prepayments	(1,285)	985
Decrease (increase) in other current assets	(75)	11
Increase (decrease) in contract liabilities	25,946	(1,114)
Increase (decrease) in accounts payable	(9,366)	36,669
Increase (decrease) in accounts payable to related parties	7,909	12,012
Increase (decrease) in other payable	($ 9,160)	$ 2,366
Increase (decrease) in other payable to related parties	291	(1,328)
Increase (decrease) in other current liabilities	(206)	(164)

(Continued)

	For the Six Months Ended June 30	
	2021	2020
Increase (decrease) in net defined benefit liability	(276)	(273)
Increase (decrease) in provisions	2,347	(2,858)
Cash generated from operations	225,066	56,459
Interest received	877	2,700
Income tax paid	(17,163)	(27,047)
Net cash generated from operating activities	208,780	32,112
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(399)	(16,364)
Proceeds from disposal of financial assets at fair value through other comprehensive income	471	45
Acquisition of financial assets at amortized cost	(285,035)	(750,470)
Proceeds from disposal of financial assets at amortized cost	229,699	600,938
Acquisition of property, plant and equipment	(69)	-
Increase in prepayments for business facilities	(4,906)	(9,377)
Decrease in refundable deposits	(24)	-
Dividends received	41	14
Net cash used in investing activities	(60,222)	(175,214)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Payments of lease liabilities	(10,695)	(11,096)
Net cash used from financing activities	(10,695)	(11,096)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(270)	(6)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	137,593	(154,204)
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	$ 746,540	$ 679,226

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

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 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 August 5, 2021.

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

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

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

b. The IFRs endorsed by FSC for application starting from 2022:

New IFRSs	Effective Date Announced by IASB
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 1)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 2)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

Note1: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after 11 January 1, 2022. The amendments to IAS 41 "Agriculture" will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: 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 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

1) 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.

2) 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.

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.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023（Note 2）
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023（Note 3）
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023（Note 4）

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 will be applied prospectively for annual reporting periods beginning on or 12 after January 1, 2023.

Note 3: 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 4: Except that deferred taxes will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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) Amendments to IAS 1 “Disclosure of Accounting Policies” The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;
- The Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

a) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
b) The Group chose the accounting policy from options permitted by the standards;
c) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;
d) The accounting policy relates to an area for which the Group is required to make significant judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions; or
e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

4) Amendments to IAS 8 “Definition of Accounting Estimates

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Group may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors

5) Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

   The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporarydifferences arise on initial recognition. The Group will recognize a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations on January 1, 2022, and recognize the cumulative effect of initial application in retained earnings at that date. The Group will apply the amendments prospectively to transactions other than leases and decommissioning obligations that occur on or after January 1, 2022.) 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

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 15 future periods.

There were no significant uncertainties in the accounting policies, estimates and basic assumptions adopted by the Group after being evaluated by the management of the Group.

6. CASH AND CASH EQUIVALENTS

	June 30, 2021	December 31, 2020	June 30, 2020
Cash on hand	$ 233	$ 873	$ 941
Checking accounts and demand deposits	376,307	348,074	388,285
Cash equivalents (investment with original maturities less than three months time deposits)			
Bank time deposit	370,000	260,000	290,000
	$ 746,540	$ 608,947	$ 679,226

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

	June 30, 2021	December 31, 2020	June 30, 2020
Demand deposits	0.001%~0.08%	0.001%~0.05%	0.001%~0.2%
Time deposits	0.05%~0.34%	0.34%~0.4%	0.34%~0.35%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2021	December 31, 2020	June 30, 2020
Financial assets at FVTPL - current			
Financial assets mandatorily classified as at FVTP:			
Non-derivative financial assets			
－Domestic quoted shares	$ 11,247	$ 12,354	$ 10,803
	$ 11,247	$ 12,354	$ 10,803

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2021	December 31, 2020	June 30, 2020
Non-current			
Investments in equity instruments	$ 43,489	$ 43,607	$ 48,413

Investments in equity instruments at FVTOCI

	June 30, 2021	December 31, 2020	June 30, 2020
Non-current			
Domestic investments			
Listed shares			
－HIGGSTEC Inc	$ 43,489	$ 43,607	$ 48,413

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

	June 30, 2021	December 31, 2020	June 30, 2020
Current			
Foreign investments			
Repurchase agreement			
—BOC Aviation	$ 27,860	$ -	$ -
—First Abu Dhabi Bank	55,107	-	-

	June 30, 2021	December 31, 2020	June 30, 2020
—Bank of Communications Co., Ltd.	613	-	-
—CNOOC Petroleum North America	27,860	-	-
—PERTAMINA	-	28,715	-
—CITIC Group Corporation Ltd.	-	28,567	-
—Corporacion Nacional del Cobre de Chile	-	28,517	
－Sumitomo Mitsui Trust Bank	-	-	29,798
－Mizuho Bank, Ltd.	-	-	29,804
－Bank of China	-	28,515	29,630
－Goldman Sachs group Inc.	-	-	29,717
－Internationale Nederlanden Groep	-	-	29,630
Time deposits with original maturities of more than three months	60,000	-	-
	$ 171,440	$ 114,314	$ 148,579

As of June 30, 2021, December 31, 2020 and June 30,2020, the Group purchased repurchase agreements issued by China Bills Finance Corporation and International Bills Finance Corporation, with coupon rates ranging from 0.20% to 0.40%, 0.45% to 0.5% and 0.70% to 1.25%, respectively.

The interest rates for time deposits with original deposits with original maturities of more than three months is 0.4% as of June 30, 2021
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：

June 30, 2021

	At Amortized Cost
Gross carrying amount	$ 171,440
Less: Allowance for impairment loss	-
Amortization costs	171,440
Fair value adjust	-
	$ 171,440

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

June 30, 2020

	At Amortized Cost
Gross carrying amount	$ 148,579
Less: Allowance for impairment loss	-
Amortization costs	148,579
Fair value adjust	-
	$ 148,579

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：

June 30, 2021

Credit Rating	Basis of Recognition of Rate Credit Losses	Gross carrying amount Amortized Cost
Normal	0%～0.01%	$ 171,440

December 31, 2020

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

June 30, 2020

Credit Rating	Basis of Recognition of Rate Credit Losses	Gross carrying amount Amortized Cost
Normal	0%～0.01%	$ 148,579

There was no change in the allowance for impairment loss of investments in debt instruments at amortized cost for the six months ended June 30, 2021 and 2020.

11. NOTES RECEIVABLE, ACCOUNTS RECEIVABLES AND OTHER RECEIVABLES

	June 30, 2021	December 31, 2020	June 30, 2020
Notes receivables			
At amortized cost			
Gross carrying amount	$ 825	$ -	$ -
Less: Allowance for impairment loss	-	-	-
	$ 825	$ -	$ -
Accounts receivables			
At amortized cost			
Gross carrying amount	$ 154,786	$ 277,005	$ 289,725
Gross carrying amount－related parties	5,688	5,167	5,754
Less: Allowance for impairment loss	(108)	(6,608)	(2,208)
	$ 160,366	$ 275,564	$ 293,271
Overdue receivables			
Overdue receivables	$ 30	$ 30	$ 30
Less: Allowance for impairment loss	(30)	(30)	(30)
	$ -	$ -	$ -

Others receivables			
Tax refund receivables	$ 7,652	$ 6,667	$ 11,741
Duty Tax refund receivable	1,979	1,923	1,606
Proceeds from sale of financial assets	10,280	-	7,405
	$ 19,911	$ 8,590	$ 20,752

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：

June 30, 2021

	Not Past Due	Less than 1-30 Days	Less than 31-60 Days	Less than 61-90 Days	Less than Over-91 Days	Total
Expected credit loss rate	0.01%	0.15%	5.28%	18.97%	18.13~100%	
Gross carrying amount	$ 141,435	$ 19,740	$ 84	$ -	$ 40	$ 161,299
Loss allowance (Lifetime ECL)	(16)	(36)	(16)	-	(40)	(108)
Amortized cost	$ 141,419	$ 19,704	$ 68	$ -	$ -	$ 161,191

December 31, 2020

	Not Past Due	Less than 1-30 Days	Less than 31-60 Days	Less than 61-90 Days	Less than Over-91 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

June 30, 2020

	Not Past Due	Less than 1-30 Days	Less than 31-60 Days	Less than 61-90 Days	Less than Over-91 Days	Total
Expected credit loss rate	0.23%	1.07%	7.36%	31.93%	41.23%	
Gross carrying amount	$ 205,809	$ 77,044	$ 12,530	$ 33	$ 63	$ 295,479
Loss allowance (Lifetime ECL)	(436)	(814)	(921)	(11)	(26)	(2,208)
Amortized cost	$ 205,373	$ 76,230	$ 11,609	$ 22	$ 37	$ 293,271

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

	For the Six Months Ended June 30 2021	**For the Six Months Ended June 30 2020**
Notes receivables and Accounts receivables		
Balance on January 1	$ 6,608	$ 248
Add: Amount of expected loss recognized	-	1,960
Less:：Rotational impairment loss	(6,500)	-
Balance on June 30	$ 108	$ 2,208
Overdue receivables		
Balance on January 1	$ 30	$ 30
Balance on June 30	$ 30	$ 30

Compared to the balance on January 1, 2021 and 2020, the gross carrying amount of accounts receivables on June 30, 2021 and 2020 decreased $120,873 thousand and increase $66,571 thousand. Due to increase in projected credit loss, the loss allowance decreased $6,500 thousand and increase $1,960 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 June 30, 2021, December 31, 2020, and June 30, 2020.

12. INVENTORIES

	June 30, 2021	December 31, 2020	June 30, 2020
Raw materials	$ 143,630	$ 103,410	$ 196,052
Work in process	29,790	24,214	45,876
Finished goods	116,258	166,134	144,903
Merchandise inventories	2,054	4,529	2,247
	$ 291,732	$ 298,287	$ 389,078

Cost of Goods Sold were as follows：

	For the Three Months Ended June 30 2021	For the Three Months Ended June 30 2010	For the Six Months Ended June 30 2021	For the Six Months Ended June 30 2010
Cost of Goods Sold	$ 228,776	$ 319,700	$ 454,852	$ 617,608
Loss (gain) on inventory impairment	(4,000)	4,000	(10,000)	3,000
	$ 224,776	$ 323,700	$ 444,852	$ 620,608

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	June 30, 2021	Dec 31, 2020	June 30, 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 June 30, 2021 and 2020, the combined total assets of these non-significant subsidiaries were NT$5,260thousand and NT$3,883 thousand, respectively, representing 0.34% and 0.22%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT$1,197 thousand and NT$1,724 thousand, respectively, representing 0.20% and 0.23%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2020 and 2019 and for the six months ended June 30, 2021 and 2020, the amounts of combined comprehensive income (loss) of these subsidiaries were NT$1,316 thousand, NT$(453) thousand, NT$1,596 thousand, and NT$(418) thousand, respectively, representing 1.65%, 0.63%, 2.19% and 0.33%, respectively, of the consolidated total comprehensive income.

14. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2021	December 31, 2020	June 30, 2020
Assets used by the Group	$ 46,476	$ 48,946	$ 48,070

Assets used by the Group

	Machinery Equipment	Transporta-tion Equipment	Office Equipment	Miscellane-ous Equip2ment	Leasehold Improveme-nnts	Total
Cost						
Balance at January 1, 2021	$ 72,642	$ 2,810	$ 10,688	$ 62,593	$ 15,083	$ 163,816
Addition	-	-	69	-	-	69
Reclassification	448	-	-	4,863	-	5,311
Disposal	-	-	-	(2,211)	-	(2,211)
Balance at June 30, 2021	$ 73,090	$ 2,810	$ 10,757	$ 65,245	$ 15,083	$ 166,985
Accumulated depreciation						
Balance at January 1, 2021	$ 40,911	$ 2,810	$ 9,739	$ 48,950	$ 12,460	$ 114,870
Depreciation expenses	3,471	-	236	3,655	488	7,850
Disposal	-	-	-	(2,211)	-	(2,211)
Balance at June 30, 2021	$ 44,382	$ 2,810	$ 9,975	$ 50,394	$ 12,948	$ 120,509
Carrying amount at June 30, 2021	$ 28,708	$ -	$ 782	$ 14,851	$ 2,135	$ 46,476
Carrying amount at January 1,2021 December 31, 2020	$ 31,731	$ -	$ 949	$ 13,643	$ 2,623	$ 48,946
Cost						
Balance at January 1, 2020	$ 61,285	$ 2,810	$ 10,381	$ 56,923	$ 17,452	$ 148,851
Addition	-	-	-	-	-	-
Reclassification	7,852	-	-	563	-	8,415
Disposal	-	-	-	-	(2,369)	(2,369)
Balance at June 30, 2020	$ 69,137	$ 2,810	$ 10,381	$ 57,486	$ 15,083	$ 154,897
Accumulated depreciation						
Balance at January 1, 2020	$ 33,910	$ 2,810	$ 9,252	$ 41,859	$ 13,752	$ 101,583
Depreciation expenses	3,258	-	241	3,560	554	7,613
Disposal	-	-	-	-	(2,369)	(2,369)
Balance at June 30, 2020	$ 37,168	$ 2,810	$ 9,493	$ 45,419	$ 11,937	$ 106,827
Carrying amount at June 30, 2020	$ 31,969	$ -	$ 888	$ 12,067	$ 3,146	$ 48,070

There was no indication of an impairment loss; therefore, the Group did not perform impairment assessment. during the three months ended June 30, 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	3-10years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2021	December 31, 2020	June 30, 2020
Carrying amounts			
Buildings	$ 51,755	$ 63,727	$ 74,119
Transportation	1,154	1,393	-
	$ 52,909	$ 65,120	$ 74,119

	For the Three Months Ended June 30 2021	For the Three Months Ended June 30 2020	For the Six Months Ended June 30 2021	For the Six Months Ended June 30 2020
Addition to right-of-use assets	$ 3,990	$ -	$ 9,428	$ -
Depreciation charge for right-of-use assets				
Buildings	$ 5,128	$ 5,198	$ 10,351	$ 10,398
Transportation	120	-	239	-
	$ 5,248	$ 5,198	$ 10,590	$ 10,398

b. Lease liabilities

	June 30, 2021	December 31, 2020	June 30, 2020
Carrying amounts			
Current	$ 20,595	$ 21,665	$ 21,050
Non-current	$ 32,434	$ 43,072	$ 52,433

Discounted rate ranges of lease liabilities were as follows：

	June 30, 2021	December 31, 2020	June 30, 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 June 30 2021	For the Three Months Ended June 30 2020	For the Six Months Ended June 30 2021	For the Six Months Ended June 30 2020
Expenses relating to low-value asset leases	$ 159	$ 50	$ 206	$ 100
Total cash outflow for lease			($ 10,901)	($ 11,196)

16. OTHER INTANGIBLE ASSETS

	Computer Software
Cost	
Balance on January 1, 2021	$ 18,379
Balance on June 30, 2021	$ 18,379
Accumulated amortization	
Balance on January 1, 2021	$ 14,352
Amortization expenses	744
Balance on June 30, 2021	$ 15,096
Carrying amount on January 1, 2021/December 31, 2020	$ 4,027
Carrying amount on June 30, 2021	$ 3,283
Cost	
Balance on January 1, 2020	$ 20,179
Addition	-
Disposal	(1,800)
Balance on June 30, 2020	$ 18,379
Accumulated amortization	
Balance on January 1, 2020	$ 12,960
Amortization expenses	1,695
Disposals	(1,800)
Balance on June 30, 2020	$ 12,855
Carrying amount on June 30, 2020	$ 5,524

Besides amortization expense, the Group did not acquire, dispose, nor impair any other intangible assets between six months ended June 30, 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 June 30 2021	For the Three Months Ended June 30 2020	For the Six Months Ended June 30 2021	For the Six Months Ended June 30 2020
Operating costs	$ -	$ -	$ -	$ -
Selling and marketing expenses	27	26	54	53
General and administrative expenses	178	679	690	1,357
Research and development expenses	-	143	-	285
	$ 205	$ 848	$ 744	$ 1,695

17. OTHER ASSETS

	June 30, 2021	December 31, 2020	June 30, 2020
Current			
Prepayments			
Prepayment for purchases and expenses	$ 3,793	$ 2,508	$ 4,635
Others current assets			
Temporary payment	105	30	42
	$ 3,898	$ 2,538	$ 4,677
Non-current			
Prepayments for equipment	$ 3,483	$ 3,888	$ 4,987
Refundable deposits	660	636	136
Overdue receivables (Note 11)	30	30	30
Allowance for impairment loss - overdue receivables	(30)	(30)	(30)
	$ 4,143	$ 4,524	$ 5,123

18. NOTES AND ACCOUNTS PAYABLE

	June 30, 2021	December 31, 2020	June 30, 2020
Notes payable			
Non-trade	$ -	$ -	$ 11
Accounts payable			
Accounts payable	$ 113,660	$ 123,026	$ 205,106
Accounts payable - related parties	51,301	43,392	75,841
	$ 164,961	$ 166,418	$ 280,947

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

	June 30, 2021	December 31, 2020	June 30, 2020
Current			
Other payables			
Accrued commissions	$ 3,631	$ 2,244	$ 2,150
Payables for salaries or bonuses	27,356	46,028	51,164
Payables for annual leave	8,050	7,750	5,400
Payables for compensation of employees and remuneration of directors (Note 24)	33,000	24,700	34,300
Payable for service	936	1,380	1,596
Dividend Payable（Note 22）	64,637	-	64,637
Accrued freights	1,647	1,770	1,714
Others	10,442	10,350	8,447
	149,699	94,222	169,408
Other payables－related parties （Note 30）			
Dividend Payable（Note 22）	126,637	-	126,637
Others	1,246	955	997
	127,883	955	127,634
	$ 277,582	$ 95,177	$ 297,042
Contract liability			
Advance payment	$ 56,412	$ 30,466	$ 38,653
Others liability			
Receipts under custody and others	$ 2,151	$ 2,357	$ 2,170

20. PROVISIONS

	June 30, 2021	December 31, 2020	June 30, 2020
Current			
Warranties	$ 13,209	$ 3,285	$ 3,617
Non-current			
Warranties	$ 1,615	$ 2,239	$ 2,107

	For the Six Months Ended June 30 2021	For the Six Months Ended June 30 2020
Balance on January 1	$ 5,524	$ 18,124
Amount used	-	(2,858)
Additional provisions recognized	2,347	-
Rotate unused	(3,047)	(9,542)
Balance at June 30	$ 4,824	$ 5,724

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 $19 thousand and $28 thousand for the three months ended June 30, 2021 and 2020, respectively, and $37 thousand and $56 thousand for the six months ended June 30, 2021 and 2020, respectively. They were calculated using the prior year's actuarially determined pension cost discount rate as of December 31, 2019 and 2018, respectively.

22. EQUITY

a. Share capital

Common stock

	June 30, 2021	December 31, 2020	June 30, 2020
Number of shares authorized (in thousands)	50,000	50,000	50,000
Shares authorized	$ 500,000	$ 500,000	$ 500,000
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

	June 30, 2021	December 31, 2020	June 30, 2020
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*			
Issuance of ordinary shares	$ 386,829	$ 386,829	$ 386,829

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. 1090150022

The appropriations of earnings for 2020 and 2019 that were approved in the shareholders' meetings on July 22, 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 Group suspends its originally scheduled on June 11,2021 shareholders' meeting in response to the FSC's announcement (For pandemic prevention, the FSC demands public companies to postpone their shareholders' meetings.) The shareholders' meeting will be held on July 22, 2021. However, the voting result by way of electronic transmission regarding the appropriation of earnings for 2020 had reached the legal threshold for resolution and, therefore, the Group adjusted related the amount accordingly

d. Special reserves

	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Balance on January 1	$ 2,728	$ 26
Appropriations of special reserves		
Appropriations other equity items	-	2,702
Rotate of special reserves		
Rotate other equity items	(2,728)	-
Balance at June 30	$ -	$ 2,728

e. Other equity items

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

	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Balance on January 1	($ 49)	($ 50)
Exchange differences arising on translating the financials statements of foreign operations	(270)	(6)
Income tax related to gains arising on translating the financial statements of foreign operations	54	1
Other comprehensive income recognized for the period	(216)	(5)
Balance at June 30	($ 265)	($ 55)

2) Unrealized gain or loss on Financial Assets at FVTOCI

	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Balance on January 1	$ 11,292	($ 2,678)
Recognized for the period:		
Unrealized gain (loss)- equity instruments	(46)	17,202
Other comprehensive income recognized for the period	(46)	17,202
Gain (loss) on disposal of equity instruments transfer to retained earnings	(166)	13
Balance at June 30	$ 11,080	$ 14,537

23. REVENUE

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Revenue from contracts with customers				
Revenue from the sale of goods	$ 297,764	$ 446,773	$ 598,869	$ 859,241
Service revenue	16,754	11,830	41,016	21,579
	$ 314,518	$ 458,603	$ 639,885	$ 880,820

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

	June 30, 2021	December 31,2020	June 30, 2020	January 1,2020
Trade receivables (Note 11)	$ 161,191	$ 275,564	$ 293,271	$ 283,435
Contract liabilities (Note 20)				
Sale of goods	$ 56,412	$ 30,466	$ 38,653	$ 39,767

c. Disaggregation of revenue

For the six months ended June 30, 2021

	Embedded Control	Application specific	Medical Touch	Others	Total
Goods or service					
Revenue from sale of goods	$ 182,798	$ 112,732	$ 210,793	$ 92,546	$ 598,869
Service revenue	3,979	33,338	3,582	117	41,016
	$ 186,777	$ 146,070	$ 214,375	$ 92,663	$ 639,885

For the six months ended June 30, 2020

	Embedded Control	Application specific	Medical Touch	Others	Total
Goods or service					
Revenue from sale of goods	$ 310,697	$ 160,185	$ 315,819	$ 72,540	$ 859,241
Service revenue	1,283	16,870	3,422	4	21,579
	$ 311,980	$ 177,055	$ 319,241	$ 72,544	$ 880,820

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

a. Interest income

	For the Three Months Ended June 30, 2021	FortheThree Months Ended June 30, 2020	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Bank deposits	$ 401	$ 521	$ 685	$ 1,874
Financial assets at amortized cost	53	516	192	826
	$ 454	$ 1,037	$ 877	$ 2,700

b. Other income

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Dividend income	$ 41	$ 11	$ 41	$ 14
Others	200	5	200	5
	$ 241	$ 16	$ 241	$ 19

c. Other gains and losses

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Gain (loss) on financial instruments				
Mandatorily measured at FVTPL	($ 314)	$ 4,918	$ 2,592	$ 2,192
Gain on Lease Modification	143	-	254	-
Net foreign exchange gain (losses)	(7,048)	(7,315)	(10,684)	(2,182)
Others	(48)	(2)	(48)	(1)
	($ 7,267)	($ 2,399)	($ 7,886)	$ 9

d. Finance costs

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Interest on lease liabilities	($ 418)	($ 541)	($ 862)	($ 1,111)

There was no interest capitalization in the combined company from January 1 to June 30, 2021 and 2020

e. Depreciation and amortization

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
An analysis of deprecation by function				
Operating costs	$ 2,658	$ 2,660	$ 5,320	$ 5,321
Operating expenses	6,469	6,402	13,120	12,690
	$ 9,127	$ 9,062	$ 18,440	$ 18,011
An analysis of amortization by function				
Operating costs	$ -	$ -	$ -	$ -
Operating expenses	205	848	744	1,695
	$ 205	$ 848	$ 744	$ 1,695

f. Employee benefits expense

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Short-term benefits	$ 40,547	$ 52,275	$ 83,722	$ 96,225
Post-employment benefits(Note 21)				
Defined contribution plans	1,464	1,501	2,951	2,984
Defined benefit plans	19	28	37	56
	1,483	1,529	2,988	3,040
Other employee benefits	1,633	1,784	3,080	3,411
Total employee benefits expense	$ 43,663	$ 55,588	$ 89,790	$ 102,676

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
An analysis of employee benefits expense by function				
Operating costs	$ 12,948	$ 13,920	$ 26,133	$ 27,701
Operating expenses	30,715	41,668	63,657	74,975
	$ 43,663	$ 55,588	$ 89,790	$ 102,676

g. Employees' compensation and remuneration of directors and supervisors

The Company accrues compensation of employees and remuneration of directors at the rates 7.5%~10% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. For the three months and six months ended June 30, 2021 and 2020, the compensation of employees and the remuneration of directors were as follows:

Accrual rate

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Employees' compensation	7.5%	7.5%	7.5%	7.5%
Remuneration of directors	1.5%	1.5%	1.5%	1.5%

Amount

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Employees' compensation	$ 2,240	$ 5,270	$ 6,940	$ 11,080
Remuneration of directors	$ 460	$ 1,030	$ 1,360	$ 2,120

If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate and will be adjusted in the next year.

The appropriations of compensation of employees and remuneration of directors for 2020 and 2019, which were approved by the Company's board of directors on March 23, 2021 and March 16, 2020, respectively, are as follows:

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

There was no difference between the actual amounts of the compensation of employees and the 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 compensation of employees 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 June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Foreign exchange gains	$ 3,739	($ 29,967)	$ 11,578	$ 20,830
Foreign exchange losses	(10,787)	22,652	(22,262)	(23,012)
Net gain (loss)	($ 7,048)	($ 7,315)	($ 10,684)	($ 2,182)

i. The reversal of impairment of non-financial instruments

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Inventories (included in costs of goods sold)	($ 4,000)	$ 4,000	($ 10,000)	$ 3,000

25. NCOME 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 June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Current tax				
In respect of the current period	$ 5,469	$ 12,935	$ 13,025	$ 21,551
Adjustment for the prior year	(4,919)	(1,319)	(4,919)	(1,828)
	550	11,616	8,106	19,723
Deferred tax				
In respect of the current period	(271)	(525)	3,288	4,907
Income tax expense recognized in profit or loss	$ 279	$ 11,091	$ 11,394	$ 24,630

b. Income tax expense recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Deferred tax				
In respect of the current year- Translation of foreign operations	($ 5)	($ 7)	($ 54)	($ 1)
Income tax expense recognized in other comprehensive income	($ 5)	($ 7)	($ 54)	($ 1)

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 2020 have not been assessed by tax authorities.

26. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Basic earnings per share				
From continuing and discounted operations	$ 0.70	$ 1.38	$ 1.90	$ 2.87
Basic earnings per share	$ 0.70	$ 1.38	$ 1.90	$ 2.87
Diluted earnings per share				
From continuing and discounted operations	$ 0.70	$ 1.37	$ 1.89	$ 2.85
Diluted earnings per share	$ 0.70	$ 1.37	$ 1.89	$ 2.85

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 June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Income for the year attributable to owners of the Company	$ 26,912	$ 52,793	$ 72,796	$ 109,833
Earnings used in the computation of basic earnings per share	$ 26,912	$ 52,793	$ 72,796	$ 109,833
Earnings used in the computation of diluted earnings per share	$ 26,912	$ 52,793	$ 72,796	$ 109,833

Weighted Average Number of Ordinary Shares Outstanding

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Weighted average number of ordinary shares in computation of basic earnings per share	38,255	38,255	38,255	38,255
Effect of potentially dilutive ordinary shares:				
Employees' compensation	103	147	239	292
Weighted average number of ordinary shares used in the computation of diluted earnings per share	38,358	38,402	38,494	38,547

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 six months ended June 30, 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 $5,311 thousand and $8,415 thousand, respective, to property, plant and equipment for the six months ended June 30, 2021 and 2020, respectively.
2. The Group's 2020 annual cash dividend in the amount of NT$191,274 thousand which were approved at the shareholders' meeting on July 22, 2021 by resolution had not been distributed on June 30, 2021 (see Notes19 and 22) .

3. The Group's 2019 annual cash dividend in the amount of NT$181,710 thousand and the cash in the amount of NT$9,564 thousand to be allocated from the capital surplus, which were approved at the shareholders' meeting on June 9, 2020 by resolution had not been distributed on June 30, 2020 (see Notes19 and 22)

b. Reconciliation of liabilities arising from financing activities:

For the six months ended June 30, 2021

	Balance as of January 1, 2021	Cash Flows	Non-cash Changes: Add	Non-cash Changes: Amortization of Interest Expense	Non-cash Changes: Disposal	Non-cash Changes: Foreign Exchange Difference	Balance as of June 30, 2021
Lease liabilities	$ 64,737	($ 10,695)	$ 9,428	$ 862	($ 11,224)	($ 79)	$ 53,029

For the six months ended June 30, 2020

	Balance as of January 1, 2020	Cash Flows	Non-cash Changes: Add	Non-cash Changes: Amortization of Interest Expense	Non-cash Changes: Disposal	Non-cash Changes: Foreign Exchange Difference	Balance as of June 30, 2020
Lease liabilities	$ 83,470	($ 11,096)	$ -	$ 1,111	$ -	($ 2)	$ 73,483

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 June 30, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in ROC	$ 11,247	$ -	$ -	$ 11,247
Financial assets at FVTOCI				
Investments in equity				
–Securities listed in ROC	$ 43,489	$ -	$ -	$ 43,489

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 June 30, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in ROC	$ 10,803	$ -	$ -	$ 10,803
Financial assets at FVTOCI				
Investments in equity				
–Securities listed in ROC	$ 48,413	$ -	$ -	$ 48,413

There were no transfers between Levels 1 and 2 for the six months ended June 30, 2021 and 2020

c. Categories of financial instruments

	June 30, 2021	December 31, 2020	June 30, 2020
Financial assets			
Fair value through profit or loss (FVTPL)			
Mandatory at FVTPL	$ 11,247	$ 12,354	$ 10,803
Financial assets at amortized (Note 1)	$ 1,099,742	$ 1,008,051	$ 1,141,964
Financial assets at FVTOCI equity instruments			
Investments in equity instruments	43,489	43,607	48,413
Financial liabilities			
Measured at amortized cost (Note 2)	442,543	261,595	578,000

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 32.

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 Six Months Ended June 30, 2021	**For the Six Months Ended June 30, 2020**
Profit or loss	$ 2,836	$ 3,972

(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:

	June 30, 2021	December 31, 2020	June 30, 2020
Fair value interest rate risk			
－Financial assets	$ 541,440	$ 374,314	$ 438,579
Cash flow interest rate risk			
－Financial assets	$ 376,540	$ 348,947	$ 389,226

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 six months ended June 30, 2021 and 2020 would decrease/increase by $1,883 thousand and $1,946 thousand, which was mainly attributable to the Group's exposure to the floating-interest rates on bank borrowings and 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 six months ended June 30, 2021 and 2020 would have increased/decreased by $1,305 thousand and $1,452 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 six months ended June 30, 2021, and 2020, would have increased/decreased by $337 thousand and $324 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 58.6%, 71.9%, and 71.59% of the Group's accounts receivable balance as of June 30, 2021, December 31, 2020, and June 30, 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 June 30, 2021, December 31, 2020 and June 30, 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.

June 30, 2021

	Less Than 1 Year	1-5 Years
Non-interest bearing liabilities		
Notes payable	$ -	$ -
Trade payable	164,961	-
Other payable	277,582	-
Lease liabilities	21,346	35,064
	$ 463,889	$ 35,064

Additional information about the maturity analysis for lease liabilities:

	Less Than 1 Year	1-5 Years
Lease liabilities	$ 21,436	$ 35,064

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

June 30, 2020

	Less Than 1 Year	1-5 Years
Non-interest bearing liabilities		
Notes payable	$ 11	$ -
Trade payable	280,947	-
Other payable	297,042	-
Lease liabilities	22,189	56,339
	$ 600,189	$ 56,339

Additional information about the maturity analysis for lease liabilities:

	Less Than 1 Year	1-5 Years
Lease liabilities	$ 22,189	$ 56,339

b) Financing facilities

	June 30, 2021	**December 31, 2020**	**June 30, 2020**
Unsecured bank overdraft facilities			
－Amount used	$ 10,000	$ 10,000	$ 10,000
－Amount unused	181,440	183,920	190,900
	$ 191,440	$ 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 June 30, 2021 December 31, 2020 and June 30, 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 June 30, 2021	For the Three Months Ended June 30, 2020	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Sale of goods	The Company's Parent company	$ 6,392	$ 5,903	$ 9,471	$ 10,366
	Subsidiary of Promat	38	-	43	-
	The management	-	-	215	-
		$ 6,430	$ 5,903	$ 9,729	$ 10,366

c. Purchases of goods

Related Party Category/Name	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Promate Electronic Co., Ltd	$ 50,544	$ 74,323	$ 90,002	$ 141,771
Subsd tantive relateparty-chairman is a director of the Company	8,018	15,116	12,122	27,386
The management	2,437	2,778	3,968	6,147
	$ 60,999	$ 92,217	$ 106,092	$ 175,304

The related-party transactions were conducted under normal terms.

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

Related Party Category/Name	June 30, 2021	December 31, 2020	June 30, 2020
The Company's parent company	$ 5,650	$ 5,167	$ 5,754
Subsidiary of Promate	38	-	-
	$ 5,688	$ 5,167	$ 5,754

The outstanding accounts receivables from related parties are unsecured. For the six months ended June 30, 2021 and 2020, no impairment loss was recognized for accounts receivables from related parties.

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

Line Item	Related Party Category/Name	June 30, 2021	December 31, 2020	June 30, 2020
Accounts payables	Promate Electronic Co., Ltd	$ 40,446	$ 34,739	$ 56,107
	Substantive related party-chairman is a director of the Company	8,710	6,740	17,254
	The management	2,145	1,913	2,480
		$ 51,301	$ 43,392	$ 75,841
Other payables	Promate Electronic Co., Ltd	$ 126,637	$ -	$ 126,637
	Subsidiary of Promate	1,246	955	997
		$ 127,883	$ 955	$ 127,634

The other payables between the consolidated company and Promate Electronic Co., Ltd. on June 30, 2021 and 2019,
2019 and 2018 cash dividends that have not been allotted by the resolution of the shareholders' meeting.
The outstanding accounts payables to related parties are unsecured.

f. Lease arrangements

Acquisition of right-of-use assets

Related Party Category/Name	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Right-of-use assets		
Promate Electronic Co., Ltd	$ 26,791	$ 37,235
Substantive related party - chairman is a director of the Company	4,758	4,379
	$ 31,549	$ 41,614

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 ◦

Line Item	Related Party Category	June 30, 2021	December 31, 2020	June 30, 2020
Lease liabilities	Promate Electronic Co., Ltd	$ 27,007	$ 31,819	$ 37,259
	Substantive related party-chairman is a director of the Company	4,793	3,808	4,476
		$ 31,800	$ 35,627	$ 41,735

Related Party Category/Name	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Interest expense				
Promate Electronic Co., Ltd	$ 200	$ 275	$ 410	$ 561
Substantive related party - chairman is a director of the Company	36	33	71	66
	$ 236	$ 308	$ 481	$ 627

g. Other transactions with related parties

Line Item	Related Party Category/Name	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Research and development expense	Promate Electronic Co.,Ltd	$ 152	$ 450	$ 617	$ 824
	Substantive related party - chairman is a director of the Company	291	315	379	402
	The management	138	154	227	333
		$ 581	$ 919	$ 1,223	$ 1,559
Professional service fees	PROMATE ELECTRONICS COMPANY USA	$ 2,279	$ 2,312	$ 4,556	$ 4,273
IT information expense	Promate Electronic Co.,Ltd	$ -	$ -	$ 1,220	$ 1,290

h. Compensation of key management personnel

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Short-term employee benefits	$ 2,654	$ 3,814	$ 5,943	$ 7,868
Other long-term employee benefits	107	140	220	280
	$ 2,761	$ 3,954	$ 6,163	$ 8,148

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

31. 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 June 30, 2021 and 2020, the Group has all issued letters of guarantee for tariff guarantee amounted to $10,000 thousand.

b. As of June 30, 2021 and 2020, commitments due to contracts for the acquisition of equipment were as follows:

	June 30, 2021	June 30, 2020
Contract amount		
Paid amount	$ 3,483	$ 4,987
Unpaid amount	5,044	2,928
	$ 8,527	$ 7,915

32. 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

June 30, 2021

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 14,290	27.86 （USD：NTD）	$ 398,128
Financial liabilities			
Monetary items			
USD	4,111	27.86 （USD：NTD）	$ 114,525

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

June 30, 2020

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 19,943	29.63 （USD：NTD）	$ 590,911
EUR	115	33.27 （EUR：NTD）	3,826
			$ 594,737
Financial liabilities			
Monetary items			
USD	6,536	29.63 （USD：NTD）	$ 193,662

The Group is mainly exposed to the fluctuations other than USD. For the three months ended June 30, 2021 and 2020, realized foreign exchange gains(losses) were $(4,036) thousand and $(10,252) thousand, respectively; Unrealized foreign exchange gains(losses) were $(3,012) thousand and $2,937 thousand, for the six months ended June 30, 2021 and 2020, ealized foreign exchange gains(losses) were $(5,093) thousand and $(7,458) thousand, respectively; Unrealized foreign exchange gains(losses) were $(5,591) thousand and $5,276 thousand..

33. OTHERS ITEMS

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 11.89% of the total assets in the company’s latest financial statement.

34. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. 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. (Table 2)
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 3)

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 4)

35. SEGMENT INFORMATION

Industry 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 six months ended June 30, 2021 and 2020 can be determined by reference to the balance sheet and consolidated statement of profit and loss for the t six months ended June 30, 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
June 30, 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	June 30, 2021				Note (Note 4)
				Number of Shares	Carrying Amount (Noted 3)	Percentage of Ownership (%)	Fair Value	
Promate Solutions Corporation	Foreign debt investment vehicle							
	BOC Aviation	None	Financial assets at amortized cost - current	-	$ 27,860 USD 1,000	-	$ 27,860 USD 1,000	Publicly traded stocks
	CNOOC Petroleum North America	〃	〃	-	27,860 USD 1,000	-	27,860 USD 1,000	
	First Abu Dhabi Bank	〃	〃	-	55,107 USD 1,978	-	55,107 USD 1,978	
	Bank of Communications Co., Ltd.	〃	〃	-	613 USD 22	-	613 USD 22	
	Time deposit with an original maturity of more than three months	〃	〃	-	60,000	-	60,000	
					$ 171,440		$ 171,440	
	Ordinary shares：							
Promate Solutions Corporation	HIGGSTEC INC	None	Financial assets at fair value through other comprehensive income or loss - non-current	1,062,000	$ 43,489		$ 43,489	Publicly traded stocks
	Great Tree Pharmacy Co.,Ltd.	〃	Financial assets at fair value through profit or loss - current	3,352	$ 657	-	$ 657	〃
	Sports Gear Co., Ltd.	〃	〃	35,000	2,660	-	2,660	〃
	NANYA TECHNOLOGY CORPORATION	〃	〃	30,000	2,391	-	2,391	〃
	MediaTek Inc	〃	〃	240	231	-	231	〃
	Jinan Acetate Chemical Co., LTD.	〃	〃	4,600	487	-	487	〃
	KO JA (CAYMAN) CO., LTD.	〃	〃	40,000	4,400	-	4,400	〃
	Taidoc Technology Corporation	〃	〃	1,000	228	-	228	〃
	ASROCK Incorporation	〃	〃	1,000	193	-	193	〃
					$ 11,247		$ 11,247	

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 4 for relevant information on investments in subsidiaries.

TABLE 1

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL

June 30, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction(Note 1)		Notes/Accounts Receivable (Payable)		備註（註2）
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Promate Solutions Corporation	Promate Electronic Co., Ltd	Parent company	Purchase	$ 90,002	22.69	Net 60 days after monthly losing	-	-	Accounts payable $ 40,446	24.52%	

Note1. Where related parties' transaction conditions are differ ent from the general ones, the situation and reasons of the differences shall be stated in the column of unit price and credit granting period.

Note2. In case of advance payment (receipt), the reasons, contractual terms, the amount, and differenc es from general transactions shall be stated in the remarks column.

Note3. Paid-in capital referred to herein is the parent company's paid-in capital.In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of the equity attributable to owners of the parent in the calculation.

TABLE 3

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars/Foreign Currency)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2021			Net Income (Loss) of the Investee)	Investment Gain (Loss)	Note
				June 30, 2021	June 30, 2020	Shares	Percentage of Ownership	Carrying Value			
Promate Solutions Corporation	PROMATE JAPAN Inc	Japan	Trade of electronic commodities	$ 2,791	$ 2,791	10,000	100%	$ 2,915	$ 182	$ 182	

Note1. 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.

Note2. 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 rel ationship 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 pe riod," 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 tha t 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.

TABLE 4

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
June 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Name of Major Shareholder	Shares	
	Number of Shares	Shares Percentage of Ownership (%)
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.