ALL RING TECH CO., LTD.

PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2020 AND 2019

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of All Ring Tech Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of All Ring Tech Co., Ltd. (the "Company") as at December 31, 2020 and 2019, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements of the current period are stated as follows:

Cutoff of revenue

Description

Refer to Note 4(26) for accounting policies on revenue recognition.

The sales revenue of the Company is primarily from the assembly and sales of equipment. Based on the terms of the sale agreement, sales revenue is recognised when the control of the goods sold is transferred to the customer after the installation of the goods or the acceptance of the goods by the customer, being when the goods are delivered to the customer, the customer has full discretion over the channel and price to sell the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. As the transfer of control of the goods to the customer in a sale transaction involves manual process and judgement, there exists a risk of material misstatement that may arise from improper revenue recognition for transactions that occur near the balance sheet date and the transaction amounts are usually material. Thus, we consider the cutoff of revenue a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained an understanding and assessed the accounting policy on revenue recognition.
2. Understood and assessed internal control over revenue recognition, tested the effectiveness of the internal controls over the shipment of goods and verified the timing of revenue recognition.
3. Tested the cutoff of transactions that occurred a certain time before or after the balance sheet date in order to verify whether the control of the goods for which revenue has been recognised was transferred, and whether revenue was recorded in the appropriate period.

Evaluation of inventories

Description

Refer to Note 4(8) to the parent company only financial statements for the accounting policy on inventory valuation, Note 5(2) for information on the uncertainty of accounting estimates and assumptions on inventory valuation, and Note 6(4) for information on allowance for inventory valuation losses. As of December 31, 2020, inventory and allowance for inventory valuation losses were NT$369,569 thousand and NT$59,638 thousand, respectively.

The Company develops, manufactures, and assembles production equipment for semiconductors and passive components. Due to rapid changes in technology, the risk of the materials inventory of related equipment incurring valuation losses or becoming obsolete is high. Inventories are stated at the lower of cost and net realisable value. The net realisable value of inventory that is over a certain age or individually identified as obsolete is determined based on the historical information on inventory obtained by management from periodic inspections.

The technology related to the Company’s products is rapidly changing, and the determination of the net realisable value of inventory identified as obsolete involves subjective judgement. Thus, we consider the evaluation of inventories a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the reasonableness of the Company’s policies and procedures on setting allowance for inventory valuation losses according to applicable accounting principles and the auditor’s understanding of the nature of the Company’s industry. This included assessing the reasonableness of the source of the historical information on inventory used in determining net realisable value and assessing the reasonableness of judgments of obsolete inventory items.
2. Obtained an understanding of the Company’s warehousing control procedures. Reviewed annual physical inventory count plan and participated in the annual inventory count in order to assess the classification of obsolete inventory and effectiveness of internal control over obsolete inventory.
3. Tested the appropriateness of the logic used in evaluating the net realisable value of inventory and inventory aging report to verify the reasonableness of the allowance for inventory valuation losses.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including Audit Committees, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of

not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Liu Tzu-Meng

Independent Accountants

Lin Yung-Chih

PricewaterhouseCoopers, Taiwan
Republic of China
February 24, 2021

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ALL RING TECH CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2020 AMOUNT	%	December 31, 2019 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 776,721	29	$ 737,829	35
1150	Notes receivable, net	6(3)	70,830	3	114,028	5
1170	Accounts receivable, net	6(3), 7 and 12	345,612	13	211,108	10
1200	Other receivables		6,223	-	499	-
1220	Current income tax assets	6(23)	8,908	-	6,098	-
130X	Inventories	5(2) and 6(4)	309,931	12	156,998	8
1410	Prepayments	7	10,399	1	3,582	-
11XX	**Total current assets**		1,528,624	58	1,230,142	58
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6(5)	255,355	10	88,812	4
1535	Financial assets at amortised cost - non-current	6(6) and 8	15,403	1	1,820	-
1550	Investments accounted for under equity method	6(7) and 7	377,198	14	395,817	19
1600	Property, plant and equipment	6(8) and 8	367,939	14	297,441	14
1755	Right-of-use assets	6(9)	37,851	1	40,962	2
1780	Intangible assets		2,760	-	3,036	-
1840	Deferred income tax assets	6(23)	45,333	2	57,532	3
1920	Guarantee deposits paid		4,829	-	4,646	-
1960	Prepayments for investments - non-current		10,000	-	10,000	-
1990	Other non-current assets		1,497	-	1,657	-
15XX	**Total non-current assets**		1,118,165	42	901,723	42
1XXX	**Total assets**		$ 2,646,789	100	$ 2,131,865	100

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ALL RING TECH CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2020 AMOUNT	%	December 31, 2019 AMOUNT	%
	Current liabilities					
2130	Current contract liabilities	6(16)	$ 22,889	1	$ 15,833	1
2150	Notes payable		791	-	1,151	-
2170	Accounts payable	7	427,438	16	204,037	9
2200	Other payables	6(10) and 7	161,889	6	120,173	6
2230	Current income tax liabilities	6(23)	23,121	1	-	-
2250	Provisions for liabilities - current	6(11)	16,078	1	12,789	1
2280	Lease liabilities - current		4,911	-	4,635	-
21XX	**Total current liabilities**		657,117	25	358,618	17
	Non-current liabilities					
2570	Deferred income tax liabilities	6(23)	25,707	1	25,707	1
2580	Lease liabilities - non-current		33,350	1	36,560	2
2640	Net defined benefit liabilities - non-current	6(12)	26,876	1	22,510	1
25XX	**Total non-current liabilities**		85,933	3	84,777	4
2XXX	**Total liabilities**		743,050	28	443,395	21
	Equity					
	Share capital					
3110	Common stock	6(13)	833,239	31	833,239	39
3200	Capital surplus	6(13)(14)	327,202	12	377,196	18
	Retained earnings	6(5)(13)(15)				
3310	Legal reserve		256,539	10	248,195	12
3320	Special reserve		22,737	1	22,672	1
3350	Unappropriated retained earnings		394,453	15	229,905	11
3400	Other equity interest	6(5)(7)	136,018	5	(22,737)	(2)
3500	Treasury stocks	6(13)	(66,449)	(2)	-	-
3XXX	**Total equity**		1,903,739	72	1,688,470	79
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	**Total liabilities and equity**		$ 2,646,789	100	$ 2,131,865	100

The accompanying notes are an integral part of these parent company only financial statements.

ALL RING TECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

	Items	Notes	2020 AMOUNT	2020 %	2019 AMOUNT	2019 %
4000	Operating revenue	6(16) and 7	$ 1,404,066	100	$ 935,563	100
5000	Operating costs	6(4)(9)(12)(21)(22) and 7	(704,984)	(50)	(496,645)	(53)
5900	Net operating margin		699,082	50	438,918	47
	Operating expenses	6(9)(12)(21)(22), 7 and 12				
6100	Selling expenses		(46,329)	(3)	(41,078)	(5)
6200	General and administrative expenses		(84,177)	(6)	(59,065)	(6)
6300	Research and development expenses		(248,575)	(18)	(208,421)	(22)
6450	Expected credit losses		(1,984)	-	(6,676)	(1)
6000	Total operating expenses		(381,065)	(27)	(315,240)	(34)
6900	Operating profit		318,017	23	123,678	13
	Non-operating income and expenses					
7100	Interest income	6(17)	2,334	-	5,601	1
7010	Other income	6(5)(18) and 7	11,324	1	12,319	1
7020	Other gains and losses	6(19) and 12	(20,628)	(2)	(6,951)	(1)
7050	Finance costs	6(9)(20)	(478)	-	(577)	-
7070	Share of loss of subsidiaries, associates and joint ventures accounted for under equity method, net	6(7)	(19,513)	(1)	(37,699)	(4)
7000	Total non-operating income and expenses		(26,961)	(2)	(27,307)	(3)
7900	**Profit before income tax**		291,056	21	96,371	10
7950	Income tax expense	6(23)	(44,212)	(3)	(12,930)	(1)
8200	**Profit for the year**		$ 246,844	18	$ 83,441	9
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Remeasurement of defined benefit obligations	6(12)	($ 3,607)	-	($ 2,159)	-
8316	Unrealised gains on valuation of financial assets at fair value through other comprehensive income	6(5)	161,852	11	10,156	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(23)	721	-	432	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(7)	894	-	(14,244)	(2)
8300	**Total other comprehensive income (loss) for the year**		$ 159,860	11	($ 5,815)	(1)
8500	**Total comprehensive income for the year**		$ 406,704	29	$ 77,626	8
	Earnings per share (in dollars)	6(24)				
9750	Basic			$ 3.01		$ 1.00
9850	Diluted			$ 3.00		$ 1.00

The accompanying notes are an integral part of these parent company only financial statements.

ALL RING TECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

			Capital surplus		Retained earnings			Other equity interest			
	Notes	Share capital - common stock	Additional paid-in capital	Stock options	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) on valuation of financial assets at fair value through other comprehensive income	Treasury stocks	Total equity
For the year ended December 31, 2019											
Balance at January 1, 2019		$ 842,389	$ 378,812	$ 108	$ 216,754	$ 22,672	$ 472,994	($ 18,874)	$ 225	($ 45,932)	$1,869,148
Net income for the year ended December 31, 2019		-	-	-	-	-	83,441	-	-	-	83,441
Other comprehensive income (loss) for the year ended December 31, 2019	6(5)(7)	-	-	-	-	-	(1,727)	(14,244)	10,156	-	(5,815)
Total comprehensive income (loss) for the year ended December 31, 2019		-	-	-	-	-	81,714	(14,244)	10,156	-	77,626
Distribution of 2018 net income											
Legal reserve		-	-	-	31,441	-	(31,441)	-	-	-	-
Cash dividends	6(15)	-	-	-	-	-	(258,304)	-	-	-	(258,304)
Treasury stocks retired	6(13)	(9,150)	(1,724)	-	-	-	(35,058)	-	-	45,932	-
Balance at December 31, 2019		$ 833,239	$ 377,088	$ 108	$ 248,195	$ 22,672	$ 229,905	($ 33,118)	$ 10,381	$ -	$1,688,470
For the year ended December 31, 2020											
Balance at January 1, 2020		$ 833,239	$ 377,088	$ 108	$ 248,195	$ 22,672	$ 229,905	($ 33,118)	$ 10,381	$ -	$1,688,470
Net income for the year ended December 31, 2020		-	-	-	-	-	246,844	-	-	-	246,844
Other comprehensive income (loss) for the year ended December 31, 2020	6(5)(7)	-	-	-	-	-	(2,886)	894	161,852	-	159,860
Total comprehensive income (loss) for the year ended December 31, 2020		-	-	-	-	-	243,958	894	161,852	-	406,704
Disposal of financial asstes at fair value through other comprehensive income	6(5)	-	-	-	-	-	3,991	-	(3,991)	-	-
Distribution of 2019 net income											
Legal reserve		-	-	-	8,344	-	(8,344)	-	-	-	-
Special reserve	6(15)	-	-	-	-	65	(65)	-	-	-	-
Cash dividends	6(15)	-	-	-	-	-	(74,992)	-	-	-	(74,992)
Distribution of cash dividends from the capital surplus	6(14)	-	(49,994)	-	-	-	-	-	-	-	(49,994)
Treasury stocks reacquired	6(13)	-	-	-	-	-	-	-	-	(66,449)	(66,449)
Balance at December 31, 2020		$ 833,239	$ 327,094	$ 108	$ 256,539	$ 22,737	$ 394,453	($ 32,224)	$ 168,242	($ 66,449)	$1,903,739

The accompanying notes are an integral part of these parent company only financial statements.

ALL RING TECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31, 2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 291,056	$ 96,371
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit losses	12	1,984	6,676
Provision for inventory market price decline	6(4)	8,458	27,360
Share of loss of subsidiaries, associates and joint ventures accounted for under equity method	6(7)	19,513	37,699
Depreciation	6(8)(9)(21)	21,976	22,403
Gain on disposal of property, plant and equipment	6(19)	(208)	-
Amortisation	6(21)	2,259	2,904
Interest income	6(17)	(2,334)	(5,601)
Dividend income	6(5)(18)	(6,892)	(8,168)
Interest expense	6(20)	478	577
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		43,198	(46,680)
Accounts receivable		(136,488)	321,346
Other receivables		(5,724)	(152)
Inventories		(161,391)	20,550
Prepayments		(6,817)	(380)
Changes in operating liabilities			
Current contract liabilities		7,056	3,214
Notes payable		(360)	(209)
Accounts payable		223,401	(63,919)
Other payables		41,683	(110,708)
Provisions for liabilities - current		3,289	(4)
Net defined benefit liabilities - non-current		759	552
Cash inflow generated from operations		344,896	303,831
Dividend received		6,892	8,168
Interest received		2,334	5,601
Interest paid		(478)	(577)
Income tax paid		(10,981)	(28,539)
Net cash flows from operating activities		342,663	288,484

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ALL RING TECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31, 2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income		($ 301)	$ -
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(5)	5,610	-
Acquisition of financial assets at amortised cost - non-current	6(6)	(13,583)	-
Acquisition of investments accounted for under the equity method-subsidiary	6(7)	-	(76,740)
Cash paid for acquisition of property, plant and equipment	6(25)	(87,504)	(796)
Proceeds from disposal of property, plant and equipment		306	-
Acquisition of intangible assets		(1,983)	(979)
(Increase) decrease in guarantee deposits paid		(183)	88
Increase in prepayments for investments		(10,000)	(10,000)
Decrease in other non-current assets		160	160
Net cash flows used in investing activities		(107,478)	(88,267)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease principal	6(26)	(4,858)	(4,581)
Distribution of cash dividends from capital surplus	6(14)	(49,994)	-
Cash dividends paid	6(15)	(74,992)	(258,304)
Acquisition of treasury stocks	6(13)	(66,449)	-
Net cash flows used in financing activities		(196,293)	(262,885)
Net increase (decrease) in cash and cash equivalents		38,892	(62,668)
Cash and cash equivalents at beginning of year	6(1)	737,829	800,497
Cash and cash equivalents at end of year	6(1)	$ 776,721	$ 737,829

The accompanying notes are an integral part of these parent company only financial statements.

ALL RING TECH CO., LTD.

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

(1) All Ring Tech Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on May 24, 1996. Its primary business includes the design, manufacturing, and assembly of automation machines, the research, development, and design of computer software, and the manufacturing of optical instruments.

(2) The common shares of the Company have been listed on the Taipei Exchange since September 2002.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were authorised for issuance by the Board of Directors on February 24, 2021.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments as endorsed by the FSC effective from 2020 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board ("IASB")
Amendments to IAS 1 and IAS 8, ‘Disclosure initiative-definition of material’	January 1, 2020
Amendments to IFRS 3, ‘Definition of a business’	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7, ‘Interest rate benchmark reform’	January 1, 2020
Amendment to IFRS 16, ‘Covid-19-related rent concessions’	June 1, 2020 (Note)

Note：Earlier application from January 1, 2020 is allowed by the FSC.

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform－ Phase 2’	January 1, 2021

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
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, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2023
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts－cost of fulfilling a contract’	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

A. Except for the following items, these parent company only financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the ” IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the parent company only financial statements are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company’s functional and presentation currency.

A. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

B. Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

C. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

D. All foreign exchange gains and losses are presented in the statement of comprehensive income within ‘other gains and losses’.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be paid off within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be paid off within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

A. Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

B. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Accounts and notes receivable

Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(8) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses. When the cost of inventories exceeds the net realisable value, the amount of any write-down of inventories is recognised as cost of sales during the period; and the amount of any reversal of inventory write-down is recognised as a reduction in cost of sales during the period.

(9) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

(a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(10) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Company's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Investments accounted for using equity method/ subsidiaries and associates

A. A subsidiary is an entity where the Company has the right to dominate its finance and operating policies (including special purpose entities), normally the Company owns more than 50% of the voting rights directly or indirectly in that entity. Subsidiaries are accounted for under the equity method in the Company's parent company only financial statements.

B. Unrealised gains or losses resulting from inter-company transactions with subsidiaries are eliminated. Necessary adjustments are made to the accounting policies of subsidiaries, to be consistent with the accounting policies of the Company.

C. After acquisition of subsidiaries, the Company recognises proportionately the share of profit and loss and other comprehensive income in the income statement as part of the Company's profit and loss and other comprehensive income, respectively. When the share of loss from a subsidiary exceeds the carrying amount of Company’s interest in that subsidiary, the Company continues to recognise its share in the subsidiary's loss proportionately.

D. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

E. The Company’s share of its associates’ post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

F. When changes in an associate’s equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company’s ownership percentage of the associate, the Company recognises change in ownership interests in the associate in ‘capital surplus' in proportion to its ownership.

G. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

H. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then "Capital surplus" and "Investments accounted for under the equity method" shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

I . Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.

J . When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

K. According to "Regulations Governing the Preparation of Financial Statements by Securities Issuers", "Profit for the year" and "Other comprehensive income for the year" reported in an entity's parent company only statement of comprehensive income, shall equal to "profit for the year" and "Other comprehensive income" attributable to owners of the parent reported in that entity's consolidated statement of comprehensive income. Total equity reported in an entity's parent company only financial statements, shall equal to equity attributable to owners of parent reported in that entity's consolidated financial statements.

(14) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Property, plant and equipment apply the cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant and equipment is significant, it is depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Asset	Estimated useful lives
Buildings and structures	15～35 years
Machinery and equipment	3～10 years
Transportation equipment	3～ 5 years
Office equipment	2～ 7 years
Other facilities	3～10 years

(15) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 5 years.

(16) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

(a) Fixed payments, less any lease incentives receivable; and

(b) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date;

(c) Any initial direct costs incurred by the lessee; and

(d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(17) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(18) Accounts and notes payable

Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(19) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(20) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realised the asset and settle the liability simultaneously.

(21) Provisions

Provisions (including warranties) are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(22) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plan

For the defined contribution plan, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plan

I. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

II. Remeasurement arising on defined benefit plan is recognised in other comprehensive income in the period in which they arise and is recorded is retained earnings.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employees' compensation is distributed by shares, the Company calculated the number of shares based on the closing market price at the previous day of the board meeting resolution.

(23) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operate and generate taxable income Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings of the company and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(24) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(25) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(26) Revenue recognition

Sales of goods

A. Sales are recognised when control of the products has transferred, being when the products are delivered to the client, the client has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the client's acceptance of the products.

B. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated output tax, sales returns, and sales discounts and allowances. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. Collection terms of sales are as follows: the first payment is collected 30 to 130 days after delivery of the machines, and the second payment is collected 30 to 190 days after acceptance of the machines.

C. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these parent company only financial statements requires management to make critical judgments in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, and the related information is addressed below:

(1) Critical judgments in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

A. As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

B. As of December 31, 2020, the carrying amount of inventories was $309,931.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2020	December 31, 2019
Cash:		
Cash on hand	$ 2,205	$ 2,406
Checking accounts and demand deposits	449,016	327,918
	451,221	330,324
Cash equivalents:		
Time deposits	325,500	407,505
	$ 776,721	$ 737,829

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Please refer to Note 8 'Pledged Assets' for information on the Company's cash and cash equivalents that were pledged as collateral (shown as in 'Financial assets at amortised cost - non-current') as of December 31, 2020 and 2019.

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

	December 31, 2020	December 31, 2019
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted stocks	$ 21,184	$ 21,184
Valuation adjustment	(21,184)	(21,184)
	$ -	$ -

A. The Company did not recognise any net gain on financial assets at fair value through profit or loss for the years ended December 31, 2020 and 2019, respectively.

B. The Company has no financial assets at fair value through profit or loss pledged to others as collateral as of December 31, 2020 and 2019.

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Notes and accounts receivable

	December 31, 2020	December 31, 2019
Notes receivable	$ 70,830	$ 114,028
Accounts receivable	$ 359,053	$ 222,565
Less: Allowance for uncollectible accounts	(13,441)	(11,457)
	$ 345,612	$ 211,108

A. The ageing analysis of accounts and notes receivable that were past due is as follows:

	December 31, 2020		December 31, 2019	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Less than 30 days	$ 49,759	$ 8,984	$ 46,966	$ 21,791
31～90 days	82,374	27,051	51,288	84,873
91～180 days	113,449	34,795	38,321	7,364
181～360 days	66,142	-	31,585	-
Over 360 days	47,329	-	54,405	-
	$ 359,053	$ 70,830	$ 222,565	$ 114,028

The above ageing analysis was based on invoice date.

B. As of December 31, 2020 and 2019, accounts and notes receivable were all from contracts with customers. As of January 1, 2019, the balance of receivables from contracts with customers amounted to $611,259.

C. The Company has no notes and accounts receivable pledged to others as collateral as of December 31, 2020 and 2019.

D. As of December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes and accounts receivable was the book value.

E. Information relating to credit risk of accounts and notes receivable is provided in Note 12(2).

(4) Inventories

	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 28,200	($ 7,363)	$ 20,837
Work in process	263,565	(40,636)	222,929
Finished goods	77,804	(11,639)	66,165
	$ 369,569	($ 59,638)	$ 309,931

	December 31, 2019		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 20,315	($ 6,601)	$ 13,714
Work in process	144,377	(34,145)	110,232
Finished goods	43,486	(10,434)	33,052
	$ 208,178	($ 51,180)	$ 156,998

The cost of inventories recognised as expense for the year:

	For the years ended December 31,	
	2020	2019
Cost of goods sold	$ 696,526	$ 469,285
Provision for inventory market price decline	8,458	27,360
	$ 704,984	$ 496,645

(5) Financial assets at fair value through other comprehensive income - non-current

Items	December 31, 2020	December 31, 2019
Equity instruments		
Emerging stocks	$ 77,113	$ 78,431
Unlisted stocks	10,000	-
	87,113	78,431
Valuation adjustment	168,242	10,381
	$ 255,355	$ 88,812

A. The Company has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $255,355 and $88,812 as at December 31, 2020 and 2019, respectively.

B. Aiming to satisfy the capital expenditure needs, the Company sold $5,610 of equity instruments investments at fair value which resulted in cumulative gain of $3,991 on disposal during the year ended December 31, 2020, and was reclassified to retained earnings.

C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	For the years ended December 31,	
	2020	2019
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 161,852	$ 10,156
Cumulative gains reclassified to retained earnings due to derecognition	$ 3,991	$ -
Dividend income recognised in profit or loss	$ 6,892	$ 8,168

D. As at December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Company was $255,355 and $88,812, respectively.

E. On December 24, 2020, Tecstar Technology Co., Ltd., an investment measured at fair value through other comprehensive income, reduced its capital to offset against accumulated losses. In proportion to its share of capital decrease, the number of registered shares owned by the Company decreased by 111 thousand shares.

F. The Company has no financial assets at fair value through other comprehensive income pledged to others as collateral.

G. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(6) Financial assets at amortised cost - non-current

	December 31, 2020	December 31, 2019
Non-current items:		
Pledged time deposits	$ 15,403	$ 1,820

A. As at December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was $15,403 and $1,820, respectively.

B. Please refer to Note 8 ‘Pledged Assets’ for information on the Company’s financial assets at amortised cost that were pledged as collateral as at December 31, 2020 and 2019.

C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(7) Investments accounted for under equity method

A. Movements of investments accounted for under equity method:

	For the years ended December 31,	
	2020	2019
At January 1	$ 395,817	$ 371,020
Acquisition of investments accounted for under equity method	-	76,740
Share of profit or loss of investments accounted for under equity method	(19,513)	(37,699)
Other equity－financial statements translation differences of foreign operations	894	(14,244)
At December 31	$ 377,198	$ 395,817

B. Details of investments accounted for under equity method are as follows:

	December 31, 2020	December 31, 2019
PAI FU INTERNATIONAL LIMITED	$ 124,318	$ 129,742
Uni-Ring Tech Co., Ltd.	21,260	34,182
IMAGINE GROUP LIMITED	231,620	231,893
	$ 377,198	$ 395,817

C. Information on the Company's subsidiaries is provided in Note 4(3) of the Company's 2020 consolidated financial report.

D. As of December 31, 2020 and 2019, no investment accounted for under equity method was pledged as collateral.

(8) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other facilities	Total
January 1, 2020							
Cost	$ -	$ 353,520	$ 5,104	$ 8,941	$ 11,929	$ 37,888	$ 417,382
Accumulated depreciation	-	(80,963)	(2,164)	(5,783)	(9,270)	(21,761)	(119,941)
	$ -	$ 272,557	$ 2,940	$ 3,158	$ 2,659	$ 16,127	$ 297,441
For the year ended December 31, 2020							
At January 1	$ -	$ 272,557	$ 2,940	$ 3,158	$ 2,659	$ 16,127	$ 297,441
Additions	61,611	24,797	-	122	522	485	87,537
Depreciation	-	(10,091)	(618)	(1,369)	(1,272)	(3,591)	(16,941)
Disposals－Cost	-	-	-	(890)	(282)	(34)	(1,206)
－Accumulated depreciation	-	-	-	829	245	34	1,108
At December 31	$ 61,611	$ 287,263	$ 2,322	$ 1,850	$ 1,872	$ 13,021	$ 367,939
December 31, 2020							
Cost	$ 61,611	$ 378,317	$ 5,104	$ 8,173	$ 12,169	$ 38,339	$ 503,713
Accumulated depreciation	-	(91,054)	(2,782)	(6,323)	(10,297)	(25,318)	(135,774)
	$ 61,611	$ 287,263	$ 2,322	$ 1,850	$ 1,872	$ 13,021	$ 367,939

	Buildings and structures		Machinery and equipment		Transportation equipment		Office equipment		Other facilities		Total
January 1, 2019											
Cost	$	353,520	$	5,104	$	8,941	$	11,454	$	37,747	$ 416,766
Accumulated depreciation	(	71,054)	(	1,546)	(	4,293)	(	7,960)	(	17,669)	(102,522)
	$	282,466	$	3,558	$	4,648	$	3,494	$	20,078	$ 314,244
For the year ended December 31, 2019											
At January 1	$	282,466	$	3,558	$	4,648	$	3,494	$	20,078	$ 314,244
Additions		-		-		-		645		141	786
Depreciation	(	9,909)	(	618)	(	1,490)	(	1,480)	(	4,092)	(17,589)
Disposals－Cost		-		-		-	(	170)		-	(170)
－Accumulated depreciation		-		-		-		170		-	170
At December 31	$	272,557	$	2,940	$	3,158	$	2,659	$	16,127	$ 297,441
December 31, 2019											
Cost	$	353,520	$	5,104	$	8,941	$	11,929	$	37,888	$ 417,382
Accumulated depreciation	(	80,963)	(	2,164)	(	5,783)	(	9,270)	(	21,761)	(119,941)
	$	272,557	$	2,940	$	3,158	$	2,659	$	16,127	$ 297,441

A. The Company's property, plant and equipment are all occupied by the owner for operating purpose as at December 31, 2020 and 2019.

B. The Company has not capitalised any interest for the years ended December 31, 2020 and 2019.

C. Please refer to Note 8, 'Pledged assets' for information on the Company's property, plant and equipment that were pledged as collateral as at December 31, 2020 and 2019.

(9) Leasing arrangements－lessee

A. The Company leases parcels of land located in the Luzhu Science Park from the Southern Taiwan Science Park Bureau.Rental contracts are typically made for periods of 15 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2020	December 31, 2019
	Carrying amount	Carrying amount
Land	$ 37,851	$ 40,962

	For the years ended December 31,	
	2020	2019
	Depreciation charge	Depreciation charge
Land	$ 5,035	$ 4,814

C. For the years ended December 31, 2020 and 2019, the Company has no additions to right-of-use assets; remeasurements of right-of-use assets were $1,924 and $－, respectively.

D. The information on income and expense accounts relating to lease contracts is as follows:

	For the years ended December 31,	
	2020	2019
Items affecting profit or loss		
Interest expense on lease liabilities	$ 450	$ 507
Expense on short-term lease contracts	4,391	4,038
Expense on leases of low-value assets	106	104

E. For the years ended December 31, 2020 and 2019, the Company's total cash outflow for leases was $9,805 and $9,230, respectively.

(10) Other payables

	December 31, 2020	December 31, 2019
Accrued salaries and bonuses	$ 96,401	$ 61,267
Compensation payable to employees, directors and supervisors	20,856	9,212
Provision for employee benefits	10,055	7,804
Others	34,577	41,890
	$ 161,889	$ 120,173

(11) Provisions for liabilities

	For the years ended December 31,	
	2020	2019
Balance at beginning of year	$ 12,789	$ 12,793
Additional provisions	9,162	6,071
Used during the year	(5,873)	(6,075)
Balance at end of year	$ 16,078	$ 12,789

The Company's warranty provision is primarily related to the sale of semiconductor equipment, passive component equipment, and light-emitting diode equipment. The amount of the provision is estimated according to historical warranty data. The Company expects the costs related to the provision to be realised in the next two years.

(12) Pensions

A. The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 4% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March. Related information on the defined benefit pension plan disclosed above is as follows:

(a) The amounts recognised in the balance sheet are as follows:

	December 31, 2020	December 31, 2019
Present value of defined benefit obligations	($ 36,950)	($ 32,150)
Fair value of plan assets	10,074	9,640
Net defined benefit liability	($ 26,876)	($ 22,510)

(b) Movements in net defined benefit liabilities are as follows:

	For the year ended December 31, 2020		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	($ 32,150)	$ 9,640	($ 22,510)
Current service cost	(625)	-	(625)
Interest (expense) income	(225)	67	(158)
	(33,000)	9,707	(23,293)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	343	343
Change in financial assumptions	(1,123)	-	(1,123)
Experience adjustments	(2,827)	-	(2,827)
	(3,950)	343	(3,607)
Pension fund contribution	-	24	24
Balance at December 31	($ 36,950)	$ 10,074	($ 26,876)

	For the year ended December 31, 2019		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	($ 29,497)	$ 9,698	($ 19,799)
Current service cost	(397)	-	(397)
Interest (expense) income	(266)	87	(179)
	(30,160)	9,785	(20,375)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	370	370
Change in financial assumptions	(561)	-	(561)
Experience adjustments	(1,968)	-	(1,968)
	(2,529)	370	(2,159)
Pension fund contribution	-	24	24
Paid pension	539	(539)	-
Balance at December 31	($ 32,150)	$ 9,640	($ 22,510)

(c) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2020 and 2019 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(d) The principal actuarial assumptions used were as follows:

	For the years ended December 31,	
	2020	2019
Discount rate	0.30%	0.70%
Future salary increases	3.50%	3.50%

For the years ended December 31, 2020 and 2019, assumptions regarding future mortality experience are set based on actuarial advice in accordance with Taiwan Life Insurance Industry 5th Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2020				
Effect on present value of defined benefit obligation	($ 709)	$ 732	$ 617	($ 601)
December 31, 2019				
Effect on present value of defined benefit obligation	($ 699)	$ 723	$ 623	($ 606)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

(e) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2021 amount to $24.

(f) As of December 31, 2020, the weighted average duration of the retirement plan is 8 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$ 3,099
2 ～ 5 years	14,005
6 years and above	9,665
	$ 26,769

B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2020 and 2019 were $10,254 and $9,872, respectively.

(13) Share capital

A. Movements in the number of the Company's ordinary shares outstanding are as follows (in thousands of shares):

	For the years ended December 31,	
	2020	2019
At January 1	83,324	83,324
Treasury stock reacquired	(1,870)	-
At December 31	81,454	83,324

B. Treasury shares

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows (in thousands of shares):

	For the year ended December 31, 2020		
Reason for reacquisition	Opening Balance	Additions	Ending Balance
To be reissued to employees	-	1,870	1,870

	For the year ended December 31, 2019		
Reason for reacquisition	Opening Balance	Decrease	Ending Balance
To enhance the Company's credit rating and the stockholders' equity	915	(915)	-

(b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

(c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(e) For the year ended December 31, 2019, treasury shares in the amount of $45,932 (915 thousand shares) was retired by the Company. For the year ended December 31, 2020, treasury shares in the amount of $66,449 (1,870 thousand shares) was acquired by the Company. As of December 31, 2020 and 2019, the balance of the Company's treasury shares was $66,449 and $－, respectively.

C. As of December 31, 2020, the Company's authorised capital was $1,500,000 (including $80,000 reserved for employee stock options), and the paid-in capital was $833,239 with a par value of $10 per share. The 83,324 thousand shares were issued over several installments. All proceeds from shares issued have been collected.

(14) Capital surplus

A. Pursuant to the R.O.C Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

B. On June 10, 2020, the Company's stockholders resolved for the distribution of dividends from capital surplus in the amount of $49,994 ($0.6 (in dollars) per share). On February 24, 2021, the Board of Directors proposed for the distribution of dividends from the capital surplus in the amount of $16,291 ($0.2 (in dollars) per share).

(15) Retained earnings

A. Pursuant to the R.O.C. Company Act, the Company shall set aside 10% of its after-tax profits as legal reserve until the balance is equal to the paid-in capital. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

B. Under the Company's Articles of Incorporation, considering the Company is operating in a volatile environment and in the stable growth stage of its life cycle, the Board of Directors shall determine earnings appropriation based on the Company's future capital expenditures and demand for capital, as well as the necessity of using retained earnings to meet capital needs, and set the amount of dividends to be distributed to stockholders and the portion of dividends to be paid in cash. The Company's current year earnings shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. Then, either a portion of the remaining amount is set aside as special reserve or an amount is reversed from the special reserve account and added to the remaining amount in accordance with applicable laws and regulations. The final leftover amount of current year earnings is added to the unappropriated earnings from the prior year and the total is the accumulated distributable earnings. At least 30% of the accumulated distributable earnings shall be appropriated as dividends, and cash dividends shall account for at least 10% of total dividends distributed. The Board of Directors shall propose the earnings appropriation according to future operational and investment needs which shall be submitted to the stockholders during their meeting for approval.

C. Special reserve

(a)In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings. For the years ended December 31, 2020 and 2019, the Company set aside special reserve of $65 and $－, respectively in accordance with the Company Act, and no dividends shall be distributed.

(b)The amounts previously set aside by the Company as special reserve in the amount of $22,672 on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

D. The Company recognised dividends distributed to owners amounting to $74,992 ($0.9 (in dollars) per share) and $258,304 ($3.1 (in dollars) per share) for the years ended December 31, 2020 and 2019, respectively. On February 24, 2021, the Board of Directors proposed for the distribution of dividends from 2020 earnings in the amount of $228,071 ($2.8 (in dollars) per share).

(16) Operating revenue

	For the years ended December 31,	
	2020	2019
Revenue from contracts with customers	$ 1,404,066	$ 935,563

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods at a point in time. Revenue is primarily from sales of automation machinery and equipment.

B. Contract liabilities

(a) The Company has recognised revenue-related contract liabilities amounting to $22,889 and $15,833 as of December 31, 2020 and 2019, respectively.

(b) As of January 1, 2020 and 2019, the Company's contract liabilities were $15,833 and $12,619, respectively. Revenue recognised that were included in the contract liability balance at the beginning of 2020 and 2019 for the years ended December 31, 2020 and 2019 were $10,881 and $3,150, respectively.

(17) Interest income

	For the years ended December 31,	
	2020	2019
Interest income from bank deposits	$ 2, 334	$ 5, 601

(18) Other income

	For the years ended December 31,	
	2020	2019
Dividend income	$ 6, 892	$ 8, 168
Rent income	1, 011	1, 011
Other income	3, 421	3, 140
	$ 11, 324	$ 12, 319

(19) Other gains and losses

	For the years ended December 31,	
	2020	2019
Net foreign exchange losses	($ 20, 836)	($ 6, 951)
Net gains on disposal of property, plant and equipment	208	-
	($ 20, 628)	($ 6, 951)

(20) Finance costs

	For the years ended December 31,	
	2020	2019
Interest expense:		
Bank borrowings	$ 4	$ 31
Interest expense on lease liabilities	450	507
Other interest expense	24	39
	$ 478	$ 577

(21) Expenses by nature

	For the year ended December 31, 2020		
	Operating cost	Operating expense	Total
Employee benefit expenses	$ 34, 054	$ 281, 105	$ 315, 159
Depreciation	8, 655	13, 321	21, 976
Amortisation	311	1, 948	2, 259
	$ 43, 020	$ 296, 374	$ 339, 394

	For the year ended December 31, 2019		
	Operating cost	Operating expense	Total
Employee benefit expenses	$ 31,882	$ 217,952	$ 249,834
Depreciation	10,891	11,512	22,403
Amortisation	370	2,534	2,904
	$ 43,143	$ 231,998	$ 275,141

(22) Employee benefit expense

	For the year ended December 31, 2020		
	Operating cost	Operating expense	Total
Wages and salaries	$ 27,914	$ 242,059	$ 269,973
Labour and health insurance fees	2,445	16,748	19,193
Pension costs	1,298	9,739	11,037
Directors' remuneration	-	3,469	3,469
Other personnel expenses	2,397	9,090	11,487
	$ 34,054	$ 281,105	$ 315,159

	For the year ended December 31, 2019		
	Operating cost	Operating expense	Total
Wages and salaries	$ 26,282	$ 184,888	$ 211,170
Labour and health insurance fees	2,637	14,073	16,710
Pension costs	1,398	9,050	10,448
Directors' remuneration	-	1,890	1,890
Other personnel expenses	1,565	8,051	9,616
	$ 31,882	$ 217,952	$ 249,834

A. As of December 31, 2020 and 2019, the Company had 233 and 222 employees, respectively. There were 5 non-employee directors for both years.

B. The employee benefit expenses were $1,367 and $1,143, while the average employee wages and salaries were $1,184 and $973 for the years ended December 31, 2020 and 2019, respectively. The average employee wages and salaries for the year ended December 31, 2020 increased by approximately 21.69% compared to the year ended December 31, 2019.

C. For the years ended December 31, 2020 and 2019, supervisors' remuneration were accrued at $32 and $503, respectively. Since the Company set up an audit committee in June 2020, there was no supervisors' remuneration after June 2020.

D. In accordance with the Articles of Incorporation of the Company and relevant internal management regulations, the Remuneration Committee may appoint directors within the range of 0% to 150% of the industry's salary level based on the level of participation and contribution of individual directors to the Company's operations. Manager's remuneration is discussed by the Remuneration Committee and determined by the Board of Directors. The standard of remuneration depends on the individual’s performance and contribution to the Company’s overall operations, and it is determined with reference to the market’s payment level. Employee’s remuneration policy is based on individual's ability, the degree of participation in the Company's operations and the value of their contribution, and it is positively related to the relevance of operating performance. The overall remuneration composition mainly includes basic salary, food allowances and bonuses.

E. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees’ compensation and directors’ and supervisors’ remuneration. The ratio shall not be lower than 3% for employees’ compensation and shall not be higher than 3% for directors’ and supervisors’ remuneration.

F. For the years ended December 31, 2020 and 2019, employees’ compensation were accrued at $18,345 and $7,290, respectively; while directors’ and supervisor’s remuneration were accrued at $2,477 and $1,922, respectively. The aforementioned amounts were recognised in salary expenses and estimated and accrued based on the distributable net profit of current year calculated by the percentage prescribed under the Company’s Articles of Incorporation. Employees’ compensation and directors’ and supervisors’ remuneration for 2019 amounting to $9,212, as resolved by the Board of Directors was in agreement with the amount recognised in the 2019 financial statements. The employees’ compensation will be distributed in the form of cash. Information about employees’ compensation and directors’ and supervisors’ remuneration of the Company as resolved by the Board of Directors will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchange.

(23) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the years ended December 31,	
	2020	2019
Current tax:		
Current tax on profits for the year	$ 34,103	$ 10,728
Tax on undistributed earnings	-	1,294
Prior year income tax overestimation	(2,811)	(12,714)
Total current tax	31,292	(692)
Deferred tax:		
Origination and reversal of temporary differences	12,920	13,622
Income tax expense	$ 44,212	$ 12,930

(b) The income tax charge relating to components of other comprehensive income is as follows:

	For the years ended December 31,	
	2020	2019
Remeasurements of defined benefit obligations	($ 721)	($ 432)

B. Reconciliation between income tax expense and accounting profit

	For the years ended December 31,	
	2020	2019
Tax calculated based on profit before tax and statutory tax rate	$ 58,211	$ 19,274
Effects from items adjusted in accordance with tax regulation	3,006	(1,704)
Tax on undistributed earnings	-	1,294
Prior year income tax overestimation	(2,811)	(12,714)
Effects from loss carryforward	420	13,647
Effect from investment tax credits	(14,614)	(6,867)
Income tax expense	$ 44,212	$ 12,930

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and loss carryforward are as follows:

	For the year ended December 31, 2020			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred income tax assets				
Temporary differences:				
Allowance for doubtful accounts	$ 2,735	$ 211	$ -	$ 2,946
Loss on decline in market value of inventories	10,236	1,692	-	11,928
Unrealised cost to provide after-sale service	2,558	658	-	3,216
Unrealised compensated absences	1,561	450	-	2,011
Pension costs	4,502	152	721	5,375
Unrealised sales discounts and allowances	4,979	(3,932)	-	1,047
Unrealised expenses and losses	460	(10)	-	450
Investment losses	1,249	(278)	-	971
Foreign currency exchange difference	1,450	603	-	2,053
Lease expense	46	(46)		-
Loss carryforward	27,756	(12,420)	-	15,336
	$ 57,532	($ 12,920)	$ 721	$ 45,333
Deferred income tax liabilities				
Temporary differences:				
Investment income	($ 25,707)	$ -	$ -	($ 25,707)
	$ 31,825	($ 12,920)	$ 721	$ 19,626

	For the year ended December 31, 2019			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred income tax assets				
Temporary differences:				
Allowance for doubtful accounts	$ 808	$ 1,927	$ -	$ 2,735
Loss on decline in market value of inventories	4,764	5,472	-	10,236
Unrealised cost to provide after-sale service	2,559	(1)	-	2,558
Unrealised compensated absences	1,530	31	-	1,561
Pension costs	3,960	110	432	4,502
Unrealised sales discounts and allowances	15,606	(10,627)	-	4,979
Unrealised expenses and losses	1,400	(940)	-	460
Investment losses	1,249	-	-	1,249
Foreign currency exchange difference	-	1,450	-	1,450
Lease expense	-	46	-	46
Loss carryforward	45,403	(17,647)	-	27,756
	$ 77,279	($ 20,179)	$ 432	$ 57,532
Deferred income tax liabilities				
Temporary differences:				
Foreign currency exchange difference	($ 6,557)	$ 6,557	$ -	$ -
Investment income	(25,707)	-	-	(25,707)
	($ 32,264)	$ 6,557	$ -	($ 25,707)
	$ 45,015	($ 13,622)	$ 432	$ 31,825

D. Expiration dates of unused loss carryforward and amounts of unrecognised deferred tax assets are as follows:

December 31, 2020				
Year incurred	Amount assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2012	$ 405,210	$ 76,683	$ -	2022

December 31, 2019				
Year incurred	Amount assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2012	$ 405,210	$ 138,780	$ -	2022

E. The Company's income tax returns through 2018 have been assessed and approved by the Tax Authority. As of February 24, 2021, no administrative relief has occurred.

(24) Earnings per share

	For the year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 246,844	81,977	$ 3.01
Diluted earnings per share			
Profit attributable to ordinary shareholders	$ 246,844	81,977	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	233	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 246,844	82,210	$ 3.00

	For the year ended December 31, 2019		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 83,441	83,324	$ 1.00
Diluted earnings per share			
Profit attributable to ordinary shareholders	$ 83,441	83,324	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	–	279	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 83,441	83,603	$ 1.00

(25) Supplemental cash flow information

A. Investing activities with partial cash payments

	For the years ended December 31,	
	2020	2019
Purchase of property, plant and equipment	$ 87,537	$ 786
Add: Opening balance of payable on equipment (shown as 'other payables')	108	118
Less: Ending balance of payable on equipment (shown as 'other payables')	(141)	(108)
Cash paid for acquisition of property, plant and equipment	$ 87,504	$ 796

B. Investing activities with no cash flow effects

	For the years ended December 31,	
	2020	2019
Prepayments for investments transferred to financial assets at fair value through other comprehensive income	$ 10,000	$ –

(26) Changes in liabilities from financing activities

	For the year ended December 31, 2020	
	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2020	$ 41,195	$ 41,195
Changes in cash flow from financing activities	(4,858)	(4,858)
Changes in other non-cash items	1,924	1,924
At December 31, 2020	$ 38,261	$ 38,261

	For the year ended December 31, 2019	
	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2019	$ -	$ -
Effect of retrospective application	45,776	45,776
Changes in cash flow from financing activities	(4,581)	(4,581)
At December 31, 2019	$ 41,195	$ 41,195

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Uni-Ring Tech Co., Ltd.	Subsidiary
Kunshan All Ring Tech Co., Ltd.	Subsidiary
All Ring Tech (Kunshan) Co., Ltd.	Subsidiary
Jie Kuen Enterprise Inc.	Other related party (Note)
Ding Ji Electrical Engineering Co., Ltd.	Other related party (Note)
Nan Feng Mechanical Electrical Co., Ltd.	Other related party (Note)

(Note) The company became a non-related party due to the resignation of its responsible person as a supervisor of the Company in June, 2020. The information disclosed pertain to transactions prior to resignation.

(2) Significant transactions and balances with related parties

A. Sales of goods

	For the years ended December 31,	
	2020	2019
Subsidiaries	$ 23,667	$ 5,251

The collection period for subsidiaries was 120 days after sales of goods. The collection periods for third parties were as follows: the first payment is collected 30 to 130 days after delivery of the machines, and the second payment is collected 30 to 190 days after acceptance of the machines. Except for the collection periods mentioned above, other terms of sales were the same with third parties.

B. Purchases of goods

	For the years ended December 31,	
	2020	2019
Subsidiaries	$ 12,828	$ 9,035
Other related parties	10,795	15,774
	$ 23,623	$ 24,809

The payment terms of purchases were 45 days after receipt to subsidiaries and 120 days to other related parties. Payment terms from purchases from normal vendors were 60 to 180 days. Except for the payment terms mentioned above, other terms of purchases were the same with third parties.

C. Rental income

	Location of the premises	Determination of rental	Collection frequency	For the year ended December 31, 2020
Uni-Ring Tech Co., Ltd.	Office in Luzhu, Kaohsiung	Negotiation	Monthly	$ 1,011

	Location of the premises	Determination of rental	Collection frequency	For the year ended December 31, 2019
Uni-Ring Tech Co., Ltd.	Office in Luzhu, Kaohsiung	Negotiation	Monthly	$ 1,011

D. Equity transactions

The Company participated in cash capital increase of the subsidiary, Uni-Ring Tech Co., Ltd., by investing $30,000 in May 2019, and participated in cash capital increase of the subsidiary, IMAGINE GROUP LIMITED Co., Ltd., by investing $46,740 (USD 1,500 thousand dollars) in July 2019. There was no such situation during 2020.

E. Receivables from related parties

Accounts receivable	December 31, 2020	December 31, 2019
Subsidiaries	$ 13,773	$ 5,700

The receivables from related parties arise mainly from sales transactions. The receivables are unsecured in nature and bear no interest. There are no provisions held against receivables from related parties.

Prepayments	December 31, 2020	December 31, 2019
Subsidiaries	$ 5,670	$ -

F. Payables to related parties

	December 31, 2020	December 31, 2019
Accounts payable		
Subsidiaries	$ 4,902	$ 2,624
Other related parties	158	4,482
	5,060	7,106
Other payables		
Other related parties	-	100
Subsidiaries	-	6
	-	106
	$ 5,060	$ 7,212

The payables to related parties arise mainly from purchase transactions and are due 120 days after the date of purchase. The payables bear no interest.

G. Endorsements and guarantees provided to related parties

Endorser/guarantor	Endorsee/guarantee	December 31, 2020	December 31, 2019	Purpose
All Ring Tech Co., Ltd.	Uni-Ring Tech Co., Ltd.	$ 50,000	$ 50,000	Loan financing secured

As of December 31, 2020 and 2019, the actual amount of the endorsement/guarantee provided by the Company for its subsidiary, Uni-Ring Tech Co., Ltd., was $－.

(3) Key management compensation

	For the years ended December 31,	
	2020	2019
Salaries and other short-term employee benefits	$ 30,048	$ 33,138
Post-employment benefits	819	914
	$ 30,867	$ 34,052

8. PLEDGED ASSETS

The Company's assets pledged as collateral were as follows:

Pledged asset	December 31, 2020	December 31, 2019	Purpose
Pledged time deposits (Note 1)	$ 15,403	$ 1,820	Guarantee for land leases and performance bond
Buildings and structures (Note 2)	262,649	272,557	Guarantee for short-term borrowings (Note 3)
	$ 278,052	$ 274,377	

Note 1: Shown as 'financial assets at amortised cost - non-current'.

Note 2: Shown as 'property, plant and equipment, net'.

Note 3: The associated debt has been repaid but the designation of 'property, plant and equipment' as collateral has not yet been removed.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

For the details of significant contingent liabilities and unrecognised contract with related parties, please refer to Note 7 'Related party transactions.'

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

Details of financial instruments by category of the Company are described in Note 6.

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial position and financial performance.

(b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

I. Foreign exchange risk

i. The Company operates internationally and is exposed to foreign exchange rate risk arising from the transactions of the Company in various functional currency, primarily with respect to the USD. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities and net investments in foreign operations.

ii. Management has set up a policy to require the Company to manage its foreign exchange risk against the functional currency. The Company is required to hedge its entire foreign exchange risk exposure with the Company treasury. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

iii. The Company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Company's foreign operations is managed primarily through liabilities denominated in the relevant foreign currencies.

iv. The Company's businesses involve some non-functional currency operations (The functional currency of the Company is the NTD). Information on assets and liabilities subject to significant foreign exchange risk is as follows:

	December 31, 2020		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 15,141	28.48	$ 431,216
Investment accounted for under equity method			
USD:NTD	14,242	28.48	405,612
Financial liabilities			
Monetary items			
USD:NTD	987	28.48	28,110

	December 31, 2019		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 12,808	29.98	$ 383,984
Investment accounted for under equity method			
USD:NTD	13,605	29.98	407,878
Financial liabilities			
Monetary items			
USD:NTD	1,433	29.98	42,961

v. The sensitivity analysis of foreign exchange risk mainly focuses on the foreign currency monetary items at the end of the financial reporting period. If the exchange rate of NTD to all foreign currencies had appreciated/depreciated by 1%, the Company's net income for the years ended December 31, 2020 and 2019 would have decreased/increased by $3,225 and $2,728, respectively.

vi. The total exchange loss, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2020 and 2019 amounted to $20,836 and $6,951, respectively.

II. Price risk

i. The Company is exposed to equity securities price risk because of investments held by the Company and classified on the parent company only balance sheet as financial asset at fair value through profit or loss and financial assets at fair value through other comprehensive income. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company has set various stop loss points to ensure not to be exposed to significant risks. Accordingly, no material market risk is expected.

ii. The Company's investments in equity securities comprise domestic stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other components of equity for the years ended December 31, 2020 and 2019 would have increased/decreased by $2,429 and $888, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

III. Cash flow and fair value interest rate risk

If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, there is no significant effect on after-tax profit for the years ended December 31, 2020 and 2019.

(b) Credit risk

I. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

II. The Company manages its credit risk taking into consideration the entire Company's concern. According to the Company's credit policy, the Company is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is reqularly monitored.

III. The Company adopts the historical experience of collection and the level of customers' risk to assess whether there has been a significant increase in credit risk on that instrument since initial recognition. If the payments were past invoice date over 180 days, there has been a significant increase in credit risk on that instrument since initial recognition.

IV. According to the historical experience of collection by the Company and the level of customers' risk, the default occurs when the payments are past invoice date over 270 days.

V. The Company considers the characteristics of credit risk on trade, and applies the modified approach using the loss rate methodology to estimate expected credit loss. The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. As at December 31, 2020 and 2019, the loss rate methodology is as follows:

	Expected loss rate	Book value	Allowance for uncollectible accounts
December 31, 2020			
Less than 90 days	0.05%	$ 132, 133	$ -
91～180 days	0.05%～0.09%	113, 449	-
181～360 days	1%	66, 142	689
Over 360 days	1.78%～100%	47, 329	12, 752
		$ 359, 053	$ 13, 441

	Expected loss rate	Book value	Allowance for uncollectible accounts
December 31, 2019			
Less than 90 days	0.03%	$ 98, 254	$ -
91～180 days	0.03%～0.06%	38, 321	-
181～360 days	1.03%	31, 585	316
Over 360 days	2.24%～100%	54, 405	11, 141
		$ 222, 565	$ 11, 457

VI. Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	For the year ended December 31, 2020
	Accounts receivable
At January 1	$ 11, 457
Provision for impairment	1, 984
At December 31	$ 13, 441

	For the year ended December 31, 2019
	Accounts receivable
At January 1	$ 4, 781
Provision for impairment	6, 676
At December 31	$ 11, 457

(c) Liquidity risk

I. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times to ensure the sufficient financial flexibility of the Company.

II. Company treasury invests surplus cash in interest bearing current accounts, time deposits and beneficiary certificates, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts, and readily generate cash flows to manage liquidity risk.

III. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the following table are undiscounted contractual cash flows.

December 31, 2020	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Notes payable	$ 791	$ -	$ -	$ -
Accounts payable	427,438	-	-	-
Other payables	161,889	-	-	-
Lease liabilities	5,307	5,307	9,885	20,217

December 31, 2019	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Notes payable	$ 1,151	$ -	$ -	$ -
Accounts payable	204,037	-	-	-
Other payables	120,173	-	-	-
Lease liabilities	5,088	5,088	12,370	21,577

IV. The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in equity securities are included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

The Company's financial instruments not measured at fair value which includes the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, financial assets at amortised cost, guarantee deposits paid, notes payable, accounts payable, other payables and lease liabilities are approximate to their fair values.

C. The related information on financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

December 31, 2020	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities	$ 242,866	$ -	$ 12,489	$ 255,355

December 31, 2019	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities	$ 88,812	$ -	$ -	$ 88,812

D. The methods and assumptions the Company used to measure fair value are as follows:

(a) The following financial assets use quoted market prices as inputs for fair value measurement (level 1): for emerging stocks, the average trading price at the balance sheet date is used.

(b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.

E. For the years ended December 31, 2020 and 2019, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the year ended December 31, 2020:

	Equity instrument
At January 1,2020	$ -
Prepayments for investments transferred	10,000
Profit recognised in other comprehensive income	2,489
At December 31,2020	$ 12,489

For the year ended December 31, 2019, there was no transfer into or out from Level 3.

G. Financial segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

H. The following is the qualitative information on significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Equity securites	$ 12,489	Net assest value	Not applicable	—	Not applicable

13. SUPPLEMENTARY DISCLOSURES

(According to the current regulatory requirements, the Company is only required to disclose the information for the year ended December 31, 2020.)

(1) Significant transactions information

A. Loans to others: Please refer to Table 1.

B. Provision of endorsements and guarantees to others: Please refer to Table 2.

C. Holding of marketable securities at the end of the period (not including subsidiary, associates and joint ventures): Please refer to Table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to Table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to Table 5.

(3) Information on investments in Mainland China

A. Basic information: Please refer to Table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to Table 7.

(4) Major shareholders information

Major shareholders information: Please refer to Table 8.

14. SEGMENT INFORMATION

Not applicable.

All Ring Tech Co., Ltd.
Loans to others
For the year ended December 31, 2020

Table 1 | Expressed in thousands of NTD

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance	Ending balance	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party （Note 1）	Ceiling on total loans granted （Note 1）	Note
1	Kunshan All Ring Tech Co., Ltd.	All Ring Tech (Kunshan) Co., Ltd.	Other receivables	Y	$ 35,016	$ 35,016	$ -	2%	Short-term financing	$ -	Operating	$ -	—	$ -	$ 81,926	$ 81,926	—

(Note 1) Calculation of limit on loans granted to a single party and ceiling on total loans granted:The total loan amount cannot exceed 40% of the company’s net worth. There are three possible circumstances:

1. Loan is made to company with which the Company has a business relationship. The total loan amount cannot exceed 20% of the company’s net worth.
   The individual loan amount cannot exceed the total amount of business transactions between the two parties in the past year.
2. Loan is made to companies who need short-term financing. The total loan amount cannot exceed 20% of the company’s net worth. The individual loan amount cannot exceed 10% of the net worth of the company.
3. The aforementioned limit does not apply if the loan is made to a company of which the parent company owns, directly or indirectly, 100% of the voting equity.
   Both the total and individual loan amounts do not exceed 200% of the net worth of the creditor based on the most recent financial statements.

(Note 2) Foreign currency amounts in the table are converted into NTD according to the exchange rates on the financial reporting date (RMB:NTD = 1:4.377).

All Ring Tech Co., Ltd.

Provision of endorsements and guarantees to others

For the year ended December 31, 2020

Table 2

Expressed in thousands of NTD

Number	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party (Note 2)	Maximum outstanding endorsement/ guarantee amount	Outstanding endorsement/ guarantee amount	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 2)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Note
0	All Ring Tech Co., Ltd.	Uni-Ring Tech Co., Ltd.	(Note 1)	$ 380,748	$ 50,000	$ 50,000	$ -	$ -	2.63%	$ 761,496	Y	N	N	—

(Note 1) Companies where the Company owns more than 50% of voting shares (direct or indirect).

(Note 2) The total endorsements and guarantees of external parties by the Company cannot exceed 40% of the net worth as measured in the current period. The endorsement and guarantee of an individual business cannot exceed 20% of the net worth as measured in the current period. The total endorsements and guarantees of external parties by the Group cannot exceed 50% of the net worth as measured in the current period. The endorsement and guarantee of an individual business cannot exceed 20% of the net worth as measured in the current period. If the endorsement and guarantee are made for the purpose of conducting business, then the amount of endorsement and guarantee cannot exceed the total amount of business transactions between the guaranteed party and the Company for the period.

All Ring Tech Co., Ltd.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2020

Table 3

Expressed in thousands of NTD

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2020				Note
				Number of shares	Book value	Ownership (%)	Fair value	
All Ring Tech Co., Ltd.	Stocks:							
	Egiga Source Technology Co., Ltd.	—	Financial assets at fair value through profit or loss - non -current	1,298	$ -	14.86%	$ -	—
	Tai-Tech Advanced Electronics Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - non -current	2,502	241,986	2.75%	241,986	—
	Tecstar Technology Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - non -current	165	880	0.72%	880	—
	Phoenix Innovation Investment Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - non -current	1,000	12,489	3.13%	12,489	—

All Ring Tech Co., Ltd.

Significant inter-company transactions during the reporting period

For the year ended December 31, 2020

Table 4

Expressed in thousands of NTD

Number	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
0	All Ring Tech Co., Ltd.	All Ring Tech (Kunshan) Co., Ltd.	1	Sales of goods	$ 23,667	—	2%
				Purchases of goods	8,000	—	1%
				Accounts receivable	13,773	—	1%
				Accounts payable	4,862	—	—
		Uni-Ring Tech Co., Ltd.	1	Purchases of goods	4,828	—	—
				Prepayments	5,670	—	—
				Rental income	1,011	—	—
				Endorsements and guarantees	50,000	—	2%

(Note 1) Business and other transactions between the parent company and its subsidiaries or between subsidiaries are not separately disclosed since the circumstances and amounts of each transaction is the same on each side. In addition, the disclosure threshold for significant transactions is set at 1 million dollars.

(Note 2) Relationship between transaction company and counterparty is classified into the following three categories;

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

(Note 3) The ratio of a transaction amount to total revenue or total assets is calculated as follows: balance sheet items are calculated by dividing the ending balance by total consolidated assets; profit or loss items are calculated by dividing the accumulated ending balance by total consolidated revenue.

(Note 4) Foreign currency amounts in the table are converted into NTD as follows: ending balances and carrying amounts are converted using the exchange rate on the financial reporting date (USD:NTD =1：28.48; RMB:USD =1：0.1537); profit or loss items are converted using the average exchange rate for the year ended December 31, 2020 (USD:NTD =1：29.55; RMB:USD = 1：0.1449).

All Ring Tech Co., Ltd.

Information on investees

For the year ended December 31, 2020

Table 5 Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2020	Initial investment amount: Balance as at December 31, 2019 (Note 1)	Shares held as at December 31, 2020: Number of shares	Shares held as at December 31, 2020: Ownership (%)	Shares held as at December 31, 2020: Book value	Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Note
All Ring Tech Co., Ltd.	PAI FU INTERNATIONAL LIMITED	British Virgin Islands	Mechanical engineering automation, and research, development and design of software	$ 65,263	$ 65,263	1,930,000	100.00	$ 124,318	($ 1,697)	($ 1,697)	Subsidiary
All Ring Tech Co., Ltd.	Uni-Ring Tech Co., Ltd.	Taiwan	Other machine manufacture industry, electrical appliances, audio visual electronics and international trading industry	200,000	200,000	7,855,947	100.00	21,260	(13,230)	(12,922)	Subsidiary
All Ring Tech Co., Ltd.	IMAGINE GROUP LIMITED	Mauritius	Investment business	182,840	182,840	5,220,000	72.10	231,620	(1,478)	(4,894)	Subsidiary
PAI FU INTERNATIONAL LIMITED	IMAGINE GROUP LIMITED	Mauritius	Investment business	57,530	57,530	2,020,000	27.90	77,875	(1,478)	-	Subsidiary (Note 2)

(Note 1) This was the balance on December 31, 2019.
(Note 2) The investment income (loss) does not need to be disclosed per the rules.
(Note 3) Foreign currency amounts in the table are converted into NTD as follows: ending balances and carrying amounts are converted using the exchange rate on the financial reporting date (USD:NTD = 1 ：28.48); profit or loss items are converted using the average exchange rate for the year ended December 31, 2020 (USD:NTD =1 ：29.55).

All Ring Tech Co., Ltd.

Information on investments in Mainland China

For the year ended December 31, 2020

Table 6

Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2020	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2020: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2020: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income of investee for the year ended December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 3)	Book value of investments in Mainland China as of December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2020	Note
Kunshan All Ring Tech Co., Ltd.	Research, development, and manufacture of specialized electronic equipment used for cutting capacitance and inductance; sales of self-manufactured products and provision of corresponding technology testing services	$ 42,720	(Note 1)	$ 42,720	$ -	$ -	$ 42,720	($ 1,232)	100.00	($ 1,232)	$ 40,966	$ -	—
All Ring Tech (Kunshan) Co., Ltd.	Research, development, design, and manufacture of specialized electronic equipment, testing instruments and accessories; sales of self-manufactured products and provision of corresponding technology testing services	205,056	(Note 2) (Note 4)	172,324	-	-	172,324	(1,394)	100.00	(1,394)	281,103	-	—

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 5)
All Ring Tech Co., Ltd.	$ 215,044	$ 532,689	$ 1,142,243

(Note 1) Additional investment in Chinese company through a subsidiary in a third region (PAI FU INTERNATIONAL LIMITED).
(Note 2) Additional investment in Chinese company through a subsidiary in a third region (IMAGINE GROUP LIMITED).
(Note 3) Recognised according to the audited financial statements of the investee.
(Note 4) $56,960 (USD $2,000 thousand) was invested in the Chinese company through PAI FU INTERNATIONAL LIMITED, located in a third region.
(Note 5) The limit is the net worth or 60% of the consolidated net worth, whichever is greater.
(Note 6) Foreign currency amounts in the table are converted into TWD as follows: ending balances and carrying amounts are converted using the exchange rate on the financial reporting date (USD:TWD = 1：28.48; RMB:USD =1：0.1537); profit or loss items are converted using the average exchange rate for the year ended December 31, 2020 (USD:TWD = 1：29.55; RMB:USD =1：0.1449).

All Ring Tech Co., Ltd.

Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area

For the year ended December 31, 2020

Table 7

Expressed in thousands of NTD

	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
Investee in Mainland China	Amount	%	Amount	%	Balance at December 31, 2020	%	Balance at December 31, 2020	Purpose	Maximum balance during the year ended December 31, 2020	Balance at December 31, 2020	Interest rate	Interest during the year ended December 31, 2020	Others
All Ring Tech (Kunshan) Co., Ltd.	$ 23,667	2%	$ -	—	$ 13,773	1%	$ -	-	$ -	$ -	—	$ -	—
	(8,000)	1%			(4,862)	—							

All Ring Tech Co., Ltd.

Major shareholders information

December 31, 2020

Table 8

Expressed in thousands of shares

Name of major shareholders	Number of shares held			Note
	Common share	Preferred share	Ownership	
Fengqiao Investment Co., Ltd.	7,355,625	—	8.82%	—
Hua Nan Commercial Bank, Ltd. in custody for Capital Marathon securities investment trust fund account	4,578,000	—	5.49%	—

(Note) The major shareholders information was derived from the Taiwan Depository & Clearing Corporation in accordance with the common shares (including treasury shares) and preferred shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter.

The share capital which was recorded in the financial statements might be different from the number of shares held in dematerialised form because of a different calculation basis.

ALL RING TECH CO., LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS, NET
DECEMBER 31, 2020

Expressed in thousands of NTD

Item	Descriptions	Amount
Cash:		
Cash on hand		$ 2,205
Checking accounts deposits		151
Demand deposits		
-New Taiwan Dollars		334,391
-Foreign currency	USD 4,012 (in thousands), exchange rate: 28.43	
	SGD 19 (in thousands), exchange rate: 22.19	114,474
Cash equivalents:		451,221
Time deposit-New Taiwan Dollars	Maturity by 2021.1.11～2021.1.31, interest rate at 0.35%	154,920
Time deposit-Foreign currency	USD 6,000 (in thousands), exchange rate: 28.43	
	Maturity by 2021.1.1～2021.1.20, interest rate at 0.15%～0.20%	170,580
		325,500
		$ 776,721

ALL RING TECH CO., LTD.
STATEMENT OF NOTES RECEIVABLE, NET
DECEMBER 31, 2020

Expressed in thousands of NTD

Client Name	Description	Amount
Tai-Tech Advanced Electronics Co., Ltd.	Notes receivable	$ 69,599
Others (less than 5 %)	Notes receivable	1,231
		$ 70,830

ALL RING TECH CO., LTD.
STATEMENT OF ACCOUNTS RECEIVABLE, NET
DECEMBER 31, 2020

Expressed in thousands of NTD

Client Name	Description	Amount	Remark
Non-related parties:			
Advanced Semiconductor Engineering, Inc.	Accounts receivable	$ 51,143	—
Taiwan Semiconductor Manufacturing Company Limited	Accounts receivable	49,639	—
Kunshan Lanto Electronics Co., Ltd.	Accounts receivable	44,908	—
Yageo Corporation	Accounts receivable	26,115	—
TAIPAQ Electronics(Si-hong) Co., Ltd.	Accounts receivable	22,265	—
Yageo Electronics (China) Co., Ltd.	Accounts receivable	18,423	—
Others (less than 5 %)	Accounts receivable	132,787	—
		345,280	
Less: Allowance for doubtful accounts		(13,441)	
		331,839	
Related parties:			
All Ring Tech (Kunshan) Co., Ltd.	Accounts receivable	13,773	—
		$ 345,612	

ALL RING TECH CO., LTD.
STATEMENT OF INVENTORIES
DECEMBER 31, 2020

Expressed in thousands of NTD

Item	Description	Amount		Remark
		Cost	Net Realisable Value	
Raw materials	—	$ 28,200	$ 21,107	(Note)
Work in process	—	263,565	288,627	(Note)
Finished goods	—	77,804	85,889	(Note)
		369,569	$ 395,623	
Less: Allowance for valuation loss		(59,638)		
		$ 309,931		

Note: Please refer to Note 4(8) for the method to determine the net realisable value.

ALL RING TECH CO., LTD.
STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2020

Expressed in thousands of NTD

	Beginning balance		Addition		Decrease		Ending balance			
Financial Instrument	Shares (in thousands)	Fair value	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Fair value	Collateral or Pledge	Remark
Unlisted stock:	1,298	$ 21,184	–	$ –	–	$ –	1,298	$ 21,184	None	–
Egiga Source Technology Co., Ltd.										
Valuation adjustment		(21,184)						(21,184)		
		$ –						$ –		

ALL RING TECH CO., LTD.
STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2020

Expressed in thousands of NTD

	Beginning balance		Addition		Decrease		Ending balance			
Company	Shares (in thousands)	Fair value	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Fair value	Collateral or Pledge	Remark
Unlisted stock:										
Tai-Tech Advanced Electronics Co., Ltd.	2,552	$ 74,991	5	$ 301	(55)	($ 1,619)	2,502	$ 73,673	None	—
Tecstar Technology Co., Ltd.	276	3,440	-	-	(111)	-	165	3,440	None	—
Phoenix Innovation Investment Co., Ltd.	-	-	1,000	10,000	-	-	1,000	10,000	None	—
	2,828	78,431	1,005	10,301	(166)	(1,619)	3,667	87,113		
Valuation adjustment		10,381		161,852		(3,991)		168,242		
		$ 88,812		$ 172,153		($ 5,610)		$ 255,355		

ALL RING TECH CO., LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2020

Expressed in thousands of NTD

	Beginning balance		Decrease		Ending balance			Market Value or Net Equity Value			
Company	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Percentage of ownership	Amount	Unit Price (in dollars)	Total Amount	Collateral or Pledge	Remark
PAI FU INTERNATIONAL LIMITED	1,930	$ 129,742	-	($ 5,424)	1,930	100.00%	$ 124,318	$ 64.41	$ 124,318	None	—
Uni-Ring Tech. CO., LTD.	7,856	34,182	-	(12,922)	7,856	100.00%	21,260	2.78	21,829	None	—
IMAGINE GROUP LIMITED	5,220	231,893	-	(273)	5,220	72.10%	231,620	38.85	202,810	None	—
	15,006	$ 395,817	-	($ 18,619)	15,006		$ 377,198		$ 348,957		

ALL RING TECH CO., LTD.
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT－COST
FOR THE YEAR ENDED DECEMBER 31, 2020

Expressed in thousands of NTD

Please refer to Note 6(8) for the information related to property, plant and equipment.

ALL RING TECH CO., LTD.
STATEMENT OF CHANGES IN PROPERTY, PLANT
AND EQUIPMENT－ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 2020

Expressed in thousands of NTD

Please refer to Note 6(8) for the information related to property, plant and equipment and Note 4(14) for the method to determine depreciation and useful lives of assets.

ALL RING TECH CO., LTD.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS-COST
FOR THE YEAR ENDED DECEMBER 31, 2020

Expressed in thousands of NTD

Item	Beginning Balance	Addition	Decrease	Ending Balance	Note
Land	$ 45,776	$ 1,924	$ -	$ 47,700	—

ALL RING TECH CO., LTD.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS - ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 2020

Expressed in thousands of NTD

Item	Beginning Balance	Addition	Decrease	Ending Balance	Note
Land	$ 4, 814	$ 5, 035	$ -	$ 9, 849	—

ALL RING TECH CO., LTD.
STATEMENT OF CHANGES IN DEFERRED INCOME TAX ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

Expressed in thousands of NTD

Please refer to Note 6 (23) for the information related to income taxes.

ALL RING TECH CO., LTD.
STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2020

Expressed in thousands of NTD

Client Name	Description	Amount	Remark
Non-related parties:			
Shihlin Electric & Engineering Corp.	Accounts payable	$ 31,188	—
Hua-Yu Seiki Co., Ltd.	Accounts payable	16,690	—
Keyence Taiwan Co., Ltd.	Accounts payable	13,411	—
Others (less than 3%)	Accounts payable	361,089	—
		422,378	
Related parties:			
All Ring Tech (Kunshan) Co., Ltd.	Accounts payable	4,862	—
Others (less than 3%)	Accounts payable	198	—
		5,060	
		$ 427,438	

ALL RING TECH CO., LTD.
STATEMENT OF OTHER PAYABLES
DECEMBER 31, 2020

Expressed in thousands of NTD

Please refer to Note 6(10) for the information related to other payables.

ALL RING TECH CO., LTD.
STATEMENT OF LEASE LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Expressed in thousands of NTD

Item	Description	Lease term	Discount rate	Amount	Note
Land	—	2009.1.1～2023.12.31	1.10%	$ 8,903	—
Land	—	2014.11.1～2034.10.31	1.10%	29,358	—
				38,261	
			Less: Current portion	(4,911)	
				$ 33,350	

ALL RING TECH CO., LTD.
STATEMENT OF NET DEFINED BENEFIT LIABILITIES – NON-CURRENT
DECEMBER 31, 2020

Expressed in thousands of NTD

Please refer to Note 6(12) for the information related to pensions.

ALL RING TECH CO., LTD.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2020

Expressed in thousands of NTD

Item	Quantity	Amount	Remark
Semiconductor equipment	701 set	$ 873,820	—
Passive components equipment	311 pc	385,310	—
Light-emitting diode equipment	88 pc	44,478	—
Other equipment	1 pc	5,000	—
Materials	—	95,458	—
Operating revenue, net		$ 1,404,066	

ALL RING TECH CO., LTD.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Expressed in thousands of NTD

Item	Amount
Raw materials at January 1, 2020	$ 20,315
Add: Raw materials purchased	801,980
Less: Raw materials sold	(40,458)
Transferred to expenses	(22,663)
Raw materials at December 31, 2020	(28,200)
Raw materials used	730,974
Direct labor	21,161
Manufacturing expenses	36,325
Manufacturing cost	788,460
Work in progress at January 1, 2020	144,377
Add: Work in progress purchased	21,114
Work in progress at December 31, 2020	(263,565)
Cost of goods manufactured	690,386
Finished goods at January 1, 2020	43,486
Finished goods at December 31, 2020	(77,804)
Cost of products sold	656,068
Add: Cost of raw materials sold	40,458
Cost of goods sold	696,526
Add: Provision for inventory market price decline	8,458
Operating costs	$ 704,984

ALL RING TECH CO., LTD.
STATEMENT OF MANUFACTURING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

Expressed in thousands of NTD

Item	Description	Amount	Remark
Depreciation	—	$ 8,655	—
Wages and salaries	—	8,051	—
Consumables	—	7,739	—
Insurance	—	2,712	—
Others (less than 5%)	—	9,168	—
		$ 36,325	

ALL RING TECH CO., LTD.
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

Expressed in thousands of NTD

Item	Description	Amount	Remark
Wages and salaries	—	$ 17,074	—
After-sale service costs	—	9,162	—
Freight	—	5,075	—
Rental expense	—	2,596	—
Others (less than 5%)	—	12,422	—
		$ 46,329	

ALL RING TECH CO., LTD.
STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

Expressed in thousands of NTD

Item	Description	Amount	Remark
Wages and salaries	—	$ 58, 452	—
Donations	—	5, 040	—
Insurance	—	4, 104	—
Depreciation	—	3, 935	—
Service fees	—	3, 257	—
Others (less than 3%)	—	9, 389	—
		$ 84, 177	

ALL RING TECH CO., LTD.
STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

Expressed in thousands of NTD

Item	Description	Amount	Remark
Wages and salaries	—	$ 179,773	—
Insurance	—	13,249	—
Raw materials used	—	16,790	—
Depreciation	—	8,614	—
Others (less than 3%)	—	30,149	—
		$ 248,575	

ALL RING TECH CO., LTD.
STATEMENT OF OTHER INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

Expressed in thousands of NTD

Please refer to Note 6(18) for the information related to other income.

ALL RING TECH CO., LTD.
STATEMENT OF OTHER GAINS AND LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2020

Expressed in thousands of NTD

Please refer to Note 6(19) for the information related to other gains and losses.

ALL RING TECH CO., LTD.
STATEMENT OF FINANCE COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Expressed in thousands of NTD

Please refer to Note 6(20) for the information related to finance cost.

ALL RING TECH CO., LTD.
STATEMENT OF SUMMARY OF EMPLOYEE BENEFITS,
DEPRECIATION, AND AMORTISATION BY NATURE
FOR THE YEAR ENDED DECEMBER 31, 2020

Expressed in thousands of NTD

Please refer to Note 6(21) for the additional information related to expense by nature and Note 6(22) for the information related to employee benefit expense.