Stock Code: 2397

DFI Inc. and Subsidiaries

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

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

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Declaration of Consolidated Financial Statements of Affiliated Enterprises

The entities of the Company that are required to be included in the consolidated financial statements of affiliates as of and for the year ended December 31, 2020 (from January 1 to December 31, 2020), under the "Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those included in the consolidated financial statements of parent company and its subsidiary prepared in conformity with the International Financial Reporting Standard 10. In addition, the information required to be disclosed in the consolidated financial statements of affiliates is included in the consolidated financial statements of parent company and its subsidiary. Consequently, we do not prepare a separate set of consolidated financial statements of affiliates.

Hereby certify

Company name: DFI Inc.

Person in charge: Chi-Hung Chen

March 22, 2021

Independent Auditors' Report

To. DFI Inc.

Audit Opinion

We have audited the accompanying consolidated financial statements of DFI Inc. and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion which based on our audit results and the other certified public accountants' audit reports (please refer to the paragraph of other matter), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of DFI Inc. and its subsidiaries as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for opinion

For the year ended December 31, 2020, we conducted audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards of the Republic of China. For the year ended December 31, 2019, we conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Letter No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020, as well as Generally Accepted Auditing Standards of the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of DFI Inc. and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audit results and other certified public accountants' audit reports, 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 DFI Inc. and its subsidiaries' consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the DFI Inc. and its subsidiaries' consolidated financial statements for the year ended December 31, 2020 are stated as follows:

Inventory valuation

As of December 31, 2020, the balance of inventory of DFI Inc. and its subsidiaries amounted to $1,528,105 thousand in New Taiwan Dollars (same as below), representing 19% of the total consolidated assets and being material in the consolidated financial statements. DFI Inc. and its subsidiary measures its inventory by the lower of cost and net realizable value, and due to the assumption of net realizable value of inventory involves significant judgments and accounting estimates of the management, the inventory valuation is considered as a key audit matter for the year. For accounting policies related to inventory valuation, please refer to the disclosures of Note IV (VIII), V and XI of the consolidated financial statements.

Our main audit procedures to process for the above-mentioned key matters include obtaining information of estimation from management on the preparation of the lower of cost and net realizable value of the inventory, sampling to recent sales information, and verifying the reasonableness of net realizable value. We also verified the appropriateness of allowance for loss on inventory valuation from inventory obsolescence by participating in and observing the inventory count for the year and obtaining inventory aging information prepared by the management.

Emphasis of Matter

As explained in Note XV of the consolidated financial statements, DFI Inc. and its subsidiaries obtained the acquisition price allocation reports of ACE Pillar Co., Ltd. and its subsidiaries and AEWIN Technologies Co., Ltd and its subsidiaries in September 2020 and December 2019, respectively, and adjusted the original accounting treatments and the provisional amounts and restated comparative information since the acquisition date, and we did not amend our audit conclusion for these.

Other Matters - audits mentioned about other certified public accountants

Among the subsidiaries listed in the DFI Inc.'s consolidated financial statements, partial subsidiaries' financial statements were not audited by us but by other certified public accountants.

Therefore, our opinions expressed in the consolidated financial statements regarding the amounts of these partial subsidiaries are according to other certified public accountants' audit reports. As of December 31, 2020 and 2019, the total assets of the above subsidiaries which were audited by other certified public accountants and included in the consolidated entities amounted to $3,474,365 thousand and $3,700,794 thousand, respectively, representing 42.98% and 42.87% of the consolidated total assets, respectively; Total liabilities as of December 31, 2020 and 2019 were $852,904 thousand and $1,141,598 thousand, respectively, representing 27.96% and 34.90% of total consolidated liabilities, respectively; The comprehensive income for the years ended December 31, 2020 and 2019 were $69,623 thousand and $(19,512) thousand, respectively, representing 15.48% and (3.18%)% of the total consolidated comprehensive income, respectively. We have also audited the parent company only financial statements of DFI Inc. as of and for the years ended December 31, 2020 and 2019 on which we have issued an unqualified opinion with other matters paragraph for reference.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing DFI Inc. and its subsidiaries' 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 DFI Inc. and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including Audit Committee) are responsible for overseeing DFI Inc. and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the DFI Inc. and its subsidiaries’ 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 DFI Inc. and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause DFI Inc. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes, and whether the consolidated 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 on the entities or business activities within DFI Inc. and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our opinion to the group.

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

Deloitte & Touche

Certified Public Accountant Shu-Jiuan Ye	Certified Public Accountant Ming-Xin Juo
Financial Supervisory Commission Approval Document No.: Financial-Supervisory-Securities-Audit-0990031652	Securities and Futures Commission Approval No. Taiwan-Finance-Securities-VI-0920123784

March 22, 2021

DFI Inc. and its subsidiaries

Consolidated balance sheets
December 31, 2020 and 2019
Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2020 AMOUNT	%	December 31, 2019 (after restatement) AMOUNT	%
	Current assets				
1100	Cash and cash equivalents (Note VI)	$ 1,922,245	24	$ 2,045,343	24
1110	Financial assets at fair value through profit or loss - current (Notes VII)	28,221	-	35,462	-
1136	Financial assets at amortized cost - current (Notes IX and XXXIII)	1,708	-	46,533	1
1150	Notes receivable (Notes X, XXIII and XXXIII)	295,309	4	245,194	3
1170	Trade receivables (Notes X and XXIII)	1,544,938	19	1,505,702	18
1180	Trade receivables from related parties (Notes XXIII and XXXII)	144,234	2	268,409	3
1200	Other receivables (Notes X and XXXII)	13,411	-	31,155	-
1220	Current tax assets (Notes XXV)	8	-	37	-
130X	Inventories (Notes XI)	1,528,105	19	1,762,619	20
1410	Prepayments (Notes XXXII)	60,497	1	69,643	1
1470	Other current assets (Notes XVII and XXXII)	8,037	-	7,770	-
11XX	Total current assets	5,546,713	69	6,017,867	70
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes VIII)	30,807	-	60,744	1
1600	Property, plant and equipment (Notes XIII, XXXII and XXXIII)	1,911,589	24	1,972,002	23
1755	Right-of-use assets (Notes XIV)	144,577	2	117,815	1
1780	Intangible assets (Notes XVI)	113,770	1	129,325	2
1805	Goodwill (Notes XV)	195,020	2	195,020	2
1840	Deferred tax assets (Notes XXV)	87,688	1	95,711	1
1975	Net defined benefit liabilities - non-current (Notes XXI)	3,192	-	2,375	-
1990	Other non-current assets (Notes XVII and XXXII)	50,648	1	40,904	-
15XX	Total non-current assets	2,537,291	31	2,613,896	30
1XXX	Total assets	$ 8,084,004	100	$ 8,631,763	100
Code	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Note XVIII and XXXIII)	$ 823,701	10	$ 622,075	7
2120	Financial liabilities at fair value through profit or loss - current (Notes VII)	9,768	-	4,291	-
2130	Contract liabilities - current (Note XXIII)	96,698	1	93,162	1
2150	Notes payable	370	-	1,090	-
2170	Trade payables	1,083,104	13	1,411,338	16
2180	Trade payables to related parties (Note XXII)	104,880	1	214,756	2
2200	Other payables (Note XIX and XXXII)	404,349	5	434,325	5
2230	Current tax liabilities (Note XXV)	122,492	2	134,943	2
2250	Provisions - current (Note XX)	56,827	1	55,985	1
2280	Lease liabilities - current (Note XIV)	52,120	1	44,632	1
2300	Other current liabilities (Note XIX)	17,614	-	12,456	-
21XX	Total current liabilities	2,771,923	34	3,029,053	35
	Non-current liabilities				
2570	Deferred tax liabilities (Note XXV)	174,584	2	162,218	2
2580	Contract liabilities - non-current (Note XIV)	63,896	1	43,395	1
2640	Net defined benefit liabilities - non-current (Notes XXI)	39,962	1	36,299	-
25XX	Total non-current liabilities	278,442	4	241,912	3
2XXX	Total liabilities	3,050,365	38	3,270,965	38
	Equity attributable to owners of the company (Note XXII)				
	Share capital				
3110	Share capital - Ordinary shares	1,146,889	14	1,146,889	13
3200	Capital surplus	679,735	9	679,644	8
	Retained earnings				
3310	Legal reserve	788,518	10	725,424	8
3320	Special reserve	54,268	-	52,616	1
3350	Unappropriated earnings	393,207	5	657,399	8
3300	Total retained earnings	1,235,993	15	1,435,439	17
3400	Other equity	(74,607)	(1)	(54,268)	(1)
3500	Treasury shares	(12,907)	-	(12,907)	-
31XX	Total equity of owners of the company	2,975,103	37	3,194,797	37
36XX	Non-controlling interests (Note XXII)	2,058,536	25	2,166,001	25
3XXX	Total equity	5,033,639	62	5,360,798	62
	Total liabilities and equity	$ 8,084,004	100	$ 8,631,763	100

The accompanying notes are part of this consolidated financial statement.
(Please refer to Deloitte & Touche's audit report on March 22, 2021.)

Chairman: Chi-Hung, Chen | President: Chi-Nan, Tsai | Accounting Supervisor: Li-Min, Huang

DFI Inc. and its subsidiaries

Consolidated statements of comprehensive income
For the years ended December 31, 2020 and 2019
Unit: In Thousands of New Taiwan Dollars, Except Earnings Per Share in Dollars

Code		For the years ended December 31, 2020		For the years ended December 31, 2019 (after restatement)	
		AMOUNT	%	AMOUNT	%
4000	Operating revenue (Note XXIII and XXXII)	$ 8,349,522	100	$ 7,031,784	100
5000	Operating costs (Note XI, XXIV and XXXII)	6,240,423	75	5,037,612	72
5900	Gross Profit	2,109,099	25	1,994,172	28
	Operating expenses (Note XXIV and XXXII)				
6100	Selling and marketing expenses	746,508	9	534,033	8
6200	General and administrative expenses	355,860	4	260,757	4
6300	Research and development expenses	405,350	5	388,714	5
6450	Expected credit (gain) loss	(46,744)	(1)	26,881	-
6000	Total operating expenses	1,460,974	17	1,210,385	17
6900	Net operating income	648,125	8	783,787	11
	Non-operating income and expenses				
7100	Interest income (Note XXIV)	5,350	-	6,242	-
7190	Other income (Note XXIV and XXXII)	19,758	-	19,221	-
7020	Other gains and losses (Note XXIV)	(44,378)	(1)	(11,500)	-
7050	Finance costs (Note XXIV and XXXII)	(15,178)	-	(9,477)	-
7000	Total non-operating income and expenses	(34,448)	(1)	4,486	-
7900	Profit before tax	613,677	7	788,273	11
7950	Income tax expense (Note XXV)	135,844	1	165,616	2
8200	Net profit/(loss) for the year	477,833	6	622,657	9

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Code		For the years ended December 31, 2020 AMOUNT	%	For the years ended December 31, 2019 (after restatement) AMOUNT	%
	Other comprehensive income/(loss) (Note XXI and XXV)				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans	(5,168)	-	(2,533)	-
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	(3,527)	-	14,816	-
8349	Income tax relating to items that will not be reclassified to profit or loss	1,033	-	507	-
		(7,662)	-	12,790	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	(20,309)	(1)	(21,338)	-
		(20,309)	(1)	(21,338)	-
8300	Other comprehensive income/(loss) for the year, net of income tax	(27,971)	(1)	(8,548)	-
8500	Total comprehensive income/(loss) for the year	$ 449,862	5	$ 614,109	9
	Net profit/(loss) attributable to				
8610	Owners of the company	$ 405,046	5	$ 630,403	9
8620	Non-controlling interests	72,787	1	(7,746)	-
8600		$ 477,833	6	$ 622,657	9
	Total comprehensive income/(loss) attributable to:				
8710	Owners of the company	$ 382,109	4	$ 627,674	9
8720	Non-controlling interests	67,753	1	(13,565)	-
8700		$ 449,862	5	$ 614,109	9
	Earnings per share (Note XXVI)				
9750	Basic	$ 3.54		$ 5.51	
9850	Diluted	$ 3.51		$ 5.46	

The accompanying notes are part of this consolidated financial statement.

(Please refer to Deloitte & Touche's audit report on March 22, 2021.)

Chairman: Chi-Hung, Chen President: Chi-Nan, Tsai Accounting Supervisor: Li-Min, Huang

DFI Inc. and its subsidiaries

Consolidated statements of changes in equity
For the years ended December 31, 2020 and 2019
Unit: In Thousands of New Taiwan Dollars

Code		Share capital (Note XXII)	Capital surplus (Note XXII)	Legal reserve	Special reserve	Unappropriated earnings (after restatement)	Exchange differences on the translation of financial statements of foreign operations	Unrealized gain/(loss) of financial assets at fair value through other comprehensive income	Treasury shares (Note XXII)	Total	Non-controlling interests (after restatement) (Note XXII)	Total equity
		Equity attributable to owners of the company										
				Retained earnings (Note XXII and XXX)			Other equity (Note XXII)					
A1	Balance on January 1, 2019	$ 1,146,889	$ 673,775	$ 664,890	$ 65,824	$ 730,936	($ 55,766)	$ 3,150	($ 12,909)	$ 3,216,789	$ -	$ 3,216,789
A3	Effect of retrospective application and retrospective restatement	-	-	-	-	(564)	-	-	-	(564)	-	(564)
A5	Balance after restatement on January 1, 2019	1,146,889	673,775	664,890	65,824	730,372	(55,766)	3,150	(12,909)	3,216,225	-	3,216,225
	Appropriation of earnings for 2018											
B1	Legal reserve	-	-	60,534	-	(60,534)	-	-	-	-	-	-
B3	Special reserve reversal	-	-	-	(13,208)	13,208	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(604,501)	-	-	-	(604,501)	-	(604,501)
	Subtotal	-	-	60,534	(13,208)	(651,827)	-	-	-	(604,501)	-	(604,501)
D1	Net profit/(loss) after restatement for 2019	-	-	-	-	630,403	-	-	-	630,403	(7,746)	622,657
D3	Other comprehensive income/(loss) after tax for 2019	-	-	-	-	(1,077)	(13,392)	11,740	-	(2,729)	(5,819)	(8,548)
D5	Total comprehensive income/(loss) after restatement for 2019	-	-	-	-	629,326	(13,392)	11,740	-	627,674	(13,565)	614,109
L1	Buyback of treasury shares	-	-	-	-	-	-	-	2	2	-	2
M5	Difference between prices of equity of subsidiaries from acquisition and carrying value	-	-	-	-	(50,472)	-	-	-	(50,472)	(120,151)	(170,623)
M7	Changes in percentage of ownership interests in subsidiaries	-	5,869	-	-	-	-	-	-	5,869	11,750	17,619
O1	Non-controlling interests after restatement	-	-	-	-	-	-	-	-	-	2,287,967	2,287,967
A5	Balance on January 1, 2020	1,146,889	679,644	725,424	52,616	657,399	(69,158)	14,890	(12,907)	3,194,797	2,166,001	5,360,798
	Appropriation of earnings for 2019											
B1	Legal reserve	-	-	63,094	-	(63,094)	-	-	-	-	-	-
B3	Appropriation of legal reserve	-	-	-	1,652	(1,652)	-	-	-	-	-	-
B5	Cash dividends distributed by the company	-	-	-	-	(572,444)	-	-	-	(572,444)	-	(572,444)
	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(40,814)	(40,814)
	Subtotal	-	-	63,094	1,652	(637,190)	-	-	-	(572,444)	(40,814)	(613,258)
D1	Net profit/(loss) for 2020	-	-	-	-	405,046	-	-	-	405,046	72,787	477,833
D3	Other comprehensive income/(loss) after tax for 2020	-	-	-	-	(4,327)	(13,952)	(4,658)	-	(22,937)	(5,034)	(27,971)
D5	Total comprehensive income/(loss) for 2020	-	-	-	-	400,719	(13,952)	(4,658)	-	382,109	67,753	449,862
M5	Difference between prices of equity of subsidiaries from acquisition and carrying value	-	-	-	-	(29,450)	-	-	-	(29,450)	(135,113)	(164,563)
M7	Changes in percentage of ownership interests in subsidiaries	-	91	-	-	-	-	-	-	91	709	800
Q1	Disposal of equity instruments at fair value through other comprehensive income/(loss)	-	-	-	-	1,729	-	(1,729)	-	-	-	-
Z1	Balance on December 31, 2020	$ 1,146,889	$ 679,735	$ 788,518	$ 54,268	$ 393,207	($ 83,110)	$ 8,503	($ 12,907)	$ 2,975,103	$ 2,058,536	$ 5,033,639

The accompanying notes are part of this consolidated financial statement.
(Please refer to Deloitte & Touche's audit report on March 22, 2021.)

Chairman: Chi-Hung, Chen President: Chi-Nan, Tsai Accounting Supervisor: Li-Min, Huang

DFI Inc. and its subsidiaries

Consolidated statements of cash flows
For the years ended December 31, 2020 and 2019
Unit: In Thousands of New Taiwan Dollars

Code		For the years ended December 31, 2020	For the years ended December 31, 2019 (after restatement)
	Cash flows from operating activities		
A10000	Profit before tax	$ 613,677	$ 788,273
A20010	Adjustments for		
A20100	Depreciation expenses	148,587	116,462
A20200	Amortization expenses	28,732	20,247
A20300	Expected credit (gain) loss	(46,744)	26,881
A20400	Net loss (gain) on financial assets and liabilities at fair value through profit or loss	20,471	(5,767)
A20900	Finance costs	15,178	9,477
A21200	Interest income	(5,350)	(6,242)
A21300	Dividend income	(1,260)	(1,620)
A22500	Net loss on disposal and scrap of property, plant and equipment	(296)	9
A23000	Gain on disposal of non-current assets held for sale	-	(1,775)
A23700	Loss (recovery gain) on inventory valuation and obsolescence	(15,617)	31,003
A24100	Loss (gain) on foreign exchange	(29,953)	(1,932)
A22300	Gain on bargain purchase	-	(5,217)
A29900	Gain on lease amendment	(222)	(89)
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as at fair value through profit or loss	(13,452)	317,578
A31125	Contract assets - current	-	273
A31130	Notes receivable	(50,115)	5,491
A31150	Trade receivables	(17,744)	167,940
A31160	Trade receivables from related parties	129,678	(51,509)
A31180	Other receivables	17,666	10,859
A31200	Inventories	249,611	164,008
A31230	Prepayments	9,146	19,789
A31240	Other current assets	(267)	27,274
A31990	Net defined benefit assets	(326)	(360)
A32125	Contract liabilities - current	3,536	12,625
A32130	Notes payable	(720)	(499)
A32150	Trade payables	(300,710)	135,028
A32160	Trade payables to related parties	(101,442)	18,436
A32180	Other payables	(30,689)	(12,291)
A32200	Provisions	842	7,913
A32230	Other current liabilities	5,158	601
A32240	Net defined benefit liabilities	(1,996)	(6,956)
A33000	Cash generated from operations	625,379	1,785,910
A33100	Interest received	5,350	6,253
A33300	Interest paid	(2,861)	(2,289)
AC0500	Income tax received	29	9,164
A33500	Income tax paid	(125,263)	(197,379)

(Continued on the next page)

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Code		For the years ended December 31, 2020	For the years ended December 31, 2019 (after restatement)
AAAA	Net cash flows generated from operating activities	502,634	1,601,659
	Cash flows from investing activities		
B00020	Proceeds from sale of financial assets at fair value through other comprehensive income	26,410	-
B00100	Purchase of financial assets at fair value through profit or loss	-	(1,414)
B00200	Proceeds from sale of financial assets at fair value through profit or loss	5,699	-
B00040	Purchase of financial assets at amortized cost	(2,707)	(207)
B00050	Proceeds from sale of financial assets at amortized cost	47,532	38,062
B02200	Net cash flows generated from acquisition of subsidiaries	-	434,361
B02600	Proceeds from disposal of non-current assets held for sale	-	6,131
B02700	Purchase of Property, plant and equipment	(33,063)	(42,402)
B02800	Proceeds from disposal of property, plant and equipment	782	-
B03800	Decrease in refundable deposits	1,635	1,793
B04500	Purchase of intangible assets	(13,177)	(9,154)
B06700	Increase in other non-current assets	(4,455)	(1,559)
B07600	Dividends received	1,260	1,620
BBBB	Net cash flows generated from investing activities	29,916	427,231
	Cash flows from financing activities		
C00100	Proceeds from short-term borrowings	2,818,377	1,010,000
C00200	Repayments of short-term borrowings	(2,608,849)	(896,551)
C00600	Repayments of short-term bills payable	-	(50,000)
C01700	Repayments of long-term borrowings	-	(232,500)
C04020	Repayment of the principal portion of lease liabilities	(54,773)	(38,311)
C04500	Cash dividends distributed	(572,444)	(604,501)
C04900	Payments for transaction costs attributable to the buy-back of ordinary shares	-	2
C05400	Acquisition of subsidiaries	(164,563)	(170,623)
C05600	Interest paid	(12,009)	(7,427)
C05800	Dividends paid to non-controlling interests	(40,814)	-
C05800	Changes in non-controlling interests	800	17,619
CCCC	Net cash flows used in financing activities	(634,275)	(972,292)
DDDD	Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(21,373)	(24,724)
EEEE	Net (decrease) increase in cash and cash equivalents	(123,098)	1,031,874
E00100	Cash and cash equivalents at the beginning of the year	2,045,343	1,013,469
E00200	Cash and cash equivalents at the end of the year	$ 1,922,245	$ 2,045,343

The accompanying notes are part of this consolidated financial statement.
(Please refer to Deloitte & Touche's audit report on March 22, 2021.)

Chairman: Chi-Hung, Chen President: Chi-Nan, Tsai Accounting Supervisor: Li-Min, Huang

(Amounts in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company Overview

   DFI Inc. (hereinafter "the Company") was incorporated in July 1981, primarily engaged in business of manufacturing and processing, and trading of industrial computer boards and computer accessories. Shares of the Company were traded at Taiwan Stock Exchange beginning on January 15, 2000.

   The consolidated financial statements of the Company are presented in the New Taiwan Dollars, the functional currency of the Company.

2. Approval Date and Procedures of the Consolidated Financial Statements

   The accompanying consolidated financial statements were authorized for issue by the Board of Directors on March 22, 2021.

3. Application of New and Amended Standards and Interpretations

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

      Except for the following, the application of the amended the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not result in significant changes on the accounting policies of the consolidated company:

      Amendment to IFRS 16, "Covid-19-Related Rent Concessions"

      The consolidated company has elected to apply the practical expedient of the amendment to deal with the rent negotiation directly related to COVID-19 pandemic with the lessor, and please refer to Note IV for the accounting policy. Before this amendment is applied, the consolidated company shall determine whether the requirements of lease amendment should be applied to the above mentioned rent negotiation.

      The consolidated company will apply this amendment from January 1, 2020 as the above mentioned rental negotiations only affect the year ended December 31, 2020 and the retrospective application of this amendment will not affect the retained earnings as of January 1, 2020.

   b. The IFRSs endorsed by the Financial Supervisory Commission for application in 2021

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendment to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”	Effective on the issuance date
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 - “Interest Rate Benchmark Reform - Phase 2”	Effective for annual reporting periods beginning on or after January 1, 2021

      As of the date the accompanying consolidated financial statements were authorized for issue, the consolidated company has evaluated that the amendments of the above mentioned standards and interpretations should not cause material effects on the financial conditions and performance.

c. IFRSs issued by the IASB but not yet endorsed and issued into effect by the FSC

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

Note 1: Unless stated otherwise, the aforementioned New, Revised or Amended Standards and Interpretations are effective for annual periods beginning on or after their respective effective dates.

Note 2: Amendment to IFRS 9 is effective to exchanges of a financial liability or modifications of terms incurred during the annual periods beginning on or after January 1, 2022. Amendment to IAS 41 "Agriculture" is effective to fair value measurements for annual periods beginning on or after January 1, 2022. Amendment to IFRS 1 "First-time Adoption of IFRS" is retrospectively effective for annual periods beginning on or after January 1, 2022.

Note 3: This amendment shall be applied to business combinations for which the acquisition date is beginning on or after January 1, 2022.

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

Note 5: The amendment shall be applied to contracts for which the consolidated company has not yet fulfilled all its obligations on or after January 1, 2022.

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

Note 7: This amendment shall be applied to changes in accounting policies and changes in accounting estimates that occur for annual periods beginning on or after January 1, 2023.

As of the date the accompanying consolidated financial statements were authorized for issue, the consolidated company continues in evaluating the impact on its financial position and financial performance as a result of the aforementioned standards or interpretations. The related impact will be disclosed when the evaluation has been completed.

4. Summary of Significant Accounting Policies

a. Statement of Compliance

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

b. Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments at fair value and net defined benefit liabilities (assets) recognized at the present value of defined benefit obligations less the fair value of plan assets.

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Standards for Classification of Current and Non-current Assets and Liabilities

Current assets include:

1) Assets held for trading purposes;

2) Assets expected to be realized within 12 months after the balance sheet date; and

3) Cash and cash equivalents, excluding those that are restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities primarily held for trading purposes;

2) Liabilities expected to be settled within 12 months after the balance sheet date; and

3) Liabilities without unconditional right to defer settlement for at least 12 months after the balance sheet date.

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

d. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (subsidiaries). The consolidated statement of comprehensive income has included the operating profit and loss of subsidiaries that are acquired or disposed of from the acquisition date or until the disposal date in the current period. Adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the consolidated company. When preparing the consolidated financial statements, all intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where the change in the consolidated company's ownership interest in the subsidiary does not result in the loss of control, it shall be treated as an equity transaction. The carrying amounts of the consolidated company and non-controlling interests have been adjusted to reflect the changes in their relative interests in subsidiaries. The difference between the adjustment amount of non-controlling interests and the fair value of consideration paid or collected shall be directly recognized in equity attributable to the owners of the Company.

For details of subsidiaries, ratio of shareholding, and operations, Please refer to Note XII, Table VII and Table VIII.

e. Business combinations

The business combination is handled by the acquisition method. Acquisition-related costs are listed as expenses in the current period of cost occurred and service received.

Goodwill is measured by the fair value of the transfer consideration and the amount of the acquiree's non-controlling interests over the net amount of the identifiable assets and assumed liabilities acquired on the acquisition date. if the net amount of the identifiable assets and assumed liabilities acquired on the acquisition date still exceeds the transfer consideration and the acquiree's non-controlling interests, the difference is the gain on bargain purchase, which is immediately recognized in profit or loss.

The non-controlling interest of the current ownership equity in the acquiree and the right to entitle for the acquiree's net assets in proportion at the time of liquidation is measured by the share entitled of the recognized amount of the identifiable net assets of the acquiree. Other non-controlling interests are measured at fair value.

f. Foreign Currency

When preparing each parent company only financial statements, transactions denominated in another currency (foreign currency) other than the entity’s functional currency shall be converted into the functional currency using the exchange rate on the date of the transaction.

Monetary items denominated in foreign currencies are translated at the closing rates on each balance sheet date. The exchange difference arising from the delivery of monetary items or the conversion of monetary items shall be recognized in profit or loss in the period of occurrence.

Non-monetary items denominated in foreign currencies measured at fair value are converted using the exchange rate on the date when the fair value is determined. The exchange difference is recognized as the current profit and loss. However, if the change of fair value is recognized as other comprehensive income, the exchange difference generated is recognized as other comprehensive income.

Non-monetary items denominated in foreign currencies and measured at historical cost are converted using the exchange rates on the date of transaction, and will not be reconverted.

In the preparation of consolidated financial statements, the assets and liabilities of foreign operations (including the country of operation or currency used of the subsidiaries different from the Company) are converted into New Taiwan Dollars at the exchange rate on each balance sheet date. The income and expense items are converted at the average exchange rate of the current period. The resulting exchange differences are recognized in other comprehensive income (and attributed to the owners and non-controlling interests of the Company, respectively).

If the consolidated company disposes of all equity interests of the foreign operations, all accumulated exchange differences attributable to the owners of the Company and related to the foreign operations will be reclassified to profit or loss.

g. Inventories

Inventory is measured by the lower of cost and net realizable value. When comparing cost and net realizable value, except for similar stock in hand, it is based on individual items. The net realizable value refers to the balance of the estimated selling price in normal circumstances after deducting the estimated cost required till completion and the estimated cost to complete the sale. Inventories are stated at standard cost with adjustments to bring them closer to cost calculated using the weighted-average method at the balance sheet date.

h. Property, Plant and Equipment

The property, plant and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Except for the self-owned land which is not depreciated, the rest of property, plant and equipment are depreciated on a straight-line basis over their useful lives, and depreciation shall be separately provided for each significant part. The consolidated company shall inspect the estimated useful life, residual value, and depreciation method at least at the end of each year, and postpone the impact of changes in accounting estimates.

When derecognizing property, plant and equipment, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in the profit or loss

i. Goodwill

Goodwill acquired in a business combination is recognized as the cost of goodwill, and subsequently measured at cost less accumulated impairment losses.

For the purpose of the impairment test, goodwill is allocated to each cash-generating unit or group of cash-generating units (abbreviated as "CGU") that the consolidated company expects to benefit from the synergy of the merger.

Each year (and when there is any indication that the unit may have been impaired) the CGU of the amortized goodwill conducts the impairment test of the unit by comparing the carrying amount of the unit containing goodwill with its recoverable amount. If the goodwill allocated to the CGU is acquired from the business combination of the current year, the unit shall carry out an impairment test before the end of the current year. If the recoverable amount of the CGU of the amortized goodwill is lower than its carrying amount, the impairment loss is to reduce the carrying amount of the amortized goodwill of the CGU first and then reduce the carrying amount of each asset in proportion to the carrying amount of other assets in the unit. Any impairment loss is recognized directly as profit or loss for the year. The impairment loss of goodwill shall not be reversed in subsequent periods.

j. Intangible assets

1) Separate Acquisition

The intangible assets with limited useful life acquired separately are measured at cost initially, and subsequently at cost less accumulated amortization and accumulated impairment loss. Intangible assets are amortized on a straight-line basis over their useful lives, and the estimated useful lives, residual values, and amortization methods are reviewed by the consolidated company at least at the end of each year. Also, the impact of changes in applicable accounting estimates is postponed.

2) Acquisition from business combinations

The intangible assets acquired in a business combination are recognized at the fair value on the acquisition date and separately recognized with goodwill. The following measurement method is the same as that of the intangible assets acquired separately.

3) Derecognition

When intangible assets are derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in the profit or loss for the year.

k. Impairment of Property, plant and equipment, Right-of-use assets, Intangible assets (excluding goodwill)

On each balance sheet date, the consolidated company reviews the carrying amounts of its property, plant and equipment, right-of-use assets, and intangible assets (excluding goodwill) to determine whether there is any indication that those assets have suffered an impairment loss. If there is any indicator of impairment, the recoverable amount of the asset shall be estimated. If the recoverable amount of an individual asset cannot be determined, the consolidated company shall evaluate the recoverable amount of the cash-generating unit to which the asset belongs. Shared use asset are allocated to the smallest group of cash-generating units with a reasonable and consistent basis.

The recoverable amount is the higher of fair value less cost of sale and its use-value. If the recoverable amount of an individual asset or cash-generating unit is lower than its carrying amount, the carrying amount of the asset or cash-generating unit shall be reduced to its recoverable amount, and the impairment loss shall be recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset, or cash-generating unit shall increase to the revised recoverable amount. Still, the increased carrying amount shall not exceed the carrying amount (less amortization or depreciation) of the asset, or cash-generating unit without impairment loss recognized in the previous year. The reversal of impairment losses is recognized in profit or loss.

l. Non-current Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amounts are expected to be recovered mainly through sale rather than continuous usage. Non-current assets qualified for such classification must be available for immediate sale in their present condition and its sale must be highly probable. A sale is considered highly probable if management at an appropriate level commits to a plan to sell and such sale is expected to be completed within one year after the classification date.

m. Financial instruments

Financial assets and financial liabilities shall be recognized in the consolidated balance sheet when the consolidated company becomes a party of the financial instrument contract.

When financial assets and financial liabilities are initially recognized, if financial assets or financial liabilities are not measured at fair value through profit or loss, they are measured at fair value plus transaction cost directly attributable to the acquisition or issuance of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issue of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial Assets

Transaction date accounting and derecognition apply to regular financial asset transactions.

a) Measurement Types

The types of financial assets held by the consolidated company are financial assets at fair value through profit or loss, financial assets at amortized cost, and investments in equity instruments at fair value through other comprehensive income.

i. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets mandatorily classified as at fair value through profit or loss, and financial assets designated at fair value through profit or loss. Financial assets mandatorily classified as at fair value through profit or loss include investments in equity instruments not designated by the consolidated company to be measured at fair value through other comprehensive income, and investments in debt instruments that are not classified as measured at amortized cost or measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss are measured at fair value, any dividend or interest generated by the financial assets are separately recognized as other income and interest income, and the benefits or losses arising from the remeasurement is recognized in other gain or loss. Please refer to Note XXXI for the determination of fair value.

ii. Financial assets at amortized cost

When the consolidated company's investments in financial assets satisfy the following two conditions at the same time, they are classified as financial assets at amortized cost:

(a) It is held under a business model that is held for the purpose of obtaining financial assets to collect contractual cash flows; and

(b) The contractual terms generate cash flows on a specified date basis and the cash flows are solely payments on the principal amounts outstanding and interest amounts outstanding.

Financial assets at amortized cost (including cash and cash equivalents, notes receivable, trade receivable, other receivable, pledged certificate of deposit, and refundable deposits that are measured at amortized cost) are measured at the aggregate carrying amount of the financial asset after initial recognition and determined by using the effective interest method. Any foreign exchange gains or losses are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to total carrying amount of financial assets.

Cash equivalents include time deposits with high liquidity, which can be converted into quota cash at any time and with little risk of value change within three months from the date of acquisition. They are used to meet short-term cash commitments.

iii. Investments in equity instruments at fair value through other comprehensive income

The consolidated company may make an irrevocable election at initial recognition, and designated the investments in equity instruments that is not held for trading and that is not contingent consideration recognized by acquirer of business combination at fair value through other comprehensive income.

Investments in equity instruments measured at fair value through other comprehensive income are measured at fair value, with changes in fair value recognized in other comprehensive income and accumulated in other equity. When the investment is disposed of, the cumulative gain or loss is directly transferred to retained earnings and is not reclassified to profit or loss.

Dividends of investments in equity instruments measured at fair value through other comprehensive income are recognized in profit and loss when the consolidated company's right to receive payments is established unless the dividend clearly represents the recovery of part of the investment cost.

b) Impairment of Financial Assets

On each balance sheet date, the consolidated company assesses the impairment loss of financial assets at amortized cost (including trade receivable) according to the expected credit loss.

Trade receivable shall be recognized for a loss allowance based on lifetime expected credit losses. Other financial assets are evaluated to see whether the credit risk has increased significantly since they were initially recognized. If not, they are recognized as the loss allowance for 12-month expected credit loss. If they have increased considerably, they are recognized as the loss allowance based on lifetime expected credit loss.

The expected credit losses are weighted average of credit losses determined by the risk of default. The 12-month expected credit loss represents possible credit loss from breach of contract within 12 months of reporting date. Lifetime expected credit loss represents expected credit loss from breach of contract of financial instruments during period of existence.

The impairment loss of all financial assets is to reduce their carrying amount through the allowance account.

c) Derecognition of Financial Assets

The consolidated company only derecognizes the financial assets when the contractual rights from the cash flow of the financial assets are invalid or when the financial assets have been transferred, and almost all the risks and remunerations of the ownership of the assets have been transferred to other enterprises.

When a financial assets at amortized cost is derecognized as a whole, the difference between its carrying amount and the consideration received is recognized in profit or loss. When the investments in equity instruments measured at fair value through other comprehensive income is derecognized as a whole, the accumulated profit and loss are transferred directly to the retained earnings. They are not reclassified as profit and loss.

2) Equity instruments

The debt and equity instruments issued by the consolidated company are classified as financial liabilities or equity according to the substance of the contractual agreement and the definition of financial liabilities and equity instruments.

Equity instruments issued by the consolidated company shall be recognized at the amount equal to the consideration acquired less the direct costs of issuance.

The repurchase of equity instruments issued by the Company is recognized in equity as a deduction. The purchase, sale, issuance or cancellation of the Company's own equity instruments is not recognized in profit or loss.

3) Financial Liabilities

a) Subsequent Measurement

Financial liabilities, except for those held-for-sale and measured at fair value through profit or loss are measured at amortized cost by effective interest methods.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are held-for-sale.

Financial liabilities of held-for-sale are measured at fair value, and the related gains or losses are recognized at other gain or loss.

b) Derecognition of Financial Liabilities

When derecognizing financial liabilities, the difference between its carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized as profit or loss.

4) Derivatives

The derivatives into which the consolidated company entered include forward foreign exchange contracts and foreign exchange SWAP to manage the foreign exchange rate risk of the consolidated company.

Derivative are initially recognized at fair value upon entering into a derivative contract, and are subsequently remeasured at fair value at the balance sheet date. Gains or losses arising from the subsequent measurement are recognized directly in profit or loss. When its fair value is positive, the derivative is recognized as a financial asset; when its fair value is negative, the derivative is recognized as a financial liability.

n. Provisions

The amount recognized as the provisions is the best estimate of the expenses needed to settle the obligation on the balance sheet date, which is based on the risk and uncertainty of the obligation.

The warranty obligations that correspond to the requirements of the guarantee and the agreement are based on the management's best estimates of the expenditure required to settle the consolidated company's obligations, and recognize revenue when the relevant products are recognized.

o. Revenue recognition

The consolidated company first identifies performance obligations in clients' contact, and then distributes transaction price to each obligation and recognizes revenue when each obligation is met.

Sales Revenue of Commodities

The consolidated company recognizes revenue as control of commodities is transferred, that is when commodities are shipped to the locations designated by the clients, the clients have already obtained the rights to establish the price and usage of the commodities and been primarily liable for the resale of the commodities. The clients shall undertake the related obsolescence risk and the consolidated company recognizes revenue and trade receivable at that point in time.

For subcontracting process, the control of the ownership of the processed product is not transferred, and no revenue is recognized when the material is provided.

p. Leases

The consolidated company evaluates whether the contract is (or includes) a lease on the date of establishment.

1) The Consolidated Company is a Lessor

Whenever lease terms transfer most risks and rewards of asset ownership to the lessee, they are classified as financial leases. All other leases are classified as operating leases.

Under operating leases, lease payments are recognized as income on a straight-line basis over the relevant lease term.

2) The Consolidated Company is a Lessee

Except that the lease payments of the low-value underlying assets and short-term leases applicable to the recognition exemption are recognized as expenses on a straight-line basis during the lease term, other leases are recognized as right-of-use assets and lease liabilities on the inception of the lease.

The right-of-use asset is initially measured at cost (including the initial measured amount of the lease liability, and the lease payment paid before the inception of the lease), and subsequently measured at cost less the accumulated depreciation and the accumulated impairment loss, and the remeasurement of the lease liability is adjusted. The right-of-use assets are separately presented in the consolidated balance sheet.

The right-of-use assets shall be depreciated on a straight-line basis from the inception of the lease to the end of the useful life or when the lease term expires, whichever is earlier.

The lease liability is initially measured by the present value of fixed lease payments. If the implicit interest rate of a lease can be determined easily, the interest rate is used to discount the lease payment. If the interest rate cannot be determined easily, the lessee's incremental borrowing rate of interest shall be used.

Subsequently, the lease liability is measured at amortized cost basis using the effective interest method, and the interest paid is amortized over the lease term. If there is a change in future lease payments due to changes in the assessment of the lease term, the consolidated company shall remeasure the lease liabilities and adjusts the right-of-use assets accordingly. However, if the carrying amount of the right-of-use assets has been reduced to zero, the remaining remeasured amount is recognized in profit or loss. For lease modifications that are not treated as a separate lease, remeasurement of the lease liabilities due to the reduction in the scope of the lease is to reduce the right-of-use assets, and to recognize the profit or loss on the partial or full termination of the lease; the remeasurement of the lease liabilities due to other modifications is to adjust the right-of-use assets. Lease liabilities are presented separately in the consolidated balance sheet.

The consolidated company entered into rental negotiations with the lessor in direct relation to COVID-19 pandemic and adjusted the rents due before June 30, 2021 to reduce the rents, and such negotiations do not significantly effect the terms and conditions of other rental contracts. The consolidated company has chosen to use the practical expedient to deal with the rental negotiation which meets the above criteria and did not assess whether the negotiation is a lease modification, but instead recognized the reduction in the lease payments as a reduction in the lease payments recognized in profit or loss when the event or circumstance occurs (recorded as a reduction of expenses of movement in the lease payments), with a corresponding reduction in the lease liability. Other rental negotiations without practical expedient should be still assessed whether the accounting treatment of lease modifications are applicable.

q. Borrowing Costs

The borrowing cost directly attributable to the acquisition qualified assets is a part of the cost of the asset until almost all necessary activities for the assets to reach the intended use or sale status have been completed.

Except for the above mentioned, other borrowing costs are recognized in profit or loss for the year.

r. Employee benefits

1) Short-Term Employee Benefits

Short-term employee benefits liabilities are measured at the undiscounted amount of the employee services expected to be paid in exchange for the services.

2) Benefits after retirement

Pension from defined contribution plans is listed as expense for pension during periods of employee service.

The net defined benefit-cost of defined benefit retirement plan (including service cost, net interest, and remeasurement) is calculated by the expected unit benefit method. The current service cost and the net interest of the net defined benefit liabilities (assets) are recognized as employee benefit expenses when incurred. The remeasurement (including actuarial profit and loss and plan asset remuneration after deducting interest) is recognized in other comprehensive income and included in retained earnings when incurred, and will not be reclassified to profit or loss in subsequent periods.

Net defined benefit liabilities (assets) is the shortfall (surplus) for defined benefit pension plans. The net defined benefit assets shall not exceed the present value of the refunded or reduced future contributions from the scheme.

s. Share-based Payment Arrangement

Share-based payment arrangement granted by the acquiree

In obtaining control of a subsidiary, when the share-based payment remuneration (hereinafter referred to as “acquiree’s remuneration”) held by the employees of the subsidiary is replaced by the share-based payment remuneration (hereinafter referred to as the “replacement award”) of the consolidated company, the acquiree’s remuneration and the replacement award are measured on a market price basis at the acquisition date. Part of replacement rewards measured by the consideration transferred in obtaining control of a subsidiary and is calculated as the amount of the acquiree’s compensation measured on a market price basis multiplied by the following percentage: the completed and vested period divided by the longer of the total vested period or the original vested period of the acquiree’s remuneration. The excess of market-based replacement award over the acquiree’s market-based compensation that is included in measurement of the consideration transferred for control of a subsidiary is recognized as compensation cost after acquisition of control.

When the acquiree’s compensation is invalid as a result of acquiring control of a subsidiary, and the consolidated company has replaced the acquiree’s compensation in the event that it does not have an obligation to do so, that replacement award is measured on a market price basis and recognized in full as a compensation cost after acquisition of control.

When an equity-settled acquiree’s compensation is not replaced for the replacement award, the acquiree’s compensation is recognized on a market price basis. Vested remuneration on acquisition date is all recorded as non-controlling interest, un-vested remuneration is amortized in the above mentioned portion to non-controlling interest, and the rest is recognized as a compensation cost after acquisition of control.

t. Income taxes

Income tax expenses is the sum of the current income tax and deferred income tax.

1) Current Income Tax

The consolidated company determines the current income (loss) in accordance with the laws and regulations established by each income tax jurisdiction, and calculates the income tax payable (recoverable) based on it.

According to the Income Tax Law of the Republic of China, an additional income tax on unappropriated earnings was surcharged in the year approved by the shareholders' meeting.

The adjustment of the income tax payable in the previous years shall be included in the current income tax.

2) Deferred income tax

Deferred income tax is calculated from temporary differences between carrying amount of assets and liabilities on records, and tax base for determining taxable income. For assets and liabilities not belong to enterprise combination and not affect taxable income or accounting profit during initial recognition, their temporary differences are not recognized as deferred income tax assets and liabilities. Besides, taxable temporary differences arising from the goodwill initially recognized are not recognized as deferred income tax liabilities.

Deferred income tax liabilities are generally recognized for all temporary taxable differences, and deferred income tax assets are recognized when there is a high probability that taxable income will be available for the use of income tax credits generated by temporary deductible differences, loss carryforward, purchase of mechanical equipment, research development, and personnel training.

The temporary taxable differences related to investment in subsidiaries are recognized as deferred income tax liabilities, except that the consolidated company can control the reversal point of temporary differences, which are likely not to reverse in the foreseeable future. The temporary deductible difference related to such investment shall be recognized as deferred income tax assets only to the extent that it is likely to have enough taxable income to realize the temporary difference and it is expected to reverse in the foreseeable future.

The carrying amount of the deferred income tax assets shall be reviewed on each balance sheet date and reduced for those assets that are no longer likely to have sufficient tax income for recovery of all or part of the assets. Where the assets are not recognized as deferred income tax assets, they shall also be reviewed on each balance sheet date, and the carrying amount shall be increased in the future when it is likely to generate taxable income for the recovery of all or part of the assets.

Deferred income tax assets and liabilities are measured at tax rates expected for liability settlement or asset realization in the same period. Tax rates are based on tax laws enacted or substantively enacted by balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequences that would follow from the manner in which the enterprise expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred income tax for the year

Current and deferred income tax are recognized in profit or loss; however, current and deferred income tax related to items recognized in other comprehensive income is recognized in other comprehensive income.

If current income tax or deferred income tax arises from business combination, the income tax impacts are included in the accounting of business combination.

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

When the consolidated company adopts accounting policies, for whose related information not easily available from other sources, the management must make judgments, estimates and assumptions based on historical experience and other critical factors. Actual results might be different from estimates.

The consolidated company takes into account the economic impact of the COVID-19 outbreak in its critical accounting judgments and the management will constantly review the estimations and underlying assumptions. If the revision of the estimate only affects the current year, it shall be recognized in the current revised year. If the revision of the accounting estimate affects both the current year and the future periods, it shall be recognized in the current revised year and the forthcoming period.

After reviewing the accounting policies, estimates, and assumptions adopted by the consolidated company, the management of the consolidated company found no event of uncertainties in major accounting judgments, estimates, and assumptions

6. CASH AND CASH EQUIVALENTS

	December 31, 2020	December 31, 2019
Cash on hand and petty cash	$742	$1,710
Bank checking and demand deposits	1,842,123	2,013,527
Cash equivalents (investments with original maturity date within 3 months)		
Bank time deposits	79,380	30,106
	$ 1,922,245	$ 2,045,343

The market interest rate intervals of bank deposits on the balance sheet date are as follows:

	December 31, 2020	December 31, 2019
Bank deposits	0.001%-0.35%	0.001%-2.16%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS – CURRENT

	December 31, 2020	December 31, 2019
Financial assets		
Mandatorily at fair value through profit or loss		
Derivatives (not designated for hedging)		
- Forward foreign exchange contracts (I)	$ 226	$ 239
- Foreign exchange SWAP (II)	42	3,186
Non-derivative financial assets		
- Fund beneficiary certificates	27,953	32,037
	$ 28,221	$ 35,462
Financial liabilities		
Held-for-trading		
Derivatives (not designated for hedging)		
- Forward foreign exchange contracts (I)	$ 2,185	$ 4,230
- Foreign exchange SWAP (II)	7,583	61
	$ 9,768	$ 4,291

a. The forward foreign exchange contracts not applicable to hedge accounting and have not yet expired on the balance sheet date are as follows:

December 31, 2020

	Currency	Maturity period	Contractual Amount (NTD in thousands)
Sales of forward foreign exchange	USD: JPY	2021.1.22~2021.1.28	USD 2,386/ JPY 246,778
Sales of forward foreign exchange	RMB : USD	2021.1.11~2021.1.27	CNY 100,491/ USD 15,356

December 31, 2019

	Currency	Maturity period	Contractual Amount (NTD in thousands)
Sales of forward foreign exchange	USD: JPY	2020.1.21~2020.1.22	USD 1,270/ JPY 138,683
Sales of forward foreign exchange	RMB : USD	2020.1.21~2020.1.22	CNY 141,718/ USD 20,203

The purpose of the consolidated company's forward foreign exchange transactions is mainly to avoid the risk of foreign currency assets and liabilities arising from exchange rate fluctuations.

b. The foreign exchange SWAP not applicable to hedge accounting and have not yet expired on the balance sheet date are as follows:

December 31, 2020

	Currency	Maturity period	Contractual Amount (NTD in thousands)
SWAP out foreign exchange	NTD : USD	2021.1.7~2021.1.28	NTD 985,567/USD 34,860

December 31, 2019

	Currency	Maturity period	Contractual Amount (NTD in thousands)
SWAP out foreign exchange	NTD : USD	2020.1.9~2020.1.30	NTD 1,043,840/USD 34,600

The purpose of the consolidated company's foreign exchange SWAP is mainly to avoid the risk of foreign currency assets and liabilities arising from exchange rate fluctuations.

8. Financial assets at fair value through other comprehensive income - non-current

	December 31, 2020	December 31, 2019
Investments in equity instruments		
Domestic investment		
- OTC stocks	$ 29,920	$ 59,330
Foreign investment		
- Non-publicly traded stocks	887	1,414
	$ 30,807	$ 60,744

The consolidated company invests in ordinary shares of the above mentioned companies under the medium and long-term strategy and expects to make profits through long-term investment. The management of the consolidated company considers that the short-term fair value of the investments will be included in the profit or loss and is not consistent with the long-term investment planning as the above-mentioned, and, therefore, the designation of such investments is not in line with the fair value of the investment in other comprehensive income.

9. Financial Assets at Amortized Cost - current

	December 31, 2020	December 31, 2019
Pledged certificate of deposit	$ 1,708	$ 44,861
Restricted bank deposits	-	1,672
	$ 1,708	$ 46,533
Total carrying amount	$ 1,708	$ 46,533
Allowance for loss	-	-
At amortized cost	$ 1,708	$ 46,533

a. As of December 31, 2020 and 2019, the interest rate intervals of financial assets at amortized cost were 0.795%-1.045% and 1.045%-2.500%, respectively.

b. The credit risk of bank deposits is measured and monitored by the finance department, and the consolidated company selects counterparties of transactions and counterparties for whose contracts have been performed of banks with good credit ratings.

c. Please refer to Note XXXIII for information on financial assets at amortized cost pledged as collateral.

10. Notes receivable, Trade receivables, and Other receivables

	December 31, 2020	December 31, 2019
Notes receivable		
Arising from operations	$ 295,309	$ 245,194
Trade receivables		
Measured at amortized cost		
Total carrying amount	$ 1,590,003	$ 1,626,517
Less: Allowance for loss	45,065	120,815
	$ 1,544,938	$ 1,505,702
Other receivables	$ 13,411	$ 31,155

a. Trade receivables

The average credit period of the consolidated company for commodity sales is 30 to 180 days, and no interest is calculated for trade receivables. The policy adopted by the consolidated company is to conduct transactions only with those who are equal to or higher than the investment grade and to attain sufficient guarantees, if necessary, to mitigate the risk of financial loss due to default. The credit rating information is provided by an independent rating agency. If such information is not available, the consolidated company will use other publicly available financial information and historical transaction records to rate major clients. The consolidated company continuously supervises the credit risk and the creditworthiness of the counterparty, and diversifies the total transaction amounts among qualified clients to manage the credit exposure.

The consolidated company recognizes the loss allowance of trade receivable according to the lifetime expected credit losses. The lifetime expected credit losses is calculated by using the reserve matrix, which examines the past default records of clients, the current financial situation, and industrial economic situation and outlook. The historical experience of the consolidated company's credit loss history has shown that the loss patterns of different client have not significantly different from the loss patterns. Therefore, the provision matrix is not further differentiated in the client base. Only the number of overdue days for trade receivable are used for setting the expected credit loss rate.

The consolidated company directly writes off related trade receivables when there is evidence indicating that the debtor is experiencing in severe financial difficulty and there is no realistic prospect of recovery by the consolidated company. The consolidated company continues to engage in enforcement activity, and the recovered amounts are recognized as profit or loss.

The consolidated company's loss allowance for trade receivable based on the provision matrix were as follows:

December 31, 2020

	Not overdue	1~30 days overdue	31～60 days overdue	61～90 days overdue	Overdue more than 90 days	Total
Expected credit loss rate	0%~1.53%	0%~8.99%	0%~43.51%	0%~82.34%	0%~100%	
Total carrying amount	$1,451,008	$ 84,528	$ 10,990	$ 2,050	$ 41,427	$1,590,003
Allowance for loss (expected credit losses during the period)	(2,888)	(3,169)	(1,685)	(416)	(36,907)	(45,065)
At amortized cost	$1,448,120	$ 81,359	$ 9,305	$ 1,634	$ 4,520	$1,544,938

December 31, 2019

	Not overdue	1~30 days overdue	31～60 days overdue	61～90 days overdue	Overdue more than 90 days	Total
Expected credit loss rate	0%~2.57%	0%~14.28%	0%~40.77%	0%~77.19%	0%~100%	
Total carrying amount	$1,350,718	$132,781	$ 28,227	$ 13,541	$101,250	$1,626,517
Allowance for loss (expected credit losses during the period)	(5,807)	(10,419)	(7,019)	(3,132)	(94,438)	(120,815)
At amortized cost	$1,344,911	$122,362	$ 21,208	$ 10,409	$ 6,812	$1,505,702

Changes in loss allowance for trade receivable are as follows:

	For the year ended December 31, 2020	For the year ended December 31, 2019
Balance at the beginning of the year	$ 120,815	$ 297
Acquisition through business combination	-	105,333
Add: Recovery of written-off bad debt	21	-
Add: impairment loss (reversed) recognized for the period	(46,744)	26,881

	For the year ended December 31, 2020	For the year ended December 31, 2019
Less: Actual write-off for the year	($ 27,616)	($ 10,606)
Foreign currency translation differences	(1,411)	(1,090)
Balance at the end of the year	$ 45,065	$ 120,815

For the amount of notes receivable pledged as collateral, refer to Note XXXIII.

b. Other receivables

The consolidated company considers the historical default records, current financial position, and forecasts of future economic conditions and so on of counterparties of other receivables to assess the recoverable amount of the other receivables which are equivalent to original recorded amounts, and therefore no allowance for loss was recognized.

11. Inventories

	December 31, 2020	December 31, 2019
Finished goods	$ 758,717	$ 836,209
Raw materials	533,178	593,113
Goods in Transit	117,449	112,469
Outsourced processing products	71,923	92,522
Work in progress	46,838	128,306
	$ 1,528,105	$ 1,762,619

Cost of goods sold and inventory price loss (recovery gain) are as follows:

	For the year ended December 31, 2020	For the year ended December 31, 2019
Cost of goods sold	$ 6,240,423	$ 5,037,612
Inventory price loss (recovery gain)	($ 15,617)	$ 31,003

12. Subsidiaries

a. Subsidiaries included in consolidated financial statements

The consolidated financial statements are presented as follows:

			Percentage of equity held		
Name of investor company	Name of Subsidiary	Nature of business	December 31, 2020	December 31, 2019	Description
DFI Inc.	DFI AMERICA, LLC.	Sales of industrial computer cards	100	100	1
	DFI Co., Ltd.	Sales of industrial computer cards	100	100	
	Yan Tong Technology Ltd.	Investment	100	100	
	Diamond Flower Information (NL) B.V.	Sales of industrial computer cards	100	100	
	Dual-Tech International Co., Ltd.	Processing of industrial computer cards	-	-	2
	AEWIN Technologies Co., Ltd.	Design, manufacture and sale of industrial computer cards and related products	50.84	50.74	3
	Ace Pillar Enterprise Co., Ltd.	Automated control and testing, processing, sales, repair, and mechanical and electrical integration of industrial transmission systems	33.56	26.62	4
Yan Tong Technology Ltd.	Dongguan Yantong Electronic Information Co., Ltd.	Manufacturing and sales of computer cards, board cards, host computer, electronic parts and components	100	100	
	Shenzhen Yanyinghao Commerce Co., Ltd.	Wholesale, import and export of computer cards, board cards, host computer, electronic parts and components	100	100	
AEWIN Technologies Co., Ltd.	WISE WAY	Investment	100	100	3
	AEWIN TECH INC.	Wholesale of computer and peripheral equipment and software	100	100	3
WISE WAY	BRIGHT PROFIT	Investment	100	100	3
BRIGHT PROFIT	Beijing AEWIN Huaxia Technologies Co., Ltd.	Wholesale of computer and peripheral equipment and software	100	100	3
Beijing AEWIN Huaxia Technologies Co., Ltd.	Shenzhen Qixin Co., Ltd.	Wholesale of computer and peripheral equipment and software	100	100	3,5
Ace Pillar Enterprise Co., Ltd.	Cyber South Management Ltd.	Investment	100	100	4
	Hong Kong Ace Pillar Enterprise Co., Ltd.	Sales and Purchases of transmission mechanical components	100	100	4
	Tianjin Ace Pillar Enterprise Co., Ltd.	Sales and Purchases of transmission mechanical components	21.04	21.04	4
Cyber South Management Ltd.	Proton Inc.	Investment	100	100	4
	Ace Tek (HK) Holding Co., Ltd.	Investment	100	100	4
	Suzhou Super Pillar Automation Equipment Co., Ltd.	Processing and technical services of mechanical transmission and control products	100	100	4
	Jinhao Power (Tianjin) Co., Ltd.	Manufacturing and processing of machinery transmission products	100	100	4
	Xuchang ACE PILLAR Intelligent Equipment Co., Ltd.	Wholesale and retail of industrial robotic related products	100	100	4
Proton Inc.	Tianjin Ace Pillar Enterprise Co., Ltd.	Sales and Purchases of transmission mechanical components	78.96	78.96	4
Ace Tek (HK) Holding Co., Ltd.	Quansheng Information Technology (Tianjin) Co., Ltd.	Electronic system integration	100	100	4

Remark:

1) The subsidiary, DFI-ITOX, LLC., was approved by the competent authority of the United States to change its name to DFI AMERICA, LLC. on May 28, 2019.

2) The subsidiary, Dual-Tech International Co., Ltd., was dissolved with the approval of the Hong Kong Companies Registry on August 16, 2019.

3) On March 4, 2019, the consolidated company subscribed for 30,000 thousand ordinary shares issued by AEWIN Technologies Co., Ltd. for cash capital increase by way of private placement with an aggregate investment amount of NTD 555,000 thousand to obtain equity interests of 51.26%, and the former subsidiaries of AEWIN Technologies Co., Ltd. were included in the preparation entity of consolidated financial statements. In addition, the shareholding ratio of the consolidated company was reduced to 50.74% as a result of conversion of employee share options into ordinary shares. Moreover, the consolidated company acquired the stocks of AEWIN Technologies Co., Ltd. from the open market on November 10, 2020 as approved by the Board of Directors. As of December 31, 2020, a total of 61 thousand ordinary shares of AEWIN Technologies were acquired with a transaction amount of NTD 1,464 thousand, resulting in an increase in shareholding ratio from 50.74% to 50.84%.

4) On October 1, 2019, the consolidated company subscribed 23,000 thousand ordinary shares issued by Ace Pillar Enterprise Co., Ltd. for cash capital increase by way of private placement with a total investment amount of NTD 460,000 thousand, acquired 20.49% equity interest and more than half of the directors' seats, and the consolidated company was determined that it has the substantive ability to direct its relevant activities; therefore, it was accounted for as a subsidiary and the former subsidiaries of Ace Pillar Enterprise Co., Ltd. are included in the consolidated financial statements; In addition, as approved by the Board of Directors on October 24, 2019 and November 10, 2020, the consolidated company purchased the stocks of Ace Pillar Enterprise Co., Ltd. on the open market. As of December 31, 2020, the consolidated company acquired 14,676 thousand shares with transaction amount of NTD 333,722 thousand, increasing the shareholding ratio to 33.56%.

5) It was established in September 2018 and received payments for the shares in December 2020.

b. Subsidiaries not included in the consolidated financial statements: None.

c. Information on subsidiaries with significantly non-controlling interest

		Percentage of Shares and Voting Rights Held by Non-Controlling Interests	
Name of Subsidiary	Primary business premises	December 31, 2020	December 31, 2019
AEWIN Technologies Co.	Xizhi District, New Taipei City	49.16%	49.26%
Ace Pillar Enterprise Co.	Sanchong Dist., New Taipei City	66.44%	73.38%

Name of Subsidiary	Profit or Loss Allocated to Non-controlling Interests		Non-controlling interest	
	For the year ended December 31, 2020	For the year ended December 31, 2019	December 31, 2020	December 31, 2019
AEWIN Technologies Co.	$ 21,253	$ 25,526	$ 572,740	$ 569,012
Ace Pillar Enterprise Co.	51,534	(33,272)	1,485,796	1,596,989
	$ 72,787	($ 7,746)	$ 2,058,536	$ 2,166,001

The summary financial information of the following subsidiaries is prepared based on the amount before the elimination of intercompany transaction:

AEWIN Enterprise and its subsidiaries

	December 31, 2020	December 31, 2019
Current assets	$ 1,195,866	$ 1,154,748
Non-current assets	525,757	522,420
Current liabilities	(519,772)	(502,727)
Non-current liabilities	(31,947)	(14,056)
Equity	$ 1,169,904	$ 1,160,385
Equity attributable to:		
Owners of the Company	$ 597,164	$ 591,373
Non-controlling interest	572,740	569,012
	$ 1,169,904	$ 1,160,385

	For the year ended December 31, 2020	For the year ended December 31, 2019
Operating revenue	$ 1,761,492	$ 1,342,676
Net income	$ 43,091	$ 51,785
Other comprehensive income	1,637	(1,913)
Total comprehensive income	$ 44,728	$ 49,872
Net income attributable to:		
Owners of the Company	$ 21,838	$ 26,259
Non-controlling interest	21,253	25,526
	$ 43,091	$ 51,785
Comprehensive income attributable to:		
Owners of the Company	$ 22,670	$ 25,287
Non-controlling interest	22,058	24,585
	$ 44,728	$ 49,872

	For the year ended December 31, 2020	For the year ended December 31, 2019
Cash Flows		
Operating activities	($ 53,800)	$ 105,677
Investing activities	(18,785)	(1,407)
Financing activities	6,113	111,042
Effect of exchange rate changes on cash	109	(663)
Net cash flows (used) generated	($ 66,363)	$ 214,649

Ace Pillar Enterprise and its subsidiaries

	December 31, 2020	December 31, 2019
Current assets	$ 2,260,104	$ 2,465,172
Non-current assets	737,982	783,998
Current liabilities	(714,296)	(1,008,552)
Non-current liabilities	(91,356)	(83,707)
Equity	$ 2,192,434	$ 2,156,911
Equity attributable to:		
Owners of the Company	$ 706,638	$ 559,922
Non-controlling interest	1,485,796	1,596,989
	$ 2,192,434	$ 2,156,911

	For the year ended December 31, 2020	For the year ended December 31, 2019
Operating revenue	$ 2,754,448	$ 672,743
Net income	$ 76,765	($ 44,393)
Other comprehensive income	(8,108)	(6,332)
Total comprehensive income	$ 68,657	($ 50,725)
Net income attributable to:		
Owners of the Company	$ 25,231	($ 11,121)
Non-controlling interest	51,534	(33,272)
	$ 76,765	($ 44,393)
Comprehensive income attributable to:		
Owners of the Company	$ 22,962	($ 12,575)
Non-controlling interest	45,695	(38,150)
	$ 68,657	($ 50,725)

	For the year ended December 31, 2020	For the year ended December 31, 2019
Cash Flows		
Operating activities	$ 107,532	$ 111,144
Investing activities	62,102	35,368
Financing activities	(274,510)	205,439
Effect of exchange rate changes on cash	(18,819)	(15,226)
Net cash flows (used) generated	($ 123,695)	$ 336,725

13. Property, Plant and Equipment - Self-used

	Self-owned Land	Buildings	Machinery equipment	Income-generating equipment	Other Equipment	Unfinished construction	Total
Cost							
Balance on January 1, 2020	$739,888	$1,095,189	$439,535	$ 66,342	$142,242	$226,545	$2,709,741
Additions	-	7,880	7,290	1,693	15,223	1,288	33,374
Disposal	-	(14,281)	(164,980)	(10,655)	(26,292)	-	(216,208)
Net Exchange Differences	-	(1,270)	1	(146)	(393)	444	(1,364)
Balance on December 31, 2020	$739,888	$1,087,518	$281,846	$ 57,234	$130,780	$228,277	$2,525,543
Accumulated depreciation							
Balance on January 1, 2020	$ -	$250,145	$326,718	$ 55,921	$104,955	$ -	$737,739
Depreciation expense	-	41,513	31,600	4,658	15,046	-	92,817
Disposal	-	(14,281)	(164,980)	(10,525)	(25,936)	-	(215,722)
Net Exchange Differences	-	(666)	-	(115)	(99)	-	(880)
Balance on December 31, 2020	$ -	$276,711	$193,338	$ 49,939	$ 93,966	$ -	$613,954
Net balance on December 31, 2020	$739,888	$810,807	$ 88,508	$ 7,295	$ 36,814	$228,277	$1,911,589
Cost							
Balance on January 1, 2019	$465,006	$514,500	$296,538	$ 32,574	$ 41,780	$ -	$1,350,398
Additions	-	1,982	57,971	2,013	8,970	2,160	73,096
Disposal	-	(19,213)	(3,942)	(9,914)	(1,645)	-	(34,714)
Acquisition through business combination	278,566	600,969	88,968	42,384	94,742	226,300	1,331,929
Reclassification to held-for-sale	(3,687)	(1,224)	-	-	-	-	(4,911)
Net Exchange Differences	3	(1,825)	-	(715)	(1,605)	(1,915)	(6,057)
Balance on December 31, 2019	$739,888	$1,095,189	$439,535	$ 66,342	$142,242	$226,545	$2,709,741
Accumulated depreciation							
Balance on January 1, 2019	$ -	$109,083	$231,347	$ 24,602	$ 21,004	$ -	$386,036
Depreciation expense	-	28,613	33,509	3,787	12,893	-	78,802
Disposal	-	(19,213)	(3,942)	(9,906)	(1,645)	-	(34,706)
Acquisition through business combination	-	133,403	65,804	37,796	74,069	-	311,072
Reclassification to held-for-sale	-	(689)	-	-	-	-	(689)
Net Exchange Differences	-	(1,052)	-	(358)	(1,366)	-	(2,776)
Balance on December 31, 2019	$ -	$250,145	$326,718	$ 55,921	$104,955	$ -	$737,739
Net balance on December 31, 2019	$739,888	$845,044	$112,817	$ 10,421	$ 37,287	$226,545	$1,972,002

Depreciation expenses are calculated by straight-light basis using the estimated useful lives as follows:

Buildings	
Main buildings of plants	20 to 60 years
Electromechanical power equipment and engineering system	3 to 10 years
Machinery equipment	2 to 10 years
Income-generating equipment	3 to 6 years
Other Equipment	2 to 10 years

Please refer to Note XXXIII for the amount of property, plant and equipment pledged as collateral for loans.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2020	December 31, 2019
Carrying amount of right-of-use assets		
Right-of-use of land	$ 29,616	$ 30,675
Buildings	113,724	85,666
Transportation Equipment	1,237	1,474
	$ 144,577	$ 117,815

	For the year ended December 31, 2020	For the year ended December 31, 2019
Acquisition through business combination	$ -	$ 114,469
Additions of right-of-use assets	$ 87,408	$ 6,116
Depreciation expense of right-of-use assets		
Right-of-use of land	$ 799	$ 202
Buildings	53,556	36,754
Transportation Equipment	1,415	704
	$ 55,770	$ 37,660

b. Lease liabilities

	December 31, 2020	December 31, 2019
Carrying amount of lease liabilities		
Current	$ 52,120	$ 44,632
Non-current	$ 63,896	$ 43,395

Ranges of discount rates for lease liabilities are as follows:

	December 31, 2020	December 31, 2019
Buildings	0.8600%-4.5675%	0.8600%-5.2000%
Transportation Equipment	1.9250%-4.5675%	2.6000%-4.5675%

c. Major lease activities and terms

In 2020, due to the severe impact of the COVID-19 pandemic on the market economy, the lessor unconditionally agreed to reduce the rent expenses from February to September 2020. The impact of the above mentioned rent reduction was recognized by the consolidated company for the period from January 1 to December 31, 2020 amounted to NTD 1,362 thousand (recorded as operating expenses).

d. Other lease information

	For the year ended December 31, 2020	For the year ended December 31, 2019
Short-term leases expenses and leases expenses of low-value assets	$ 12,253	$ 6,319
Total cash (outflow) for leases	($ 69,887)	($ 46,919)

The consolidated company has elected to apply the recognition exemption on the other equipment leases which qualify as short-term leases and leases expenses of low-value assets, and it did not recognize related right-of-use assets and lease liabilities for these leases.

All lease commitments with lease terms beginning after the balance sheet date are as follows:

	December 31, 2020	December 31, 2019
Lease commitments	$ 135,488	$ -

On December 18, 2020, the consolidated company entered into a lease agreement with its parent company, Qisda Corporation, to lease office buildings and plants located in Guishan District, Taoyuan City for operation management and business development needs with payment terms of January 1, 2021 to December 31, 2030.

As approved by the Board of Directors on March 22, 2021, the consolidated company was expected to enter into a lease with its parent company, Qisda Corporation, to lease the office buildings located in Guishan District, Taoyuan City for operation management and business development needs with payment terms of April 1, 2021 to December 31, 2030.

15. Goodwill

	For the year ended December 31, 2020	For the year ended December 31, 2019
Cost		
Balance at the beginning of the year	$ 195,020	$ 187,365
Acquisition through business combination (Note XXIX)	-	55,815
Post-acquisition adjustments against goodwill	-	(48,160)
Balance at the end of the year	$ 195,020	$ 195,020
Accumulated impairment		
Balance at the beginning and end of the year	$ -	$ -
Net balance - end of the year	$ 195,020	$ 195,020

a. The carrying amount of goodwill allocated to cash-generating units is as follows:

	December 31, 2020	December 31, 2019
DFI AMERICA, LLC.	$ 177,874	$ 177,874
DFI, Co., Ltd.	9,491	9,491
Ace Pillar Enterprise Co.	7,655	7,655
	$ 195,020	$ 195,020

b. Impairment Assessment

The consolidated company processes impairment assessments on recoverable amount of goodwill at the end of the reporting period, using use-value as basis for calculation of recoverable amount. The calculation of use-value uses the cash flows from the financial budgets of each cash-generating units for the next 5 years as estimate basis, and the discount rates of 8.33% to 18.233% and 6.43% to 14.744% per annum were used as of December 31, 2020 and 2019, respectively.

Cash flow estimation of financial forecasts were based on the same expected gross margins and raw material price inflation over the overall budget period. The management considered that any reasonably possible change in the key assumptions on which the recoverable amount was based would not cause the aggregate carrying amount of the cash-generating units to exceed the aggregate recoverable amount.

No impairment loss on goodwill has been recognized by the consolidated company for the years ended December 31, 2020 and 2019.

c. Post-acquisition adjustments against goodwill

In September 2020, the consolidated company obtained the acquisition price allocation report of Ace Pillar Enterprise Co. and its subsidiaries, adjusted the initial accounting treatment and provisional amount since the acquisition date, and restated the comparative information.

The adjustments to the relevant items in the balance sheet are as follows:

	Provisional amount at acquisition date	Fair value at acquisition date
Property, plant and equipment	$ 425,054	$ 585,562
Right-of-use assets	$ 57,479	$ 70,689
Goodwill	$ 55,815	$ 7,655
Intangible assets	$ -	$ 79,208
Deferred income tax liabilities	$ 83,267	$ 101,154
Non-controlling interest	$1,568,412	$1,755,291

The adjustments to the relevant items in the statement of comprehensive income are as follows:

	For the year ended December 31, 2019
Selling and marketing expenses	$ 2,964
Income tax expense	($ 360)

In December 2019, the consolidated company obtained the acquisition price allocation report of AEWIN Technologies Co. and its subsidiaries, adjusted the initial accounting treatment and provisional amount since the acquisition date, and restated the comparative information.

The adjustments to the relevant items in the balance sheet are as follows:

	Provisional amount at acquisition date	Fair value at acquisition date
Property, plant and equipment	$ 435,282	$ 435,295
Goodwill	$ 15,380	$ -
Intangible assets	$ 342	$ 50,627
Deferred income tax liabilities	$ -	$ 10,116
Non-controlling interest	$ 513,091	$ 532,676

The adjustments to the relevant items in the statement of comprehensive income are as follows:

	For the year ended December 31, 2019
Selling and marketing expenses	$ 10,461
Other gain and loss	$ 5,217
Income tax expense	($ 2,095)

16. Intangible Assets

	Computer Software	Client Relationship	Total
Cost			
Balance on January 1, 2020	$ 62,889	$ 129,493	$ 192,382
Separate Acquisition	13,177	-	13,177
Disposal	(280)	-	(280)
Balance on December 31, 2020	$ 75,786	$ 129,493	$ 205,279
Accumulated amortization			
Balance on January 1, 2020	$ 50,781	$ 12,276	$ 63,057
Amortization expense	8,960	19,772	28,732
Disposal	(280)	-	(280)
Balance on December 31, 2020	$ 59,461	$ 32,048	$ 91,509
Net balance on December 31, 2020	$ 16,325	$ 97,445	$ 113,770
Cost			
Balance on January 1, 2019	$ 47,326	$ -	$ 47,326
Separate Acquisition	6,475	-	6,475
Acquisition through business combination	9,088	129,493	138,581
Balance on December 31, 2019	$ 62,889	$ 129,493	$ 192,382
Accumulated amortization			
Balance on January 1, 2019	$ 34,064	$ -	$ 34,064
Amortization expense	7,971	12,276	20,247
Acquisition through business combination	8,746	-	8,746
Balance on December 31, 2019	$ 50,781	$ 12,276	$ 63,057
Net balance on December 31, 2019	$ 12,108	$ 117,217	$ 129,325

Amortization expenses are calculated by straight-light basis using the estimated useful lives as follows:

Client Relationship	4 to 11 years
Computer Software	1 to 5 years

17. Other Assets

	December 31, 2020	December 31, 2019
Current		
Temporary payments	$ 453	$ 1,440
Payments on behalf of others	220	768
Others	7,364	5,562
	$ 8,037	$ 7,770
Non-current		
Refundable deposits	$ 31,093	$ 25,865
Prepayments for equipment	2,595	5,213
Others	16,960	9,826
	$ 50,648	$ 40,904

18. Short-term borrowings

	December 31, 2020	December 31, 2019
Secured loans (Note XXXIII)		
Bank loans	$ 39,558	$ 322,075
Unsecured loans		
Line of credit loans	784,143	300,000
	$ 823,701	$ 622,075

Interest Rate Intervals are as fellow:

	December 31, 2020	December 31, 2019
Secured loans	2.93%-4.00%	1.20%-4.70%
Unsecured loans	0.74%-4.20%	0.87%

19. Other Liabilities – current

	December 31, 2020	December 31, 2019
Other payables (including related parties)		
Salaries and bonuses payable	$ 235,208	$ 246,522
Employees compensation payable	49,232	65,050
Vacation leave payment payable	15,805	11,986
Others	104,104	110,767
	$ 404,349	$ 434,325
Other Liabilities		
Received on behalf of others	$ 7,922	$ 5,494
Temporary received	3,627	5,776
Others	6,065	1,186
	$ 17,614	$ 12,456

20. Provisions – current

	For the year ended December 31, 2020	For the year ended December 31, 2019
Balance at the beginning of the year	$ 55,985	$ 48,059
Additions for the year	842	7,913
Foreign currency translation differences	-	13
Balance at the end of the year	$ 56,827	$ 55,985

Provisions of warranty were the present value of the best estimate of the future economic benefits outflows by the management of the consolidated company due to warranty obligations, based on agreements of commodity sales. This estimate is based on the historical experience of warranty and considers the adjustment of new raw materials, changes in manufacturing process, or other factors affecting quality of the products.

21. XXI. Benefits after retirement

a. Defined contribution plans

The pension system of the "Labor Pension Act" applicable to the Company, AEWIN Technologies Co., and Ace Pillar Enterprise Co. of the consolidated company were a defined contribution plan under government administration, and 6% of the employees' monthly salaries is contributed to their personal accounts at the Bureau of Labor Insurance.

Employees of the consolidated company’s subsidiaries located in China area are members of the post-employment benefit plan that is managed by the mainland China government. The subsidiaries are required to make contributions equal to a certain percentage of their payroll costs to fund the post-employment benefit plan. The obligation of the consolidated company to the post-employment benefit plan operated by the government is limited to making certain amounts of contribution.

b. Defined benefit plans

The pension system conducted by the Company and AEWIN Technologies Co. of the consolidated company under the “Labor Standards Act” of our country is a defined benefit retirement plan administered by the government. The payment of the employee’s pension is based on the length of service and the average salary of six months before the approved retirement date. The Company and AEWIN Technologies Co. monthly contribute an amount equal to 5% and 2%, respectively, of the employees’ monthly salaries and wages to a retirement fund that is deposited with Bank of Taiwan under the name of The Supervisory Committee of Workers’ Retirement Fund. Before the end of year, if the balance at the retirement fund is not sufficient to pay employees who will meet the retirement criteria next year, a lump-sum deposit for the shortfall should be made before the end of March of the following year. The exclusive account is administered by the Bureau of Labor Funds of the Ministry of Labor, and the consolidated company retains no rights that may influence its investment and administration strategies.

The amount of defined benefit plan included in the consolidated balance sheet is as follows:

	December 31, 2020	
	The Company	AEWIN Technologies Co.
Present value of defined benefit obligation	$ 95,307	$ 8,649
Fair value of plan assets	(55,345)	(11,841)
Net Defined Benefit Liabilities (Assets)	$ 39,962	($ 3,192)

	December 31, 2019	
	The Company	AEWIN Technologies Co.
Present value of defined benefit obligation	$ 91,646	$ 8,701
Fair value of plan assets	(55,347)	(11,076)
Net Defined Benefit Liabilities (Assets)	$ 36,299	($ 2,375)

Changes in net defined benefit liabilities (assets) are as follows:

	The Company		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
January 1, 2019	$ 89,552	($ 46,421)	$ 43,131
Service costs			
Service costs for the current period	459	-	459
Interest expenses (income)	1,005	(522)	483
Recognized in profit or loss	1,464	(522)	942
Remeasurements			
Return on plan assets (excluding amounts that are included in net interest)	-	(1,651)	(1,651)
Actuarial (gains) losses			
- changes in demographic assumptions	391	-	391
- changes in financial assumptions	3,693	-	3,693
- experience adjustments	(2,309)	-	(2,309)
Recognized in other comprehensive income	1,775	(1,651)	124
Contribution by the employer	-	(7,898)	(7,898)
Benefits paid	(1,145)	1,145	-
December 31, 2019	91,646	(55,347)	36,299
Service costs			
Service costs for the current period	383	-	383
Interest expenses (income)	687	(438)	249
Recognized in profit or loss	1,070	(438)	632
Remeasurements			
Return on plan assets (excluding amounts that are included in net interest)	-	(1,557)	(1,557)
Actuarial (gains) losses			
- changes in demographic assumptions	60	-	60
- changes in financial assumptions	2,465	-	2,465
- experience adjustments	4,690	-	4,690
Recognized in other comprehensive income	7,215	(1,557)	5,658
Contribution by the employer	-	(2,627)	(2,627)
Benefits paid	(4,624)	4,624	-
December 31, 2020	$ 95,307	($ 55,345)	$ 39,962

	AEWIN Technologies Co. (Note)		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit assets
January 1, 2019	$ 5,876	($ 10,255)	($ 4,379)
Service costs			
Interest expenses (income)	46	(153)	(107)
Recognized in profit or loss	46	(153)	(107)
Remeasurements			
Return on plan assets (excluding amounts that are included in net interest)	-	(370)	(370)
Actuarial (gains) losses			
- changes in demographic assumptions	528	-	528
- changes in financial assumptions	293	-	293
- experience adjustments	1,958	-	1,958
Recognized in other comprehensive income	2,779	(370)	2,409
Contribution by the employer	-	(298)	(298)
December 31, 2019	8,701	(11,076)	(2,375)
Service costs			
Interest expenses (income)	65	(84)	(19)
Recognized in profit or loss	65	(84)	(19)
Remeasurements			
Return on plan assets (excluding amounts that are included in net interest)	-	(373)	(373)
Actuarial (gains) losses			
- changes in demographic assumptions	582	-	582
- changes in financial assumptions	184	-	184
- experience adjustments	(883)	-	(883)
Recognized in other comprehensive income	(117)	(373)	(490)
Contribution by the employer	-	(308)	(308)
December 31, 2020	$ 8,649	($ 11,841)	($ 3,192)

The consolidated company is exposed to the following risks due to the pension system under the "Labor Standards Act":

1) Investment risk : The Labor Fund Application Bureau of the Ministry of Labor invests in domestic and foreign equity securities, debt securities and bank deposits, through self-employment and entrusted operations. However, the amount of the consolidated company's planned assets is calculated as not lower than the income from the local bank's 2-year fixed rate of time deposit.

2) Interest rate risk : The decrease in the interest rate of government bonds will increase the present value of defined benefit obligations, but the yield on debt investment of plan assets will also increase accordingly, which will partially offset the impact on net defined benefit liabilities.

3) Salary risk : The present value of defined benefit obligations is calculated with reference to future salaries of plan members. Therefore, the salary increase of plan members will increase the present value of the defined benefit obligation.

The present value of the defined benefit obligation of the consolidated company is determined by a qualified actuary. The significant assumptions on the measurement date are as follows:

	December 31, 2020		December 31, 2019	
	The Company	AEWIN Technologies Co.	The Company	AEWIN Technologies Co.
Discount rate	0.50%	0.50%	0.75%	0.75%
Expected salary increase rate	2.50%	2.00%	2.50%	2.00%

If there are reasonable and possible changes in material actuarial assumptions while all other assumptions remain unchanged, the amount of increase (decrease) in the present value of the defined benefit obligation is as follows:

	December 31, 2020		December 31, 2019	
	The Company	AEWIN Technologies Co.	The Company	AEWIN Technologies Co.
Discount rate				
Increase by 0.25%	($ 2,465)	($ 202)	($ 2,487)	($ 211)
Decrease by 0.25%	$ 2,560	$ 209	$ 2,586	$ 218
Expected salary increase rate				
Increase by 0.25%	$ 2,468	$ 202	$ 2,499	$ 212
Decrease by 0.25%	($ 2,389)	($ 197)	($ 2,417)	($ 206)

As actuarial assumptions may be related to one another, the likelihood of one assumption changing is low. Therefore, the sensitivity analysis above may not be representative of the actual change in the present value of defined benefit obligations.

	December 31, 2020		December 31, 2019	
	The Company	AEWIN Technologies Co.	The Company	AEWIN Technologies Co.
The expected amount of contribution within 1 year	$ 331	$ 296	$ 6,341	$ 392
The average maturity period of defined benefit obligations	10.4 years	9.4 years	10.9 years	9.8 years

Note: The consolidated company acquired 51.26% equity interest in AEWIN Technologies Co. in March 2019, and obtained control over it; therefore, the consolidated financial statements only recognize change in net defined benefit assets after acquisition.

22. Equity

a. Share capital

Ordinary shares

	December 31, 2020	December 31, 2019
Nominal shares (in Thousand Shares)	177,200	177,200
Nominal share capital	$ 1,772,000	$ 1,772,000
Number of shares issued and payments received in full (in Thousand Shares)	114,689	114,689
Share capital issued	$ 1,146,889	$ 1,146,889

The par value of each issued ordinary shares is NTD10, and each share has one voting right and the right to receive dividends.

The share capital of authorized share capital reserved for issuance of the exercise of employee share options was 20,000 thousand shares.

b. Capital Surplus

	December 31, 2020	December 31, 2019
Used to offset deficit, distribute cash, or replenish share capital(1)		
Premium on issuance of shares	$ 649,362	$ 649,362
Only to offset deficit		
Gain on disposal of assets	808	808
Recognized changes in percentage of ownership interests in subsidiaries(2)	5,962	5,871
Other	23,603	23,603
	$ 679,735	$ 679,644

1) This type of capital surplus may be used to offset deficit or issue cash or replenish share capital when there are no loss, but share capital replenishment is restricted to the ratio of actual share capital stock every year.

2) This type of capital surplus recognized as adjustment value of capital surplus from subsidiary recognized by the Company through equity methods.

c. Retained Earnings and Dividends Policy

According to the Company 's Articles of Incorporation of the earnings distribution policy, the Company shall make appropriations from its net income (less any deficit), if any, to pay the taxes, offset its accumulated deficit, set aside a legal reserve at 10% of the remaining earnings while no legal reserve shall be set aside if it is up to the paid-in capital of the Company, and set aside or reverse special reserve in comply with the laws for the rest earnings. Of the remainder, together with any unappropriated earnings of prior years, shall be proposed by the Board of Directors as a plan for the distribution of the remaining undistributed earnings, and the shareholders shall resolve such plan in the shareholders ' meeting for distribution of dividends to shareholders. The Board of Directors is authorized to make a resolution to distribute and report to the Shareholders ' Meeting if the earnings distribution as mentioned in the preceding paragraph shall be in the form of cash dividends. For the policies on employees compensation and remuneration of directors, which is stipulated in the Company's Articles of Incorporation, please refer to Note XXIV(VII).

As the Company operates in a competitive industry, dynamic environment, and with a stable growth stage in its corporate life cycle, in order to effectively grasp the Company's future investment opportunities, working capital requirements, and long-term financial planning, and to meet the shareholders' demand for cash inflows, the earnings distribution proposal proposed by the Board of Directors shall be taken into account the general level of distribution in the relevant industry as well as the adoption of a balanced dividend policy to distribute based on a conservatism principle while the cash bonus of the shareholders' bonus shall not less that 15% of the total shareholders' bonus.

However, if the net income per share for the year is less than NTD 1, no distribution shall be made to the earnings for the year.

The legal reserve shall be allocated until it reaches the balance of the Company's paid-in capital. The legal reserve can be used to offset deficit. When the Company has no loss, the part of the legal capital reserve exceeding 25% of the total paid-in capital may be distributed in cash in addition to being appropriated as share capital.

The Company set aside and reverses special surplus reserve and reversal according to the Financial Supervisory Securities Letter No. 1010012865, the Financial Supervisory Commission's Letter No. 1010047490, and the "Q&A of Application of Set Aside Special Reserve After Adoption of International financial statements Standards (IFRSs)".

The Company resolved and approved the earnings distribution proposal for the years ended December 31, 2019 and 2018 in the shareholders' meeting held on June 16, 2020 and May 29, 2019, respectively.

	For the year ended December 31, 2019	For the year ended December 31, 2018
Legal reserve	$ 63,094	$ 60,534
Special reserve provided (reversed)	$ 1,652	($ 13,208)
Cash dividend	$ 572,444	$ 604,501
Cash dividend per share (NTD)	$ 5.00	$ 5.28

The earnings distribution proposal for the year ended December 31, 2020, had not yet resolved as of the date of the Board of Directors on March 22, 2021.

d. Other Equity Items

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

	For the year ended December 31, 2020	For the year ended December 31, 2019
Balance at the beginning of the year	($ 69,158)	($ 55,766)
Accrued in the current year		
Exchange differences on translating the financial statements of foreign operations	(13,952)	(13,392)
Balance at the end of the year	($ 83,110)	($ 69,158)

2) Unrealized gain (loss) on financial assets at fair value through other comprehensive income

	For the year ended December 31, 2020	For the year ended December 31, 2019
Balance at the beginning of the year	$ 14,890	$ 3,150
Accrued in the current year		
Unrealized gain (loss)		
Equity instruments	(4,658)	11,740
Accumulated gain (loss) on disposal of equity instruments transferred to retained earnings	(1,729)	-
Balance at the end of the year	$ 8,503	$ 14,890

e. Non-controlling interest

	For the year ended December 31, 2020	For the year ended December 31, 2019
Balance at the beginning of the year	$ 2,166,001	$ -
Net income	72,787	(7,746)
Other comprehensive income (loss) for the year		
Exchange differences on translating the financial statements of foreign operations	(6,357)	(7,946)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	1,131	3,076
Remeasurement of defined benefit plans	241	(1,186)
Income tax relating to items that will not be reclassified subsequently to profit or loss	(49)	237
Cash dividends distributed by subsidiaries	(40,814)	-
Non-Controlling Interest of Acquisition in Subsidiaries (Note XXX)	(135,113)	(120,151)
Increase in Non-Controlling Interests from Acquisition of Subsidiaries (Note XXIX)	-	2,287,967
Non-controlling interests related to outstanding vested share options held by the employees of the subsidiaries	709	11,750
Balance at the end of the year	$ 2,058,536	$ 2,166,001

f. Treasury shares

Unit: in Thousand Shares

Reason for buy-back	December 31, 2020	December 31, 2019
Shares transferred to employees	200	200

The Company's Board of Directors resolved on November 19, 2018 that for the purpose of transfer of shares to employees, 1,500 thousand ordinary shares of the Company could be bought back from the centralized trading market at a price range between NTD 60 and NTD 75 from November 20, 2018 to January 19, 2019. By the end of the execution period of treasury shares, a total of 200 thousand ordinary shares were bought back at an average buy-back price of NTD 64.53 per share. Buyback shares shall be transferred in one or multiple times within three years after the execution of the buyback. The said employees include employees of controlling or subordinate company who met certain conditions.

Treasury shares held by the Company shall not be pledged as collateral in accordance with the Securities and Exchange Act, nor shall it be entitled to dividend distribution and voting rights.

23. Revenue

a. Breakdown of revenue from client contracts

	For the year ended December 31, 2020	For the year ended December 31, 2019
Industrial computer cards and systems	$ 5,218,280	$ 5,962,178
Industrial Automation Control	2,731,929	669,478
Others	399,313	400,128
	$ 8,349,522	$ 7,031,784

b. Balance of contracts

	December 31, 2020	December 31, 2019	January 1, 2019
Notes receivable	$ 295,309	$ 245,194	$ 4,234
Trade receivables	$ 1,544,938	$ 1,505,702	$ 840,702
Trade receivable – related parties	$ 144,234	$ 268,409	$ 222,301
Contract assets - current	$ -	$ -	$ 273
Contract liabilities - current	$ 96,698	$ 93,162	$ 10,309

The change in contract assets and contract liabilities mainly comes from the difference between the timing when the performance obligation is fulfilled and the timing when the client pays.

The amount of contract liabilities from the beginning of the year recognized as revenue are as follows:

	For the year ended December 31, 2020	For the year ended December 31, 2019
Sales of Commodities	$ 67,996	$ 8,490

24. Net income for the year

a. Interest income

	For the year ended December 31, 2020	For the year ended December 31, 2019
Bank deposits	$ 4,486	$ 5,461
Financial assets at fair value through profit or loss	712	770
Financial assets at amortized cost	152	11
	$ 5,350	$ 6,242

b. Other income

	For the year ended December 31, 2020	For the year ended December 31, 2019
Dividend income	$ 1,260	$ 1,620
Others	18,498	17,601
	$ 19,758	$ 19,221

c. Other gains and losses

	For the year ended December 31, 2020	For the year ended December 31, 2019
Gain (loss) of financial assets and financial liabilities		
Financial liabilities held for trading	($ 22,354)	($ 3,127)
Financial assets mandatorily classified as at fair value through profit or loss	1,883	8,894
Gain on disposal of non-current assets held for sale	-	1,775
Net gain (loss) on disposal and scrap of property, plant and equipment	296	(9)
Gain on lease amendment	222	89
Net gain (loss) on foreign exchange	(22,073)	(23,855)
Gains on bargain purchase – acquisition of subsidiaries	-	5,217
Others	(2,352)	(484)
	($ 44,378)	($ 11,500)

d. Finance costs

	For the year ended December 31, 2020	For the year ended December 31, 2019
Interest on bank loans	$ 12,317	$ 7,188
Interest on lease liabilities	2,861	2,289
	$ 15,178	$ 9,477

e. Depreciation and amortization

	For the year ended December 31, 2020	For the year ended December 31, 2019
Depreciation expenses summarized by function		
Operating costs	$ 48,672	$ 44,565
Operating Expenses	99,915	71,897
	$ 148,587	$ 116,462
Amortization expenses summarized by function		
Operating costs	$ 1,116	$ 1,049
Operating Expenses	27,616	19,198
	$ 28,732	$ 20,247

f. Employee benefits expenses

	For the year ended December 31, 2020	For the year ended December 31, 2019
Benefits after retirement (Note XXI)		
Defined contribution plans	$ 35,696	$ 34,924
Defined benefit plans	612	835
	36,308	35,759
Other employee benefits	1,181,941	967,354
Total employee benefit expenses	$ 1,218,249	$ 1,003,113
Summarized by function		
Operating costs	$ 258,791	$ 246,468
Operating Expenses	959,458	756,645
	$ 1,218,249	$ 1,003,113

g. Employees Compensation and Remunerations of Directors

The Company allocates the compensation for employees compensation and remuneration of directors in accordance of the Articles of Incorporation for not less than 5% to 20% and not more than 1%, respectively, of the income before tax before deducting the distributed the compensation for employees and the remuneration of directors in the current year. The compensation for employees and remuneration of directors for the years ended December 31, 2020 and 2019, which were approved by the Board of Directors on March 22, 2021 and March 17, 2020, respectively, were as follows:

Estimated ratio

	For the year ended December 31, 2020	For the year ended December 31, 2019
Employees compensation	7.05%	7.05%
Remuneration of directors	0.75%	0.75%

Amount

	Cash	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Employees compensation	$ 37,720	$ 59,920
Remuneration of directors	4,013	6,374

If there is any change in the amount after the date of issuance of the annual consolidated financial statements, it shall be treated according to the change in accounting estimates and adjusted and recorded in the next year.

The Company held a meeting of the Board of Directors on March 17, 2020, resulting in the actual amount paid of compensation for employees and remuneration of directors for the year ended December 31, 2019 was different from the amount recognized in the consolidated financial statements for the year ended December 31, 2019, and the difference was adjusted as gain or loss for the year ended December 31, 2020.

	For the year ended December 31, 2019	
	Employees compensation	Remuneration of directors
Amount of distribution resolved by the Board of Directors	$ 59,469	$ 6,326
Recognized amount in the annual financial statements	59,920	6,374

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

h. Gains and losses on currency exchange

	For the year ended December 31, 2020	For the year ended December 31, 2019
Total Net Foreign Exchange Gains	$ 147,831	$ 100,771
Total Net Foreign Exchange Losses	(169,904)	(124,626)
Net Loss on Foreign Exchange	($ 22,073)	($ 23,855)

25. Income Tax for the year

a. Income Tax Recognized in profit or loss

The main components of income tax expenses are as follows:

	For the year ended December 31, 2020	For the year ended December 31, 2019
Current income tax		
Incurred for the year	$ 114,697	$ 196,123
Surtax on unappropriated earnings	163	-
Adjustments from prior years	(438)	1,840
	114,422	197,963
Deferred income tax		
Incurred for the year	21,449	(31,827)
Adjustments from prior years	(27)	(520)
	21,422	(32,347)
Income tax expense recognized in profit or loss	$ 135,844	$ 165,616

The adjustment of accounting income and income tax expense is as follows

	For the year ended December 31, 2020	For the year ended December 31, 2019
Net income before Tax	$ 613,677	$ 788,273
Income tax expenses of net income before tax calculated at the legal tax rate	$ 154,410	$ 172,963
Non-deductible tax expense	7,622	2,807
Effects arising from deferred income tax of subsidiary earnings	9,005	12,638
Tax-exempted income	(9,656)	(24,112)
Surtax on unappropriated earnings	163	-
Unrecognized loss carryforward and Deductible temporary differences	(25,293)	-
Effects arising from different tax rates applicable to consolidated entities	58	-
Income tax expense from previous years adjusted in the year	(465)	1,320
Income tax expense recognized in profit or loss	$ 135,844	$ 165,616

In July 2019, the President of our country put into effect the amended Statutes for Industrial Innovation, stipulating that from 2018 onwards, any undistributed earnings, if taken for building or purchasing specific assets or techniques, can be listed as a deduction to the calculation of undistributed earnings. While calculating the undistributed earnings, the consolidated company simply deducts the amount of capital expenditures of reinvestment that is actually in progress.

b. Income tax recognized in other comprehensive income

	For the year ended December 31, 2020	For the year ended December 31, 2019
Deferred income tax		
Incurred for the year		
- Remeasurement of defined benefit plans	$ 1,033	$ 507

c. Current income tax assets and liabilities

	December 31, 2020	December 31, 2019
Current income tax assets		
Tax refunds receivable	$ 8	$ 37
Current income tax liabilities		
Income tax payable	$ 122,492	$ 134,943

d. Deferred tax assets and liabilities

The changes in deferred tax assets and liabilities are as follows:

For the year ended December 31, 2020

	Balance at the beginning of the year	Acquisition through business combination	Recognized in profit or loss	Recognized in other comprehensive income	Exchange Differences	Balance at the end of the year
Deferred income tax assets						
Inventories	$ 21,366	$ -	$ 742	$ -	$ -	$ 22,108
Provisions for liabilities – current	11,197	-	168	-	-	11,365
Defined benefit plans	6,924	-	(399)	1,033	-	7,558
Investments in subsidiaries	33,126	-	(14,042)	-	-	19,084
Financial assets at fair value through profit or loss	2,819	-	58	-	-	2,877
Allowance for loss	7,826	-	(160)	-	-	7,666
Others	12,453	-	4,577	-	-	17,030
	$ 95,711	$ -	($ 9,056)	$ 1,033	$ -	$ 87,688
Deferred income tax liabilities						
Investments in subsidiaries	($ 131,842)	$ -	($ 17,319)	$ -	$ -	($ 149,161)
Property, plant and equipment	(4,620)	-	1,396	-	-	(3,224)
Others	(25,756)	-	4,433	-	(876)	(22,199)
	($ 162,218)	$ -	($ 11,490)	$ -	($ 876)	($ 174,584)

For the year ended December 31, 2019

	Balance at the beginning of the year	Acquisition through business combination	Recognized in profit or loss	Recognized in other comprehensive income	Exchange Differences	Balance at the end of the year
Deferred income tax assets						
Inventories	$ 10,019	$ 7,536	$ 3,811	$ -	$ -	$ 21,366
Provisions for liabilities – current	9,202	-	1,995	-	-	11,197
Defined benefit plans	7,808	-	(1,391)	507	-	6,924
Investments in subsidiaries	13,311	20,156	(341)	-	-	33,126
Financial assets at fair value through profit or loss	2,819	-	-	-	-	2,819
Allowance for loss	1,968	5,227	631	-	-	7,826
Others	641	5,797	6,015	-	-	12,453
	$ 45,768	$ 38,716	$ 10,720	$ 507	$ -	$ 95,711
Deferred income tax liabilities						
Investments in subsidiaries	($ 66,505)	($ 83,267)	$ 17,930	$ -	$ -	($ 131,842)
Property, plant and equipment	(4,693)	-	73	-	-	(4,620)
Others	(1,377)	(28,003)	3,624	-	-	(25,756)
	($ 72,575)	($ 111,270)	$ 21,627	$ -	$ -	($ 162,218)

e. Deduction Amount of Deductible temporary differences and Unused loss carryforward of deferred tax assets not Recognized in the Consolidated Balance Sheet

	December 31, 2020	December 31, 2019
loss carryforward		
Expired in 2028	$ 905	$ -
Expired in 2025	43,328	-
Expired in 2024	102,098	102,098

	December 31, 2020	December 31, 2019
Expired in 2023	$ 17,062	$ 17,062
Expired in 2022	11,988	11,988
Expired in 2021	181,871	181,871
Expired in 2020	-	209,431
	$ 357,252	$ 522,450
Deductible temporary differences	$ 121,024	$ 220,724

f. Information on Unused loss carryforward

As of December 31, 2020, information on loss carryforward is as follows:

Balance not deducted yet	Last year of deduction
$ 905	2028
43,328	2025
102,098	2024
17,062	2023
11,988	2022
181,871	2021
$ 357,252	

g. Summary Amount of Temporary Differences Related to Investment and Unrecognized Deferred Tax Liabilities

h. As of December 31, 2020 and 2019, the taxable temporary differences related to investments in subsidiaries not recognized as deferred tax liabilities were both NTD 10,191 thousand.

i. Income tax assessments

j. The tax authorities have assessed through the year ended December 31, 2018, the annual income tax return of a profit-seeking enterprise of the Company, AEWIN Technologies Co., and Ace Pillar Enterprise Co.

26. Earnings per Share

Unit : NTD per share

	For the year ended December 31, 2020	For the year ended December 31, 2019
Basic earnings per share	$ 3.54	$ 5.51
Diluted earnings per share	$ 3.51	$ 5.46

Weighted average of ordinary shares and earnings used for calculating earnings per share are as follows:

Net income

	For the year ended December 31, 2020	For the year ended December 31, 2019
Net income used to calculate basic earnings per share	$ 405,046	$ 630,403
Impacts of potential ordinary shares with dilution effect:		
Employees compensation	-	-
Net income used to calculate diluted earnings per share	$ 405,046	$ 630,403

Number of shares Unit: In Thousand Shares

	For the year ended December 31, 2020	For the year ended December 31, 2019
Weighted average of ordinary shares used for calculating basic earnings per share	114,489	114,489
Impacts of potential ordinary shares with dilution effect:		
Employees compensation	746	877
Weighted average of ordinary shares used for calculating diluted earnings per share	115,235	115,366

If the consolidated company has the option to issue the employee bonus in stocks or cash when calculating the diluted earnings per share, it is assumed that the employee bonus will adopt the method of issuing stocks, and the weighted average number of outstanding shares will be included in the calculation of diluted earnings per share when the potential ordinary shares are diluted. While determining diluted earnings per share before distributing shares to employees as compensations in the following year, dilutive effects of such potential ordinary shares should still be considered.

27. Capital Risk Management

The consolidated company conducts management of risks in capital to ensure that each enterprise of the group would continue as a going concern with the premise of optimizing the balances of debt and equity, and to maximize shareholders’ equity. The consolidated company’s overall strategy will not be changed in 3 years.

The consolidated company’s capital structure consists of its net debt, which is borrowings less cash and cash equivalent, and equity attributable to the owners of the Company, which is equity, capital reserve, retained earnings and other equity items.

The consolidated company is not subject to other external capital requirements.

The consolidated company’s key management annually reviews the group’s capital structure, and the content of the review includes costs of various capital and related risks. According to the key management’s suggestions, the consolidated company will balance the overall capital structure through the payment of dividends, issuance of new shares, and buy-back of shares.

28. Share-based Payment Agreement

There were no new employee share options issued by the consolidated company for the years ended December 31, 2020 and 2019, and information regarding the employee share options issued by the subsidiaries is as follows:

a. Employee share options plan of AEWIN Technologies Co.

The subsidiary, AEWIN Technologies Co., granted share options to employees of 1,350 thousand units and 1,000 thousand units in June 2016 and July 2014, respectively, and each unit is entitled to subscribe for one ordinary share of AEWIN Technologies Co. It may grant options only to full-time employees of AEWIN Technologies Co.'s formal establishment on the date of approval by the Board of Directors of the grant of the employee share option certificates, and full-time employees of the subsidiaries whose 50% or above of the voting shares were held directly or indirectly by AEWIN Technologies Co. The lifetime is five years for all share options, and the holders are entitled to exercise the right of share option on schedule and percentages within 2 years since the share options have expired. The exercise price of the share options is the closing price of the ordinary shares of AEWIN Technologies Co. on the issuance date, subject to be adjusted in accordance with the prescribed formula as conditions regulated by the provisions of issuance of share options exits.

Share options plan of AEWIN Technologies Co. is as follows:

	For the year ended December 31, 2020		For the year ended December 31, 2019	
Employees share options	Unit (In Thousands Shares)	Weighted-Average Exercise price (NTD)	Unit (In Thousands Shares)	Weighted-Average Exercise price (NTD)
Outstanding at the beginning of the year	856	$ 37.7	-	$ -
Acquisition through business combination	-	-	1,958	43.5
Exercised for the year	-	-	(594)	28.3
Given up for the year	(95)	37.7	(508)	36.0
Outstanding at the end of the year	761	37.7	856	37.7
Exercisable at the end of the year	761	37.7	658	37.7

As of the balance sheet date, information regarding outstanding employee share options is as follows:

	December 31, 2020		December 31, 2019	
Grant date	Range of exercise price (NTD)	Weighted-average remaining duration of contracts (year)	Range of exercise price (NTD)	Weighted-average remaining duration of contracts (year)
July 2014	$ -	-	$ -	-
June 2016	37.7	0.43	37.7	1.42

The granted employee share options were priced by the Black-Scholes option valuation model, and the inputs used for the valuation model are as below:

	June 2016	July 2014
Share price on the grant date	$ 53.1	$ 55
Exercised price	$ 53.1	$ 55
Expected Volatility	43.596%	22.367%-22.831%
Expected Duration	2.75-4 years	2.75-4 years
Expected dividends yield	5.6%	0%
Risk-free Interest Rate	0.4830%-0.5554%	0.822%-1.000%

b. Employee share options plan of Ace Pillar Enterprise Co.

The subsidiary, Ace Pillar Enterprise Co., granted share options to employees of 3,000 thousand units in August 2014, and each unit is entitled to subscribe for 1,000 thousand ordinary share of Ace Pillar Enterprise Co. It may grant options only to the employees who meet the agreed conditions. The lifetime is 6 years for all share options, and the holders are entitled to exercise the right of share option on schedule and percentages within 2 years since the share options have expired. The exercise price of the share options is the closing price of the ordinary shares of Ace Pillar Enterprise Co. on the issuance date, subject to be adjusted in accordance with the prescribed formula as conditions regulated by the provisions of issuance of share options exits.

Share options plan of Ace Pillar Enterprise Co. is as follows:

	For the year ended December 31, 2020		For the year ended December 31, 2019	
Employees share options	Unit (In Thousands Shares)	Weighted-Average Exercise price (NTD)	Unit (In Thousands Shares)	Weighted-Average Exercise price (NTD)
Outstanding at the beginning of the year	958	$ 21.40	-	$ -
Acquisition through business combination	-	-	969	21.99
Exercised for the year	(25)	21.40	-	-
Given up for the year	(933)	21.40	(11)	21.40
Outstanding at the end of the year	-	-	958	21.40
Exercisable at the end of the year	-	-	958	21.40

As of the balance sheet date, information regarding outstanding employee share options is as follows:

	December 31, 2020		December 31, 2019	
Grant date	Range of exercise price (NTD)	Weighted-average remaining duration of contracts (year)	Range of exercise price (NTD)	Weighted-average remaining duration of contracts (year)
August 2014	$ -	-	$ 21.40	0.67

The granted employee share options were priced by the Black-Scholes option valuation model, and the inputs used for the valuation model are as below:

	August 2014
Share price on the grant date	$ 22.4
Exercised price	$22.4
Expected Volatility	40.30%-40.91%
Expected Duration	4-5 years
Expected dividends yield	0%
Risk-free Interest Rate	1.10%-1.26%

29. Business Combination

a. Acquisition of subsidiaries

	Primary operating activities	Date of Acquisition	Ownership equity/ proportion of acquisitions with voting rights (%)	Transfer consideration
AEWIN Technologies Co. and its subsidiaries	Design, manufacture and sale of industrial computer cards and related products	March 4, 2019	51.26	$ 555,000
Ace Pillar Enterprise Co. and its subsidiaries	Automated control and testing, processing, sales, repair, and mechanical and electrical integration of industrial transmission systems	October 1, 2019	20.49	460,000
				$1,015,000

The consolidated company acquired AEWIN Technologies Co. and its subsidiaries and Ace Pillar Enterprise Co. and its subsidiaries in March and October, 2019, respectively, in order to tap into the netcom information security market, to combine the resources of both parties to capture opportunities of future development of netcom information security market and the advantages of Ace Pillar Enterprise Co.'s factory automation channel to expand the market share of embedded platform business in the factory automation market, and to integrate the group's investment in information and communication technology (ICT) to realize the value and market position of the group in future digital transformation services.

b. Transfer consideration

	Ace Pillar Enterprise Co. and its subsidiaries	AEWIN Technologies Co. and its subsidiaries
Cash	$ 460,000	$ 555,000

c. Assets Acquired and Liabilities Assumed on the Acquisition Date

	Ace Pillar Enterprise Co. and its subsidiaries	AEWIN Technologies Co. and its subsidiaries
Current assets		
Cash and cash equivalents	$ 842,908	$ 606,453
Financial assets at amortized cost - current	83,388	-
Notes receivable	245,401	1,050
Trade receivable and other receivables	695,212	224,434
Current income tax assets	-	9,165
Inventories	644,290	368,758
Others	46,079	17,249
Non-current assets		
Financial assets at fair value through other comprehensive income - non-current	20,214	-
Property, plant and equipment	585,562	435,295
Right-of-use assets	70,689	43,780
Intangible assets	79,208	50,627
Deferred income tax assets	13,143	25,573
Net defined benefit assets	-	4,424
Refundable deposits	16,646	5,767
Others	8,267	-
Current liabilities		
Short-term borrowings	(368,504)	(140,000)
Short-term bills payable	(50,000)	-
Contract liabilities - current	(59,542)	(10,686)
Notes payable	(1,356)	(233)
Trade payables and Other payables	(488,261)	(256,955)
Lease liabilities - current	(19,116)	(22,506)
Current income tax liabilities	(33,827)	(723)
Long-term borrowings - Current portion	-	(14,000)
Others	(2,829)	(1,668)
Non-current liabilities		
Deferred income tax liabilities	(101,154)	(10,116)
Lease liabilities - non-current	(18,782)	(24,295)
Long-term borrowings	-	(218,500)
	$ 2,207,636	$ 1,092,893

d. Non-controlling interest

AEWIN Technologies Co. and its subsidiaries' non-controlling interest (48.74% of ownership interest) and Ace Pillar Enterprise Co. and its subsidiaries' non-controlling interest (79.51% of ownership interest) are measured in accordance with the identifiable assets entitled for the share of non-controlling interest on the acquisition date.

e. Goodwill arising from acquisition (gains on bargain purchase)

	Ace Pillar Enterprise Co. and its subsidiaries	AEWIN Technologies Co. and its subsidiaries
Transfer consideration	$ 460,000	$ 555,000
Add: Non-controlling interests (48.74% ownership interest in AEWIN Technologies Co.)	-	532,676
Add: Non-controlling interests (79.51% ownership interest in Ace Pillar Enterprise Co.)	1,755,291	-
Less: fair value of identifiable assets acquired	(2,207,636)	(1,092,893)
Goodwill arising from acquisition (gains on bargain purchase)	$ 7,655	($ 5,217)

f. Goodwill arising from the business combination is not expected to be a tax deduction item.

g. Net cash inflow on acquisition of subsidiaries

	Ace Pillar Enterprise Co. and its subsidiaries	AEWIN Technologies Co. and its subsidiaries
Consideration paid in cash	$ 460,000	$ 555,000
Less: Balance of cash and cash equivalents acquired	(842,908)	(606,453)
	($ 382,908)	($ 51,453)

h. The Impact of Business Combination on Operating Results

i. The operating results of the acquired companies from the acquisition date to December 31, 2019 are as follows:

	Ace Pillar Enterprise Co. and its subsidiaries	AEWIN Technologies Co. and its subsidiaries
Operating revenue	$ 672,743	$ 1,342,676
Net (loss) income for the year	($ 44,393)	$ 51,785

j. If the business combination takes place on the beginning date of the fiscal year of acquisition, the pro forma operating revenue and net income of the consolidated company for the year ended December 31, 2019 were NTD 9,449,442 thousand and NTD 578,143 thousand, respectively. When such amounts cannot reflect whether the business combination had been completed at the beginning date in the year of acquisition, the actual revenue and business performance that could arise for the consolidated company cannot be used to predict future operating results.

k. When preparing the pro forma operating revenue and net income with assumptions that the consolidated company acquires AEWIN Technologies Co. and its subsidiaries and Ace

Pillar Enterprise Co. and its subsidiaries from the beginning of the accounting year of the acquisition date, the management has used the fair value of the property, plant and equipment and right-of-use assets based on initial accounting treatments of business combination as the basis of depreciation calculation and the fair value of intangible assets as the basis of amortization calculation, instead of based on the carrying amount in the financial statements of pre-acquisition to calculate.

30. Equity Transactions with Non-controlling Interests

Upon approval by the Board of Directors, the consolidated company acquired the shares of Ace Pillar Enterprise Co. from the open market on October 24, 2019. From January 1, 2019 to December 31, 2019, a total of 6,875 thousand shares were acquired and the transaction amount was NTD 170,623 thousand, increasing the shareholding ratio to 26.62%.

As the above-mentioned transactions did not change the control of the consolidated company in such subsidiaries, the consolidated company considered them as equity transactions.

	Ace Pillar Enterprise Co. and its subsidiaries
Cash consideration paid	$ 170,623
Carrying amount of net assets of the subsidiary calculated based on corresponding changes in equity to be transferred into non-controlling interests	(120,151)
Difference in equity transactions	$ 50,472
Adjustment account for Difference in equity transactions	
Unappropriated earnings	$ 50,472

Upon approval by the Board of Directors, the consolidated company acquired the shares of AEWIN Technologies Co. from the open market on November 10, 2020. From January 1, 2020 to December 31, 2020, a total of 61 thousand shares of AEWIN Technologies Co. were acquired and the transaction amount was NTD 1,464 thousand, increasing the shareholding ratio from 50.74% to 50.84%.

Upon approval by the Board of Directors, the consolidated company acquired the shares of Ace Pillar Enterprise Co. from the open market on October 24, 2019 and November 10, 2020. From January 1, 2020 to December 31, 2020, a total of 7,801 thousand shares were acquired and the transaction amount was NTD 163,099 thousand, increasing the shareholding ratio from 26.62% to 33.56%.

As the above-mentioned transactions did not change the control of the consolidated company in such subsidiaries, the consolidated company considered them as equity transactions.

	Ace Pillar Enterprise Co. and its subsidiary	AEWIN Technologies Co. and its subsidiary
Cash consideration paid	$ 163,099	$ 1,464
Carrying amount of net assets of the subsidiary calculated based on corresponding changes in equity to be transferred into non-controlling interests	(133,992)	(1,121)
Difference in equity transactions	$ 29,107	$ 343
Adjustment account for Difference in equity transactions		
Unappropriated earnings	$ 29,107	$ 343

31. Financial Instruments

a. Fair value information - financial instruments not measured at fair value

For financial instruments not measured at fair value, their fair values are estimated using their carrying amounts as of the consolidated balance sheet date due to their maturity date is coming or their future receipts and payments approximate their carrying amounts.

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

1) Fair Value Hierarchy

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Derivatives	$ -	$ 268	$ -	$ 268
Fund beneficiary certificates	27,953	-	-	27,953
Foreign Private Funds	-	-	-	-
Foreign bonds investment	-	-	-	-
Total	$ 27,953	$ 268	$ -	$ 28,221
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
- Domestic OTC shares	$ 29,920	$ -	$ -	$ 29,920
- Foreign non-publicly traded shares	-	-	887	887
Total	$ 29,920	$ -	$ 887	$ 30,807
Financial liabilities at fair value through profit or loss				
Derivatives	$ -	$ 9,768	$ -	$ 9,768

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Derivatives	$ -	$ 3,425	$ -	$ 3,425
Fund beneficiary certificates	32,037	-	-	32,037
Foreign Private Funds	-	-	-	-
Foreign bonds investment	-	-	-	-
Total	$ 32,037	$ 3,425	$ -	$ 35,462
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
- Domestic OTC shares	$ 59,330	$ -	$ -	$ 59,330
- Foreign non-publicly traded shares	-	-	1,414	1,414
Total	$ 59,330	$ -	$ 1,414	$ 60,744
Financial liabilities at fair value through profit or loss				
Derivatives	$ -	$ 4,291	$ -	$ 4,291

There was no transfer between Level 1 and Level 2 fair value measurements the years ended December 31, 2020 and 2019.

2) Reconciliation of financial instruments at Level 3 fair value measurement

	For the year ended December 31, 2020	For the year ended December 31, 2019
Beginning Balance	$ 1,414	$ -
Recognized as other comprehensive income (Unrealized Gains (Losses) on Financial assets at fair value through other comprehensive income)	(527)	-
Purchase	-	1,414
Ending balance	$ 887	$ 1,414

3) Valuation techniques and inputs for Level 2 fair value measurement

Classification of financial instruments	Valuation techniques and inputs
Derivative instruments – Forward foreign exchange contracts and Foreign exchange SWAP	Discounted cash flow method: Discounted forward exchange rate and the estimated future cash flows at the end of the period are discounted using a discount rate that reflects the credit risk of each counterparty.

4) Valuation techniques and inputs for Level 3 fair value measurements

The foreign non-listed equity investments are applied to the asset approach, and the asset approach evaluates factors, such as total market value of individual assets and individual liabilities covered by evaluation subject to estimate their fair values.

c. Classification of financial instruments

	December 31, 2020	December 31, 2019
Financial assets		
Measured at fair value through profit or loss		
Mandatorily at fair value through profit or loss	$ 28,221	$ 35,462
Financial assets at amortized cost (1)	3,952,938	4,168,201
Financial assets at fair value through other comprehensive income		
- Investments in equity instruments	30,807	60,744
Financial liabilities		
Measured at fair value through profit or loss		
Held-for-trading	9,768	4,291
Measured at amortized cost (2)	2,416,404	2,683,584

a) The balance refers to financial assets at amortized cost, including cash and cash equivalents, notes receivables, trade receivables (including related parties), other receivables, and guarantee deposits paid.

b) The balance refers to the financial liabilities measured at amortized cost, including short-term borrowings, notes payable, trade payable (including related parties), and other payables.

d. Objectives and policy of financial risk management

The consolidated company’s main financial instruments include equity and debt instruments investment, trade receivables, trade payables, bank loans, and lease liabilities. The financial management department of the consolidated company monitors and manages the financial risks related to the operations of the consolidated company through internal risk reports. Such risks include market risk (including foreign exchange risk, interest rate risk, and other price risk), credit risk, and liquidity risk.

1) Market Risks

The consolidated company ‘s activities expose it primarily to the financial risks of changes in foreign exchange rates and the changes in interest rates.

There is no change in the consolidated company’s exposure to market risks of financial instruments and how such exposure is managed and measured.

a) Exchange Rate Risks

Several subsidiaries of the Company’s sales and purchase transactions are denominated in foreign currency; as a consequence, the consolidated company is exposed to the risk of fluctuation in the exchange rate. Approximately 57% of the consolidated company ‘s sales are denominated in currencies other than the functional currency of the group entity making the transaction and approximately 61% of costs are denominated in currencies other than the functional currency of the group entity making the transaction. The consolidated company manages exposure to exchange rate risks by using forward foreign exchange contracts to manage the exchange rate risks in the range allowed by policies.

Please refer to Note XXXVII for the carrying amount of monetary assets and monetary liabilities of the consolidated company denominated in non-functional currencies on the balance sheet date (including monetary items denominated in a non-functional currency in the consolidated financial statements) and the carrying amount of derivatives exposed to exchange rate risks.

Sensitivity analysis

The consolidated company is mostly affected by the fluctuation of the USD exchange rate.

The sensitivity analysis of the consolidated company when the exchange rate of the NTD (the functional currency) increases and decreases by 2% for each relevant foreign currency. A sensitivity rate of 2% is used internally when reporting to management from the Company on exchange rate risks. It represents management ‘s assessment on reasonably possible scope of foreign exchange rates. The sensitivity analysis includes only outstanding monetary items denominated in foreign currencies and is used to adjust the translation at the year end by a 2% change in the exchange rate. If the exchange rate increased or decreased by 2% and all other variables were held constant, the consolidated company’s net income before tax for the years ended December 31, 2020 and 2019 would have increased or decreased by NTD 14,065 thousand and NTD 6,996 thousand.

The risk is mainly derived from USD-denominated receivables and payables of the consolidated company that are still outstanding on the balance sheet date without cash flow hedging.

b) Interest Rate Risks

The carrying amounts of the consolidated company's financial assets and financial liabilities subject to interest rate exposure on the balance sheet date are as follows:

	December 31, 2020	December 31, 2019
With interest rate risk of fair value		
－ Financial assets	$ 81,088	$ 76,639
－ Financial liabilities	180,840	88,027
Interest rate risk with cash flows		
－ Financial assets	1,825,209	1,935,875
－ Financial liabilities	758,877	622,075

Sensitivity analysis

The following sensitivity analysis is based on the interest rate exposure on the balance sheet date to measure the risk of financial assets with floating rate The rate of change used internally in reporting interest rates to the management from the group is the 2% increase or decrease in interest rates, which also represents the management's evaluation of the reasonable range of possible changes in interest rates. However, the management considers that the change in interest rate will not have significant impact on the income of the consolidated company; The consolidated company is also exposed to interest rate risk through its investments in foreign bonds. However, the asset has no balance at the reporting date, and, therefore, no hedging strategy has been adopted.

If the interest rate increased or decreased by 2% and all other variables were held constant, the consolidated company's net income before tax for the years ended December 31, 2020 and 2019 would have increased or decreased by NTD 21,327 thousand and NTD 26,276 thousand.

c) Other Price Risks

The consolidated company is exposed to equity price through its investments in equity securities. The consolidated company ‘s investment in equity securities is carried out in accordance with the regulations of the Board of Directors with a view to achieving risk management objectives and optimizing the return on investment.

Sensitivity analysis

The sensitivity analysis below is carried out based on the exposure to equity price risk on the balance sheet date.

If the equity price increased/ decreased by 2%, income before tax for the years ended December 31, 2020 and 2019 would have increased/ decreased by NTD 559 thousand and NTD 641 thousand, respectively, due to a increase/ decrease in the fair value of financial assets at fair value through profit or loss. The pre-tax other comprehensive income for the years ended December 31, 2020 and 2019 would have increased/ decreased by NTD 616 thousand and NTD 1,215 thousand, respectively, due to a increase/ decrease in fair value of financial assets at fair value through other comprehensive income.

2) Credit risk

Credit risk refers to the risk of financial loss of the consolidated company caused by the counterparty's default of contractual obligations. As of the balance sheet date, the consolidated company's maximum credit risk exposure (no consideration of collateral or other credit enhancement tools) that may cause financial losses due to the failure of the counterparty to fulfill the obligation and the financial guarantee provided by the consolidated company is mainly from the carrying amount of financial assets recognized on consolidated balance sheet.

The policies adopted by the consolidated company are to only conduct transactions with reputed counterparties, and to obtain sufficient collateral under necessary circumstances to reduce the risk of financial losses. The consolidated company conduct transactions with enterprises whose ratings is equivalent to or higher than investment level. The information is provided by independent rating agencies. If such information is not available, the consolidated company will use other publicly available financial information and transaction records of each other to rate major clients. The consolidated company continues to monitor credit risk exposure and the credit ratings of counterparties, and it distributes total transaction amounts among clients with qualified credit ratings. It also controls credit risk exposure through credit limit of counterparties reviewed and approved by the unit of risk management every year.

To mitigate the credit risk, the management of the consolidated company appoints a team solely responsible for determination of credit lines, credit approvals and other monitoring procedures to ensure that appropriate action has been taken for the collection of overdue receivables. In addition, the consolidated company will review the recoverable amount of the receivables one by one on the balance sheet date to ensure that the unrecoverable receivables have been recognized with appropriate impairment loss. Accordingly, the management of the Company believes that the consolidated company 's credit risk is significantly reduced.

In addition, due to the counterparties of current funds are the banks of high credit rated by international credit rating agencies, the credit risk is limited.

As of December 31, 2020, no trade receivable of a single client (including related parties) amounting to 10% or more of the total trade receivable, and trade receivable from a single client (including related parties) as of December 31, 2019 amounting to 10% or more of the total trade receivable are as fellows:

	December 31, 2019
A Company	$ 204,814

3) Liquidity risk

The consolidated company manages and maintains sufficient positions in cash and cash equivalents and financial asset position with good liquidity to support the group's operations and to mitigate the impact of cash flow fluctuations.

The remaining contractual maturity analysis for non-derivative financial liabilities is prepared based on the undiscounted cash flows (including principal and estimated interest) of financial liabilities based on the earliest date on which the consolidated company can be required to pay. Therefore, bank loans for which the consolidated company may be required to repay immediately are listed by the earliest period in the table below disregard the probability of exercising such right immediately by the banks. The analysis of the maturity of other non-derivative financial liabilities is prepared in accordance with the agreed repayment date.

December 31, 2020

	Payment on sight or within 1 month	1～3 months	3 months～1 year	1～5 years	5 years and above
Non-derivative financial liabilities					
Non-interest-bearing liabilities	$ -	$1,592,703	$ -	$ -	$ -
Instruments with variable interest rates	-	760,690	-	-	-
Instruments with fixed interest rates	-	64,824	-	-	-
Lease liabilities	-	14,193	40,914	65,754	-
	$ -	$2,432,410	$ 40,914	$ 65,754	$ -

December 31, 2019

	Payment on sight or within 1 month	1～3 months	3 months～1 year	1～5 years	5 years and above
Non-derivative financial liabilities					
Non-interest-bearing liabilities	$ -	$2,061,509	$ -	$ -	$ -
Instruments with variable interest rates	-	622,075	-	-	-
Lease liabilities	-	8,770	37,651	45,391	-
	$ -	$2,692,354	$ 37,651	$ 45,391	$ -

32. Related Party Transactions

The parent company of the Company is Qisda Co., Ltd., holding 55.1% of the Company ‘s ordinary shares as of December 31, 2020 and 2019.

Transactions, balances, income and expenses between the Company and its subsidiaries (related parties of the Company) are eliminated in full on consolidation and therefore are not disclosed in this note. In addition to those already disclosed in other notes, transactions between the consolidated company and other related parties are as follows:

a. Name and relationship of Related party

Name of related party	Relationship with the consolidated company
Qisda Corporation	Parent company
Suzhou Qisda Dentsu Co., Ltd.	Sister company
Qisda Optronics Su Zhou Co., Ltd.	Sister company
BENQ ESCO Corporation	Sister company
BenQ Corporation	Sister company
BenQ Materials Corporation	Sister company
BENQ ASIA PACIFIC Corporation	Sister company
BENQ TRIDENT MEDICAL Corporation	Sister company
BenQ Guru Software Corporation	Sister company
BenQ Intelligent Technology (Shanghai) Co., Ltd.	Sister company
BenQ Hearing Corporation	Sister company
Suzhou BenQ Hospital Co., Ltd.	Sister company
LILY-MEDICAL Corporation	Sister company
Webest Solution Corporation	Sister company
Partner Tech Corporation	Sister company
DATA IMAGE Corporation	Sister company
SYSAGE TECHNOLOGY CO., LTD.	Sister company
Partner Tech Europe GmbH	Sister company
Alpha Networks Inc.	Sister company
Darwin Precisions Corporation	Affiliate enterprise of parent company
Darwin Precisions (Xiamen) Corporation	Affiliate enterprise of parent company
AU Optronics Corporation	Affiliate enterprise of parent company
AU Optronics (Suzhou) Co., Ltd.	Affiliate enterprise of parent company
AU Optronics (Kunshan) Co., Ltd.	Affiliate enterprise of parent company
AU Optronics (Xiamen) Co., Ltd.	Affiliate enterprise of parent company
AUO Crystal Corporation	Affiliate enterprise of parent company
DARFON ELECTRONICS Corporation	Affiliate enterprise of parent company
Suzhou DARFON ELECTRONICS Corporation	Affiliate enterprise of parent company
AFPD Pte., Ltd	Affiliate enterprise of parent company
AEWIN KOREA CO.,LTD.	Substantial related party
PRO ACCUTECH CO., LTD.	Substantial related party (Note)
AVATACK CO., LTD.	Substantial related party (Note)
Symbio, Inc.	Substantial related party (Note)

Note: As a result of the change of chairman of Ace Pillar Enterprise Co., it was not a substantial related party since November 2019.

b. Operating revenue

Item	Category / Name of related party	For the year ended December 31, 2020	For the year ended December 31, 2019
Sales revenue	Sister company	$ 200,291	$ 202,330
	Parent company	110,108	60,266
	Substantial related party	40,266	35
	Affiliate enterprise of parent company	35,532	41,988
		$ 386,197	$ 304,619

The sales of the consolidated company ʻs products to related parties are customized products according to the clients ʻ needs, and, therefore, the selling price is mutually agreed. The sales to related parties are charged within 60-120 days after shipment, and within 30-180 days for non-related parties.

c. Purchase

Category / Name of related party	For the year ended December 31, 2020	For the year ended December 31, 2019
Parent company	$ 751,208	$ 968,973
Affiliate enterprise of parent company	34,270	67,538
Sister company	1,625	686
Substantial related party	14	-
	$ 787,117	$ 1,037,197

The purchases from related parties by the consolidated company are customized products tailored to the requirements of the order, and, therefore, the selling price is mutually agreed. The purchases from related parties are charged within 60-90 days after delivery, and within 30-105 days of monthly settlement for non-related parties.

d. Receivables from related parties

Item	Category / Name of related party	December 31, 2020	December 31, 2019
Trade receivables	Parent company	$ 89,355	$ 204,814
	Sister company		
	Suzhou Qisda Dentsu Co., Ltd.	16,860	34,204
	Other	23,970	21,609
		40,830	55,813
	Affiliate enterprise of parent company	10,085	7,782
	Substantial related party	3,964	-
		$ 144,234	$ 268,409
Other receivables	Sister company	$ 592	$ 982
	Parent company	-	94
		$ 592	$ 1,076

Uncollected guarantees from outstanding trade receivable of related parties No loss allowance was set aside for receivables from related parties for the years ended December 31, 2020 and 2019.

e. Trade payable to related parties

Item	Category / Name of related party	December 31, 2020	December 31, 2019
Trade payable	Parent company	$ 100,567	$ 201,594
	Affiliate enterprise of parent company	4,219	12,876
	Sister company	94	286
		$ 104,880	$ 214,756
Other payable	Parent company	$ 931	$ 210
	Sister company	243	582
	Substantial related party	94	-
	Affiliate enterprise of parent company	-	468
		$ 1,268	$ 1,260

The balance of the outstanding payables to related parties is not guaranteed.

f. Other assets

Item	Category / Name of related party	December 31, 2020	December 31, 2019
Prepayments	Sister company	$ 169	$ 879
	Parent company	67	-
		$ 236	$ 879
Other non-current assets	Parent company	$ 1,679	$ 1,679

g. Acquisition of property, plant, and equipment

	Price of Acquisition	
Category / Name of related party	For the year ended December 31, 2020	For the year ended December 31, 2019
Parent company	$ 5,469	$ -
Sister company	210	1,983
	$ 5,679	$ 1,983

h. Lease agreements

Category / Name of related party	For the year ended December 31, 2020	For the year ended December 31, 2019
Acquisition of right-of-use assets		
Sister company	$ 6,228	$ -

Item	Category / Name of related party	December 31, 2020	December 31, 2019
Lease liabilities	Sister company	$ 5,133	$ -

Category / Name of related party	For the year ended December 31, 2020	For the year ended December 31, 2019
Interest expense		
Sister company	$ 123	$ -

The consolidated company leased office premises from the Brothers Company in June 2020 with a lease term of 3 years, and the rent is paid monthly with reference to the rentals prevailing in the neighbourhood.

i. Other Related Party Transactions

Item	Category / Name of related party	For the year ended December 31, 2020	For the year ended December 31, 2019
Operating costs	Parent company	$ 8,266	$ 14,686
	Sister company	125	160
	Affiliate enterprise of parent company	94	29
		$ 8,485	$ 14,875
Operating Expenses	Substantial related party	$ 6,812	$ -
	Sister company	3,713	2,175
	Parent company	1,549	421
	Affiliate enterprise of parent company	13	565
		$ 12,087	$ 3,161
Other income	Sister company	$ 5,612	$ 9,729
	Parent company	-	204
		$ 5,612	$ 9,933

The related expenses recognized and paid by the consolidated company to related parties for providing part of their services have been properly allocated to the relevant departments in which the costs were incurred.

j. Remuneration to key management level

	For the year ended December 31, 2020	For the year ended December 31, 2019
Short-term employee benefits	$ 40,907	$ 43,291

The Compensation Committee determines the remuneration of directors and other key management according to the individual performance and market trends.

33. Pledged Assets

The following assets were pledged as collateral for financing loans and as security deposits of tariff collaterals for importing raw materials:

	December 31, 2020	December 31, 2019
Pledged time deposits (recognized as financial assets measured at amortized cost)	$ 1,708	$ 44,861
Notes receivable	39,558	23,665
Restricted bank deposits (recognized as financial assets measured at amortized cost)	-	1,672
Property, plant and equipment	-	66,741
	$ 41,266	$ 136,939

34. Significant Contingent Liabilities and Unrecognized Contract Commitments

Except for those already disclosed in other notes, significant commitments of the consolidated company on the balance sheet date are as follows:

As of December 31, 2020 and 2019, the guaranteed promissory note issued by the consolidated company for obtaining credit limit of banks were NTD 1,270,000 and NTD 510,424, respectively.

35. XXXV. Significant Events after the Balance Sheet Date

In order to accelerate the development of the U.S. market and implement the first-mover strategy for the consolidated company, on March 22, 2021, the Board of Directors approved the acquisition of 35.09% shareholding ratio in Brainstorm Corporation with an expected total investment of USD 17,970 thousand which has not yet completed the contract as of March 22, 2021.

36. Other Matters

Affected by the global pandemic of COVID-19 in 2020, the consolidated company ‘s clients and suppliers were affected by the ongoing policies of isolation and border control in some countries, and the operations were expected to return to normal gradually as the pandemic was slowing down and government policies were gradually loosening. The consolidated company assessed that there is no significant impact on the overall business and financial aspects, and there is no doubt about the ability to continue as a going concern, impairment of assets, and funding risks.

37. XVII. Information on Foreign Currency Assets and Liabilities with Significant Effect

The following information is summarized and expressed in foreign currencies other than the functional currency of each entity of the consolidated company, and the disclosed exchange rate refers to the exchange rate converted from such foreign currencies to the functional currency. Foreign currency assets and liabilities with significant influence are as follows:

December 31, 2020

	Foreign Currency	Exchange Rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 67,993	28.3500（USD：NTD）	$ 1,927,599
USD	1,950	6.5600（USD：RMB）	12,791
RMB	21,086	4.3216（RMB：NTD）	91,124
JPY	66,285	0.2749（JPY：NTD）	18,222
Foreign currency liabilities			
Monetary items			
USD	24,728	28.3500（USD：NTD）	701,036
USD	20,408	6.5600（USD：RMB）	133,878
JPY	21,969	0.2749（JPY：NTD）	6,039

December 31, 2019

	Foreign Currency	Exchange Rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 67,250	30.1060（USD：NTD）	$ 2,024,619
USD	4,307	6.9800（USD：RMB）	30,065
RMB	48,467	4.3132（RMB：NTD）	209,046
JPY	193,796	0.2771（JPY：NTD）	53,701
Foreign currency liabilities			
Monetary items			
USD	31,595	30.1060（USD：NTD）	951,186
USD	28,344	6.9800（USD：RMB）	197,842
RMB	13,065	4.3132（RMB：NTD）	56,354
JPY	169,141	0.2771（JPY：NTD）	46,869

The Company’s realized and unrealized foreign exchange losses were NTD 22,073 thousand and NTD 23,855 thousand for the years ended December 31, 2020 and 2019, respectively. Due to many types of foreign currency transactions and functional currencies of the entities in the group, gains or losses cannot be disclosed by each foreign currencies with significant impact.

38. Supplementary Disclosures

a. Significant transactions and related information:

1) Loans to others : Table I.

2) Endorsements/guarantees to others : Table II.

3) MARKETABLE SECURITIES HELD AT THE END OF THE PERIOD (excluding investment in subsidiaries, associates, and joint ventures) : Table III.

4) The cumulative purchase or sale of the same securities amounted to NTD 300 million or 20% and above of the paid-in capital : None.

5) The amount of property acquired reached NTD 300 million or 20% and above of the paid-in capital : None.

6) The amount of property disposal reached NTD 300 million or 20% and above of the paid-in capital : None.

7) The amount of purchases or sales with related parties reached NTD 100 million or 20% and above of the paid-in capital : Table IV.

8) Receivables from related parties amounted to NTD 100 million or 20% and above of paid-in capital : Table V.

9) Engaged in derivative products transactions : Table VII.

10) Others : The business relationships and significant transactions and amounts between parent and subsidiaries and between subsidiaries : Table VI.

b. (Reinvestment and related information: Table VII

c. Investment information in mainland China:

1) Name of the investee in mainland China, primary business, paid-in capital, investment method, outward and inward remittance of the fund, shareholding ratio, investment gain (loss) recognized for the period, carrying amount of the investment at the end of the period, repatriation of investment profit or loss and investment limit in mainland China : Table VIII.

2) The following significant transactions with the mainland investee, directly or indirectly through the third region, and their prices, payment terms, unrealized gain or loss.

a) Purchase amount and percentage, ending balance and percentage of payables: Table IX.

b) Sales amount and percentage, ending balance and percentage of receivables: Table IX.

c) The amount of property transactions and the amount of profit or loss generated: None.

d) The ending balance and the purpose of bill endorsement, or provision of collateral: None.

e) The maximum balance, ending balance, Interest rate interval and total amount of current interest of financing: Table I.

f) Other transactions that have a significant effect on the current profit or loss or financial situation, such as the provision or acceptance of services: None.

d. Information of major shareholder: List of all shareholders with ownership of 5 % or greater showing the names and the number of shares and percentage of ownership held by each shareholder: Table X.

e.

39. Segment information

The information provided to the key business decision-makers is for resource allocation and performance evaluation of the segments, focusing on types of each product provided and service offered. The consolidated company shall report the segment as follows:

a. Segment revenue and results of operations

The revenue and operating results of the consolidated company reported by the segment were analyzed as follows:

For the year ended December 31, 2020

	board cards and system department	Industrial automation control department	Total
Revenue from external clients	$ 5,595,074	$ 2,754,448	$ 8,349,522
Segment profit or loss	$ 522,936	$ 125,189	$ 648,125
Interest income			5,350
Other income			19,758
Other gain and loss			(44,378)
Finance costs			(15,178)
Net income before Tax			$ 613,677

For the year ended December 31, 2019

	board cards and system department	Industrial automation control department	Total
Revenue from external clients	$ 6,359,041	$ 672,743	$ 7,031,784
Segment profit or loss	$ 835,260	($ 51,473)	$ 783,787
Interest income			6,242
Other income			19,221
Other gain and loss			(11,500)
Finance costs			(9,477)
Net income before Tax			$ 788,273

Segment profit or loss refer to the profit earned by each segment, excluding rental income, interest income, net loss on disposal of property, plant and equipment, net loss (gain) on foreign currency exchange, gain or loss on financial instruments valuation, financial costs, and income tax expense. This measured amount is provided to the key business decision-makers to allocate resources to segments and assess their performance.

b. Revenue from major products and services

The income analysis of the main products of the consolidated company is as follows:

	For the year ended December 31, 2020	For the year ended December 31, 2019
Industrial computer cards and systems	$ 5,218,280	$ 5,962,178
Industrial Automation Control	2,731,929	669,478
Other	399,313	400,128
	$ 8,349,522	$ 7,031,784

c. Regional Information

The consolidated company operates mainly in three regions - Asia, America, and Europe.

The income from external clients of the consolidated company is classified according to the operating location and the non-current assets are listed as follows according to the location of the assets:

	Revenue from external clients		Non-current assets	
	For the year ended December 31, 2020	For the year ended December 31, 2019	December 31, 2020	December 31, 2019
Asia	$ 5,485,173	$ 3,310,572	$ 2,353,951	$ 2,396,857
America	1,545,142	2,146,240	26,108	24,557
Europe	1,275,723	1,562,863	7,644	10,162
Others	43,484	12,109	-	-
	$ 8,349,522	$ 7,031,784	$ 2,387,703	$ 2,431,576

Non-current assets do not include the generated assets classified as financial instruments and deferred tax assets.

d. Major clients Information

The consolidated company has no individual client from whom at least 10% of net revenue of the consolidated company is generated for the year ended December 31, 2020, and individual clients from whom at least 10% of net revenue of the consolidated company is generated for the year ended December 31, 2019 were as follows:

	For the year ended December 31, 2019
Client A	$ 770,656

DFI Inc. and Subsidiaries

Financing provided to others
From January 1 to December 31, 2020
Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise

No.	Financing Company	Counterparty	Transaction item	Related Party	Maximum Balance for the Year	Balance at the end of the year	Amount Actually Drawn	Interest Rate	Nature for Financing	Business Transaction Amounts	Reason for Financing	Allowance for Loss	Collateral		Financing Limits for Each Borrowing Company	Total Financing Limits
													Name	Value		
1	Ace Pillar Enterprise Co.	Tianjin Ace Pillar Enterprise Co.	Other receivables	Yes	$ 298,662	$ 230,602	$ 145,552	1.15%-4.35%	(Note 1)	$ -	Operating capital fund	$ -	—	$ -	$ 394,083 (Note 2)	$ 788,166 (Note 2)
2	Cyber South Management Ltd.	Suzhou Super Pillar Automation Equipment Co., Ltd.	Other receivables	Yes	15,895	15,593	15,593	1.15%	(Note 1)	-	Operating capital fund	-	—	-	569,330 (Note 3)	569,330 (Note 3)
2	Cyber South Management Ltd.	Tianjin Ace Pillar Enterprise Co.	Other receivables	Yes	85,431	-	-	1.15%-4.35%	(Note 1)	-	Operating capital fund	-	—	-	569,330 (Note 3)	569,330 (Note 3)
3	Proton Inc.	Tianjin Ace Pillar Enterprise Co.	Other receivables	Yes	314,715	-	-	1.80%-4.80%	(Note 1)	-	Operating capital fund	-	—	-	455,706 (Note 3)	455,706 (Note 3)
3	Proton Inc.	Ace Pillar Enterprise Co.	Other receivables	Yes	22,152	-	-	1.50%	(Note 1)	-	Operating capital fund	-	—	-	455,706 (Note 3)	455,706 (Note 3)
4	Jinhao Power (Tianjin) Company	Quansheng Information Technology (Tianjin) Company	Other receivables	Yes	10,369	2,593	2,593	1.80%	(Note 1)	-	Operating capital fund	-	—	-	38,197 (Note 3)	38,197 (Note 3)
4	Jinhao Power (Tianjin) Company	Tianjin Ace Pillar Enterprise Co.	Other receivables	Yes	13,009	12,965	12,965	1.80%	(Note 1)	-	Operating capital fund	-	—	-	38,197 (Note 3)	38,197 (Note 3)
5	Hong Kong Ace Pillar Enterprise Co., Ltd.	Tianjin Ace Pillar Enterprise Co.	Other receivables	Yes	17,345	17,286	17,286	1.80%	(Note 1)	-	Operating capital fund	-	—	-	41,198 (Note 3)	41,198 (Note 3)
6	AEWIN Technologies Co.	Beijing AEWIN Huaxia Technologies Co., Ltd.	Other receivables	Yes	90,762	85,050	18,144	-	(Note 1)	-	Operating capital fund	-	—	-	229,629 (Note 4)	459,258 (Note 4)

Note 1: Having needs in short-term financing.

Note 2: The aggregate amount of loans to others granted by Ace Pillar Enterprise Co. is limited to 40% of Ace Pillar Enterprise Co.' s net worth as the latest audited by certified public accountants; it shall not exceed 20% of the above mentioned net worth to an individual enterprise.

Note 3: The aggregate amount of loans to others granted by subsidiaries of Ace Pillar Enterprise Co. is limited to 10% of the subsidiaries' net worth as the latest audited by certified public accountants; it shall not exceed 5% of the above mentioned net worth to an individual enterprise.

Note 4: The aggregate amount of loans to affiliated companies and the amount of loans to an individual entity by AEWIN Technologies Co. are limited to 40% and 20% of the net worth of the latest financial statements of AEWIN Technologies Co.

TABLE II

DFI Inc. and Subsidiaries

Endorsements/guarantees to others
From January 1 to December 31, 2020
Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise

No.	Company Name of Endorser	Company name of endorsee		Endorsement limit for a single enterprise	Maximum endorsement balance for the year	Year-end Balance of endorsement	Amount Actually Drawn	Amount of endorsements secured by the property	The ratio of accumulated endorsement amount to the net worth of the latest financial statements	Maximum amount of endorsement	Endorsement of the parent company to a subsidiary	Endorsement of a subsidiary to the parent company	Endorsement for Mainland China
		Company Name	Relationship										
1	Ace Pillar Enterprise Co.	Tianjin Ace Pillar Enterprise Co.	Subsidiary invested through Ace Pillar Enterprise Co. for 21.04% and reinvested by a third-region company, Proton Inc., for 78.96%	$ 788,166 (Note 1)	$ 251,250	$ 248,450	$ 56,700	$ -	12.61%	$ 985,208 (Note 1)	-	-	Yes
1	Ace Pillar Enterprise Co.	Proton Inc.	Subsidiary reinvested through Cyber South for 100%	788,166 (Note 1)	360,000	-	-	-	-	985,208 (Note 1)	-	-	-
2	Cyber South Management Ltd.	Tianjin Ace Pillar Enterprise Co.	Subsidiary invested through Ace Pillar Enterprise Co. for 21.04% and reinvested by a third-region company, Proton Inc., for 78.96%	170,799 (Note 2)	43,205	-	-	-	-	284,665 (Note 2)	-	-	Yes
3	AEWIN Technologies Co.	Beijing AEWIN Huaxia Technologies Co., Ltd.	Mainland China companies reinvested through a third-region company, BRIGHT PROFIT	229,629 (Note 3)	65,045	64,824	64,824	-	5.65%	459,258 (Note 3)	-	-	Yes

Note 1: Ace Pillar Enterprise Co.'s maximum amount of endorsement/guarantee and the amount of endorsement/guarantee to an individual entity are limited to 50% of the latest net worth audited by certified public accountants; the amount of endorsement/guarantee to an individual entity is limited to 40% of the above mentioned net worth.

Note 2: Subsidiaries of Ace Pillar Enterprise Co.'s maximum amount of endorsement/guarantee and the amount of endorsement/guarantee to an individual entity are limited to 50% of the latest net worth of the subsidiaries audited by certified public accountants; the amount of endorsement/guarantee to an individual entity is limited to 30% of the above mentioned net worth.

Note 3: AEWIN Technologies Co. and its subsidiaries' aggregate amount of endorsement/guarantee is limited to 40% of the latest net worth of AEWIN Technologies Co.'s financial statements. Endorsement limit for a single enterprise does not allowed to exceed 20% of the above mentioned net worth.

TABLE III

DFI Inc. and Subsidiaries

MARKETABLE SECURITIES HELD AT YEAR END
December 31, 2020
Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise

Name of Held Company	Type and Name of Marketable Securities	Relationship with the issuer of securities	Item	Year End				Remark
				In Thousand Shares/ Number of Unit/ Par Value	Carrying amount	Shareholding Ratio	Fair Value	
DFI Inc.	Stock							
	Aplex Technology Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	999	$ 29,920	3.32	$ 29,920	-
	Beneficiary certificates							
	Cathay No.1 REIT	—	Financial assets at fair value through profit or loss - current	1,494,000	27,953	-	27,953	-
	Investment in Funds							
	Asia Tech Taiwan Venture Fund	—	Financial assets at fair value through profit or loss - non-current	USD225,338.01	-	-	-	-
	Bonds							
	WM 7.25% Perpetual	—	Financial assets at fair value through profit or loss - current	USD200,000	-	-	-	-
AEWIN Technologies Co.	Stock							
	AEWIN KOREA CO.,LTD	—	Financial assets at fair value through other comprehensive income - non-current	10	887	16.67	887	-
	Authentrend Technology Inc.	—	Financial assets at fair value through other comprehensive income - non-current	300	-	1.42	-	Note

Note: The former name was Apusone Technology Limited Co, and it was changed to Authentrend Technology Inc. on May 5, 2016.

DFI Inc. and Subsidiaries

The amount of purchases or sales with related parties reached NTD 100 million or 20% and above of the paid-in capital
From January 1 to December 31, 2020
Unit: In Thousands of New Taiwan Dollars

(Purchasing) selling company	Name of counterparty	Relationship	Transaction Status				The situation and reason for the difference between the trading terms and the general trading		Notes and trade receivable (payable)		Remark
			(Purchase) sales	Amount	Ratio of total purchase (sales) (%)	Credit period	Unit price	Credit period	Balance	Ratio of total notes and trade receivable (payable) (%)	
DFI Inc.	DFI AMERICA, LLC.	Subsidiary	Sales	$ 635,083	16	60-90 days to collect	At agreed price	30-90 days to collect	$ 150,084	20	Note
DFI AMERICA, LLC.	DFI Inc.	Parent company	Purchases	(635,083)	(99)	60-90 days to collect	At agreed price	30-90 days to collect	(150,084)	(100)	Note
DFI Inc.	DFI Co., Ltd.	Subsidiary	Sales	373,867	9	60-90 days to collect	At agreed price	30-90 days to collect	24,190	3	Note
DFI Co., Ltd.	DFI Inc.	Parent company	Purchases	(373,867)	(98)	60-90 days to collect	At agreed price	30-90 days to collect	(24,190)	(97)	Note
DFI Inc.	Diamond Flower Information (NL) B.V.	Subsidiary	Sales	360,544	9	60-90 days to collect	At agreed price	30-90 days to collect	46,315	6	Note
Diamond Flower Information (NL) B.V.	DFI Inc.	Parent company	Purchases	(360,544)	(100)	60-90 days to collect	At agreed price	30-90 days to collect	(46,315)	(100)	Note
DFI Inc.	Shenzhen Yanyinghao Commerce Company	Subsidiary	Sales	142,133	4	60-90 days to collect	At agreed price	30-90 days to collect	20,585	3	Note
Shenzhen Yanyinghao Commerce Company	DFI Inc.	Parent company	Purchases	(142,133)	(90)	60-90 days to collect	At agreed price	30-90 days to collect	(20,585)	(89)	Note
DFI Inc.	AEWIN Technologies Co.	Subsidiary	Sales	167,251	4	60-90 days to collect	At agreed price	30-90 days to collect	104,914	14	Note
AEWIN Technologies Co.	DFI Inc.	Parent company	Purchases	(167,251)	(17)	60-90 days to collect	At agreed price	30-90 days to collect	(104,914)	(33)	Note
DFI Inc.	Qisda Corporation	Parent company	Sales	107,938	3	60-90 days to collect	At agreed price	30-90 days to collect	87,076	12	Note
Qisda Corporation	DFI Inc.	Subsidiary	Purchases	(107,938)	-	60-90 days to collect	At agreed price	30-90 days to collect	(87,076)	-	Note
DFI Inc.	Qisda Corporation	Parent company	Purchases	(751,208)	(23)	Payment term of 60 days to collect	At agreed price	30-90 days to collect	(100,567)	(16)	Note
Qisda Corporation	DFI Inc.	Subsidiary	Sales	751,208	1	Payment term of 60 days to collect	At agreed price	30-90 days to collect	100,567	-	Note
DFI Inc.	Suzhou Qisda Dentsu Co., Ltd.	Sister company	Sales	103,246	3	60-90 days to collect	At agreed price	30-90 days to collect	16,860	2	Note
Suzhou Qisda Dentsu Co., Ltd.	DFI Inc.	Sister company	Purchases	(103,246)	-	60-90 days to collect	At agreed price	30-90 days to collect	(16,860)	-	Note
AEWIN Technologies Co.	Beijing AEWIN Huaxia Technologies Co., Ltd.	Subsidiary	Sales	339,841	29	120 days after shipment	Same as normal clients	120 days after shipment, subject to extension taking into account market conditions.	384,304	70	Note
Beijing AEWIN Huaxia Technologies Co., Ltd.	AEWIN Technologies Co.	Subsidiary	Purchases	(339,841)	(44)	120 days after shipment	Same as normal clients	120 days after shipment, subject to extension taking into account market conditions.	(384,304)	(75)	Note
AEWIN Technologies Co.	AEWIN TECH INC.	Subsidiary	Sales	121,077	10	120 days after shipment	Same as normal clients	120 days after shipment, subject to extension taking into account market conditions.	39,230	7	Note
AEWIN TECH INC.	AEWIN Technologies Co.	Subsidiary	Purchases	(121,077)	(100)	120 days after shipment	Same as normal clients	120 days after shipment, subject to extension taking into account market conditions.	(39,230)	(100)	Note
Quansheng Information Technology (Tianjin) Company	Tianjin Ace Pillar Co	Sister company	Sales	160,548	100	T/T 30 days	-	-	25,274	100	Note
Tianjin Ace Pillar Co	Quansheng Information Technology (Tianjin) Company	Sister company	Purchases	(160,548)	(11)	T/T 30 days	-	-	(25,274)	(14)	Note

Note: All transactions, balances, revenue, and expenses within each entities have been written off in full when preparing consolidated financial statements.

DFI Inc. and Subsidiaries

Receivables from Related Parties Reached NTD 100 Million or 20% and above of Paid-in Capital
December 31, 2020
Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise

Company from which trade receivable	Name of counterparty	Relationship	Balance of receivable due from related party (Note)	Turnover rate	Overdue receivables from related parties		Recovery amount of receivables from related parties after the balance sheet date	Allowance for Loss
					Amount	Treatment		
DFI Inc.	DFI AMERICA, LLC.	Subsidiary	$ 150,084	4.09	$ -	—	$ 142,244	$ -
	AEWIN Technologies Co.	Subsidiary	104,914	3.92	-	—	104,914	-
AEWIN Technologies Co.	Beijing AEWIN Huaxia Technologies Co., Ltd.	Subsidiary	384,304	0.75	162,249	Strengthen collection	67,894	-
Ace Pillar Enterprise Co.	Tianjin Ace Pillar Co	Subsidiary	146,605	-	-	—	-	-

Note: All transactions, balances, revenue, and expenses within each entities have been written off in full when preparing consolidated financial statements.

TABLE VI

DFI Inc. and Subsidiaries

Situations and amounts of business relationship and important transactions between parent company and subsidiaries and between each subsidiaries
From January 1 to December 31, 2020
Unit: In Thousands of New Taiwan Dollars

No.	Name of Trader	Name of Counterparty	Relationship with the Trader (Note 1)	Situations of Transactions				Remark
				Account	Amount (Note 5)	Transaction Terms	Ratio to Consolidated Total Revenue or Total Assets	
0	DFI Inc.	Diamond Flower Information (NL) B.V.	(1)	Operating revenue	$ 360,544	Note 2	4%	Note 6
		DFI AMERICA, LLC.	(1)	Operating revenue	635,083	Note 2	8%	Note 6
		DFI AMERICA, LLC.	(1)	Trade receivable - related parties	150,084	Note 3	2%	Note 6
		DFI Co., Ltd.	(1)	Operating revenue	373,867	Note 2	4%	Note 6
		Shenzhen Yanyinghao Commerce Company	(1)	Operating revenue	142,133	Note 2	2%	Note 6
		AEWIN Technologies Co.	(1)	Operating revenue	359,008	Note 2	4%	Note 6
		AEWIN Technologies Co.	(1)	Trade receivable - related parties	104,914	Note 3	1%	Note 6
1	AEWIN Technologies Co.	Beijing AEWIN Huaxia Technologies Co., Ltd.	(2)	Trade receivable - related parties	384,304	Note 4	5%	Note 6
		Beijing AEWIN Huaxia Technologies Co., Ltd.	(2)	Operating revenue	339,841	Note 4	4%	Note 6
		AEWIN TECH INC.	(2)	Operating revenue	121,077	Note 4	1%	Note 6
2	Ace Pillar Enterprise Co.	Tianjin Ace Pillar Co	(2)	Other receivables	146,605	1 year	2%	Note 6
3	Quansheng Information Technology (Tianjin) Company	Tianjin Ace Pillar Co	(2)	Operating revenue	160,548	T/T 30 days	2%	Note 6

Note 1: Relationship with the Trader
(1) Parent company to subsidiary
(2) Subsidiary to subsidiary

Note 2: The customized industrial computer cards are tailored to the clients' needs, and, therefore, their selling prices are mutually agreed.

Note 3: Collection within 60-90 days after shipment

Note 4: 120 days after shipment, subject to extension taking into account market conditions.

Note 5: The amount of significant inter-company transactions of the consolidated company reaching 1% or above of consolidated revenue or total assets are the disclosed standards.

Note 6: When preparing the consolidated financial statements, all intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

DFI Inc. and Subsidiaries

NAMES, LOCATIONS AND RELEVANT INFORMATION OF INVESTEE COMPANIES
From January 1 to December 31, 2020
Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise

Name of investor company	Name of Investee Company	Location	Primary Business	Original Investment Amount		Held at the End of The Period			Net Income (Loss) of the Investee	Investment Profit (Loss) Recognized in the Current Year	Remark
				December 31, 2020	December 31, 2019	Number of Shares (in Thousands Shares)	Ratio (%)	Carrying amount			
DFI Inc.	DFI AMERICA, LLC.	USA	Sales of industrial computer cards	$ 254,683	$ 254,683	1,209	100.00	$ 345,279	$ 2,885	$ 2,885	Subsidiary (Note 2)
	Yan Tong Technology Ltd.	Mauritius	Investment	187,260	187,260	6,000	100.00	169,626	3,687	3,687	Subsidiary (Note 2)
	DFI Co., Ltd.	Japan	Sales of industrial computer cards	104,489	104,489	6	100.00	318,411	22,946	22,946	Subsidiary (Note 2)
	Diamond Flower Information (NL) B.V.	Netherlands	Sales of industrial computer cards	35,219	35,219	12	100.00	59,420	8,045	8,045	Subsidiary (Note 2)
	AEWIN Technologies Co.	Taiwan	Design, manufacture and sale of industrial computer cards and related products	556,464	555,000	30,061	50.84	590,370	53,148	21,838	Subsidiary (Note 2)
	Ace Pillar Enterprise Co.	Taiwan	Automated control and testing, processing, sales, repair, and mechanical and electrical integration of industrial transmission systems	793,722	630,623	37,676	33.56	713,878	87,180	25,231	Subsidiary (Note 2)
AEWIN Technologies Co.	WISE WAY	Anguilla	Investment	46,129	46,129	1,500	100.00	78,941	92,389	(Note 1)	Subsidiary (Note 2)
	AEWIN TECH INC.	USA	Engaged in wholesale of computer and peripheral equipment and software	77,791	54,990	2,560	100.00	1,721	(14,532)	(Note 1)	Subsidiary (Note 2)
WISE WAY	BRIGHT PROFIT	Hong Kong	Investment	46,129	46,129	1,500	100.00	113,920	92,389	(Note 1)	Subsidiary (Note 2)
Ace Pillar Enterprise Co.	Cyber South	Samoa	Investment	107,041	107,041	4,669	100.00	569,330	41,284	(Note 1)	Subsidiary (Note 2)
	Hong Kong Ace Pillar Enterprise Co., Ltd.	Hong Kong	Sales and Purchases of transmission mechanical components	5,120	5,120	1,200	100.00	41,199	1,599	(Note 1)	Subsidiary (Note 2)
Cyber South	Proton Inc.	Samoa	Investment	527,665	442,955	17,744	100.00	455,706	28,449	(Note 1)	Subsidiary (Note 2)
	Ace Tek (HK) Holding Co., Ltd.	Hong Kong	Investment	4,938	4,938	150	100.00	(4,252)	(1,810)	(Note 1)	Subsidiary (Note 2)

Note 1: The net income of the invested company is already included in the investor company, and not separately presented to avoid confusion.
Note 2: When preparing the consolidated financial statements, all intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

DFI Inc. and Subsidiaries

INFORMATION ON INVESTMENT IN MAINLAND CHINA
From January 1 to December 31, 2020
Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise

Investee Company In Mainland China	Primary Business	Paid-in Capital	Method of Investment	Accumulated amount of investment remitted out of Taiwan at the beginning of the period	Remitted or repatriated amount of investment for the period		Accumulated amount of investment remitted out of Taiwan at the end of the period	Net Income (Loss) of the Investee	Shareholding Ratio (%) of the direct or indirect investment of the Company	Investment profit (loss) recognized for the year	Carrying amount of the investment at year end	Investment income repatriated by the year end
					Remitted	Repatriated						
Dongguan Yantong Electronic Information Company	Manufacturing and sales of computer cards, board cards, host computer, electronic parts and components	USD2,500	China company reinvested through Yan Tong Technology Ltd., a third region company	$ -	$ -	$ -	$ -	($ 3,431)	100	($ 3,431) (Note 1)	$ 52,812	$ 33,306
Shenzhen Yanyinghao Commerce Company	Wholesale, import and export of computer cards, board cards, host computer, electronic parts and components	USD500	China company reinvested through Yan Tong Technology Ltd., a third region company	-	-	-	-	13,764	100	13,764 (Note 1)	35,221	-
Beijing AEWIN Huaxia Technologies Co., Ltd.	Engaged in wholesale of computer and peripheral equipment and software	USD1,500	Mainland China companies reinvested through a third-region company, BRIGHT PROFIT	46,129	-	-	46,129	92,389	100	92,389 (Note 1)	113,915	-
Shenzhen Qixin Company	Engaged in wholesale of computer and peripheral equipment and software	RMB2,500	China company reinvested through Beijing AEWIN Huaxia Technologies Co., Ltd.	-	-	-	-	(4,839)	100	(4,839) (Note 1)	1,320	-
Tianjin Ace Pillar Co	Trading of machinery transmission products	USD34,180	Subsidiary invested through Ace Pillar Enterprise Co. for 21.04% and reinvested by a third-region company, Proton Inc., for 78.96%	55,283	-	-	55,283	30,193	100	30,193 (Note 2)	520,786	125,533
Jinhao Power (Tianjin) Company	Manufacturing and processing of machinery transmission products	CNY1,670	Subsidiary reinvested through Cyber South, a third region company for 100%	4,536	-	-	4,536	910	100	910 (Note 2)	38,197	-
Quansheng Information Technology (Tianjin) Company	Electronic system integration	USD300	Subsidiary reinvested through Ace Tek, a third region company for 100%	4,253	-	-	4,253	(1,602)	100	(1,602) (Note 2)	(4,227)	-
Suzhou Super Pillar Automation Equipment Co., Ltd.	Processing and technical services of mechanical transmission and control products	USD1,450	Subsidiary reinvested through Cyber South, a third region company for 100%	-	-	-	-	10,915	100	10,915 (Note 2)	87,558	-
Xuchang ACE PILLAR Intelligent Equipment Company	Wholesale and retail of industrial robotic related products	USD300	Subsidiary reinvested through Cyber South, a third region company for 100%	-	-	-	-	(1,337)	100	(1,337) (Note 2)	2,853	-

Name of investor company	Accumulated amount of investment remitted out of Taiwan to Mainland China at the end of the period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs	Upper Limit on Investment in mainland China regulated by the Investment Commission of the Ministry of Economic Affairs (Note 4)
DFI Inc.	$ - (Note 3)	$ 59,110 (USD 2,085 thousand) (Note 5 and 6)	$ 3,020,183
AEWIN Technologies Co.	46,129 (USD 1,500 thousand)	56,700 (USD 2,000 thousand)	688,887
Ace Pillar Enterprise Co.	145,124 (USD 5,119 thousand)	145,124 (USD 5,119 thousand)	1,182,249

Note 1: Investment profit (loss) recognized for the year was recognized based on the financial statements for the same period audited and certified by the parent company's certified public accountant in Taiwan.

Note 2: Investment profit (loss) recognized for the year was recognized based on the financial statements for the same period audited and certified by international accounting firms in cooperation with accounting firms of Republic of China.

Note 3: Refers to the actual amount remitted by the Company and the amount approved by the Investment Commission, excluding the remitted amount of subsidiaries and their amount approved by the Investment Commission.

Note 4: in accordance with the "Principles for Review of Investment or Technical Cooperation in Mainland China", the accumulated amount of investment in mainland China is limited to 60% of the net worth or consolidated net worth, whichever is higher.

Note 5: The Company's net investment amount after the cancellation of Dongguan Nippon Trading Co., Ltd. approved by the Investment Commission in August 2014.

Note 6: Repatriated amount of earnings after the cancellation of Dongguan Yantong Electronic Information Co., Ltd. approved by the Investment Commission in February 2017.

Note 7: When preparing the consolidated financial statements, all intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

DFI Inc. and Subsidiaries

Significant transactions with investee companies in mainland China incurred directly or indirectly through a third region, and their prices, payment terms, unrealized gain or loss, and other relevant information
From January 1 to December 31, 2020
Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise

Investee Company In Mainland China	Type of Transaction	Purchases and Sales		Price	Transaction Terms		Notes and trade receivable (payable)		Unrealized gain (loss)	Remark
		Amount	Percentage		Payment Terms	Compared with normal transactions	Amount	Percentage		
Shenzhen Yanyinghao Commerce Company	Sales	$ 142,133	4%	Processed by regular selling prices	Collect on 90 days after shipment	60~90 days for related parties 30～60 days for non-related parties	$ 20,585	3%	$ 3,733	Note
Beijing AEWIN Huaxia Technologies Co., Ltd.	Sales	339,841	29%	Processed by regular selling prices	Collect on 120 days after shipment	Subject to extension taking into account market conditions	384,304	70%	35,048	Note

Note: All transactions, balances, revenue, and expenses within each entities have been written off in full when preparing consolidated financial statements.

DFI Inc.

INFORMATION ON MAJOR SHAREHOLDERS
December 31, 2020

Name of Major Shareholder	Shares	
	Number of Shares Held (share)	Shareholding Ratio
Qisda Co., Ltd.	51,609,986	45.00%
Gordias Investments Limited of British Virgin Islands Merchant	15,734,441	13.71%
Darly2 Venture, lnc.	9,175,109	8.00%
Hyllus Investments Limited of British Virgin Islands Merchant	8,559,818	7.46%

Note 1: Information on major shareholders in this table is information on 5% and above of the total of the ordinary shares and preference shares held by shareholders without physical registration (including treasury shares) and calculated on the last business day of each quarter by the Taiwan Depository & Clearing Corporation. Share capital indicated in the Company's consolidated financial statements may differ from the actual number of shares that have been issued and delivered without physical registration as a result of different basis of preparation.