Stock Code:3675

Eris Technology Corporation

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

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

Note: The accompanying financial statements have been translated into English from the original Chinese version, and the English version is not audited by certified public accountant.

Representation Letter

The entities that are required to be included in the combined financial statements of Eris Technology Corporation as of and for the year ended 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 prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, "Consolidated and Separate Financial Statements." In addition, the information required to be disclosed in the combined financial statements and is included in the consolidated financial statements. Consequently, Eris Technology Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Eris Technology Corporation
Chairman: Jonathan Chang
Date: March 4, 2021

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2020		December 31, 2019	
Assets	**Amount**	**%**	**Amount**	**%**
Current assets				
Cash (Notes 4 and 6)	$ 223,810	9	$ 239,282	9
Financial assets at amortized cost - current (Notes 4,8 and 28)	35,822	1	42,182	2
Notes receivable (Notes 4,9 and 20)	1,541	-	1,440	-
Net trade receivables (Notes 4,9 and 20)	106,454	4	125,392	5
Trade receivables from related parties (Notes4,9 ,20 and 27)	257,149	10	249,543	9
Other receivables (Note 4)	4,121	-	4,961	-
Inventories (Notes 4, 5 and 10)	245,656	10	252,730	10
Prepayments and other current assets	19,131	1	10,305	-
Total current assets	893,684	35	925,835	35
Non-current assets				
Financial assets at amortized cost – non-current (Notes 4,8 and 28)	10,003	-	-	-
Property, plant and equipment (Notes 4,12 and 28)	1,434,110	56	1,474,486	56
Rights-of-use assets (Notes 4 and 13)	11,232	1	12,961	1
Goodwill (Notes 4 and 14)	24,070	1	24,070	1
Other intangible assets (Note 4 and 15)	15,910	1	16,115	1
Deferred tax assets (Note 4,5 and 22)	106,739	4	115,919	4
Prepayments for equipment (Note 27 and 29)	54,015	2	38,109	1
Refundable deposits	5,433	-	5,570	-
Other non-current assets (Note 16)	5,772	-	19,010	1
Total non-current assets	1,667,284	65	1,706,240	65
Total assets	$ 2,560,968	100	$ 2,632,075	100
Liabilities and Equity				
Current Liabilities				
Short-term borrowings (Note17 and 28)	$ 350,000	14	$ 400,000	15
Financial liabilities at fair value through profit or loss - current (Notes 4,7 and 26)	1,277	-	26	-
Trade payables	165,446	7	206,237	8
Trade payables-related parties(Notes 27)	97	-	-	-
Other payables(Note 18)	137,822	5	122,801	5
Current tax liabilities (Note 4 and 22)	16,733	1	10,909	1
Provisions - current (Note 4)	4,370	-	6,108	-
Lease liabilities - current (Notes 4 and 13)	8,251	-	9,533	-
Current portions of long-term borrowings (Note17 and 28)	138,428	5	8,771	-
Other current liabilities (Note 20)	780	-	865	-
Total current liabilities	823,204	32	765,250	29
Non-current liabilities				
Long-term borrowings (Note17 and 28)	715,885	28	694,395	27
Deferred tax liabilities (Note 4 and 22)	6,189	-	7,817	-
Lease liabilities - non-current (Notes 4 and 13)	3,059	-	3,509	-
Total non-current liabilities	725,133	28	705,721	27
Total liabilities	1,548,337	60	1,470,971	56
Equity				
Equity attributable to owner of parent (Note 11,19 and 24)				
Ordinary share	444,283	17	444,283	17
Capital surplus	402,511	16	402,511	15
Retained earnings				
Legal reserve	55,098	2	44,888	2
Special reserve	2,586	-	1,484	-
Unappropriated earnings	108,553	5	145,184	5
Total retained earnings	166,237	7	191,556	7
Other equity	(2,013)	-	(2,586)	-
Total equity attributable to owners of parent	1,011,018	40	1,035,764	39
Non-controlling interests (Notes11, 19 and 24)	1,613	-	125,340	5
Total equity	1,012,631	40	1,161,104	44
Total Liabilities and Equity	$ 2,560,968	100	$ 2,632,075	100

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the year ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	2020		2019	
	Amount	**%**	**Amount**	**%**
Operation Revenue (Note4,20 and 27)				
Sales	$ 1,546,023	101	$ 1,552,898	100
Less: Sales return and allowance	(8,553)	(1)	(5,018)	-
Net revenue	1,537,470	100	1,547,880	100
Cost of Sales (Note 10,21 and 27)	1,129,467	73	1,240,129	80
Gross Profit	408,003	27	307,751	20
Operating Expenses (Note 21)				
Selling and marketing	59,576	4	32,645	2
General and administrative expenses	118,827	8	81,296	5
Research and development	95,794	6	61,810	4
Expected credit impairment loss (Notes 9)	360	-	500	-
Total operating expenses	274,557	18	176,251	11
Operating Income	133,446	9	131,500	9
Non-operating income and expenses:				
Interest income	412	-	848	-
Other income(Note21)	783	-	21,361	1
Disposal of property, plant and equipment	-	-	173	-
Gain (loss) on financial debt at fair value through profit or loss(Note 7)	(1,041)	-	648	-
Interest expense	(12,731)	(1)	(10,660)	(1)
Other expense	-	-	(123)	-
Foreign exchange loss, net(Note21)	(8,287)	(1)	(5,264)	-
Total non-operating income and expenses	(20,864)	(2)	6,983	-
Profit before Tax	$112,582	7	$138,483	9
Less: Income tax expense (Note4 ,5and 22)	(18,901)	(1)	(26,342)	(2)
Net Profit	93,681	6	112,141	7

(Continued)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the year ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
Other comprehensive income /(loss)				
Components of other comprehensive income (loss) that will be reclassified to profit or loss				
Exchange differences on translating the financial statements of foreign operations	716	-	(1,377)	-
Income tax relating to items that may be reclassified subsequently to profit or loss(Note4 and 22)	(143)	-	275	-
Other comprehensive income/(loss) for the year, net of income tax	573	-	(1,102)	-
Total comprehensive income	$ 94,254	6	$ 111,039	7
Net profit, attributable to:				
Owners of parent	$ 93,335	6	$ 102,097	6
Non-controlling interests (Notes 11 and 19)	346	-	10,044	1
	$ 93,681	6	$ 112,141	7
Comprehensive income attributable to:				
Owners of parent	$ 93,908	6	$ 100,995	6
Non-controlling interests(Notes 11 and 19)	346	-	10,044	1
	$ 94,254	6	$ 111,039	7
Earnings per share (Note 23)				
Basic earnings per share	$ 2.10		$ 2.30	
Diluted earnings per share	$ 2.10		$ 2.29	

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the year ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of parent										
	Share Capital (Notes 19)			**Retained Earnings**							
	Ordinary Share (In Thousands)	Amount	Capital Surplus (Notes 19)	Legal Reserve	Special Reserve	Unappropriated Earnings (Notes 11and 19)	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations (Notes 19)	Total equity attributable to owners of parent	Non-controlling Interests (Notes11and 19)	Total Equity
Balance at January 1, 2019	44,428	$ 444,283	$ 402,511	$ 33,618	$ 940	$ 143,758	$ 178,316	($ 1,484)	$ 1,023,626	$ 115,296	$ 1,138,922
Appropriation and distribution of 2018 earnings:											
Legal reserve	-	-	-	11,270	-	(11,270)	-	-	-	-	-
Special reserve	-	-	-	-	544	(544)	-	-	-	-	-
Cash dividends distributed of ordinary share	-	-	-	-	-	(88,857)	(88,857)	-	(88,857)	-	(88,857)
	-	-	-	11,270	544	(100,671)	(88,857)	-	(88,857)	-	(88,857)
2019 Net profit	-	-	-	-	-	102,097	102,097	-	102,097	10,044	112,141
Other comprehensive income/(loss)	-	-	-	-	-	-	-	(1,102)	(1,102)	-	(1,102)
Total comprehensive income/(loss) for the year ended December 31, 2019	-	-	-	-	-	102,097	102,097	(1,102)	100,995	10,044	111,039
Balance at December 31, 2019	44,428	444,283	402,511	44,888	1,484	145,184	191,556	(2,586)	1,035,764	125,340	1,161,104
Appropriation and distribution of 2019 earnings:											
Legal reserve	-	-	-	10,210	-	(10,210)	-	-	-	-	-
Special reserve	-	-	-	-	1,102	(1,102)	-	-	-	-	-
Cash dividends distributed of ordinary share	-	-	-	-	-	(57,756)	(57,756)	-	(57,756)	-	(57,756)
	-	-	-	10,210	1,102	(69,068)	(57,756)	-	(57,756)	-	(57,756)
Subsidiary shareholders cash dividends(Notes 24)	-	-	-	-	-	-	-	-	-	(58)	(58)
Acquire part of the equity of the subsidiary	-	-	-	-	-	(60,898)	(60,898)	-	(60,898)	(124,015)	(184,913)
2020 Net profit	-	-	-	-	-	93,335	93,335	-	93,335	346	93,681
Other comprehensive income/(loss)	-	-	-	-	-	-	-	573	573	-	573
Total comprehensive income/(loss) for the year ended December 31, 2020	-	-	-	-	-	93,335	93,335	573	93,908	346	94,254
Balance at December 31, 2020	44,428	$ 444,283	$ 402,511	$ 55,098	$ 2,586	$ 108,553	$ 166,237	($ 2,013)	$ 1,011,018	$ 1,613	$ 1,012,631

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the year ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows generated from (used in) operating activities:		
Profit before tax	$ 112,582	$ 138,483
Adjustments:		
Depreciation expenses	123,667	127,020
Amortization expenses	20,191	22,071
Expected credit impairment loss	360	500
Net (gain)/loss on fair value changes of financial assets and debts designated as at fair value through profit or loss	1,251	80
Interest expense	12,731	10,660
Interest income	(412)	(848)
(Gain)/loss on disposal retirement of property, plant and equipment	-	(173)
Write-downs of inventories	981	(4,078)
Unrealized (gain)/loss on foreign currency exchange	(923)	4,184
Changes in operating assets and liabilities		
Notes receivable	(101)	2,145
Trade receivables	19,056	(31,003)
Trade receivables - related parties	(6,668)	(4,444)
Other receivables	826	(2,803)
Inventories	6,093	11,420
Prepayments and other current assets	(1,414)	52
Trade payables	(40,866)	31,347
Trade payables - related parties	97	-
Other payables	21,149	5,379
Provisions	(1,738	(7,564)
Other current liabilities	(85)	71
Cash generated from operations	266,777	302,499
Interest received	419	850
Interest paid	(12,705)	(10,601)
Income tax paid	(5,676)	(26,489)
Net cash flows generated from (used in) operating activities	$ 248,815	$ 266,259
Cash flows from (used in) investing activities:		
Purchase of financial assets at amortized cost	($ 4,057)	($ 19,443)
Proceeds from sale of financial assets at amortized cost	55	8,470
Payments for property, plant and equipment	(35,934)	(782,060)
Proceeds from disposal of property, plant and equipment	1,341	607
Refundable deposits	137	1,585
Payments for intangible assets	(2,118)	(1,066)
Payments for other non-current assets	(12,040)	(19,074)
Increase in prepayments for equipment	(57,329)	(11,656)
Net cash flows from (used in) investing activities	($ 109,945)	($ 822,637)

(Continued)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the year ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows generated from (used in) financing activities:		
Proceeds from short-term borrowings	($ 50,000)	$ 85,000
Proceeds from long-term borrowings	160,000	576,000
Repayments of long-term borrowings	(8,853)	(32,316)
Repayment of the principal portion of lease liabilities	(13,420)	(13,731)
Dividends paid to owners of the Company	(57,756)	(88,857)
Payment of cash dividends for non-controlling interests	(58)	-
Acquire equity in subsidiary	(184,913)	-
Net cash generated from/(used in) financing activities	($ 155,000)	$ 526,096
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	658	(1,411)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(15,472)	(31,693)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	$ 239,282	$ 270,975
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 223,810	$ 239,282

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

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

1. COMPANY HISTORY

Eris Technology Corporation (the "Company") was incorporated in the Republic of China ("ROC") in August 16, 1995. The Company mainly manufactures tests and sells rectifier diode, wafer and light-emitting diode.

The Securities and Futures Bureau of Financial Supervisory Commission approved The Company public offering of its capital stock on August 13, 2009. The Company shares have been listed on the Taipei Exchange ("TPEx") Mainboard since June 29, 2012.

In August 2012, Diodes International BV (Diodes BV) held more than 50% of the company's shareholding ratio and became the company's parent company. Diodes Holding BV absorbed and merged Diodes BV in January 2019, and generally accepted all its rights and obligations. The assignment was completed in August 2019. As of December 31, 2020, Diodes Holding B.V. held 51.07% of the company's shares. Diodes Holding B.V. was acquired by Diodes Holdings UK Limited in January 2021 and generally accepted all the rights and obligations of Diodes Holding B.V. The ultimate parent company of the company is Diodes Incorporated (Diodes), and the ultimate parent company and its subsidiaries are hereinafter referred to as Diodes Group.

The consolidated financial statements is presented in The Company functional currency, the New Taiwan dollar.

2. APPROVAL DATE AND PROCEDURES OF THE FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company board of directors on March 4, 2021.

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

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

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

b. The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2021

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 4 "Extension of Provisional Exemption for Applicable IFRS 9"	Effective from release date
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform -Phase 2"	Effective for the annual reporting period beginning

	on January 1, 2021
Amendments to IFRS 16 "COVID-19 Pneumonia Related Rent Concessions"	Effective for the annual reporting period beginning on June 1, 2020 (Note)

Note: The Company did not occur the aforementioned related rent negotiation in 2020, but if this happens in 2021 that the aforementioned regulations will be applied.

The application of the above-mentioned newly issued/amended/revised standards or interpretations will not cause major changes in the company's accounting policies.

c. The impact of IFRS issued by IASB but not yet endorsed by the FSC
As of the date, the following IFRSs that have been issued by the International Accounting Standards Board ("IASB"), but have yet to be endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	**Effective Date Announced by IASB (Note 1)**
"Annual improvement in the 2018-2020 cycle"	January 1, 2022 (Note 2)
Amendment to IFRS 3 "Update the Index of Conceptual Framework"	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 "Sale or investment of assets between investors and their affiliates or joint ventures"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments 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 "Real estate, plant and equipment: the price before reaching the intended state of use"	January 1, 2022(Note 4)
Amendment to IAS 37 "Loss Contracts-Cost of Performing Contracts"	January 1, 2022(Note 5)

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

Note 2: The amendments to IFRS 9 are applicable to the exchange or modification of terms of financial liabilities incurred during the annual reporting period beginning on January 1, 2022; the amendment to IAS 41 "Agriculture" applies to the fair value measurement of the annual reporting period beginning after January 1, 2022; the amendment to IFRS 1 "First Adoption of IFRSs" is retrospectively applied to the annual reporting period beginning after January 1, 2022.

Note 3: This amendment applies to business mergers whose acquisition date starts in the annual reporting period after January 1, 2022.

Note 4: Plants, real estate and equipment that have reached the necessary locations and conditions for the management's expected operation mode after January 1, 2021 are subject to this amendment.

Note 5: This amendment applies to contracts that have not fulfilled all obligations on January 1, 2022.

Note 6: The application of this amendment will be postponed during the annual reporting period beginning on January 1, 2023.

Note 7: This amendment applies to changes in accounting estimates and changes in accounting policies that occur during the annual reporting period beginning on January 1, 2023.

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

d. Apportion of operating costs and operating expenses

After the company acquired Yeashin Technology Co., Ltd. in July 2018, it sustained to adjust its organization and department personnel for operational demands. The management team was to more appropriately divide the attribution of expenses. Started 2020, the functional attributes of each department have reassessed and the classification criteria have been refined.

The adjustment of this expense apportion made part of the expenses by originally attributable to operating costs, re-classified under operating expenses. Because of the changes in the functional attributes of the above-mentioned departments, which are gradually adjusted in response for organizational demands.

The company believes that it is not yet possible to directly use the classification criteria after the reassessment in 2020 as the basis for classification in the same period in 2019. Therefore, the independent/individual comprehensive income statement from January 1 to December 31, 2019 has not been reclassified and adjusted.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

These individual consolidated financial statements is prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, other regulations and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, biological assets excluding bearer plants which are measured at fair value less costs to sell, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

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

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

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

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) It is held primarily for the purpose of trading;

2) It is due to be settled within 12 months after the reporting period; and

3) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

d. Basis of consolidation

The consolidated financial statements comprise the Company and its subsidiaries. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its control over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

When the merger company's changes in the ownership and equity of the subsidiary do not result in the loss of control, it is treated as an equity transaction. The carrying amount of the consolidated company and non-controlling interests has been adjusted to reflect changes in its relative equity in the subsidiary. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized as equity and attributable to the owners of the company.

For details of subsidiaries, shareholding ratios and business items, please refer to Note 11 and Attached Tables 6 and 7.

e. Business combination

Business mergers are handled by the acquisition method. Acquisition-related costs are included as expenses in the period in which the costs are incurred and the labor services are obtained.

Goodwill is the sum of the fair value of the transfer consideration, the amount of non-controlling interests of the acquire, and the fair value of the acquirer's previously held equity at the acquisition date, which exceeds the identifiable assets and commitments acquired on the acquisition date Net debt measurement.

The acquiree has the current ownership interest and is entitled to pro rata non-controlling interest in the acquiree's net assets at the time of liquidation, which is measured by the proportion of its share of the recognized amount of the acquiree's identifiable net assets. Other non-controlling interests are measured at fair value.

As the measurement of identifiable assets acquired and liabilities assumed due to a business combination has not been completed, the balance sheet date is recognized at a provisional amount. During the measurement period, retrospective adjustments are made or additional assets or liabilities are recognized to reflect the obtained new information about the facts and circumstances that existed on the acquisition date.

f. Foreign currencies

When each entity prepares financial reports, those who trade in currencies other than the individual's functional currency (foreign currency) are converted into functional currency records at the exchange rate on the transaction day.

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

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

When preparing individual consolidated financial reports, the assets and liabilities of foreign operating organizations (including subsidiaries in the country where they operate or whose currency is different from that of the company) are converted into New Taiwan dollars at the exchange rate on each balance sheet date. Income and expense items are converted at the average exchange rate of the current period, and the resulting conversion difference is listed in other comprehensive income.

g. Inventories

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

h. Property, plant, and equipment

Property, plant and equipment (including assets held under finance leases and bearer plants) are stated at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction (including bearer plants before they are placed in the location and condition necessary to be capable of operating in the manner intended by management) are carried at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Depreciation is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On de-recognition of an item of property, plant and equipment, the difference between the net disposal price and the asset's book value is recognized in profit and loss.

i. Goodwill

The goodwill obtained from a business combination is based on the amount of goodwill recognized on the acquisition date as the cost, and subsequently measured by the cost minus the accumulated impairment loss.

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

Amortized goodwill cash-generating unit performs an impairment test on the unit every year (and when there are indications that the unit may have been impaired) by comparing the book value of the unit containing goodwill and its recoverable amount. If the goodwill allocated to the cash-generating unit is obtained from a business combination of the current year, the unit shall be tested for impairment before the end of the current year. If the recoverable amount of the cash-generating unit of amortized goodwill is lower than its book value, the impairment loss is to reduce the book amount of the cash-generating unit’s amortized goodwill first, and then reduce the proportion of the book value of the other assets in the unit by each The carrying amount of the asset. Any impairment loss is directly recognized as the current loss. The loss of goodwill impairment shall not be reversed in the subsequent period.

When disposing of a certain operation within the amortized goodwill cash-generating unit, the amount of goodwill related to the dispositioned operation is included in the book value of the operation to determine the disposition of profits and losses.

j. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Intangible assets are amortized on a straight-line basis during their useful life. The company reviews the estimated service life, residual value and amortization method at least at the end of each year, and defers the impact of changes in applicable accounting estimates.

On de-recognition of an intangible asset, the difference between the net disposal price and the asset's book value is recognized in profit and loss.

k. Impairment of assets related to real property, plant and equipment, right-of-use assets, intangible assets (except goodwill) and contract costs

The company assesses on each balance sheet date whether there are any signs that real property, plant and equipment, right-of-use assets and intangible assets (except goodwill) may have been impaired. If there are any signs of impairment, estimate the recoverable amount of the asset. If the recoverable amount of an individual asset cannot be estimated, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

The inventory, real property, plant and equipment and intangible assets recognized in the customer contract are first recognized as impairment in accordance with the inventory impairment regulations and the above regulations, and the book value of the relevant assets is based on the contract cost. The amount after deducting the directly related costs is recognized as an impairment loss, and the book value of the contract cost-related assets is continuously included in the cash-generating unit to perform the impairment assessment of the cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the asset, cash-generating unit or contract cost-related asset is adjusted to the revised recoverable amount, but the increased carrying amount does not exceed the asset, cash-generating unit or contract cost If the relevant asset is not in the previous year, the book value determined when the impairment loss is recognized (less amortization or depreciation) The reversal of the impairment loss is recognized in the profit and loss.

l. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

The types of financial assets held by the company are financial assets measured at amortized cost.

Financial assets measured at amortized cost.

If the company's investment financial assets meet the following two conditions at the same time, they are classified as financial assets measured at amortized cost:

A. It is held under a certain business model, the purpose of which is to hold financial assets to collect contractual cash flows; and

B. The terms of the contract generate cash flows on a specific date, and these cash flows are all interest on the payment of the principal and the amount of principal in circulation.

Financial assets measured at amortized cost (including cash, notes receivable at amortized cost, accounts receivable (including related parties) and other receivables (including related parties)) are initially recognized, It is measured by the total book amount determined by the effective interest method minus the amortized cost of any impairment loss, and any foreign currency exchange gains and losses are recognized in profit and loss.

Except for the following two cases, interest income is calculated by multiplying the effective interest rate by the total book value of financial assets:

A. For purchased or created credit-impaired financial assets, interest income is calculated by multiplying the effective interest rate after credit adjustment by the amortized cost of the financial asset.

B. For financial assets that are not purchased or original credit impairment, but subsequently become credit impairment, it should use the effective interest rate multiplied by the amortized cost of the financial asset to calculate the interest income from the next reporting period after the impairment.

Credit-impaired financial assets refer to the issuer or debtor who has experienced major financial difficulties, defaulted, the debtor is likely to apply for bankruptcy or other financial reorganization, or the active market for financial assets disappears due to financial difficulties.

b) Impairment of financial assets and contract assets

The company assesses the impairment losses of financial assets (including accounts receivable) measured at amortized cost based on expected credit losses on each balance sheet date.

For accounts receivable are recognized as allowance losses based on expected credit losses during the duration. For other financial assets, first assess whether there is a significant increase in credit risk since the initial recognition. If there is no significant increase, the allowance loss is recognized based on the 12-month expected credit loss; if it has increased significantly, it is recognized based on the duration of the expected credit loss Allowance for losses.

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

For the purpose of internal Credit Risk Management(CRM), the company determines that there is internal or external information indicating that the debtor is unable to pay off the debt without considering the collateral held, which represents that the financial asset has defaulted.

The impairment loss of all financial assets is reduced by the allowance account to reduce its carrying amount, but the allowance loss of debt instrument investment measured at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce its carrying amount.

c) Derecognition of financial assets

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

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

2) Equity instruments

Debt and equity instruments issued by the company are classified as financial liabilities or equity in accordance with the substance of the contractual agreement and the definition of financial liabilities and equity instruments.

Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing. Moreover, get back the company's own equity instruments is recognized and deducted under equity. The purchase, sale, issuance or cancellation of the company's own equity instruments are not recognized in profit or loss.

3) Financial liabilities

a) Subsequent measurement

Except for derivatives, all financial liabilities of the company are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Derivative financial instruments

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

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

m. Provisions

The amount recognized as a liability reserve is based on the risk and uncertainty of the obligation, and is the best estimate of the expenditure required to settle the obligation on the balance sheet date. The liability provision is the estimated liability for sales returns and discounts. The liability provision is the estimated product returns and a discount that may occur based on the judgment of management and other known reasons, and is recognized as a deduction of operating income in the period when the relevant product is sold Subtract items.

n. Revenue recognition

The company identifies contract with the customers; it allocates the transaction price to each performance obligation, and recognizes revenue when each performance obligation is met.

<u>Revenue from the sale of goods</u>

The company manufactures and sells electronic products to international brand customers. Since the product arrives at the customer's designated location, the customer has the right to set the price and use of the product and has the main responsibility for resale, and bears the risk of obsolescence and obsolescence, the company recognizes revenue and receivables at that point in time Accounts.

When the material is removed for processing, the control of the ownership of the processed product has not been transferred, so revenue is not recognized when the material is removed.

When processing with supplied materials, the company processes and manufactures diodes according to the raw materials provided by the customer and the agreed specifications. Since the customer has control over the diodes when they are strengthened, the company will gradually recognize income over time.

o. Leasing

At the inception of a contract, The Company's assesses whether the contract is, or contains, a lease.

<u>The Company's as lessee</u>

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

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

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

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

Afterward, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is The Company's remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the independent balance sheets.

p. Retirement benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

q. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

Deferred income tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are likely to have taxable income to deduct temporary differences, loss deductions, or purchases of machinery and equipment. The resulting income tax deduction is recognized when it is used.

Taxable temporary differences related to investment in subsidiaries are recognized as deferred income tax liabilities, but if the company can control the timing of the reversion of the temporary difference, and the temporary difference is likely to not revert in the foreseeable future except. The deductible temporary differences related to this type of investment will be recognized as deferred income tax only if it is likely to have sufficient taxable income to realize the temporary difference, and within the range expected to return in the foreseeable future assets.

The carrying amount of deferred income tax assets is reviewed on each balance sheet date, and the carrying amount is reduced for those that are no longer likely to have sufficient taxable income to recover all or part of their assets. For those that have not been recognized as deferred income tax assets, they are also reviewed on each balance sheet date, and if they are likely to generate taxable income in the future for recovering all or part of their assets, the book amount will be increased.

Deferred income tax assets and liabilities are measured by the tax rate for the period in which the expected liability is settled or the asset is realized. The tax rate is based on the tax rate and tax law that has been legislated or substantively legislated on the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequences arising from the way the company expects to recover or settle the carrying amount of its assets and liabilities on the balance sheet date.

3) Current and deferred taxes for the year

Current and deferred income taxes are recognized in profit or loss, but current and deferred incomes taxes related to items recognized in other comprehensive profit or loss or directly included in equity are respectively recognized in other comprehensive profit or loss or directly included in equity.

5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

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

The company incorporates the economic impact caused by the COVID-19 novel coronavirus pneumonia into the consideration of major accounting estimates, and the management will continue to review the estimates and basic assumptions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Assumption and major sources of estimation uncertainty:

1. Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and disposal. The estimation of net realizable value is based on current market conditions and historical experience with product sales of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

2. Income Tax

The realisability of deferred income tax assets mainly depends on whether there are sufficient profits in the future or taxable temporary differences. If the actual profits generated in the future are less than expected, a major reversal of deferred income tax assets may occur. Such reversals are recognized as profit or loss during the period of occurrence. On the balance sheet date, please refer to Note 22 for the amount that has not been recognized as deferred income tax assets.

6. CASH AND CASH EQUIVALENTS

	December 31, 2020	December 31, 2019
Foreign currency demand deposit	$ 110,947	$ 148,097
Demand deposits	112,151	90,313
Cash on hand	699	859
Check deposits	13	13
	$ 223,810	$ 239,282

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

	December 31, 2020	December 31, 2019
Bank balance	0.2%-0.3%	0.001%-0.38%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2020	December 31, 2019
Financial liabilities-current, held for trading		
Cross-currency swap contracts	$ 1,277	$ 26

At the end of the reporting period, outstanding cross-currency swap contracts not under hedge accounting were as follows:

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
December 31, 2020			
US$2,000	January 2021 ~ May 2021	-	0.08%~1.25%
December 31, 2019			
US$1,000	January 2020 ~ February 2020	-	1.55%~2.75%

As of December 31, 2020 and 2019, the company engaged in financial instruments measured at fair value through profit and loss, resulting in a net loss of $1,041 thousand and a net gain of $648 thousand, respectively.

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2020	December 31, 2019
Current		
Unpledged time deposits		
Time deposits with original maturities of more than 3 months	$ -	$ 8,994
Pledged time deposits		
Time deposits with original maturities of more than 3 months	13,809	5,178
Restricted demand deposit	22,013	28,010
	$ 35,822	$ 42,182
Non-current		
Pledged time deposits		
Restricted demand deposit	$ 10,003	$ -

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

	December 31, 2020	December 31, 2019
Time deposits with original maturities of more than 3 months	0.46%-2.13%	2.35%-2.49%
Restricted demand deposit	0.01%-0.04%	0.01%-0.08%

Refer to Note 28 for information relating to investments in financial assets at amortized cost pledged as security.

9. NOTES RECEIVABLE AND TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31, 2020	December 31, 2019
Notes receivable		
Notes receivable from operating activities	$ 1,541	$ 1,440
Trade receivables		
Accounts receivables – measured at amortized cost	$ 114,792	$ 134,130
Less: Allowance for impairment loss	(8,338)	(8,738)
	$ 106,454	$ 125,392
Trade receivables from related parties		
Notes and accounts receivable – related parties	$ 257,149	$ 249,543

The average credit period of sales of goods was 30-120 days. No interest was charged on trade receivables for the period.

In order to mitigate credit risks, the management of the company assigns a dedicated team to be responsible for the determination of credit dates, credit approvals and other monitoring procedures to ensure that appropriate actions have been taken for the collection of overdue accounts receivable. In addition, the company will review the recoverable amount of accounts receivable on the balance sheet date to ensure that accounts receivable that cannot be recovered have been properly deducted.

Accordingly, the management of the company believes that the company's credit risk has been significantly reduced.

The company recognizes the allowance loss of accounts receivable based on the expected credit loss during the duration. The expected credit loss during the existence period takes into account the past default records of customers and the current financial situation and industrial economic situation.

The following table details the loss allowance of trade receivables based on the Company's provision matrix.

December 31, 2020

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Others	Total
Gross carrying amount	$ 13,259	$285,362	$ 65,769	$ 1,731	$ 5,820	$ 371,941
Loss allowance (Lifetime ECLs)	(663)	(1,621)	(234)	-	(5,820)	(8,338)
Amortized cost	$ 12,596	$ 283,741	$ 65,535	$ 1,731	$ -	$363,603

December 31, 2019

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Others	Total
Gross carrying amount	$ 9,500	$277,168	$ 89,427	$ 805	$ 6,773	$383,673
Loss allowance (Lifetime ECLs)	(475)	(1,101)	(389)	-	(6,773)	(8,738)
Amortized cost	$ 9,025	$276,067	$ 89,038	$ 805	$ -	$374,935

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

	2020	2019
AT THE BEGINNING OF THE YEAR	$ 8,738	$ 8,272
Add: The impairment loss is listed for the current year	360	500

	2020	2019
Less: The impairment losses written off for the period	(845)	-
Foreign exchange translation gains and losses	85	(34)
AT THE END OF THE YEAR	$ 8,338	$ 8,738

The aging of receivables analysis was as follows:

	December 31, 2020	December 31, 2019
Not past due	$ 344,952	$ 362,769
1-60 days	15,321	13,843
61-90 days	374	291
91-120 days	86	119
More than 120 days	11,208	6,651
	$ 371,941	$ 383,671

10. INVENTORIES

	December 31, 2020	December 31, 2019
Raw materials	$ 103,418	$ 100,789
Work in progress	108,124	111,503
Finished goods	34,114	40,438
	$ 245,656	$ 252,730

The cost of goods sold in 2020 includes the provision of inventory depreciation and idle losses of NT$981 thousands. The cost of goods sold for the year 2019 included the decline in the price of revolving inventory and sluggish losses of NT$4,078 thousands. The price drop of revolving inventory and sluggish losses were caused by the re-allocation of sluggish inventory.

11. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

			Proportion of Ownership (%)	
Investor	**Name of Subsidiary**	**Nature of Activities**	**December 31, 2020**	**December 31, 2019**
Eris Technology Co. (“Eris”)	Keep High Ltd. (“Keep High”)	Holding company	100.00	100.00
Eris Technology Co. (“Eris”)	Yea Shin Technology Co., Ltd. (“Yea Shin”)	Manufacturing of electronic parts and wholesaling of electronic components	99.52	60.11

Keep High	Forever Eagle Incorporation ("Forever")	Holding company	100.00	100.00
Forever	Jie Cheng Electronic (Shanghai) Co., Ltd. ("Jie Cheng")	Wholesaling of electronic components and international trading business	100.00	100.00

On April 3, 2008, Eris set up as of Jie Cheng with the investment in Mainland China companies through a company invested and established in a third region approved by the Investment Commission, Ministry of Economic Affairs. Jie Cheng mainly manufacturing of electronic parts and wholesaling of electronic components. December 31, 2020, the capital of Jie Cheng was US$650 thousand.

For upside integration and the expansion of The Company's activities, Eris acquired a 60.11% equity interest in Yea Shin, consisting of 26,259 thousand common shares, at NT$193,860 in July 2018.

In response to the development strategy of the group, the company acquired 11,558 thousand and 50 thousand common shares of Yea Shin Technology at a total price of NT$ 184,842 thousand and NT$ 71 thousand in March and April of 2020, resulting in a 60.11% shareholding ratio increased to 99.52%, and reduced retained earnings by NT$60,898 thousand. (For the details of the investment subsidiaries indirectly held by the company, please refer to Note 24).

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

	Proportion of equity and voting rights held by non-controlling interests	
Name of Subsidiary	December 31, 2020	December 31, 2019
Yea Shin	0.48%	39.89%

See Table 6 for the information on places of incorporation and principal places of business.

	Profit (Loss) Allocated to Non-controlling Interests		**Accumulated Non-controlling Interests**	
Name of Subsidiary	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Yea Shin	$ 346	$ 10,044	$ 1,613	$ 125,340

Summarized financial information in respect of Yea Shin that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

	December 31, 2020	**December 31, 2019**
Current assets	$ 243,326	$ 185,901
Non-current assets	235,552	237,435
Current liabilities	(135,936)	(104,171)
Non-Current liabilities	-	(38)
Equity	$ 342,942	$ 319,127

Equity attributable to:		
Owners of Company Yea Shin	$ 341,296	$ 191,822
Non-controlling interests of Company Yea Shin	1,646	127,305
	$ 342,942	$ 319,127

	2020	2019
Revenue	$ 384,396	$ 254,112
Profit for the year	$ 35,815	$ 25,705
Profit attributable to:		
Owners of Company Yea Shin	$ 35,643	$ 15,451
Non-controlling interests of Company Yea Shin	172	10,254
	$ 35,815	$ 25,705
Net cash inflow from:		
Operating activities	$ 33,721	$ 16,765
Investing activities	(16,990)	(27,804)
Financing activities	(12,000)	(38,009)
Net cash inflow/(outflow)	$ 4,731	($ 49,048)

12. PROPERTY, PLANT AND EQUIPMENT

Book amount of each category	December 31, 2020	December 31, 2019
Land	$ 612,895	$ 612,895
Buildings	437,827	455,111
Machinery Equipment	366,875	382,366
Transportation Equipment	6,613	8,700
Leasehold Improvements	5,519	9,964
Other Equipment	4,381	5,450
	$ 1,434,110	$ 1,474,486

	2020					
	Balance at January 1, 2020	Additions	Disposal	Reclassifications	Effect of movements in exchange rates	Balance at December 31, 2020
Cost						
Land	$ 612,895	$ -	$ -	$ -	$ -	$ 612,895
Buildings	524,237	7,013	335	-	-	530,915

Machinery Equipment	991,486	25,319	27,778	36,545	-	1,025,572
Transportation Equipment	16,485	1,400	1,939	-	30	15,976
Leasehold Improvements	19,381	100	2,490	-	-	16,991
Other Equipment	17,466	826	4,220	-	23	14,095
Total	2,181,950	$ 34,658	$ 36,762	$ 36,545	$ 53	2,216,444

2020

	Balance at January 1, 2020	Additions	Disposal	Reclassifications	Effect of movements in exchange rates	Balance at December 31, 2020
Accumulated depreciation						
Buildings	69,126	$ 24,297	$ 335	$ -	$ -	93,088
Machinery Equipment	609,120	77,355	27,778	-	-	658,697
Transportation Equipment	7,785	2,148	598	-	28	9,363
Leasehold Improvements	9,417	4,545	2,490	-	-	11,472
Other Equipment	12,016	1,904	4,220	-	14	9,714
Total	707,464	$ 110,249	$ 35,421	$ -	$ 42	782,334
Carrying amount at December 31, 2020	$ 1,474,486					$ 1,434,110

2019

	Balance at January 1, 2019	Additions	Disposal	Reclassifications	Effect of movements in exchange rates	Balance at December 31, 2019
Cost						
Land	$ 147,295	$ 419,040	$ -	$ 46,560	$ -	$ 612,895
Buildings	86,568	295,351	786	143,104	-	524,237
Machinery Equipment	929,128	59,998	11,794	14,154	-	991,486
Transportation Equipment	12,337	4,839	624	-	(67)	16,485
Leasehold Improvements	122,506	1,282	4,015	(100,392)	-	19,381
Other Equipment	19,884	1,343	3,727		(34)	17,466
Total	1,317,718	$ 781,853	$ 20,946	$ 103,426	($ 101)	2,181,950
Accumulated depreciation						
Buildings	10,633	$ 16,324	$ 786	$ 42,955	$ -	69,126
Machinery Equipment	535,603	85,311	11,794	-	-	609,120
Transportation Equipment	6,097	1,941	190	-	(63)	7,785
Leasehold Improvements	48,615	7,772	4,015	(42,955)	-	9,417
Other Equipment	13,668	2,104	3,727	-	(29)	12,016

Total	614,616	$ 113,452	$ 20,512	$ -	($ 92)	707,464
Carrying amount at December 31, 2019	$ 703,102					$ 1,474,486

As there was no sign of impairment in 2020 and 2019, the company did not conduct impairment assessment.

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

Buildings	
Office's main buildings	35-50 years
Building improvement	5-15 years
Machinery equipment	2-15 years
Transportation equipment	5 years
Leasehold Improvements	5 years
Other equipment	3-5 years

Property, plant and equipment used by the Company and pledged as collateral for bank borrowings are set out in Note 28.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2020	December 31, 2019
Book amount of right-of-use asset	$ 11,232	$ 12,961

	2020	2019
Additions to right-of-use assets	$ 12,391	$ 1,278
Depreciation charge for right-of-use assets		
Buildings	$ 13,418	$ 13,568

b. Lease liabilities

	December 31, 2020	December 31, 2019
Carrying amounts		
Current	$ 8,251	$ 9,533
Non-current	$ 3,059	$ 3,509

Range of discount rate for lease liabilities was as follows:

	December 31, 2020	December 31, 2019
Buildings	1%~1.25%	1.25%

c. Other lease information

	2020	2019
Expenses relating to short-term leases	$ -	$ 5,284
Total cash outflow for leases	$ 13,420	$ 19,015

The company chooses to apply the recognition exemption for land and building leases that qualify for short-term leases, and does not recognize related right-of-use assets and lease liabilities for such leases.

14. GOODWILL

	2020	2019
Cost	$ 24,070	$ 24,070

The company had acquired Yea-sin Technology in July 2018, which generated a related goodwill of NT$24,070 thousand, which was mainly due to the expected future economic benefits of the subsidiary.

15. OTHERS INTANGIBLE ASSETS

	Patents	Computer software	Total
Cost			
Balance at January 1, 2020	$ 617	$ 17,902	$ 18,519
Additions	-	2,118	2,118
Disposals	-	(395)	(395)
Balance at December 31, 2020	$ 617	$ 19,625	$ 20,242
Accumulated amortization			
Balance at January 1, 2020	$ 373	$ 2,031	$ 2,404
Amortization expenses	62	2,261	2,323
Disposals	-	(395)	(395)
Balance at December 31, 2020	$ 435	$ 3,897	$ 4,332
Carrying amount at December 31, 2020	$ 182	$ 15,728	$ 15,910
Cost			
Balance at January 1, 2019	$ 617	$ 2,237	$ 2,854
Additions	-	1,066	1,066
Disposals	-	(262)	(262)
Additions from internal	-	14,861	14,861
Balance at December 31, 2019	$ 617	$ 17,902	$ 18,519
Accumulated amortization			
Balance at January 1, 2019	$ 311	$ 796	$ 1,107
Amortization expenses	62	1,497	1,559
Disposals	-	(262)	(262)

Balance at December 31, 2019	$ 373	$ 2,031	$ 2,404
Carrying amount at December 31, 2019	$ 244	$ 15,871	$ 16,115

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

Patents	10 years
Computer software	2-15 years

16. OTHER NON-CURRENT ASSETS

	December 31, 2020	December 31, 2019
Unamortized expense	$ 5,772	$ 19,010

17. BORROWINGS

a. Short-term borrowings

	December 31, 2020	December 31, 2019
Secured borrowings		
Bank loans	$ 320,000	$ 300,000
Unsecured borrowings		
Line of credit borrowings	30,000	100,000
	$ 350,000	$ 400,000

The range of weighted average effective interest rates on bank loans was 0.97%~1.2% and 1.14%~1.45% per annum as of December 31, 2020 and 2019, respectively.

Refer to Note 28 for information relating to borrowings pledged as security.

b. Long-term borrowings

	December 31, 2020	December 31, 2019
Secured borrowings		
Bank loans (1)	$ 118,313	$ 127,166
Bank loans (2)	476,000	476,000
Bank loans (3)	100,000	100,000
Bank loans (4)	100,000	-
Bank loans (5)	11,000	-
Bank loans (6)	49,000	-
	854,313	703,166
Less: Current portions	(138,428)	(8,771)
Long-term borrowings	$ 715,885	$ 694,395

1) As of December 31, 2020 and 2019, the range of weighted average effective interest rates of the bank borrowings secured by the Company’s land and buildings, was 0.92% and 1.20% per annum,

respectively.

2) As of December 31, 2020 and 2019, the range of weighted average effective interest rates of the bank borrowings secured by the Company's land and buildings, was 0.9797% and 1.1681% per annum, respectively.
3) As of December 31, 2020 and 2019, the range of weighted average effective interest rates of the bank borrowings secured by the Company's land and buildings, was 0.9797 and 1.1681% per annum, respectively.
4) As of December 31, 2020, the range of weighted average effective interest rates of the bank borrowings secured by the Company's demand deposit guarantee was 0.88% per annum, respectively.
5) As of December 31, 2020, the range of weighted average effective interest rates of the bank borrowings secured by the Company's land and buildings was 0.98% per annum, respectively.
6) As of December 31, 2020, the range of weighted average effective interest rates of the bank borrowings secured by the Company's land and buildings, was 0.90% per annum, respectively.

Refer to Note 28 for information relating to borrowings pledged as security.

18. OTHER LIABILITIES

	December 31, 2020	December 31, 2019
Other payables		
Payables for salaries or bonuses	$ 59,010	$ 51,959
Payables for processing fees	13,170	15,592
Payables for labor and health insurance	5,825	5,301
Payables for water, electricity and gas charges	4,879	1,210
Payables for purchases of equipment	4,643	5,919
Payables for professional service fees	3,083	2,141
Payables for pension	1,829	1,776
Others	45,383	38,903
	$ 137,822	$ 122,801

19. EQUITY

a. Share capital

Ordinary shares

	December 31, 2020	December 31, 2019
Number of shares authorized (in thousands)	50,000	50,000
Shares authorized	$ 500,000	$ 500,000
Number of shares issued and fully paid (in thousands)	44,428	44,428
Shares issued	$ 444,283	$ 444,283

Fully paid common shares, which have a par value of NT$10, carry one vote per share and a right to dividends.

b. Capital surplus

	December 31, 2020	December 31, 2019

Issuance of ordinary shares	$ 401,662	$ 401,662
Others	849	849
	$ 402,511	$ 402,511

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

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by The Company board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors after the amendment, refer to employee benefits expense in Note 21-5.

The Company Articles also stipulate a dividends policy whereby the issuance of stock dividends takes precedence over the payment of cash dividends. In principle, cash dividends are limited to 10% of the total dividends distributed.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals The Company paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of The Company paid-in capital, the excess may be transferred to capital or distributed in cash.

As follows by FSC No. 1010012865 and the "Questions and Answers Concerning the Application of Special Surplus Reserves after the adoption of International Financial Reporting Standards (IFRSs)", the company has listed and converted special surplus reserves.

The appropriations of earnings for 2019 and 2018 approved in the shareholders' meetings on May 28, 2020 and May 31, 2019, respectively, were as follows:

	2019	**2018**
Legal reserve	$ 10,210	$ 11,270
Special reserve	$ 1,102	$ 544
Cash dividends	$ 57,756	$ 88,857
Cash dividends of per share NT$	$ 1.30	$ 2.00

On March 4, 2021, the BOD proposed the 2021-year surplus distribution proposal as follows:

	2020
Legal reserve	$ 9,334
Special reserve	($ $ 573)
Cash dividends	$ 88,857
Cash dividends of per share NT$	$ 2.00

d. Other equity items

Exchange differences on translating the financial statements of foreign operations

	2020	2019
Balance at January 1	($ 2,586)	($ 1,484)
Exchange differences on translating the financial statements of foreign operations	716	(1,377)
Related income tax	(143)	275
Balance at December 31	($ 2,013)	($ 2,586)

d. Non-controlling interests

	2020	2019
Balance at January 1	$ 125,340	$ 115,296
Acquisition of non-controlling interests in Yea Shin(Notes 24)	(124,015)	-
Share of profit for the year	346	10,044
Payment of cash dividends for non-controlling interests	(58)	-
Balance at December 31	$ 1,613	$ 125,340

20. REVENUE

	2020	2019
Revenue from contracts with customers		
Revenue from the sale of goods	$1,537,470	$1,547,880

a. Contract balances

	December 31, 2020	December 31, 2019	January 1, 2019
Trade receivables and Notes (Note 9)	$ 365,144	$ 376,375	$ 346,011
Contract liabilities (included other current Liabilities)			
Sale of goods	$ 17	$ 40	$ 66

Revenue recognized in the current year that was included in the contract liability balance at the beginning of the year and from the performance obligations satisfied in the previous periods is as follows:

	2020	2019
From contract liabilities at the start of the year		
Sale of goods	$ 40	$ 66

21. NET PROFIT

The additional information on net profit for this year includes the following items:

1) Depreciation and amortization

	2020	2019
Property, plant and equipment	$ 110,249	$ 113,452

Right-of-use assets	13,418	13,568
Long-term prepayments	17,868	20,512
Intangible assets	2,323	1,559
Total	$ 143,858	$ 149,091

	2020	2019
An analysis of depreciation by function		
Operation cost	$ 90,245	$ 116,835
Operating expenses	33,422	10,185
	$ 123,667	$ 127,020
An analysis of amortization by function		
Operation cost	$ 16,192	$ 17,384
Operating expenses	3,999	4,687
	$ 20,191	$ 22,071

2) Gains or losses on foreign currency exchange

	2020	2019
Foreign exchange gains	$ 13,066	$ 8,324
Foreign exchange losses	(21,353)	(13,588)
	($ 8,287)	($ 5,264)

3) Employee benefits expense

	2020	2019
Post-employment benefits		
Defined benefit plans	$ 10,657	$ 11,346
Salaries and bonus	319,887	306,100
Total employee benefits expense	$ 330,544	$ 317,446
An analysis of employee benefits expense by function		
Operating costs	$ 201,388	$ 224,590
Operating expenses	129,156	92,856
	$ 330,544	$ 317,446

4) Other Income

	2020	2019
Compensation income	$ -	$ 19,820
Other	783	1,541
	$ 783	$ 21,361

5) Employees' compensation

The Company accrued employees' compensation at rates of no less than 1% and no higher than 5%. The employees' compensation for the years ended December 31, 2020 and 2019, which have been approved by The Company board of directors on March 4, 2020 and February 21, 2019, respectively, were estimated as follows:

Estimated rate

	2020	2019
Employees' compensation	3.2%	2.2%

Amount

	2020	2019
Employees' compensation	$ 3,400	$ 2,800

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the next year.

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

Information on the employees' compensation by The Company board of directors in 2020 and 2019 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

22. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Major components of tax expense recognized in profit or loss

	2020	2019
Current tax		
In respect of the current year	$ 13,204	$ 21,509
Adjustments for prior years	(1,712)	(2,060)
	11,492	19,449
Deferred tax		
In respect of the current year	11,131	6,994
Adjustments for prior years	(3,722)	(101)
	7,409	6,893
Income tax expense recognized in profit or loss	$ 18,901	$ 26,342

The adjustment of accounting income and income tax expenses is as follows:

	2020	2019
Profit before tax from continuing operations	$ 112,582	$ 138,483
Income tax expense calculated at the statutory rate	$ 30,238	$ 28,202
The equity method recognizes domestic investment interests	(6,082)	-
Nondeductible expenses in determining taxable income	179	301
Adjustments for prior years' tax	(5,434)	(2,161)
Income tax expense recognized in profit or loss	$ 18,901	$ 26,342

In July of 2019, the President of my country announced the amendment to the Industrial Innovation Regulations, which clearly stipulated that the construction or purchase of specific assets or technologies with undistributed surpluses from 2018 onwards may be included as deductions for calculating undistributed surpluses. Consolidated companies calculated undistributed surpluses in 2020. In the case of surplus tax, only the amount of capital expenditure that has been made and is expected to be reinvested is deducted.

Subsidiaries Keep High Company and Forever Company are established in the tax-free zone, and only need to pay the annual fee each year, so there are no income tax expenses and deferred income tax assets and liabilities. In addition, in accordance with the "Enterprise Income Tax Law of the People's Republic of China", the applicable tax rate of Shanghai Jie-cheng in 2019 was 25%. In 2020 and 2019, due to the local income tax preferential conditions, the preferential tax rate was 5%, but it did not generate Significant deferred income tax assets and liabilities.

b. Income tax recognized in other comprehensive income

	2020	2019
Deferred tax		
In respect of the current period:		
Translations of foreign operations	($ 143)	$ 275
Total income tax recognized in other comprehensive income	($ 143)	$ 275

c. Income tax assessments

	December 31, 2020	December 31, 2019
Current tax liabilities	$ 16,733	$ 10,909

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities are as follows:

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred Tax Assets				
Temporary difference				
Reversals of inventory write-downs	$ 6,799	($ 1,080)	$ -	$ 5,719
Payables for annual leave	903	110	-	1,013
Provisions	1,222	(348)	-	874
Translations of foreign operations	646	-	(143)	503
Unrealized Foreign exchange loss	178	(22)	-	156
FVTPL financial assets	1,189	(278)	-	911
Others	248	179	-	427
	11,185	(1,439)	(143)	9,603
loss carryforwards	104,734	(7,598)	-	97,136
	$ 115,919	($ 9,037)	($ 143)	$ 106,739
Deferred tax liabilities				
Temporary difference				
Investments accounted for using the equity method	$ 7,779	($ 1,662)	$ -	$ 6,117
Unrealized Foreign exchange income	38	34	-	72

	$ 7,817	($ 1,628)	$ -	$ 6,189

For the year ended December 31, 2019

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred Tax Assets				
Temporary difference				
Reversals of inventory write-downs	$ 7,615	($ 816)	$ -	$ 6,799
Payables for annual leave	847	56	-	903
Provisions	2,734	(1,512)	-	1,222
Translations of foreign operations	371	-	275	646
Unrealized Foreign exchange loss	-	178	-	178
FVTPL financial assets	1,116	73	-	1,189
Others	229	19	-	248
	12,912	(2,002)	275	11,185
loss carryforwards	105,815	(1,081)	-	104,734
	$ 118,727	($ 3,083)	$ 275	$ 115,919
Deferred tax liabilities				
Temporary difference				
Investments accounted for using the equity method	$ 3,958	$ 3,821	$ -	$ 7,779
Unrealized Foreign exchange income	38	-	-	38
FVTPL financial assets	11	(11)	-	-
	$ 4,007	$ 3,810	$ -	$ 7,817

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

	December 31, 2020	December 31, 2019
Loss carryforwards		
Expiry in 2023	$ 53,938	$ 53,994
Expiry in 2024	215,174	215,174
Expiry in 2025	245,709	245,709
Expiry in 2026	285,521	285,521
Expiry in 2027	573,007	573,008

Expiry in 2028	263,942	263,942
	$ 1,637,291	$ 1,637,348

f. Information about unused loss deduction

As of December 31,2020, the relevant information about loss deduction is as follows:

Un-deduction balance	Last year of deduction
$ 32,664	2022
157,244	2023
271,369	2024
308,966	2025
354,191	2026
650,614	2027
347,927	2028
$ 2,122,975	

g. Income tax verification situation

The company and its subsidiary Yea-sin Technology's income tax declaration cases for profitable businesses as of 2018 years have been approved by the tax collection agency.

23. EARNINGS PER SHARE

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

	Net income	Shares, Unit: thousand shares	The weighted average number of common shares to be used to calculate diluted earnings per share (EPS)
2020			
Basic earnings per share			
Net profit of the year	$ 93,335	44,428	$ 2.10
Potential impact of common stock with dilution:			
Remuneration to employees	-	53	
Diluted earnings per share			
Profit for the period attributable to owners of the Company	$ 93,335	44,481	$ 2.10
2019			
Basic earnings per share			

Net profit of the year	$ 102,097	44,428	$ 2.30
Potential impact of common stock with dilution:			
Remuneration to employees	-	73	
Diluted earnings per share			
Profit for the period attributable to owners of the Company	$ 102,097	44,501	$ 2.29

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

24. Equity transactions with non-controlling interests

The consolidated company acquired 39.39% and 0.02% of the shares of Yea-sin Technology on March 31 and April 24, 2020, resulting in an increase in the shareholding ratio from 60.11% to 99.52%.

Since the above transactions did not change the control of the consolidated company over these subsidiaries, the consolidated company was treated as an equity transaction.

	Yea-sin Technology
Price paid	($ 184,913)
The carrying amount of the subsidiary's net assets is calculated based on the relative equity changes to be transferred out of the non-controlling equity	124,015
Equity transaction balance	($ 60,898)
Equity transaction balance adjustment account	
Undistributed surplus	($ 60,898)

25. CAPITAL MANAGEMENT

The company monitors its funds by regularly reviewing the ratio of assets to liabilities, and based on the characteristics of the current operating industry, future company development and changes in the external environment, it plans the company's needs for working capital, capital expenditures, and dividend payments in the future , To ensure that the company can continue to operate and maintain the best capital structure.

26. FINANCIAL INSTRUMENTS

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

1) Fair value hierarchy

December 31, 2020

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at FVTPL				

	Level 1	Level 2	Level 3	Total
Derivative financial assets	$ -	$ 1,277	$ -	$ 1,277

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 26	$ -	$ 26

During 2020 and 2019, there were no transfers between Levels 1 and 2 in the current and prior periods.

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

Financial Instruments	Valuation Techniques and Inputs
Derivatives - cross currency swap	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

b. Categories of financial instruments

	December 31, 2020	December 31, 2019
Financial assets		
Financial assets at amortized cost (1)	$ 635,093	$ 659,228
Fair value through profit or loss (FVTPL)		
Held for trading	-	-
Financial liabilities		
Amortized cost (2)	1,440,472	1,373,168
Fair value through profit or loss (FVTPL)		
Held for trading	1,277	26

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, debt investments and accounts receivable (including related parties) and other receivables.
2) The balances include financial liabilities at amortized cost, which comprise short-term and long-term loans, accounts payable (including related parties) and other payables.

.

c. Financial risk management objectives and policies

The Company's major financial instruments include note receivables, trade receivables, trade payables, and borrowings. The Company's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of The Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk.

The Company sought to minimize the effects of these risks

1) Market risk

The company's operating activities make the company's main market risks bear the risk of changes in foreign currency exchange rates and changes in interest rates.

a) Exchange rate risk

The (consolidated) company is engaged in foreign currency-denominated sales and purchase transactions, thus causing the (consolidated) company to risk exposure to exchange rate fluctuations.

In order to avoid the decrease in the value of foreign currency assets and the fluctuation of future cash flow due to exchange rate changes, the consolidated company analyzes the foreign currency assets and foreign currency liabilities receipts and payments amount, maturity period and other factors, and considers the risk of foreign currency net positions, and then uses foreign currency exchange for profit. Contracts, borrowing foreign currency loans, etc., to avoid relevant exchange rate risks.

Internal auditors continue to review compliance with policies and the risk limit. The use of the foreign exchange and profit exchange contract of the amalgamating company is regulated by the policy adopted by the board of directors, and the company does not conduct the transaction of the foreign exchange and profit exchange contract for speculative purposes.

The carrying amount of monetary assets and monetary liabilities denominated in non-functional currencies of the consolidated company at the balance sheet date (including monetary items denominated in non-functional currencies that have been written off in the consolidated financial statements), please refer to Note 30.

The sensitivity analysis of foreign currency exchange rate risk is mainly based on the calculation of foreign currency monetary items (mainly U.S. dollar items) and derivatives at the end of the financial reporting period. When the functional currency of the merged entity appreciates/depreciates by 1% against the US dollar, the net profit after tax of the company in 2020 will increase/decrease by NTD175thousand; the net profit after tax in 2019 will decrease/increase by NTD1,191thousand.

As a above mention, that the aforementioned sensitivity analysis is calculated based on the foreign currency risk exposure amount on the balance sheet date, the management believes that the sensitivity cannot reflect the mid-year risk exposure situation.

b) Interest rate risk

Interest rate risk refers to the risk of changes in the fair value of financial instruments or changes in cash flow due to fluctuations in market interest rates. Because the consolidated company holds financial assets and liabilities with fixed interest rates, there is a risk of fair value changes in interest rates; because it holds financial assets and liabilities with floating interest rates, there is a risk of cash flow risks due to changes in interest rates.

The management of the company regularly monitors the changes in market interest rates, and adjusts the positions of floating-rate financial assets and liabilities to make the interest rates of the company approach the market interest rate in response to risks arising from changes in market interest rates.

The book amounts of financial assets and financial liabilities of the consolidated company exposed to interest rate exposure on the balance sheet date are as follows:

	December 31, 2020	December 31, 2019
Fair value interest rate risk		
Financial assets	$ 13,809	$ 14,172
Financial liabilities	11,310	13,042
Cash flow interest rate risk		
Financial assets	255,114	266,420
Financial liabilities	1,204,313	1,103,166

The fixed-rate financial assets/liabilities held by the company are measured at amortized cost, so they are not included in the analysis; the floating-rate financial asset/liability analysis method assumes that the amount of assets/liabilities in circulation on the balance sheet date is reported During the period, they are all in circulation. The company uses an increase/decrease of 0.25% in market interest rates as a reasonable risk assessment for reporting interest rate changes to the management. Under the circumstance that all other variables remain unchanged, if the market interest rate rises/decreases by 0.25%, the company's net profit after tax in 2020 will decrease/increase by NT$1,887thousand; the net profit after tax in 2019 will decrease/increase by NT$1,666 thousand.

2) Credit risk

Credit risk refers to the risk that the counterparty of the transaction defaults on contractual obligations and causes consolidated financial losses. The policy adopted by the consolidated company is to only conduct transactions with creditworthy objects in order to reduce the risk of financial loss, and to continuously monitor the credit risk insurance and the credit status of the trading objects. On the balance sheet date, the maximum credit risk amount of the consolidated company is equivalent to the book value of the financial assets on the account.

The credit risk of the consolidated company’s accounts receivable is mainly concentrated in the Diodes Group, the parent company of the consolidated company’s largest customer. As of December 31, 2020 and 2019, the ratio of total accounts receivable from the aforementioned customers was 69%

and 65%, respectively. . However, since it is an affiliated enterprise transaction, there should be no credit risk.

3) Liquidity risk

The management of the company maintains sufficient cash and bank financing lines to support working capital and reduce liquidity risks.

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

The following table details the analysis of the remaining contractual maturity of non-derivative financial liabilities during the agreed repayment period of the company. It is based on the earliest possible repayment date of the company and is compiled based on the undiscounted cash flow of financial liabilities, which includes interest And principal cash flow.

December 31, 2020

	Rate	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities						
Non-interest bearing		$ 303,365	$ -	$ -	$ -	$ -
Fixable interest rate instruments	1.20%	2,694	5,633	2,512	560	-
Variable interest rate instruments	0.96%	344,915	152,167	58,546	569,647	106,355
		$ 650,974	$ 157,800	$ 61,058	$ 570,207	$ 106,355

December 31, 2019

	Rate	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities						
Non-interest bearing		$ 329,038	$ -	$ -	$ -	$ -
Fixable interest rate instruments	1.25%	3,357	6,268	3,525	-	-
Variable interest rate instruments	1.17%	405,310	12,733	145,426	489,568	86,521
		$ 737,705	$ 19,001	$ 148,951	$ 489,568	$ 86,521

b) Financing facilities

The utilization of the bank financing quota of the consolidated company on the balance sheet date is as follows:

	December 31, 2020	December 31, 2019
Secured bank overdraft facilities:		
Amount used	$ 1,204,313	$ 1,103,166
Amount unused	290,167	232,834

	$ 1,494,480	$ 1,336,000

27. TRANSACTIONS WITH RELATED PARTIES

The transactions, account balances, income and expenses between the company and its subsidiaries are all eliminated at the time of the merger, so they are not disclosed in this note. Except as disclosed in other notes, the major transactions between the combined company and other related parties are as follows:

a. Related party name and category

Related Party	Nature of Relationship
Diodes Incorporated (“Diodes Inc.”)	Parent company
Diodes Taiwan S.A R.L., Taiwan Branch (“Diodes (TW)”)	Subsidiary of Diodes Inc.
Diodes Hong Kong Limited (“Diodes (HK)”)	Subsidiary of Diodes Inc.
BCD Semiconductor Manufacturing Limited (“BCD”)	Subsidiary of Diodes Inc.
LITE-ON Semiconductor Corp.	Subsidiary of Diodes Inc.

b. Sales of goods

Line Item	Related Party Category/Name	2020	2019
Sales	Subsidiary of Diodes Inc.		
	Diodes (HK)	$ 644,983	$ 648,266
	Diodes (TW)	510,259	524,465
		$ 1,155,242	$ 1,172,731

There is no significant difference between the transaction conditions of the above-mentioned related parties and ordinary transactions.

c. Purchases of goods

Related Party Category/Name	2020	2019
Subsidiary of Diodes Inc.		
BCD	$ 98	$ -

There is no significant difference between the transaction conditions of the above-mentioned related parties and ordinary transactions.

d. Receivables from related parties

Line Item	Related Party Category/Name	December 31, 2020	December 31, 2019

Trade receivables from related parties	Subsidiary of Diodes Inc.		
	Diodes (TW)	$ 141,693	$ 127,015
	Diodes (HK)	115,456	122,528
		$ 257,149	$ 249,543

The outstanding trade receivables from related parties are unsecured. At the end of 2020 and 2019, no allowance for losses was provided for the accounts receivable from related parties.

e. Payables to related parties

Line Item	Related Party Category/Name	December 31, 2020	December 31, 2019
Trade payables from related parties	Subsidiary of Diodes Inc.		
	BCD	$ 97	$ -

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

f. Prepayments

Line Item	Related Party Category/Name	December 31, 2020	December 31, 2019
Related parties	Subsidiary of Diodes Inc.		
	LITE ON Semi.	$ 5,365	$ -

g. Compensation of major management personnel

	2020	2019
Short-term employee benefits	$ 13,266	$ 10,861
Post-employment benefits	126	108
	$ 13,392	$ 10,969

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

28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31, 2020	December 31, 2019
Pledge time deposits (classified as financial assets at amortized cost)	$ 13,809	$ 5,178
Pledge deposits (classified as financial assets at amortized cost)	32,016	28,010
Properties and plant	962,121	935,113
	$1,007,946	$ 968,301

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Due to the company has demand for replace production line equipment and business expansion that the company has promised to invest/bought properties, land and plant, order machinery and equipment, and system software...etc. The payment amount is listed below:

	December 31, 2020	December 31, 2019
Commitments	$ 122,854	$ 61,323
Paid (classified as prepayments for the equipment)	$ 54,015	$ 38,109

30. Significantly influencing foreign currency assets and liabilities information

The following information is summarized and expressed in foreign currencies other than the functional currencies of the consolidated companies. The disclosed exchange rates refer to the exchange rates of these foreign currencies into functional currencies. The foreign currency assets and liabilities with significant impact are as follows:

December 31, 2020

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 8,742	28.48 (USD:NTD)	$ 248,972
USD	174	6.5067 (USD:RMB)	1,132
RMB	1,401	4.377 (RMB:NTD)	6,132
Non-monetary items			
Investments accounted for using the equity method			
USD	1,712	28.48 (USD:NTD)	48,748
RMB	11,181	0.1537 (RMB:USD)	1,718
Financial liabilities			
Monetary items			
USD	6,179	28.48 (USD:NTD)	175,978
Non-monetary items			
Derivatives			
USD	2,000	28.48 (USD:NTD)	56,960

December 31, 2019

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 9,758	29.98 (USD:NTD)	$ 292,545
USD	92	6.964 (USD:BMB)	641
RMB	1,400	4.305 (RMB:NTD)	6,027
Non-monetary items			
Investments accounted for using the equity method			

USD	1,239	29.98 (USD:NTD)	37,150
RMB	8,689	0.144 (RMB:USD)	37,406
Financial liabilities			
Monetary items			
USD	3,901	29.98 (USD:NTD)	116,952
Non-monetary items			
Derivatives			
USD	1,000	29.98 (USD:NTD)	29,980

The significant realized and unrealized foreign exchange gains (losses) were as follows:

	2020		2019	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	29.230 (USD:NTD)	($ 8,899)	30.350 (USD:NTD)	($ 4,817)
USD	6.735 (USD:RMB)	380	6.917 (USD:RMB)	(238)
Others		232		(209)
		($ 8,287)		($ 5,264)

31. Note Disclosure Items

a. Information about significant transactions and investees:

1) Financing provided to others: None
2) Endorsements/guarantees provided: please refer to Attached Table 1
3) Marketable securities held (excluding investments in subsidiaries): None
4) The cumulative amount of buying or selling the same securities total to NT$300 million, or above of 20% the paid-in capital: please refer to Attached Table 2
5) Acquisition of individual real estate at costs of at least NT$300 million, or above of 20% the paid-in capital: None
6) Disposal of individual real estate at prices of at least NT$300 million, or above of 20% the paid-in capital: None
7) Total purchases from or sales to related parties amounting reach NT$100 million, or above of 20% the paid-in capital: please refer to Attached Table 3
8) Receivables from related parties amounting reach NT$100 million, or 20% of the paid-in capital: please refer to Attached Table 4
9) Trading in derivative instruments: please refer to Note 7

10) Others: Business relations and important transactions and amounts between parent and subsidiary companies and between subsidiaries: please refer to Attached Table 5

b. Intercompany relationships and significant intercompany transactions: please refer to Attached Table 6

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: please refer to Attached Table 7
2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
    a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: please refer to Attached Table 8
    b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period please refer to Attached Table 8
    c) The amount of property transactions and the amount of the resultant gains or losses: None
    d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes please refer to Attached Table 1
    e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None
    f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services: None

d. Major shareholders information : Names of shareholders with a shareholding percentage of more than 5%, amount of shares holdings and ratio. please refer to Attached Table 9.

32. SEGMENT INFORMATION

The information provided to major operating decision makers for allocating resources and evaluating department performance, in addition to considering department managers, focuses on each operating entity and the types of products or services provided. The departments that the consolidate company should report are as follows:

ERIS - The company mainly manufactures and sales diodes.

YEA SHIN - The company mainly manufactures and wafers.

a. Segment revenues and results

The following was an analysis of the Group’s revenue and results from continuing operations by reportable segments.

	2020			
	ERIS & Jie Cheng	**YEA SHIN**	**Adjustment and Write-off**	**Total**

Revenue from external customers	$ 1,438,113	$ 99,357	$ -	$ 1,537,470
Inter-segment revenue	20,358	285,039	(305,397)	-
Segment revenue	$ 1,458,471	$ 384,396	($ 305,397)	$ 1,537,470
Segment income	$ 104,151	$ 35,815	($ 46,285)	$ 93,681
Segment assets	$ 2,594,150	$ 478,878	($ 512,060)	$ 2,560,968
Segment liabilities	$ 1,534,191	$ 135,936	($ 121,790)	$ 1,548,337

	2019			
	ERIS & Jie Cheng	YEA SHIN	Adjustment and Write-off	Total
Revenue from external customers	$ 1,471,979	$ 75,901	$ -	$ 1,547,880
Inter-segment revenue	16,354	178,211	(194,565)	-
Segment revenue	$ 1,488,333	$ 254,112	($ 194,565)	$ 1,547,880
Segment income	$ 105,998	$ 25,705	($ 19,562)	$ 112,141
Segment assets	$ 2,510,805	$ 423,336	($ 302,066)	$ 2,632,075
Segment liabilities	$ 1,437,634	$ 104,209	($ 70,872)	$ 1,470,971

b. Product category of business revenues

	2020	2019
Diodes & Transistor	$ 1,331,819	$ 1,511,243
Wafer	202,314	33,255
Others	3,337	3,382
	$ 1,537,470	$ 1,547,880

c. Geographical information:

The company's and its subsidiaries' income that is from continuing operations from external customers based on the location of customers' operations, and non-current assets based on the location of assets are listed below:

	Revenue from external customers		Non-current Assets	
	2020	2019	December 31, 2020	December 31, 2019
Taiwan	$ 718,374	$ 859,642	$ 1,535,469	$ 1,563,660
Asia	779,677	651,948	1,006	2,591

Europe	38,507	36,200	-	-
North USA	652	90	-	-
Australia	260	-	-	-
	$ 1,537,470	$ 1,547,880	$ 1,536,475	$ 1,566,251

Non-current assets exclude assets classified as financial instruments, goodwill and deferred income tax assets.

d. Important customers' information:

	2020	2019
A Group	$ 1,155,242	$ 1,172,731
B Customer	84,135	73,452
	$ 1,239,377	$ 1,246,183

TABLE 1

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED

For the Year end December 31, 2020

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 1)											
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	b	$ 101,102	$ 30,000 (US$1,000 thousand)	$ 30,000 (US$1,000 thousand)	$ -	$ -	2.97%	$ 303,305	Y	N	Y	
0	Eris Technology Corporation	Yea Shin Technology Corp.	b	$ 101,102	$ 60,000	$ 30,000	$ 30,000	$ -	2.97%	303,305	Y	N	N	

Note 1: Relationship between the endorser/guarantor and the endorsee/guarantee is classified into the following seven categories:

a. A company with which it does business.
b. A company in which the public company directly and indirectly holds more than 50 percent of the voting shares.
c. A company that directly and indirectly holds more than 50 percent of the voting shares in the public company.
d. A company in which the public company holds, directly or indirectly, 90 percent or more of the voting shares.
e. A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
f. A company that all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
g. The same industry in performance-home sales contracts to ensure that the joint guarantee in accordance with consumer protection laws norms.

Note 2: The total amount of the guarantee provided by ERIS to any individual entity shall not exceed 30% of ERIS's net worth, and limits on endorsement/guarantee given on behalf of each party shall not exceed 10% of The Group net worth. The aggregate endorsement/guarantee limit is calculated as The Group net worth at December 31, 2020

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL

For the Year end December 31, 2020

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

Buyer	Type and name of securities (Note 1)	Items	Trading sellers (Note 2)	Relationship (Note2)	Beginning of period		Buy（Note 3）		Sell（Note 3）				End of period	
					Shares（Thousand）	NT$ (Thousand)	Shares（Thousand）	NT$ (Thousand)	Shares（Thousand）	NT$ (Thousand)	Book of cost	Disposal of gains and losses	Shares（Thousand）	NT$ (Thousand)
ERIS Technology Corporation	Equity Stock Yea-Shin Technology	Investment by the equity method	Tony Development Co., Ltd.	Non-related	17,637	$ 212,591	11,563	$ 184,913	-	$ -	$ -	$ -	29,200	$ 355,304
			Cailuo Investment Co., Ltd.	Non-related										
			Yixin Investment Co., Ltd.	Non-related										
			Zhan Teng Investment Co., Ltd.	Non-related										
			Shangyi Investment Co., Ltd.	Non-related										
			Zhaoquan Investment Co., Ltd.	Non-related										
			Jin xun enterprise co., ltd.	Non-related										
			Subsidiary shareholders and specific persons	Non-related										

Note 1: The securities mentioned in this table refer to stocks, bonds, beneficiary certificates and securities derived from the above items.

Note 2: Investors who use the equity method in their securities accounts must fill in these two columns, the rest are not required.

Note 3: The accumulated purchase and sale amount is calculated separately according to the market price whether it reaches NT$300 million or 20% of the paid-in capital.

Note 4: It includes the investment share recognized by the equity method, which has been fully written off when preparing the combined write-off.

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

For the Year end December 31, 2020

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

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Eris Technology Corporation	Diodes Taiwan S.A R.L., Taiwan Branch	Same as The Group ultimate parent company	Sale	$ 510,259	36.79%	60 days	None	None	$ 141,693	46.58%	-
Eris Technology Corporation	Diodes Hong Kong Ltd.	Same as The Group ultimate parent company	Sale	644,983	46.50%	60 days	None	None	115,456	37.95%	-
Eris Technology Corporation	Yea Shin Technology Corp.	Subsidiary	Purchase	266,263	37.23%	60 days	None	None	(93,568)	52.24%	**Note 1**

Note 1: Related transactions have been written off in the consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

For the Year end December 31, 2020

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

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Eris Technology Corporation	Diodes Taiwan S.A R.L., Taiwan Branch	Same as The Group ultimate parent company	$ 141,693	3.80	$ -	-	$ 91,555	$ -
Eris Technology Corporation	Diodes Hong Kong Ltd.	Same as The Group ultimate parent company	115,456	5.42	-	-	114,084	-
Yea-Shin Technology Co.,Ltd	Eris Technology Corporation	Parent Company	93,568	3.77	-	-	57,392	-

Note 1: The amount recovered as of the date of the accountant's audit report

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

For the Year end December 31, 2020

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

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 4)	Payment Terms	% of Total Revenues or Total Assets (Note 3)
						—	
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	a	Accounts receivable	$ 296	No significant difference compared with general customers	0.01%
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	a	Sales revenue	2,020	No significant difference compared with general customers	0.13%
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	a	Purchase	11,171	No significant difference compared with general customers	0.73%
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	a	Other manufacturing expenses	271	—	0.02%
0	Eris Technology Corporation	Yea Shin Technology Corp.	a	Accounts receivable	9,123	—	0.36%
0	Eris Technology Corporation	Yea Shin Technology Corp.	a	Accounts payable	93,568	No significant difference compared with general customers	3.65%
0	Eris Technology Corporation	Yea Shin Technology Corp.	a	Sales revenue	20,358	No significant difference compared with general customers	1.32%
0	Eris Technology Corporation	Yea Shin Technology Corp.	a	Purchase	266,263	No significant difference compared with general customers	17.32%
0	Eris Technology Corporation	Yea Shin Technology Corp.	a	Outsourced	15,256	—	0.99%
0	Eris Technology Corporation	Yea Shin Technology Corp.	a	Other Accounts receivable	775	No significant difference compared with general customers	0.03%
0	Eris Technology Corporation	Yea Shin Technology Corp.	a	Rent	3,429	—	0.22%
0	Eris Technology Corporation	Yea Shin Technology Corp.	a	equipment	1,247	—	0.05%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	c	Accounts receivable	2,382	No significant difference compared with general customers	0.09%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	c	Sales revenue	3,520	—	0.23%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	c	Accounts payable	1,641	No significant difference compared with general customers	0.06%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	c	Purchase	1,672	—	0.11%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
- a. Parent company is ‘0’.
- b. The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:
- a. Parent company to subsidiary.
- b. Subsidiary to parent company.
- c. Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The related transactions have been written off in the consolidated financial statements.

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES

For the Year end December 31, 2020

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note 1)		At the end of December 31, 2020			Net Income (Loss) of the Investee (Note 2, 3 and 5)	Share of Profits (Loss) (Note 2, 3 and 5)	Note
				December 31, 2020	December 31, 2019	Number of Shares	%	Carrying Amount (Note 3)			
Eris Technology Corporation	Keep High Limited	Seychelles	Holding company	$ 20,776 (US$670/thousand)	$ 20,776 (US$670/thousand)	Inapplicable	100.00	$ 48,746	$10,816 (US$ 370/ thousand)	$ 10,763 (Note 4)	Subsidiaries
	Yea Shin Technology Corp.	Taiwan	Manufacturing of electronic parts and wholesaling of electronic components	378,773	193,860	29,200	99.52	355,304	35,815	30,413 (Note 4)	Subsidiaries
Keep High Limited	Forever Eagle Incorporation	Mauritius	Holding company	20,473 (US$660/thousand)	20,473 (US$660/thousand)	Inapplicable	100.00	48,941 (US$ 1,718 /thousand)	10,816 (US$ 370/ thousand)	10,816 (US$ 370/ thousand)	Sub-subsidiaries

Note 1: Translation was based on the buying exchange rate of USD to TWD at the time of remittance.

Note 2: Translation was based on the average exchange rate of the investment period.

Note 3: The balance were eliminated upon consolidation.

Note 4: The information was including unrealized gross profit.

Note 5: The calculation is based on the financial statements checked by the Taiwanese parent company's certified accountant during the same period.

Note 6: Please refer to Attached Table 7 for relevant information of the mainland investee company.

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

For the Year end December 31, 2020

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020 (Note 1)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020 (Note 1)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2, 5 and 6)	Carrying Amount as of December 31, 2020	Accumulated Repatriation of Investment Income as of December 31, 2020	Note
					Outflow	Inflow							
Jiecheng Electronic (Shanghai) Co., Ltd.	Wholesaling of electronic components and international trading business	$ 20,170 (US$650/thousand)	Indirectly investment in Mainland China through companies registered in a third region	$ 20,170 (US$650/thousand)	$ -	$ -	$ 20,170 (US$650/thousand)	$ 10,816 (RMB2,492/thousand)	100%	$ 10,816 (RMB2,492/thousand)	$ 48,941	$ -	

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2020 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA (Note 3)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 4)
$20,170(US$650thousand)	$18,512 ((US$650thousand))	$606,611

Note 1: Translation was based on the buying exchange rate of USD to TWD at the time of remittance.

Note 2: Translation was based on the average exchange rate of the investment period.

Note 3: Translation was based on the closing exchange rate at December 31, 2020

Note 4: The information was calculated as 60% of ERIS’s net worth at December 31, 2020

Note 5: The calculation was based on the financial statements checked by the Taiwanese parent company's certified accountant during the same period.

Note 6: The relevant balance has been written off in the consolidated financial statements.

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

The following major transactions with Mainland China investee companies directly or indirectly via a third region, and their prices, payment terms, unrealized gains and losses, and other relevant information

For the Year end December 31, 2020

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

Transaction Type	Purchase/Sale			Transaction Details		Notes/Accounts Receivable (Payable)		Note
		Amount	%	Payment Terms	Comparison with Normal Transactions	Ending Balance	%	
Jiecheng Electronic (Shanghai) Co., Ltd.	Sale	$5,540	0.36	-	-	$ 2,678	0.72	Note 1
Jiecheng Electronic (Shanghai) Co., Ltd.	Purchase	12,843	1.14	-	-	(1,641)	-	Note 1

Note 1: Related transactions have been written off in the consolidated financial statements.

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Major shareholders information

For the Year end December 31, 2020

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

Name of Major shareholders	Shares Holding	
	Number of Shares Held	Shareholding ratio (%)
Yuanta Commercial Bank is entrusted with Diodes Tech. Holding B.V. Investment Account	22,687,604	51.07

Note 1: The information of major shareholders in this table is based on the last business day of the quarter-end of the current quarter, calculated by the shareholders of the company's common stocks and special shares that have completed unregistered delivery (including treasury stocks) totaling more than 5% data. The share capital recorded in the company's consolidated financial report and the actual number of shares delivered without physical registration may be different due to different or different calculation bases.

Note 2: If the information on the Shanghai Development Bank is that shareholders deliver shares to the trust, it is disclosed in individual accounts by the trustee who opened the trust account by the trustee. As for shareholders' declarations of insider's equity holdings exceeding 10% in accordance with the Securities and Exchange Act, their holdings include their own shareholding plus the shares delivered to the trust and have the right to use the trust property. For information on insider's equity declarations, please refer to the Market Observatory Post System (website: http://mops.twse.com.tw)