PATEC PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2020 AND 2019

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To The Board of Directors and Shareholders of PATEC PRECISION INDUSTRY CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of Patec Precision Industry Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audit of the consolidated financial statements as at and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China; and in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, "Rule No. Financial-Supervisory-Securities-Auditing-1090360805 issued by the Financial Supervisory Commission on February 25, 2020" and generally accepted auditing standards in the Republic of China for our audit of the consolidated financial statements as at and for the year ended December 31, 2019. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2020 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2020 consolidated financial statements are stated as follows:

Recognition of overseas warehouse operating revenue

Description

Refer to Notes 4(3) and 6(13) for accounting policy on revenue recognition and details of operating revenue.

The Group's Mainland China subsidiary, Wuxi Jingxin Precision Machining Co. Ltd. (referred herein as "Wuxi Jingxin"), stored inventories in warehouses which were under the custody of foreign third parties and checked and accepted by custodians in order to meet the requirements of overseas sales customers. The custodians regularly send inventory reports to Wuxi Jingxin to verify the quantities, and Wuxi Jingxin recognises operating revenue based on actual used inventories by customers which are shown in the inventory reports provided by custodians.

As a result of the multi-location of the Company's warehouses in Europe, which involved manual verification, we considered the recognition of overseas warehouse operating revenue as a key audit matter.

How our audit addressed the matter

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

1. We obtained an understanding and evaluated Wuxi Jingxin's procedures on overseas warehouse operating revenue, and selected samples to check the accuracy of operating revenue recognition.
2. We obtained the inventory reports as at the balance sheet date, and checked whether the timing of revenue recognition was reasonable.
3. We performed confirmation procedures for significant warehouse locations.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Chen, Ching Chang	Lin, Yi-Fan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 30, 2021

PATEC PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2020 AMOUNT	%	December 31, 2019 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 740,600	33	$ 472,198	20
1136	Financial assets at amortised cost-current	6(1)(8)	146,012	6	218,665	9
1170	Accounts receivable, net	6(2)	414,609	18	520,221	23
1200	Other receivables		13,070	1	2,145	-
130X	Inventories	6(3)	332,254	15	436,619	19
1410	Prepayments		47,398	2	66,163	3
11XX	**Total current assets**		1,693,943	75	1,716,011	74
	Non-current assets					
1600	Property, plant and equipment, net	6(4) and 8	266,663	12	249,421	11
1755	Right-of-use assets	6(5) and 8	260,831	11	305,338	13
1780	Intangible assets		4,701	-	4,961	-
1840	Deferred tax assets	6(17)	23,689	1	24,304	1
1990	Other non-current assets		14,035	1	17,251	1
15XX	**Total non-current assets**		569,919	25	601,275	26
1XXX	**Total assets**		$ 2,263,862	100	$ 2,317,286	100

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PATEC PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2020 AMOUNT	%	December 31, 2019 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(6)	$ 336,069	15	$ 405,857	18
2130	Contract liabilities-current	6(13)	3,725	-	8,688	-
2170	Accounts payable		154,426	7	167,432	7
2200	Other payables	6(7)	51,775	2	78,415	4
2230	Current income tax liabilities		7,231	-	5,938	-
2280	Lease liabilities-current		22,973	1	23,754	1
2320	Long-term liabilities, current portion	6(8)	6,846	-	-	-
2399	Other current liabilities		8,193	1	31,599	1
21XX	**Total current liabilities**		591,238	26	721,683	31
	Non-current liabilities					
2540	Long-term borrowings	6(8)	112,175	5	-	-
2570	Deferred tax liabilities	6(17)	22,138	1	24,612	1
2580	Lease liabilities-non-current		187,471	8	229,436	10
2670	Other non-current liabilities	6(9)	52,077	3	12,748	1
25XX	**Total non-current liabilities**		373,861	17	266,796	12
2XXX	**Total liabilities**		965,099	43	988,479	43
	Equity					
	Equity attributable to owners of the parent					
	Share capital					
3110	Ordinary share	6(10)	457,597	20	448,268	19
	Capital surplus	6(11)				
3200	Capital surplus		342,507	15	372,244	16
	Retained earnings	6(12)				
3320	Special reserve		134,066	6	81,706	4
3350	Unappropriated retained earnings		365,964	16	411,037	18
	Other equity interest	6(10)				
3400	Other equity interest		(163,070)	(7)	(134,066)	(6)
3500	Treasury stocks		-	-	(36,097)	(2)
31XX	**Total equity attributable to owners of the parent**		1,137,064	50	1,143,092	49
36XX	Non-controlling interest		161,699	7	185,715	8
3XXX	**Total equity**		1,298,763	57	1,328,807	57
3X2X	**Total liabilities and equity**		$ 2,263,862	100	$ 2,317,286	100

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

PATEC PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars, except for earnings per share accounts)

			Year ended December 31			
			2020		2019	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(15)	$ 1,181,611	100	$ 1,795,565	100
5000	Operating costs	6(3)(19)	(888,273)	(75)	(1,357,944)	(76)
5900	Gross profit		293,338	25	437,621	24
	Operating expenses	6(19)				
6100	Selling expenses		(45,474)	(4)	(74,501)	(4)
6200	Administrative expenses		(157,838)	(14)	(195,155)	(11)
6300	Research and development expenses		(35,333)	(3)	(52,964)	(3)
6450	Impairment loss determined in accordance with IFRS 9		(212)	-	(1,981)	-
6000	Total operating expenses		(238,857)	(21)	(324,601)	(18)
6900	Operating profit		54,481	4	113,020	6
	Non-operating income and expenses					
7100	Interest income		15,208	1	10,050	1
7010	Other income	6(16)	10,881	1	8,668	-
7020	Other gains and losses	6(17)	(18,711)	(1)	(7,261)	-
7050	Finance costs	6(18)	(8,748)	(1)	(12,605)	(1)
7000	Total non-operating income and expenses		(1,370)	-	(1,148)	-
7900	**Profit before income tax**		53,111	4	111,872	6
7950	Income tax expense	6(20)	(25,823)	(2)	(59,576)	(3)
8200	**Profit for the year**		$ 27,288	2	$ 52,296	3
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Loss on remeasurements of defined benefit plans		($ 9,730)	(1)	($ 1,519)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(20)	1,356	-	380	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements		(38,559)	(3)	(56,265)	(3)
8300	**Other comprehensive loss for the year**		($ 46,933)	(4)	($ 57,404)	(3)
8500	**Total comprehensive loss**		($ 19,645)	(2)	($ 5,108)	-
	Profit (loss) attributable to:					
8610	Owners of parent		$ 31,528	2	$ 38,797	2
8620	Non-controlling interest		($ 4,240)	-	$ 13,499	1
	Comprehensive (loss) income attributable to:					
8710	Owners of parent		($ 3,338)	(1)	($ 14,360)	(1)
8720	Non-controlling interest		($ 16,307)	(1)	$ 9,252	1
	Earnings per share (in dollars)					
9750	Basic earnings per share		$	0.69	$	0.85
9850	Diluted earnings per share		$	0.69	$	0.85

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

PATEC PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent											
			Capital Reserves				Retained Earnings						
	Notes	Ordinary share	Additional paid-in capital	Changes in ownership interests in subsidiaries	Stock warrants	Capital surplus, others	Special reserve	Unappropriated retained earnings	Exchange difference on translation of financial statements	Treasury shares	Total	Non-controlling interest	Total
2019													
Balance at January 1, 2019		$ 410,964	$ 363,699	$ 208	$ 8,337	$ -	$ 59,408	$ 436,784	($ 81,706)	($ 36,097)	$ 1,161,597	$ 188,656	$ 1,350,253
Profit for the year		-	-	-	-	-	-	38,797	-	-	38,797	13,499	52,296
Other comprehensive loss for the year		-	-	-	-	-	-	(797)	(52,360)	-	(53,157)	(4,247)	(57,404)
Total comprehensive income (loss)		-	-	-	-	-	-	38,000	(52,360)	-	(14,360)	9,252	(5,108)
Appropriations of 2018 earnings:	6(12)												
Special reserve		-	-	-	-	-	22,298	(22,298)	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(4,145)	-	-	(4,145)	-	(4,145)
Stock dividends		37,304	-	-	-	-	-	(37,304)	-	-	-	-	-
Changes in non-controlling interest-cash dividends		-	-	-	-	-	-	-	-	-	-	(12,193)	(12,193)
Redemption of convertible bonds		-	-	-	(8,337)	8,337	-	-	-	-	-	-	-
Balance at December 31, 2019		$ 448,268	$ 363,699	$ 208	$ -	$ 8,337	$ 81,706	$ 411,037	($ 134,066)	($ 36,097)	$ 1,143,092	$ 185,715	$ 1,328,807
2020													
Balance at January 1, 2020		$ 448,268	$ 363,699	$ 208	$ -	$ 8,337	$ 81,706	$ 411,037	($ 134,066)	($ 36,097)	$ 1,143,092	$ 185,715	$ 1,328,807
Profit for the year		-	-	-	-	-	-	31,528	-	-	31,528	(4,240)	27,288
Other comprehensive loss for the year		-	-	-	-	-	-	(5,862)	(29,004)	-	(34,866)	(12,067)	(46,933)
Total comprehensive income (loss)		-	-	-	-	-	-	25,666	(29,004)	-	(3,338)	(16,307)	(19,645)
Appropriations of 2019 earnings:	6(14)												
Special reserve		-	-	-	-	-	52,360	(52,360)	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(2,690)	-	-	(2,690)	-	(2,690)
Stock dividends		15,689	-	-	-	-	-	(15,689)	-	-	-	-	-
Changes in non-controlling interest-cash dividends		-	-	-	-	-	-	-	-	-	-	(7,709)	(7,709)
Treasury stock retired		(6,360)	(29,737)	-	-	-	-	-	-	36,097	-	-	-
Balance at December 31, 2020		$ 457,597	$ 333,962	$ 208	$ -	$ 8,337	$ 134,066	$ 365,964	($ 163,070)	$ -	$ 1,137,064	$ 161,699	$ 1,298,763

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

PATEC PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 53,111	$ 111,872
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit loss / Provision for bad debts	12(2)	212	1,981
Loss (gain) on disposal of property, plant and equipment	6(14)	294	(592)
Interest income		(15,208)	(10,050)
Depreciation	6(4)	50,654	57,432
Gain on disposal of subsidiaries	6(14)	(467)	-
Depreciation on right-of-use assets	6(5)	27,612	30,515
Interest expense	6(15)	8,748	12,605
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		93,039	216,490
Other receivables		(11,550)	25,310
Inventories		24,700	105,436
Prepayments		18,765	(2,237)
Changes in operating liabilities			
Contract liabilities		(4,963)	(50,500)
Accounts payable		(13,006)	(63,827)
Other payables		(25,037)	3,790
Other current liabilities		(23,406)	(1,107)
Other non-current liabilities		39,329	5,489
Cash inflow generated from operations		222,827	442,607
Interest received		15,208	10,050
Interest paid		(8,748)	(8,811)
Income tax paid		(24,294)	(42,534)
Net cash flows from operating activities		204,993	401,312
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (increase) in financial assets at amortised cost-current		72,653	(166,671)
Acquisition of property, plant and equipment		(7,907)	(27,558)
Proceeds from disposal of property, plant and equipment		3,223	5,710
Decrease in other non-current assets		3,216	3,908
Proceeds from disposal of subsidiaries		12,948	-
Net cash flows from (used in) investing activities		84,133	(184,611)

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PATEC PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(20)	$ 685,464	$ 418,384
Decrease in short-term borrowings	6(20)	(759,287)	(219,738)
Repayment of convertible bonds		-	(171,900)
Payment of lease liability	6(20)	(28,958)	(48,982)
Proceeds from long-term borrowings		118,933	-
Cash dividends paid		(1,597)	(4,121)
Cash dividends paid to non-controllong interest		-	(12,193)
Payments for acquisition of equity of non-controlling interest		(17,201)	-
Net cash flows used in financing activities		(2,646)	(38,550)
Effect of exchange rate changes on cash and cash equivalents		(18,078)	(26,542)
Net increase in cash and cash equivalents		268,402	151,609
Cash and cash equivalents at beginning of year	6(1)	472,198	320,589
Cash and cash equivalents at end of year	6(1)	$ 740,600	$ 472,198

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

PATEC PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

Patec Precision Industry Co., Ltd. (the "Company") was incorporated in the Cayman Islands on June 29, 2011. Starting from June 3, 2015, the Company's stocks were officially listed on the Taiwan Stock Exchange. The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in investment holdings, production and sale of press machines and parts for automobiles and motorcycles.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on March 30, 2021.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

New Standards, Interpretations and Amendments	International Accounting Standards Board
Amendments to IAS 1 and IAS 8, 'Disclosure initiative-definition of material'	January 1, 2020
Amendments to IFRS 3, 'Definition of a business'	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7, 'Interest rate benchmark reform'	January 1, 2020
Amendment to IFRS 16, 'Covid-19-related rent concessions'	January 1, 2020

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

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

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

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

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

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

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

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

New Standards, Interpretations and Amendments	International Accounting Standards Board
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2023
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts—cost of fulfilling a contract’	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC

Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation, the consolidated financial statements have been prepared under the historical cost convention.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2020	Ownership (%) December 31, 2019	Description
The Company	PATEC PTE. LTD. (PATEC)	Sale of press machines	100	100	
PATEC	Press Automation Technology Pte Ltd. (PAT)	Production and sale of press machines	100	100	
PATEC	Wuxi Jingxin Precision Machining Co. Ltd. (Wuxi Jingxin)	Production and sale of products for automobiles	93	93	
PATEC	Patec Precision Kft (KFT)	Production and sale of products for automobiles	100	100	
PATEC	Patec Medical Supplies Pte. Ltd. (Patec Medical)	Medical device and equipment	58	58	
PATEC	KABAM Pte Ltd (KABAM)	Application sales of manipulators	100	100	Note 1
PAT	PT. PATEC PRESISI ENGINEERING (PT. Patec)	Production and sale of products for automobiles and motorcycles	70	70	
Wuxi Jingxin	Wuxi Baida Precision Molding Co., Ltd. (Wuxi Baida)	Production and sale of press machines	100	100	
Wuxi Jingxin	Yancheng Jingxin Precision Machining Co. Ltd. (Yancheng Jingxin)	Production and sale of products for automobiles	0	100	Note 2
PT. Patec	PT. PDF Presisi Engineering (PT. PDF)	Production and sale of products for automobiles	89	89	
PT. Patec	PT. API Precision (PT. API)	Production and sale of products for automobiles	89	89	

Note 1: To meet the Group's operating policies, on April 1, 2019, PATEC invested SGD 0.3 thousand and acquired a 100% equity interest in BIONICXP. Additionally, on May 30, 2019, BIONICXP increased its capital in cash amounting to SGD 100 thousand which was fully subscribed by PATEC. BIONICXP was renamed as KABAM Pte Ltd. on December 16, 2020.

Note 2: The subsidiary, Wuxi Jingxin, sold its 100% equity interest in the subsidiary, Yancheng Jingxin, in September 2020 as resolved by the shareholders and entered into a share transfer agreement for RMB 5,530 thousand in the same month. As of December 31, 2020, all proceeds have been collected.

The disposed subsidiary's carrying amount of assets and liabilities on August 31, 2020 is shown below:

		August 31, 2020
Assets:		
	Cash	$ 10,849
	Accounts receivable	12,128
	Other receivables	625
	Fixed assets	1,327
	Total assets	24,929
Liabilities:		
	Other payables	1,603
	Total net assets	$ 23,326

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

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2020 and 2019, the non-controlling interest amounted to $161,699 and $185,715, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest			
		December 31, 2020		December 31, 2019	
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)
Wuxi Jingxin Group	China	$ 80,272	7	$ 75,980	7
PT. PATEC Group	Indonesia	79,569	30	99,608	30

Summarized financial information of the subsidiaries:

Balance sheets

	Wuxi Jingxin Group	
	December 31,	
	2020	2019
Current assets	$ 1,272,500	$ 1,144,627
Non-current assets	131,135	153,944
Current liabilities	(226,382)	(143,429)
Non-current liabilities	(30,502)	(69,706)
Total net assets	$ 1,146,751	$ 1,085,436

	PT. PATEC Group	
	December 31,	
	2020	2019
Current assets	$ 176,920	$ 226,961
Non-current assets	170,791	185,510
Current liabilities	(68,337)	(78,690)
Non-current liabilities	(26,654)	(17,970)
Total net assets	$ 252,720	$ 315,811

Statements of comprehensive income

	Wuxi Jingxin Group	
	Years ended December 31,	
	2020	2019
Revenue	$ 776,807	$ 1,117,898
Profit before income tax	155,510	233,469
Income tax expense	(17,348)	(33,019)
Profit for the year	$ 138,162	$ 200,450
Other comprehensive income (loss)	$ 9,289	($ 42,845)
Total comprehensive income for the year	$ 147,451	$ 157,605
Comprehensive income attributable to non-controlling interest	$ 10,322	$ 11,026
Dividends paid to non-controlling interest	$ -	$ 12,193

	PT. PATEC Group	
	Years ended December 31,	
	2020	2019
Revenue	$ 284,931	$ 453,585
(Loss) profit before income tax	(25,853)	7,586
Income tax expense	(4,524)	(3,423)
(Loss) profit for the year	($ 30,377)	$ 4,163
Other comprehensive loss	(26,114)	(4,624)
Total comprehensive loss for the year	($ 56,491)	($ 461)
Comprehensive loss attributable to non-controlling interest	($ 18,495)	($ 952)

Statements of cash flows

	Wuxi Jingxin Group	
	Years ended December 31,	
	2020	2019
Net cash generated from operating activities	$ 303,167	$ 373,687
Net cash generated from (used in) investing activities	83,032	(166,890)
Net cash used in financing activities	(11,796)	(186,992)
Effect of exchange rates on cash and cash equivalents	2,931	(8,300)
Increase in cash and cash equivalents	377,334	11,505
Cash and cash equivalents, beginning of year	234,192	222,687
Cash and cash equivalents, end of year	$ 611,526	$ 234,192

	PT. PATEC Group	
	Years ended December 31,	
	2020	2019
Net cash (used in) generated from operating activities	($ 1,133)	$ 60,985
Net cash used in investing activities	(3,485)	(13,305)
Net cash used in financing activities	(11,360)	(27,819)
Effect of exchange rates on cash and cash equivalents	(1,631)	(1,009)
(Decrease) increase in cash and cash equivalents	(17,609)	18,852
Cash and cash equivalents, beginning of year	37,886	19,034
Cash and cash equivalents, end of year	$ 20,277	$ 37,886

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

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

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

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

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within "other gains and losses".

B. Translation of foreign operations

The operating results and financial position of all the group entities, associates and joint agreements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c) All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

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

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

(b) Assets held mainly for trading purposes;

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

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

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

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

(b) Liabilities arising mainly from trading activities;

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

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

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at amortised cost

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

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

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

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

C. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

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

(10) Derecognition of financial assets

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

(11) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(12) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost.

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

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

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

Buildings and structures	27 years
Machinery and equipment	5 ～ 10 years
Transportation equipment	5 ～ 10 years
Office equipment	3 ～ 10 years
Other equipment	5 ～ 10 years
Leasehold assets	5 ～ 10 years

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

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

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

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

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

(a) The amount of the initial measurement of lease liability; and
(b) Any lease payments made at or before the commencement date.

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

(14) Intangible assets - goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

(15) Impairment of non-financial assets

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

B. The recoverable amounts of goodwill shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(16) Borrowings

A. Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(17) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(18) Derecognition of financial liabilities

Financial liability is derecognised when the obligation under the liability specified in the contract is either discharged or cancelled or expired.

(19) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in these corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognised immediately in profit or loss.

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

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

(20) Income tax

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

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities.

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

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

(21) Share capital

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

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

(22) Dividends

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

(23) Revenue recognition

Sales of goods

A. The Group manufactures and sells press machines and products for automobiles and motorcycles. Sales are recognised when control of the products has transferred, being when the products are delivered to the customers, the customers have full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customers, and either the customers have accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. The goods are often sold with volume discounts based on aggregate sales over a 12-month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated sales returns and allowances. Accumulated experience is used to estimate and provide for the sales returns and allowances, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognised for expected sales returns and allowances payable to customers in relation to sales made until the end of the reporting period. The sales usually are made with a credit term of 91 to 180 days, which is consistent with the market practice, so the contract does not contain a significant financing component.

C. The Group's obligation to provide a repair or exchange for faulty products under the standard warranty terms is recognised as a provision.

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

(24) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Group's Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

(25) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant and equipment are presented by deducting the grants from the asset's carrying amount and are amortised to profit or loss over the estimated useful lives of the related assets as reduced depreciation expenses.

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Critical judgements, estimates and assumptions concerning uncertainties are addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

None.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31,	
	2020	2019
Cash on hand	$ 32	$ 238
Demand deposits	739,072	325,748
Time deposits	1,496	146,212
	$ 740,600	$ 472,198

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

B. As of December 31, 2020 and 2019, cash and cash equivalents amounting to $59,966 and $48,586 were pledged to others as collateral and were classified to current financial assets at amortised cost. Details are provided in Note 8.

C. The Group has deposits with maturity over three months amounting to $86,046 and $170,079, and the effective interest rate was 1.95% and 3.05%~3.85% in 2020 and 2019, respectively. As the time deposits are not highly-liquid investments, they were classified to current financial assets at amortised cost.

(2) Accounts receivable

	December 31,	
	2020	2019
Accounts receivable	$ 417,840	$ 523,473
Less: Allowance for bad debts	(3,231)	(3,252)
	$ 414,609	$ 520,221

A. The ageing analysis of accounts receivable is as follows:

	December 31, 2020	December 31, 2019
Not due	$ 350,694	$ 463,804
Up to 30 days	32,268	38,993
31 to 90 days	17,159	14,327
91 to 180 days	13,749	1,880
Over 181 days	3,970	4,469
	$ 417,840	$ 523,473

The above ageing analysis was based on due date.

B. As of December 31, 2020 and 2019, accounts receivable were all from contracts with customers. As of January 1, 2019, the balance of receivables from contracts with customers amounted to $738,775.

C. The Group does not hold any collateral as security.

D. Information relating to credit risk is provided in Note 12(2).

(3) Inventories

December 31, 2020	Cost	Allowance for valuation loss	Book value
Raw materials	$ 163,536	($ 11,419)	$ 152,117
Work in process	64,720	(62)	64,658
Finished goods	137,501	(22,022)	115,479
	$ 365,757	($ 33,503)	$ 332,254

December 31, 2019	Cost	Allowance for valuation loss	Book value
Raw materials	$ 192,506	($ 7,109)	$ 185,397
Work in process	72,467	(62)	72,405
Finished goods	205,355	(26,538)	178,817
	$ 470,328	($ 33,709)	$ 436,619

The cost of inventories recognised as expense for the year:

	2020	2019
Cost of inventory sold	$ 880,163	$ 1,330,623
Inventory write-down	8,110	27,321
	$ 888,273	$ 1,357,944

(4) Property, plant and equipment

	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvements	Others	Construction in progress	Total
At January 1, 2020								
Cost	$ 62,252	$ 644,019	$ 21,314	$ 12,065	$ 14,117	$ 29,581	$ 1,354	$ 784,702
Accumulated depreciation	(22,133)	(461,421)	(15,729)	(10,047)	(6,641)	(19,310)	-	(535,281)
	$ 40,119	$ 182,598	$ 5,585	$ 2,018	$ 7,476	$ 10,271	$ 1,354	$ 249,421
2020								
Opening net book amount	$ 40,119	$ 182,598	$ 5,585	$ 2,018	$ 7,476	$ 10,271	$ 1,354	$ 249,421
Additions	-	7,182	-	83	6	636	-	7,907
Disposals	-	(4,521)	(232)	(16)	-	(75)	-	(4,844)
Reclassifications	-	27,693	-	-	-	-	51,972	79,665
Depreciation charge	(2,253)	(42,179)	(1,707)	(576)	(2,002)	(1,937)	-	(50,654)
Net exchange differences	(2,395)	(11,318)	(33)	207	(305)	(749)	(239)	(14,832)
Closing net book amount	$ 35,471	$ 159,455	$ 3,613	$ 1,716	$ 5,175	$ 8,146	$ 53,087	$ 266,663
At December 31, 2020								
Cost	$ 58,395	$ 616,279	$ 16,537	$ 11,302	$ 12,782	$ 27,789	$ 53,087	$ 796,171
Accumulated depreciation	(22,924)	(456,824)	(12,924)	(9,586)	(7,607)	(19,643)	-	(529,508)
	$ 35,471	$ 159,455	$ 3,613	$ 1,716	$ 5,175	$ 8,146	$ 53,087	$ 266,663

	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvements	Others	Construction in progress	Total
At January 1, 2019								
Cost	$ 63,649	$ 668,544	$ 32,706	$ 11,823	$ 11,793	$ 29,199	$ 859	$ 818,573
Accumulated depreciation	(20,272)	(436,589)	(17,132)	(9,812)	(5,752)	(17,938)	-	(507,495)
	$ 43,377	$ 231,955	$ 15,574	$ 2,011	$ 6,041	$ 11,261	$ 859	$ 311,078
2020								
Opening net book amount	$ 43,377	$ 231,955	$ 15,574	$ 2,011	$ 6,041	$ 11,261	$ 859	$ 311,078
Adjustment due to retrospective application (Note)	-	(14,830)	(7,771)	-	-	-	-	(22,601)
	43,377	217,125	7,803	2,011	6,041	11,261	859	288,477
Additions	-	19,677	1	1,014	4,903	1,427	536	27,558
Disposals	-	(3,741)	-	(46)	(1,284)	(47)	-	(5,118)
Reclassifications	-	3,164	150	-	-	-	-	3,314
Depreciation charge	(2,376)	(47,678)	(2,338)	(931)	(1,913)	(2,196)	-	(57,432)
Net exchange differences	(882)	(5,949)	(31)	(30)	(271)	(174)	(41)	(7,378)
Closing net book amount	$ 40,119	$ 182,598	$ 5,585	$ 2,018	$ 7,476	$ 10,271	$ 1,354	$ 249,421
At December 31, 2019								
Cost	$ 62,252	$ 644,019	$ 21,314	$ 12,065	$ 14,117	$ 29,581	$ 1,354	$ 784,702
Accumulated depreciation	(22,133)	(461,421)	(15,729)	(10,047)	(6,641)	(19,310)	-	(535,281)
	$ 40,119	$ 182,598	$ 5,585	$ 2,018	$ 7,476	$ 10,271	$ 1,354	$ 249,421

Note: Adjusted to right-of-use assets because of the adoption of IFRS 16.

Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(5) Leasing arrangements－lessee

A. The Group leases various assets including land, buildings, machinery and equipment, business vehicles. Rental contracts are typically made for periods of 1 to 34 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

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

	December 31, 2020	December 31, 2019
	Carrying amount	Carrying amount
Land	$ 42,861	$ 47,112
Buildings	206,787	242,710
Machinery and equipment	7,828	9,708
Transportation equipment (Business vehicles)	3,269	5,634
Office equipment (Photocopiers)	86	174
	$ 260,831	$ 305,338

	Years ended December 31	
	2020	2019
	Depreciation charge	Depreciation charge
Land	$ 1,395	$ 1,464
Buildings	22,808	24,698
Machinery and equipment	1,218	1,952
Transportation equipment (Business vehicles)	2,111	2,316
Office equipment (Photocopiers)	80	85
	$ 27,612	$ 30,515

C. For the years ended December 31, 2020 and 2019, the additions to right-of-use assets were $0 and $18,738, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	Years ended December 31,	
	2020	2019
Items affecting profit or loss		
Interest expense on lease liabilities	$ 1,805	$ 2,064
Expense on short-term lease contracts	4,137	7,419

E. For the years ended December 31, 2020 and 2019, the Group’s total cash outflow for leases were $34,900 and $58,465, respectively.

(6) Short-term borrowings

Type of borrowings	December 31, 2020	December 31, 2019
Bank borrowings		
Unsecured borrowings	$ 163,832	$ 197,430
Secured borrowings	172,237	208,427
	$ 336,069	$ 405,857
Interest rate range	0.85%~4.50%	0.85%~6.05%

Details of assets pledged as collateral for borrowings is provided in Note 8.

(7) Other payables

	December 31, 2020	December 31, 2019
Payables for cash dividends - owners of the parent	$ 1,116	$ 24
Payables for cash dividends - non-controlling interest	7,199	-
Payables for investment	-	17,201
Expense payable and others	43,460	61,190
	$ 51,775	$ 78,415

To meet the Group's operating policies, the Board of Directors of the Company during its meeting resolved to acquire 8% equity interest in the Mainland China subsidiary, Wuxi Jingxin, from its shareholders through the subsidiary, PATEC, with the transaction price of RMB 30 million. The transaction has been fully paid on March 23, 2020.

(8) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	31-Dec-20
Long-term bank borrowings				
Unsecured borrowings - Resona	Borrowing period is from November 25, 2020 to November 24, 2025; principal is repayable quarterly from November 2021	2.50%	None	$ 63,754
Unsecured borrowings - HSBC	Borrowing period is from November 25, 2020 to November 25, 2025; principal is repayable monthly from November 2021	3.00%	None	42,503
Unsecured borrowings - BUDAPEST	Borrowing period is from November 19, 2020 to November 18, 2026; principal is repayable quarterly from September 2021	0.19%-1.69%	None	12,764
				119,021
Less: Current portion				(6,846)
				$ 112,175

(9) Pensions

A. The consolidated entity, PT. Patec, has a defined benefit pension plan in accordance with the regulations of the Republic of Indonesia. As of December 31, 2020 and 2019, the net amount of liabilities recognised in the balance sheet was $24,866 and $12,748, respectively.

B. Other consolidated entities make monthly contributions to pension and post-retirement funds administered by the government in accordance with local pension regulations.

(10) Share capital

A. As of December 31, 2020, the Company has 45,760 thousand shares of ordinary stock outstanding, and the paid-in capital was $457,597 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

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

	Years ended December 31,	
	2020	2019
At January 1	44,191	40,460
Stock dividends	1,569	3,731
At December 31	45,760	44,191

B. Treasury shares

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

Name of company holding the shares	Reason for reacquisition	December 31, 2020	
		Number of shares	Book value
The Company	To be reissued to employees	-	$ -

Name of company holding the shares	Reason for reacquisition	December 31, 2019	
		Number of shares	Book value
The Company	To be reissued to employees	636	$ 36,097

(b) On August 17, 2017, the Board of Directors during its meeting resolved to purchase treasury shares during the estimated period from August 18, 2017 to October 17, 2017, and the estimated price ranged between NT$50 and NT$65. As of December 31, 2017, the Company had purchased a total of 636 thousand shares in the amount of $36,097. The treasury shares have been retired as agreed by the Board of Directors on November 13, 2020.

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

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

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

(11) Capital surplus

The Company's capital surplus arose from the paid-in capital in excess of par. Subject to the Cayman Company Rules, so long as the shares are listed on any securities exchange, the Company may use capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations to issue new shares to stockholders, provided that the Company has no accumulated deficit, as approved by the shareholders by way of a special resolution, in accordance with the Company's Articles of Incorporation.

(12) Retained earnings

A. At the end of the accounting year, if there is any retained earnings (including the unappropriated earnings of prior years), shall first be used to pay all taxes and offset prior years' operating losses (including the deficits of prior years) and then set aside special reserve (if any). The residual should be distributed based on the majority vote of the shareholders during their meeting. The ratio of appropriation of retained earnings proposed by the Board of Directors should not be less than 5% of distributable retained earnings, the dividends should be distributed to shareholders in accordance with their shareholding ratio. The amount of cash dividends should not be less than 3% of total dividend distribution.

B. As the Company is in the growth stage, the dividend policy is adopted taking into consideration the Company's capital expenditure, future expansion plans, financial plan and other plans for continuous development.

C. Dividends, bonus or other benefits to shareholders should be distributed in New Taiwan dollars.

D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

E. On June 22, 2020 and June 28, 2019, the shareholders resolved the distribution of earnings for 2019 and 2018 as follows:

	Years ended December 31,			
	2019		2018	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Cash dividend	$ 2,690	$ 0.06	$ 4,145	$ 0.10
Stock dividend	15,689	0.35	37,304	0.92
Special reserve	52,360	–	22,298	–

(13) Operating revenue

A. The Group derives revenue from sale and maintenance of machinery and parts of automobiles and motorcycles, processing goods and services. Please refer to Note 14 for relating disclosure.

B. The Group's overall revenue was affected by the delay in sales orders caused by the global pandemic, Covid-19, in 2020. The Group continued to pay attention on market changes to adjust purchases and production schedules and actively negotiates with customers on the production and supply schedules of products. After assessment, the COVID-19 pandemic has no significant impact on the scope and price of service contracts.

C. As of December 31, 2020 and 2019, and January 1, 2019, the Group recognised contract liabilities in relation to contract revenue amounting to $3,725, $8,688 and $59,188, respectively.

D. For the years ended December 31, 2020 and 2019, revenue recognised that was included in the contract liability balance at the beginning of the year was $8,269 and $59,188, respectively.

(14) Other gains and losses

	Years ended December 31, 2020	Years ended December 31, 2019
Net currency exchange loss	($ 13,734)	($ 7,853)
Gain on disposal of subsidiaries	467	-
(Loss) gain on disposal of property, plant and equipment	(294)	592
Miscellaneous disbursements	(5,150)	-
	($ 18,711)	($ 7,261)

(15) Finance costs

	Years ended December 31, 2020	Years ended December 31, 2019
Interest expenses:		
Bank borrowings	$ 6,943	$ 6,747
Convertible bonds	-	3,794
Others	1,805	2,064
Finance costs	$ 8,748	$ 12,605

(16) Employee benefit expense

	Years ended December 31, 2020	Years ended December 31, 2019
Employee benefit expense		
Wages and salaries	$ 274,509	$ 359,742
Insurance expense	2,871	10,354
Pension costs	(5,147)	32,376
Other personnel expenses	12,878	24,728
	$ 285,111	$ 427,200
Depreciation	$ 78,266	$ 87,947

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors’ and supervisors’ remuneration. The ratio shall not be lower than 0.1% for employees’ compensation and shall not be higher than 3% for directors’ and supervisors’ remuneration.

B. The employees’ compensation and directors’ and supervisors’ remuneration for the years ended December 31, 2020 and 2019 were estimated and accrued based on a ratio of distributable profit of current year as regulated in the Company’s Articles as of the end of the reporting period. For 2020 and 2019, employees’ compensation was accrued at $250 and $200, respectively; directors’ and supervisors’ remuneration was accrued at $700 for both years. The aforementioned amounts were recognised in salary expenses.

C. Employees’ compensation and directors’ remuneration for 2019 amounted to $250 and $700, respectively, as resolved by the Board of Directors during its meeting on March 27, 2020. The difference of $50 between the amounts resolved at the Board meeting and the amounts of $200 and $700 recognised in the 2019 financial statements, had been adjusted in profit or loss in 2020. The distribution of the aforementioned amounts has not been completed.

D. Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

E. Pension costs decreased for the year as the Mainland China government reduced the pension contributions and waived part of the estimated expense on social insurance of prior years in response to the Covid-19 pandemic.

(17) Income tax

A. Components of income tax expense

	Years ended December 31, 2020	Years ended December 31, 2019
Current tax:		
Current tax on profits for the year	$ 26,328	$ 47,319
Prior year income tax underestimation	-	89
Total current tax	26,328	47,408
Deferred tax:		
Origination and reversal of temporary differences	(505)	12,168
Income tax expense	$ 25,823	$ 59,576

B. The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Years ended December 31, 2020	Years ended December 31, 2019
Remeasurement on defined benefit obligations	($ 1,355)	($ 380)

C. Reconciliation between income tax expense and accounting profit:

	Years ended December 31, 2020	Years ended December 31, 2019
Tax calculated based on profit before tax and statutory tax rate	$ 18,067	$ 36,073
Prior year income tax underestimation	-	89
Effects from items disallowed by tax regulation	(7,082)	(4,289)
Taxable loss not recognised as deferred tax assets	3,803	27,703
Assessment of realisation of deferred tax assets	11,035	-
Income tax expense	$ 25,823	$ 59,576

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

D. Amounts of deferred tax as a result of temporary differences and loss carryforward are as follows:

	2020			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets				
Temporary differences				
Unrealised gain on disposal of property, plant and equipment	$ 5,317	($ 862)	-	$ 4,455
Loss carryforward	5,487	10,640	-	16,127
Others	13,500	(11,748)	1,355	3,107
	$ 18,987	($ 1,970)	$ 1,355	$ 23,689
Deferred tax liabilities				
Temporary differences				
Book-tax difference in the basis of finance lease	($ 2,318)	$ 1,315	$ -	($ 1,003)
Investment income of long-term equity investments	(17,897)	(5,644)	-	(23,541)
Others	(4,397)	6,803	-	2,406
	($ 24,612)	$ 2,474	$ -	($ 22,138)

	2019			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets				
Temporary differences				
Unrealised gain on disposal of property, plant and equipment	$ 5,738	($ 421)	$ -	$ 5,317
Loss carryforward	5,537	(50)	-	5,487
Others	11,421	1,699	380	13,500
	$ 22,696	$ 1,228	$ 380	$ 24,304
Deferred tax liabilities				
Temporary differences				
Book-tax difference in the basis of finance lease	($ 2,591)	$ 273	$ -	($ 2,318)
Investment income of long-term equity investments	(2,604)	(15,293)	-	(17,897)
Others	(6,021)	1,624	-	(4,397)
	($ 11,216)	($ 13,396)	$ -	($ 24,612)

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

December 31, 2020				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Usable until
2015	$ 89,747	$ 89,747	$ -	-
2016	93,958	93,958	93,958	-
2017	56,373	56,373	56,373	-
2018	62,640	62,640	62,640	-
2019	109,498	109,498	109,498	-
2020	76,625	76,625	27,365	-

December 31, 2019				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Usable until
2015	$ 89,747	$ 89,747	$ -	-
2016	93,958	93,958	93,958	-
2017	56,373	56,373	56,373	-
2018	62,640	62,640	62,640	-
2019	109,498	109,498	109,498	-

(18) Earnings per share

	Year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic (Diluted) earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 31,528	45,760	$ 0.69

	Year ended December 31, 2019		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic (Diluted) earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 38,797	45,760	$ 0.85

(19) Supplemental cash flow information

	Years ended December 31,	
	2020	2019
Financing activities with no cash flow effects:		
Retained earnings transferred to common stock	$ 15,689	$ 37,304

(20) Changes in liabilities from financing activities

	2020				
	Short-term borrowings	Lease payable	Long-term borrowings (including current portion)	Dividends payable	Total
At January 1	$ 405,857	$ 253,190	$ -	$ 24	$ 659,071
Cash dividends declared	-	-	-	10,399	10,399
Changes in cash flow from financing activities	(73,823)	(28,958)	118,933	(1,597)	14,555
Changes in other non-cash items	4,035	(13,788)	88	(511)	(10,176)
At December 31	$ 336,069	$ 210,444	$ 119,021	$ 8,315	$ 673,849

	2019				
	Short-term borrowings	Lease payable	Bonds payable (including current portion)	Dividends payable	Total
At January 1	$ 211,996	$ 309,099	$ 168,106	$ -	$ 689,201
Cash dividends declared	-	-	-	16,338	16,338
Changes in cash flow from financing activities	198,646	(48,982)	(171,900)	(16,314)	(38,550)
Changes in other non-cash items	(4,785)	(6,927)	3,794	-	(7,918)
At December 31	$ 405,857	$ 253,190	$ -	$ 24	$ 659,071

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Name of related party	Relationship with the Company
WEE LIANG KIANG	Chief Executive Officer of the Company

(2) Significant related party transactions

I. Endorsements and guarantees provided by related parties:

	December 31, 2020	December 31, 2019
WEE LIANG KIANG	$ 222,221	$ 243,841

The above pertains to guarantee provided by the related party for the Company’s borrowings.

(3) Key management compensation

	Year ended December 31, 2020	Year ended December 31, 2019
Salaries and other short-term employee benefits	$ 23,428	$ 29,573
Post-employment benefits	1,121	1,390
	$ 24,549	$ 30,963

8. PLEDGED ASSETS

The Group’s assets pledged as collateral are as follows:

	Book value		
	December 31,		
Pledged asset	2020	2019	Purpose
Property, plant and equipment	$ 35,388	$ 40,000	Short-term borrowings
Right-of-use asset	53,957	61,110	Long-term and short-term borrowings and lease payable
Financial assets at amortised cost - time deposits	59,966	48,586	Short-term borrowings
	$ 149,311	$ 149,696	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

None

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The subsidiary, Wuxi Jingxin, reduced capital amounting to RMB 15 million and returned it to the minority equity shareholders as resolved by the Board of Directors on September 30, 2020. The shareholding ratio of the Company increased to 100% from 93% after the capital reduction. The capital reduction had been registered in January 2021.

12. OTHERS

(1) Capital management

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

(2) Financial instruments

A. Financial instruments by category

	December 31, 2020	December 31, 2019
Financial assets		
Financial assets at amortised cost		
Loans and receivables		
Cash and cash equivalents	$ 740,600	$ 472,198
Financial assets at amortised cost	146,012	218,665
Accounts receivable	414,609	520,221
Other receivables	13,070	2,145
Guarantee deposits paid	12,052	15,109
	$ 1,326,343	$ 1,228,338
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 336,069	$ 405,857
Accounts payable	154,426	167,432
Other payables	51,775	78,415
Long-term borrowings (including current portion)	119,021	-
	$ 661,291	$ 651,704
Lease liability	$ 210,444	$ 253,190

B. Financial risk management policies

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

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB, SGD and USD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2020					
			Book value	Sensitivity analysis		
	Foreign currency (in thousands)	Exchange rate	(NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
EUR:RMB	$ 2,543	7.98	$ 87,025	1%	$ 870	$ -
USD:RMB	2,718	6.53	76,335	1%	763	-
EUR:HUF	871	362.61	29,926	1%	299	-
USD:SGD	673	1.32	18,906	1%	189	-
RMB:SGD	495	0.20	2,129	1%	21	-
JPY:SGD	4,813	0.01	1,310	1%	13	-
IDR:USD	55,261,885	0.00007	110,395	1%	1,104	-
Financial liabilities						
Monetary items						
IDR:USD	$ 25,677,399	0.00007	$ 51,295	1%	$ 513	$ -
USD:SGD	459	1.32	12,888	1%	129	-
JPY:SGD	26,373	0.01	7,178	1%	72	-
EUR:SGD	1,685	1.62	57,861	1%	579	-
EUR:HUF	2,040	362.61	70,050	1%	701	-
EUR:NTD	6,470	34.35	222,221	1%	2,222	-

	December 31, 2019					
			Book value	Sensitivity analysis		
(Foreign currency: functional currency)	Foreign currency (in thousands)	Exchange rate	(NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets						
Monetary items						
EUR:RMB	$ 3,301	7.82	$ 110,975	1%	$ 1,110	$ -
USD:RMB	2,589	6.96	77,521	1%	775	-
EUR:HUF	1,129	331.15	37,959	1%	380	-
USD:SGD	605	1.34	18,109	1%	181	-
RMB:SGD	35,872	0.19	154,264	1%	1,543	-
JPY:SGD	42,985	0.01	11,483	1%	115	-
IDR:USD	67,551,981	0.00007	145,910	1%	1,459	-
Financial liabilities						
Monetary items						
IDR:USD	$ 32,765,462	0.00007	$ 70,772	1%	$ 708	$ -
USD:SGD	214	1.34	6,398	1%	64	-
JPY:SGD	41,243	0.01	11,363	1%	114	-
RMB:SGD	4,000	0.19	17,201	1%	172	-
EUR:SGD	1,256	1.51	42,224	1%	422	-
EUR:HUF	1,102	331.15	37,037	1%	370	-
USD:NTD	1,550	29.94	46,413	1%	464	-
EUR:NTD	7,040	33.62	236,669	1%	2,367	-
SGD:NTD	925	22.27	20,598	1%	206	-

v. Total exchange loss, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2020 and 2019, amounted to $13,734 and $7,853, respectively.

(b) Credit risk

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

ii. The Group adopts the following assumption to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the aging of contract payments was over 90 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iii. The default occurs when the contract payments are past due over 365 days.

iv. The Group classifies customers' accounts receivable in accordance with credit risk on trade. The Group applies the simplified approach to estimate expected credit loss under the provision matrix basis.

v. The Group used the forecastability of Basel Committee on Banking Supervision to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2020 and 2019, the provision matrix is as follows:

	Not past due	Up to 30 days past due	31~90 days past due	91~180 days past due	Over 181 days past due	Total
At December 31, 2020						
Expected loss rate	0.03%	0.03~4.96%	0.03~9.69%	0.03%~18.92%	54.14%~100%	
Total book value	$ 350,694	$ 32,268	$ 17,159	$ 13,749	$ 3,970	$417,840

	Not past due	Up to 30 days past due	31~90 days past due	91~180 days past due	Over 181 days past due	Total
At December 31, 2019						
Expected loss rate	0.03%	0.03~7.81%	0.03~7.81%	0.03%~20.20%	19.17%~100%	
Total book value	$ 463,804	$ 38,993	$ 14,327	$ 1,880	$ 4,469	$523,473

vi. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable, contract assets and lease payments receivable are as follows:

	2020	2019
At January 1	$ 3,252	$ 1,354
Reversal of impairment loss	(1,371)	-
Provision for impairment	1,583	1,981
Effect of foreign exchange	(233)	(83)
At December 31	$ 3,231	$ 3,252

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities.

ii. Surplus cash held by the operating entities over and above balance required for working capital management are invested in time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.

iii. As of December 31, 2020 and 2019, except for non-current liabilities, the Group's short-term borrowings, accounts payable and other payables are all due within one year. The balance of cash flow within one year is undiscounted and agrees with each account's balance under the balance sheets.

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

December 31, 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 336,069	$ -	$ -	$ -
Accounts payable	154,426	-	-	-
Other payables	51,775	-	-	-
Lease liability	26,727	22,102	46,993	120,595
Long-term borrowings (including current portion)	6,846	29,836	89,751	2,999

December 31, 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 405,857	$ -	$ -	$ -
Accounts payable	167,432	-	-	-
Other payables	78,415	-	-	-
Lease liability	29,426	28,000	61,365	139,803

(3) Fair value information

A. Details of the fair value of the Group's financial assets and financial liabilities not measured at fair value are provided in Note 12(2)A.

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

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

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

Level 3: Unobservable inputs for the asset or liability. The fair values of the call and put options issued by the Group are included in Level 3.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

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

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

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.

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

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

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

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

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

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

J. Significant inter-company transactions during the reporting periods: Please refer to table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 4.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 5.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Major shareholders information: Please refer to table 6.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Chief Operating Decision-Maker that are used to make strategic decisions.
The Group manufactures and sells customized machinery and equipment and parts of automobiles and motorcycles from a geographic perspective and provides information for the Chief Operating Decision-Maker to review. The areas of sales and order receiving are separated into four major areas which are Singapore, China, Indonesia and Europe. The Company's Chief Operating Decision-Maker also separates into these four areas when managing finance and reviewing operating performance, therefore, Singapore, China, Indonesia and Europe shall be reportable segments.

(2) Measurement of segment information

The Chief Operating Decision-Maker assesses the performance of operating segments based on segment revenues and profit or loss after tax.

(3) Information about segments and their profit or loss

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	Year ended December 31, 2020					
	Singapore	Indonesia	China	Europe	Reconciliation elimination	Total
Revenue from external customers						
Machinery and maintenance service	$ 28,597	$ -	$ 7,287	$ -	$ -	$ 35,884
Parts of motorcycles	-	41,851	-	-	-	41,851
Parts of automobiles	-	243,080	743,245	92,719	-	1,079,044
Processing	-	-	9,566	-	-	9,566
Medical devices	15,266	-	-	-	-	15,266
	43,863	284,931	760,098	92,719	-	1,181,611
Inter-segment revenue	131,491	-	16,709	-	(148,200)	-
Total segment revenue	$175,354	$ 284,931	$ 776,807	$ 92,719	($ 148,200)	$ 1,181,611
Total segment profit (loss)	($ 43,599)	($ 30,377)	$ 138,162	($ 11,856)	($ 25,042)	$ 27,288
Segment income (loss):						
Depreciation	($ 8,067)	($ 28,728)	($ 26,181)	($ 17,087)	$ 1,797	($ 78,266)
Income tax expense	$ 4,028	($ 4,524)	($ 17,348)	($ 1,239)	($ 6,740)	($ 25,823)

	Year ended December 31, 2019					
	Singapore	Indonesia	China	Europe	Reconciliation and elimination	Total
Revenue from external customers						
Machinery and maintenance service	$155,637	$ -	$ 10,076	$ -	$ -	$ 165,713
Parts of motorcycles	-	80,328	-	-	-	80,328
Parts of automobiles	-	373,257	1,035,919	124,215	-	1,533,391
Processing	-	-	15,532	-	-	15,532
Medical devices	601	-	-	-	-	601
	156,238	453,585	1,061,527	124,215	-	1,795,565
Inter-segment revenue	109,916	-	56,371	-	(166,287)	-
Total segment revenue	$266,154	$453,585	$1,117,898	$124,215	($ 166,287)	$1,795,565
Total segment profit (loss)	($116,393)	$ 3,025	$ 200,451	($ 13,047)	($ 21,740)	$ 52,296
Segment income (loss):						
Depreciation	($ 7,809)	($ 33,220)	($ 30,760)	($ 18,940)	$ 2,782	($ 87,947)
Income tax expense	($ 8,161)	($ 3,423)	($ 33,019)	($ 1,465)	($ 13,508)	($ 59,576)

Note: Because the measurement amount of the Group's assets does not include the measurement amount of segment assets reviewed by the Chief Operating Decision-Maker, therefore, the measurement amount of assets to be disclosed is $0 in accordance with IFRS 8, 'Operating segments'.

(4) Reconciliation for segment income (loss)

As the Group's Chief Operating Decision-Maker evaluates segment performance and determines how to allocate resources based on segment revenue and profit or loss, sales between segments are carried out at arm's length. The revenue from external parties reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income. The accounting policies of the operating segments are in agreement with the significant accounting policies summarized in Note 4, therefore, no adjustment to operating profit or loss is needed.

(5) Information on products and services

Please refer to Note 14(3).

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2020 and 2019 is as follows:

	Years ended December 31,			
	2020		2019	
	Revenue	Segment	Revenue	Segment
Customer A	$ 410,966	China	$ 635,935	China
Customer B	158,346	China	112,486	China
Customer C	109,785	Indonesia	203,043	Indonesia

Patec Precision Industry Co., Ltd. and Subsidiaries

Loans to others

Year ended December 31, 2020

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2020 (Note 3)	Balance at December 31, 2020 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
1	PATEC PTE. LTD.	Patec Precision Kft	Other receivables	Y	$ 51,915	$ 42,158	$ 24,446	1.50%	2	$ -	Capital needs	-	-	-	$ 139,669	$ 558,674	Note 8
1	PATEC PTE. LTD.	KABAM Pte. Ltd.	Other receivables	Y	4,250	4,250	4,250	3.50%	2	-	Capital needs	-	-	-	139,669	558,674	Note 8
1	PATEC PTE. LTD.	PATEC PRECISION INDUSTRY CO., LTD.	Other receivables	Y	21,416	21,416	21,416	3.00%	2	-	Capital needs	-	-	-	139,669	558,674	Note 8

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Fill in the name of account in which the loans are recognised, such as receivables–related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the maximum outstanding balance of loans to others for the year ended December 31, 2020.

Note 4: The column of ‘Nature of loan’ shall fill in ‘Business transaction’ or ‘Short-term financing’.

(1) Business transaction shall fill in 1.

(2) Short-term financing shall fill in 2.

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: Fill in limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company’s “Procedures for Provision of Loans”, and state each individual party to which the loans have been provided and the calculation for ceiling on total loans granted in the footnote.

Note 8: The limit on total financing and financing to individuals shall not be more than 40% and 10% the Company’s net asset, respectively.

Patec Precision Industry Co., Ltd. and Subsidiaries

Provision of endorsements and guarantees to others

Year ended December 31, 2020

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2020 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2020 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/guarantees by parent company to subsidiary (Note 8)	Provision of endorsements/guarantees by subsidiary to parent company (Note 8)	Provision of endorsements/guarantees to the party in Mainland China (Note 8)	Footnote
0	PATEC PRECISION INDUSTRY CO., LTD.	PATEC PTE. LTD.	2	$ 227,413	$ 191,170	$ 191,170	$ 61,171	$ -	16.81%	$ 454,825	Y	N	N	Note 3
0	PATEC PRECISION INDUSTRY CO., LTD.	PT. PATEC PRESISI ENGINEERING	3	227,413	14,044	14,044	-	-	1.24%	454,825	Y	N	N	Note 3
0	PATEC PRECISION INDUSTRY CO., LTD.	PT. PDF Presisi Engineering	3	227,413	14,044	14,044	5,337	-	1.24%	454,825	Y	N	N	Note 3
0	PATEC PRECISION INDUSTRY CO., LTD.	PT. API Precision	3	227,413	14,044	14,044	5,618	-	1.24%	454,825	Y	N	N	Note 3
1	PATEC PTE. LTD.	PATEC PRECISION INDUSTRY CO., LTD.	2	279,337	98,308	98,308	87,643	-	7.04%	558,674	N	Y	N	Note 3

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:
(1) The Company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories:
(1) Having business relationship.
(2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.
(3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.
(4) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.
(5) Mutual guarantee of the trade as required by the construction contract.
(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

Note 3: The endorsement amount guaranteed by the Company shall not exceed 40% of the Company’s net assets for the period, and the endorsement for any individual company shall not exceed 20% of the Company’s net assets for the period. If the endorsement is for business relationship, the limit shall not exceed the total transaction amount for the latest year (purchases or sales, whichever is higher). The net assets are based on the latest financial statements audited or reviewed by independent accountants.

Note 4: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company’s “Procedures for Provision of Endorsements and Guarantees”

Note 5: Once endorsement/guarantee contracts or promissory notes are signed/issued by the endorser/guarantor company to the banks, the endorser/guarantor company bears endorsement/guarantee liabilities. All other events involving endorsements and guarantees should be included in the balance of outstanding endorsements and guarantees.

Note 6: Actual amount drawn down shall not exceed Limit on endorsements/guarantees provided for a single party.

Note 7: Fill in ‘Y’ for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Patec Precision Industry Co., Ltd. and Subsidiaries

Significant inter-company transactions during the reporting period

Year ended December 31, 2020

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
1	PATEC PTE.LTD.	PT. PATEC PRESISI ENGINEERING	3	Sales revenue	$ 24,779	90~150 days after monthly billings	2.10%
1	PATEC PTE.LTD.	Patec Precision KFT	3	Sales revenue	46,523	90~150 days after monthly billings	3.94%
2	Press Automation Technology Pte Ltd.	PATEC PTE.LTD.	3	Sales revenue	57,937	90~150 days after monthly billings	4.90%
2	Press Automation Technology Pte Ltd.	PATEC PTE.LTD.	3	Accounts receivable	36,679	90~150 days after monthly billings	1.62%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: 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 Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

Patec Precision Industry Co., Ltd. and Subsidiaries

Information on investees

Year ended December 31, 2020

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount: Balance as at December 31, 2020	Initial investment amount: Balance as at December 31, 2019	Shares held as at December 31, 2020: Number of shares	Shares held as at December 31, 2020: Ownership (%)	Shares held as at December 31, 2020: Book value	Net profit (loss) of the investee for the year ended December 31, 2020 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 2(3))	Footnote
PATEC PRECISION INDUSTRY CO., LTD.	PATEC PTE LTD.	Singapore	Holding company	$ 709,809	$ 709,809	31,287	100.00%	$ 1,396,686	$ 49,500	$ 49,500	
PATEC PTE LTD.	Ptess Automation Techonology Pte Ltd	Singapore	Assembly and sale of machinery and equipment	354,175	354,175	6,247	100.00%	283,795	(20,892)	(19,553)	
PATEC PTE LTD.	Patec Precision Kft	Hungary	Manufacturing and sale of elements of automobiles	210,643	210,643	-	100.00%	33,896	(11,856)	(20,305)	
PATEC PTE. LTD.	Patec Medical Supplies Pte.Ltd.	Singapore	Sale of medical devices	12,996	12,996	600	57.97%	3,809	(7,733)	(4,483)	
PATEC PTE. LTD.	KABAM Pte. Ltd.	Singapore	Application sales of manipulators	2,301	2,301	400	100.00%	(5,700)	546	546	
Ptess Automation Techonology Pte Ltd.	PT PATEC PRESISI ENGINEERING	Indonesia	Manufacturing and sale of elements of motorcycles	139,483	139,483	4,340	70.00%	196,618	(30,377)	(20,404)	
PT PATEC PRESISI ENGINEERING	PT.PDF Presisi Engineering	Indonesia	Manufacturing and sale of elements of automobiles and motorcycles	37,595	37,595	1,210	88.97%	31,603	(2,948)	(2,623)	
PT PATEC PRESISI ENGINEERING	PT.API Precision	Indonesia	Manufacturing and sale of elements of automobiles and motorcycles	34,314	34,314	1,483	88.77%	13,341	(7,163)	(6,359)	

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

(1) The columns of 'Investee', 'Location', 'Main business activities', Initial investment amount' and 'Shares held as at December 31, 2020' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.

(2) The 'Net profit (loss) of the investee for the year ended December 31, 2020' column should fill in amount of net profit (loss) of the investee for this period.

(3) The 'Investment income (loss) recognised by the Company for the year ended December 31, 2020' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Patec Precision Industry Co., Ltd. and Subsidiaries

Information on investments in Mainland China

Year ended December 31, 2020

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2020	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income of investee for the year ended December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 2)	Book value of investments in Mainland China as of December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Wuxi Jingxin Precision Machining Co., Ltd.	Manufacturing and sale of elements of automobiles	$ 166,164	(2)	$ -	$ -	$ -	$ -	$ 138,162	93%	$ 128,985	$ 1,067,841	$ 524,786	
Wuxi Baida Precision Molding Co., Ltd.	Production and sale of press machines	43,023	(2)	-	-	-	-	(2,556)	93%	(2,035)	80,662	-	
Yancheng Jingxin Precision Machining Co., Ltd.	Manufacturing and sale of elements of automobiles	-	(2)	-	-	-	-	852	0%	792	-	-	Note 4

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Not applicable			

Note 1: Investment methods are classified into the following three categories:

(1) Directly invest in a company in Mainland China..

(2) Through investing in PATEC PTE. LTD., the subsidiary in Singapore.

(3) Others

Note 2: In the 'Investment income (loss) recognised by the Company for the year ended December 31, 2019' column, basis for investment income (loss) recognition is the financial statements that were audited by the investee companies' CPA for the year ended December 31, 2020.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Note 4: The shareholders have resolved to sold 100% of its share on September 16, 2020.

Patec Precision Industry Co., Ltd. and Subsidiaries

Major shareholders information

December 31, 2020

Table 6

Name of major shareholders	Share	
	Number of shares held	Ownership (%)
The CTBC hosting Patec Investments Pte. Ltd investment account	$ 12,924,477	28.24%
WEE LIANG KIANG	6,538,385	14.28%