Winstek Semiconductors Corporation and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

2020 and 2019

(Stock Code 3265)

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Winstek Semiconductor Corporation.

Declaration of Consolidated Financial Statement of Affiliates

In 2020 (from January 1, 2020 to December 31, 2020), the related entities that are required to be included in the preparation of the consolidated financial statements of the Company, under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those defined in International Financial Reporting Standards (IFRS) No. 10 "Consolidated Financial Statements. " The information that shall be disclosed in the combined financial statements of affiliated companies is included in the consolidated financial statements of the parent company. Consequently, there will be no separate preparation of combined financial statements of affiliated companies.

As hereby declared

Company name: Winstek Semiconductor Corporation

Person in Charge: Hsing-Yang Huang

March 9, 2021

Independent Auditor's Report

(109) TWSE Review no. 20003172

Winstek Semiconductor Co., Ltd. seal:

Audit Opinion

We have audited the consolidated balance sheet on December 31, 2020 and December 31, 2019 consolidated composite income sheet, consolidated statement of changes in equity, combined statement of cash flows from January 1to December 31, 2020 and January 1 to December 31,2019, and the notes to the consolidated financial statements (including the summary of material accounting policies) of Winstek Semiconductor Co., Ltd. and Subsidiaries (hereinafter referred to as "Winstek Group").

In our opinion, all the material items prepared in these consolidated financial statements are in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), interpretations and interpretation announcements recognized by the Financial Supervisory Commission (FSC). Therefore, they can properly express the consolidated financial status of Winstek Group as of December 31, 2020 and December 31, 2019 and consolidated financial performance and consolidated cash flow from January 1, 2019 to December 31, 2020.

Basis of Audit Opinion

We have performed the auditing work in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and auditing standards generally accepted in the ROC. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Consolidated Financial Statements. We are independent of the Winstek Group in accordance with the Code of Ethics for Professional Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

The key audit matters refer to those most material items when auditing the combined financial statements of the year 2020 of Winstek Group, based on the professional judgment of the CPA. These matters were addressed in the context of our audit of the consolidated statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the consolidated financial statements of the year 2020 of Winstek Group are as follows:

Audits of Real Estate, Plant, and Equipment Capitalization

Matter description

Capital expenditure of Winstek Semiconductor Corporation and Subsidiaries increased in proportion to operations increase capital expenditures along with their operations. Please refer to Note 4 (XIII) of the consolidated balance sheet for accounting policies related to items of real estate, plants, and equipment and Note 6(V) for the description of items related to real estate, plants, and equipment. The amount in capital expenditure of real estate, plants, and equipment in this year is significant. Therefore, the CPA listed audits of real estate, plant, and equipment capitalization as key matters.

Corresponding auditing procedures

The auditor conducted main audit procedures towards the said key audit matters including:

Evaluation and testing of effectiveness time points of relevant control of additional procurement and depreciation of real estate, plant, and equipment audit relevant procurement orders and invoices to confirm proper approval of transactions and accuracy of account amounts; audit and accept relevant forms to confirm time appropriation of availability of asset utilization and property inventory and accuracy of depreciation allocated.

Other matters - Individual financial report

Winstek Semiconductor Corporation has prepared the Parent Company only financial report of the year 2020 and 2019, and the CPA has issued the unqualified audit report with other matters for future reference.

The responsibility of the management and governance units for the consolidated financial statements

The responsibility of the management was to establish financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," and IFRS, IAS, interpretations and interpretation announcements recognized by the FSC, to properly indicate the company's financial status and also to maintain necessary internal control with regard to the establishment of consolidated financial statements to ensure such financial statements did not contain any false contents as a result of fraudulence or mistakes.

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

Those charged with governance (including the Auditing Committee) are responsible for overseeing the financial reporting process of Winstek Group.

The responsibility of CPAs when auditing 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 auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance. Still, it is not a guarantee that an audit conducted in accordance with auditing principles generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error These 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 and separate financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Winstek Group.
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. Based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Winstek Group and its ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause Winstek Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the notes to the statements) and whether or not 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 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).

Based on the result of our discussion with the governance body, we decided on the key audit matters when auditing the 2020 consolidated financial statement of Winstek Group. 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.

PwC Taiwan

Hsieh Chih-Cheng

CPA

Tsai-Yen Chiang

Former Executive Yuan Financial Supervisory Commission (FSC)
SC Approved Certificate No. 0990042599
Financial Supervisory Commission (FSC)
FSC Approved Certificate No. 1060025097

March 9, 2021

Winstek Semiconductor Corporation and subsidiaries
Consolidated Balance Sheet
December 31, 2020 and December 31, 2019

Unit: NT$ thousand

	Assets	Note	December 31, 2020			December 31, 2019		
				Amount	%		Amount	%
	Current Assets							
1100	Cash and Cash Equivalents	6 (1)	$	1,065,623	19	$	431,419	7
1136	Financial assets on the basis of amortized cost – current	6 (2)		1,980,960	35		2,469,160	39
1140	Contracts Assets – current	6 (15)		20,529	-		20,401	-
1170	Net account receivables	6 (3)		627,438	11		1,156,714	18
1180	Account receivables – related parties - net	6 (3) and 7		1,662	-		118	-
1200	Other receivables			7,210	-		8,042	-
1220	Income tax assets in the current period			12,523	-		-	-
130X	Inventory	6 (4)		68,448	1		78,900	1
1410	Prepayments			25,570	1		35,453	1
1470	Other current assets			3,933	-		6,441	-
11XX	**Total current assets**			3,813,896	67		4,206,648	66
	Non-current assets							
1535	Financial assets on the basis of amortized cost –noncurrent	6 (2) and 8		21,700	-		20,700	-
1600	Property, plant, and equipment	6 (5)		1,768,742	31		2,101,684	33
1755	Right of use assets	6 (6)		8,296	-		31,417	-
1780	Intangible assets	6 (8)		52,115	1		32,132	1
1840	Deferred income tax assets	6 (22)		24,360	1		19,676	-
1900	Other non-current assets			3,851	-		3,788	-
15XX	**Total non-current assets**			1,879,064	33		2,209,397	34
1XXX	**Total assets**		$	5,692,960	100	$	6,416,045	100

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Winstek Semiconductor Corporation and subsidiaries
Consolidated Balance Sheet
December 31, 2020 and December 31, 2019

Unit: NT$ thousand

	Liabilities and shareholders' equity	Note	December 31, 2020 Amount	%	December 31, 2019 Amount	%
	Current liabilities					
2130	Contract liabilities -current	6 (15)	$ 396	-	$ -	-
2170	Account payables		82,789	1	71,808	1
2180	Account payables –related parties	7	257	-	803	-
2200	Other payables	6 (9)	393,311	7	563,804	9
2220	Other payables –related parties	7	-	-	9	-
2230	Income tax liabilities in the current period		-	-	134,774	2
2250	Provision for liabilities –current		10,816	-	2,794	-
2280	Leasehold liabilities – current	6 (25)	1,947	-	27,085	1
2320	Current portion of long-term liabilities	6 (10)	145,000	3	82,500	1
2399	Other current liabilities – others		5,159	-	5,557	-
21XX	**Total current liabilities**		639,675	11	889,134	14
	Noncurrent liabilities					
2540	Long-term loans	6 (10)	285,500	5	607,500	10
2570	Deferred income tax liabilities	6 (22)	1,616	-	4,020	-
2580	Leasehold liabilities –non-current	6 (25)	6,397	-	1,638	-
2640	Defined benefit liabilities – non-current	6 (11)	26,816	1	21,216	-
2670	Other non-current liabilities – others		3,563	-	3,541	-
25XX	**Total non-current liabilities**		323,892	6	637,915	10
2XXX	**Total liabilities**		963,567	17	1,527,049	24
	Equity					
	Capital	6 (12)				
3110	Capital from ordinary share		1,362,617	24	1,362,617	21
	Capital reserve	6 (13)				
3200	Capital surplus		366,243	7	366,243	6
	Retained earnings	6 (14)				
3310	Legal reserve		693,278	12	637,091	10
3320	Special Reserve		45,854	1	-	-
3350	Undistributed earnings		2,464,874	43	2,568,899	40
	Other equities					
3400	Other equities		(203,473)	(4)	(45,854)	(1)
3XXX	**Total equities**		4,729,393	83	4,888,996	76
	Major commitment or contingency	9				
	Materiality after the reporting period	11				
3X2X	**Total liabilities and shareholders' equity**		$ 5,692,960	100	$ 6,416,045	100

The notes to the consolidated financial statements constitute an integral part of this consolidated financial statement.

Chairman: Huang Hsing-Yang Manager: Weng Chih-Li Accounting Officer: Liu Kui-Chu

Winstek Semiconductor Corporation and subsidiaries
Consolidated Comprehensive Income Statements
January 1 to December 31, 2020 and January 1 to December 31, 2019

Unit: NT$ thousand
(NTD for earnings per share)

Code	Items	Note	2020 Amount	2020 %	2019 Amount	2019 %
4000	Revenue	6 (15) and 7	$ 2,613,534	100	$ 2,942,669	100
5000	Cost of operations	6 (4)	(2,180,206)	(83)	(2,059,476)	(70)
5950	Net gross profit		433,328	17	883,193	30
	Operating expense	6 (20) (21)				
6100	Sale expense		(25,018)	(1)	(26,352)	(1)
6200	Management expense		(167,145)	(6)	(185,295)	(6)
6300	R&D expense		(14,134)	(1)	(15,930)	(1)
6000	Total operating expense		(206,297)	(8)	(227,577)	(8)
6900	Operating income		227,031	9	655,616	22
	Non-operating income and expense					
7100	Interest income	6 (16)	23,708	1	44,990	2
7010	Other incomes	6 (17)	463	-	463	-
7020	Other profits and loss	6 (18) & 7	(15,786)	(1)	54,587	2
7050	Financial cost	6 (19)	(7,670)	-	(15,023)	(1)
7000	Total non-operating income and expense		715	-	85,017	3
7900	**Earnings before Taxation**		227,746	9	740,633	25
7950	Income tax expense	6 (22)	(18,348)	(1)	(172,990)	(6)
8200	**Net income in the current period**		$ 209,398	8	$ 567,643	19
	Other comprehensive incomes					
8311	Re-estimation of defined benefit plan	6 (11)	($ 6,990)	-	($ 5,775)	-
8310	Total amount of items not reclassified as profit or loss		(6,990)	-	(5,775)	-
	Items likely be reclassified under profit or loss					
8361	Exchange difference from the conversion of financial statements of foreign operations.		(157,619)	(6)	(83,769)	(3)
8360	Total amount in items likely to be reclassified under profit or loss		(157,619)	(6)	(83,769)	(3)
8500	**Total comprehensive incomes in the current period**		$ 44,789	2	$ 478,099	16
	Net income attributable to:					
8610	Shareholders of parent company		$ 209,398	8	$ 567,643	19
	Total comprehensive income attributable to:					
8710	Shareholders of parent company		$ 44,789	2	$ 478,099	16
	Earnings per share	6 (23)				
9750	Earnings per share		$ 1.54		$ 4.17	
9850	Diluted earnings per share		$ 1.52		$ 4.11	

The notes to the consolidated financial statements constitute an integral part of this consolidated financial statement.

Chairman: Huang Hsing-Yang Manager: Weng Chih-Li Accounting Officer: Liu Kui-Chu

Winstek Semiconductor Corporation and subsidiaries
Consolidated Statement of Changes in Shareholders Equity
January 1 to December 31, 2020 and January 1, 2019 to December 31, 2019

Unit: NT$ thousand

	Note	Shareholders equity attributable to parent company						
				Retained earnings				
	Note	Share	Capital surplus	Legal reserve	Special Reserve	Undistributed earnings	Conversion from financial statements of foreign operations Exchange difference	Total shareholders' equity
1.1.2019 - December 31, 2019								
Balance as of January 1, 2019		1,362,617	366,243	604,109	67,932	2,135,595	37,915	4,574,411
Net income in the current period		-	-	-	-	567,643	-	567,643
Other comprehensive incomes in the current period	6 (11)	-	-	-	-	(5,775)	(83,769)	(89,544)
Total comprehensive incomes in the current period		-	-	-	-	561,868	(83,769)	478,099
Distribution of earnings and appropriation in 2018	6 (14)							
Appropriation for legal reserve		-	-	32,982	-	(32,982)	-	-
Cash dividends		-	-	-	-	(163,514)	-	(163,514)
Reversal of special reserve		-	-	-	(67,932)	67,932	-	-
Balance as of December 31, 2019		1,362,617	366,243	637,091	-	2,568,899	(45,854)	4,888,996
1.1.2020 - December 31, 2020								
Balance on 1.1.2020		1,362,617	366,243	637,091	-	2,568,899	(45,854)	4,888,996
Net income in the current period		-	-	-	-	209,398	-	209,398
Other comprehensive incomes in the current period	6 (11)	-	-	-	-	(6,990)	(157,619)	(164,609)

The notes to the consolidated financial statements constitute an integral part of this consolidated financial statement.

Chairman: Huang Hsing-Yang   Manager: Weng Chih-Li   Accounting Officer: Liu Kui-Chu

Winstek Semiconductor Corporation and subsidiaries
Consolidated Statement of Changes in Shareholders Equity
January 1 to December 31, 2020 and January 1, 2019 to December 31, 2019

Unit: NT$ thousand

		Shareholders equity attributable to parent company						
				Retained earnings				
	Note	Share	Capital surplus	Legal reserve	Special Reserve	Undistributed earnings	Conversion from financial statements of foreign operations Exchange difference	Total shareholders' equity
Total comprehensive incomes in the current period		-	-	-	-	202,408	(157,619)	44,789
Earnings in 2019 and appropriation	6 (14)							
Appropriation for legal reserve		-	-	56,187	-	(56,187)	-	-
Appropriation for special reserve		-	-	-	45,854	(45,854)	-	-
Cash dividends		-	-	-	-	(204,392)	-	(204,392)
Balance on December 31, 2020		1,362,617	366,243	693,278	45,854	2,464,874	(203,473)	4,729,393

The notes to the consolidated financial statements constitute an integral part of this consolidated financial statement.

Chairman: Huang Hsing-Yang　　Manager: Weng Chih-Li　　Accounting Officer: Liu Kui-Chu

Winstek Semiconductor Corporation and subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2020 and January 1 to December 31, 2019

Unit: NT$ thousand

	Note	From January 1, 2020 to December 31, 2020	From January 1, 2019 to December 31, 2019
Cash flow from operation			
Earnings before taxation in the current period		$ 227,746	$ 740,633
Adjusted items			
Capital gain/loss item			
Depreciations	6 (5), 6 (20)	660,041	755,958
Amortization	6 (8) (20)	10,941	6,848
Interest expense	6 (6) (19)	7,670	-
Interest income	6 (16)	(23,708)	(44,990)
Capital gain from disposal of property, plant and equipment	6 (18)	(7,468)	(57,320)
Changes in assets/liabilities related to operations			
Net change in assets related to operations			
Contract assets		(781)	(7,620)
Account receivables		496,496	(428,846)
Account receivables –related parties		(1,545)	-
Other receivables		1,710	(5,795)
Inventory		6,748	(6,022)
Prepayment		4,897	24,127
Other current assets		2,404	(3,187)
Net change in liabilities related to operation			
Contract liabilities		411	-
Account payables		15,047	27,789
Account payables – related parties		2,037	803
Other payables		(74,931)	72,762
Other payables –related parties		2,289	(475)
Provision for liabilities		8,444	(5,210)
Other current liabilities		(155)	898
Net defined benefit liabilities		(1,389)	(1,388)
Other non-current liabilities		-	1
Cash inflow from operations		1,336,904	1,068,966
Interest collected		26,822	42,536
Interest paid		(7,740)	-
Income tax paid		(158,555)	(97,781)
Net cash inflow from operations		1,197,431	1,013,721

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Winstek Semiconductor Corporation and subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2020 and January 1 to December 31, 2019

Unit: NT$ thousand

	Note	From January 1, 2020 to December 31, 2020	From January 1, 2019 to December 31, 2019
Cash flows from investment			
Financial assets measured at amortized cost		($ 4,372,379)	($ 5,581,004)
Disposal of financial assets measured at amortized cost		4,769,155	4,545,606
Acquisition of property, plant and equipment	6 (24)	(441,079)	(518,013)
Acquisition of intangible assets	6 (8)	(31,488)	(18,491)
Proceeds from disposal of property, plant and equipment		9,300	60,996
Increase of refundable security deposits		(63)	-
Net cash outflow from investment		(66,554)	(1,510,906)
Cash flows from financing			
Borrowing of long-term loans	6 (25)	3,000	480,000
Repayment of long-term loans	6 (25)	(262,500)	(540,000)
Repaid amount in lease principal	6 (25)	(25,968)	(112,256)
Increase of cash on receipt	6 (25)	111	38
Decrease of cash on receipt	6 (25)	(89)	(33)
Cash dividends payment	6 (14)	(204,392)	(163,514)
Net cash outflow from financing		(489,838)	(335,765)
Effect of changes in exchange rate		(6,835)	(11,123)
Increase (decrease) of cash and cash equivalents in the current period		634,204	(844,073)
Balance of cash and cash equivalents at the beginning of period	6 (1)	431,419	1,275,492
Balance of cash and cash equivalents at the end of period	6 (1)	$ 1,065,623	$ 431,419

The notes to the consolidated financial statements constitute an integral part of this consolidated financial statement.

Chairman: Huang Hsing-Yang   Manager: Weng Chih-Li   Accounting Officer: Liu Kui-Chu

Winstek Semiconductors Corporation And Subsidiaries
Notes to Consolidated Financial Statements
2020 and 2019

Unit: NT$ thousand
(unless otherwise specified)

I. Company History

Winstek Semiconductor Corporation (hereinafter referred to as "the Company") was established on April 26, 2000 in the ROC. The Company's shares were listed and traded at GreTai Securities Market in August 2005. The Company and its subsidiaries (hereinafter referred to as "the Group") are mainly engaged in the R&D and testing of integrated circuits, services of turnkey wafer bumping and wafer level packaging, and other related businesses.

The former ultimate parent of the Company was Temasek Holding Limited. Sigurd Microelectronics Corporation (hereinafter, “Sigurd”) acquired control over Bloomeria Limited, our parent company, on October 13, 2017, which in turn indirectly holds 51.88% of the staked of the Company and emerged as the ultimate parent to the Company.

In consideration of the overall operation of the group, our parent company, Bloomeria Limited, transferred all its shares of the Company to the Ge-Shing Corporation, a wholly-owned subsidiary of the ultimate parent on July 6, 2020. As such Ge-Shing Corporation becomes the parent of the Group.

II. Approval date and procedures of the financial statements

These consolidated financial statements were issued by the board of directors on March 9, 2021.

III. Application of New and Amended International Financial Reporting Standards (IFRS) and Interpretations

(i) Effects of the adoption of new and amended IFRSs endorsed by the Financial Supervisory Commission (FSC):

The following table summarizes the new, revised, and amended standards and interpretations of IFRSs endorsed by the FSC that are applicable in 2020:

The Standard, Interpretations and Amendments	Effective date issued by IASB
Amendment to IAS 1 and IAS 8, "Disclosure - definition of materiality"	January 1, 2020
Amendment to IFRS 3, "Definition of Business"	January 1, 2020
Amendment to IFRS 9, IFRS 39, and IFRS 7, "Interest rate indicator change".	January 1, 2020
Amendment to IFRS 16, "Deduction of rent pertinent to the influence of COVID-19".	June 1, 2020 (Note)
Note: the FSC permitted the application of these rules prior to January 1, 2020	

The Group has assessed the aforementioned standards and interpretations with reference to our financial position and performance and confirmed that there is no material influence.

(ii) Effects of not yet applying the newly-announced and revised IFRSs endorsed by the FSC.

The following table compiles principles and interpretation of new announcement, amendment, and modification of IFRSs applicable in 2021 ratified by the FSC:

The Standard, Interpretations and Amendments	Effective date issued by IASB
Amendment to IFRS4, "temporary exemption of the application of the extended use of IFRS 9".	January 1, 2021
Amendment to amendment to IFRS 9, IFRS 39, IFRS 7, IFRS 4, and IFRS 16 in phase II, "interest indicator change".	January 1, 2021

The Group has assessed the aforementioned standards and interpretations with reference to our financial position and performance and confirmed that there is no material influence.

(iii) Effect on the applying of IFRSs announced by IASB pending on the recognition of FSC.

The following IFRSs have been announced by IASB but not yet included as the newly-announced, amended and revised standards and interpretations recognized by FSC:

The Standard, Interpretations and Amendments	Effective date issued by IASB
Amendment to IFRS 3, “guide of conceptual framework”.	January 1, 2022
Amendment to IFRS 10 and IAS 28, “the disposal or investment in assets between Investors and its associates or joint ventures”.	Pending on the decision of IASB
IFRS 17, “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17, “Insurance Contracts”.	January 1, 2023
Amendment to IAS 1, “Classification of current and noncurrent liabilities”.	January 1, 2023
Amendment to IAS 16, “Property, plant and equipment: price before the expected state of use”	January 1, 2022
Amendment to IAS 37, “Contract of financial liabilities - the cost of contractual performance”.	January 1, 2022
Improvement in the period of 2018-2020	January 1, 2022

The Group has assessed the aforementioned standards and interpretations with reference to our financial position and performance and confirmed that there is no material influence.

IV. Summary of significant accounting policies

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

(i) Statement of compliance

The consolidated financial statements are prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as IFRS, IAS, IFRIC interpretations and SIC interpretations (collectively referred to as “IFRSs” hereinafter) endorsed by the FSC.

(ii) Basis of preparation

1. Except for the following significant items, these consolidated financial statements have been prepared under the historical cost convention:

Defined benefit liabilities recognized based on the amount of pension fund assets less net present value of defined benefit obligations.

2. Critical accounting estimates are required when preparing financial statements in compliance with IFRSs. When the Group adopts the accounting policies, the management is required to exercise judgments on highly judgmental or complex items or significant assumptions and estimates with regards to these consolidated financial reports. Please refer to Note 5 for details.

(iii) Basis of consolidation

1. Basis for preparation of consolidated financial statements:

(1) The Group includes all subsidiaries as entities in the consolidated financial statements. Subsidiaries refer to entities controlled by the Group (including structural entities). Control is achieved 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. Subsidiaries are included in the consolidated financial statements from the date on which the Group obtains control and is excluded from the consolidated financial statements from when such control ceases.

(2) Transactions, balances and unrealized gains or losses between companies within the Group are eliminated. Accounting policies of subsidiaries are adjusted, when necessary, to remain consistent with those of the Group.

(3) The components of profits and loss and other comprehensive income attributable to the owners of the parent company and uncontrolled equity. Comprehensive loss is also attributable to the owners of the parent company and uncontrolled equity even if a loss of the balance of the uncontrolled equity occurs.

(4) If the changes in the shares held by subsidiaries do not result in a loss of control (transactions with uncontrolled equities), accounted for as equity transactions, which means that it is the transactions with the owners. The difference deriving from the adjustment of the amount in uncontrolled equities and payment or the fair value in consideration shall be directly recognized as equity.

(5) If the Group loses its control over the subsidiaries, the residual investment of the former subsidiaries will be remeasured at fair value and recognized as the fair value of the financial assets at initial recognition or the cost of the initial investment in associates or joint ventures. The difference between fair value and book value shall be recognized as income in the current period. Amount previously recognized as other comprehensive incomes and amount related to the subsidiary shall be accounted for shall be the same as the direct disposal of assets or liabilities by the Group. In other words, if previously recognized as profit or loss under other comprehensive income, reclassify as income at the time of disposal of related assets or liabilities. If the control over the subsidiary extinct, the profit or loss will be reclassified as income under the reclassification.

2. Subsidiaries included in the consolidated financial statements

			Percentage of equity held		
Name of investment company	Name of subsidiaries	Nature of business	December 31, 2019	December 31, 2018	Details
The Company	Winstek Semicor Technology	Services of turnkey wafer bumping and wafer level packaging	100%	100%	

3. Subsidiaries not absorbed into the consolidated financial reports: None.

4. Adjustment for subsidiaries with different balance sheet date: None.

5. Significant restrictions: None.

6. Subsidiaries with material non-controlling interest to the Group: None.

(iv) Foreign currency translation

All items on the financial statements of each entity of the Group are measured at the currency of the principal economic environment in which the entity operates (i.e. functional currency). The consolidated financial statements are presented in NT Dollar, which is the Company's functional and the Group's presentation currency.

1. Foreign currency transaction and balance

(1) Foreign currency transaction is translated to the functional currency by using the spot exchange rate on the trade date or measurement date. Any translation differences occurred are to be recognized in the current profit or loss.

(2) Balances of monetary assets and liabilities denominated in foreign currencies are adjusted at the spot exchange rates prevailing at the balance sheet date. Exchange gains or losses arising from such adjustments are recognized in profit or loss.

(3) For non-monetary assets and liabilities denominated in foreign currency, if they are measured at FVTPL, they are adjusted using the spot exchange rate prevailing at the balance sheet date and any exchange differences arising therefrom are recognized in profit or loss; if they are measured at FVOCI, they are adjusted using the spot exchange rate prevailing at the balance sheet date and any exchange differences arising therefrom are recognized in other comprehensive income. If they are not measured at fair value, they are measured at the historical exchange rates on initial transaction dates.

(4) All exchange gains and losses are presented as "Other gains and losses" on the statement of comprehensive income.

2. Translation from Foreign Operation

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

(1) The assets and liabilities presented in each balance sheet are translated at the closing rate of the balance sheet date;

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

(3) All resulting exchange differences are recognized in other comprehensive income.

(v) Classification of current and non-current assets and liabilities

1. Assets that meet one of the following criteria are classified as current assets:

   (1) Assets that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle.
   (2) Assets held primarily for trading purposes;
   (3) Assets that are expected to be realized within 12 months after the balance sheet date;
   (4) Cash and cash equivalents, excluding those that are restricted, or to be exchanged or used to settle liabilities at least twelve months after the balance sheet date.

   The Group classifies assets not meet the aforesaid criteria into non-current assets.

2. Liabilities that meet one of the following criteria are classified as current liabilities:

   (1) Liabilities that are expected to be settled within the normal operating cycle.
   (2) Assets held primarily for trading purposes;
   (3) Liabilities that are expected to be settled within 12 months after the balance sheet date;
   (4) Liabilities for which the repayment date cannot be extended unconditionally to more than 12 months after the balance sheet date. Settlement by the issue of equity instruments based on the transaction party's choice does not impact classification.

   The Group classifies liabilities not meet the aforesaid criteria into non-current liabilities.

(vi) Cash equivalents

Cash equivalents refer to the investments that are short-term, highly liquid, subject to a low risk of changes in value, and readily convertible to known amount in cash. Time deposits satisfying the aforementioned definition and the objective of holding are to meet the short-term operating cash commitment classified as the cash equivalent.

(vii) Financial assets measured at amortized cost

1. Refer to those comply with all the following conditions:

   (1) The financial asset is held under a business model for the purpose of collecting contractual cash flow.
   (2) The cash flows on specific dates that are generated from the contractual terms of the financial assets are solely payments of the principal and interest on the principal amount outstanding.

2. The Group uses the trade day accounting for financial assets measured at amortized cost and complied with trade practices.

3. The Group originally recognized the financial assets measured at its fair value plus transaction costs. Subsequently, the Group recognized interest income and impairment loss

within the period of circulation by adopting the effective interest method in accordance with the amortization procedure. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.

4. The time deposits which do not comply with the definitions of cash equivalents held by the Group are measured by the amount in investment due to the short holding period and the insignificant influence of the discounting.

(viii) Account receivables

1. Refers to the accounts which, as agreed in the contract, are entitled to unconditionally receive the amount of consideration for the transfer of commodity or services.

2. For the short-term accounts receivable with unpaid interest, the Group measures the original invoice amount due to the immaterial influence of discounting.

(ix) Impairment of financial assets

The Group measures the loss allowance for financial assets measured at amortized cost after taking into account all reasonable and proving information (including foreseeing information) at each balance sheet date; where the credit risk has not significantly increased since initial recognition, the loss allowance is measured at the 12-month expected credit losses; where the credit risk has increased significantly since initial recognition, the loss allowance is measured at full lifetime expected credit losses; and where they are accounts receivables or contract assets that do not comprise any significant financing components, the loss allowance is measured at full lifetime expected credit losses

(x) Derecognition of financial assets

The Group derecognizes an asset when its contractual rights to receive cash flows from the financial asset expire.

(xi) Operating lease (lessor)

Rental income from operating lease deducted any incentives given to the lessor was recognized as current profit and loss according to straight line method of amortization during the lease term.

(xii) Inventory

Inventory, as the accounting foundation of the acquisition cost, is mainly consumed and transferred to the cost of sales in the process of providing services. Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average cost method. The item by item approach is employed when evaluating the lower of costs and net realizable value. Net realizable value is the balance of estimated selling price in the normal operating course less the estimated cost of completion and applicable variable selling expenses.

(xiii) Property, plant and equipment

1. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
3. Land is not depreciated. The cost model is applied to other property, plant and equipment and these are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If the property, plant and equipment comprise any significant components, they are depreciated individually.
4. At the end of each financial year, the Group reviews the residual value, useful life and depreciation method of each asset; if the expected values of the residual value and useful life are different from previous estimates, or the consumption patterns of the 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 change. The estimated useful lives of property, plant, and equipment are as follows:

Building	5 ~ 25 years
Machinery equipment	3 ~ 8 years
Office and other equipment	3 ~ 8 years

(xiv) Lease transactions of the lessee－use-of-right asset/lease obligations

1. Lease asset on the available day to the Group is recognized as use-of-right asset and lease obligations. When a lease contract belongs to short-term lease or low-value asset, it is recognized as an expense according to straight-line method during the lease term.
2. Current value of lease obligations that are not paid on the beginning day of the lease was converted into cash and recognized according to the Group's incremental borrowing rate of interest. Rental payment is fixed deducted any rental incentive collectible.

The future interest method adopts the measurement of amortized cost method and recognized as interest expense during the leasing term. When there is a lease term or rental payment change resulting not from contract revision, lease obligations shall be re-evaluated and use-of-right assets shall be measured and adjusted accordingly.

3. Right of Use asset shall be recognized according to the costs on the beginning day of lease and the costs include:

(1) Initial measurement amount of lease obligations; and

(2) Any initial direct costs arising.

The cost model measurement is continuously adopted depending on the maturity of service life of right-of-use asset or termination of lease, which comes first, to amortize the depreciation amount. When lease obligations are re-evaluated, the use-of-right asset shall adjust any re-measured amount in lease obligations.

(xv) Intangible assets

1. Technical royalty

It is recognized at acquisition cost, amortized based on economic benefit or contract life by a straight-line method, with an estimated useful life of 7 years

2. Computer software

Computer software is recognized at acquisition cost, amortized by the straight-line method, with an estimated useful life of 3 to 5 years.

(xvi) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets for which there is an indication that they are impaired. An impairment loss is recognized for the amount when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When circumstances contributed to the recognition of impairment loss of an asset in the previous period do not exist or are decreased, the recognized impairment loss is reversed to the carrying amount in an asset to the extent that it does not exceed the carrying amount (net of depreciation and amortization) if the impairment loss had not been recognized.

(xvii) Loan

1. Refers to the long-term or short-term funds borrowed from a bank. Borrowings are recognized initially at fair value, net of transaction costs incurred. Subsequently, borrowing expenses are recognized in profit or loss based on the difference in amounts

between the proceeds (net of any transaction costs) and the redemption value that is amortized over the lives of borrowings using the effective interest method.

2. Fees paid on the establishment of loan facilities are recognized 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 drawdown occurs. When there is no evidence of the possibility that some or all the facility will be drawn down, the fee is recognized as a pre-payment and amortized over the period of the facility to which it relates.

(xviii) Account payables

1. Refers to the debts incurred for the purchase of raw materials, commodity or services, and notes payable incurred by both operating and non-operating activities.

2. For the short-term accounts payable without paid interest, the Group measures them by the original invoice amount due to the insignificant influence of discount.

(xix) Derecognition of financial liabilities

A financial liability is derecognized when the contract's obligation is either discharged or canceled or expired.

(xx) Provision for liabilities

A liability reserve is a current statutory or constructive obligation generated from a past event. It is likely that outflow of resources with economic benefit will be required to settle the obligation. The amount in the obligation shall be recognized when it can be estimated reliably. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used is a pre-tax discount rate which reflects current market assessments of the time value of money and the risks specific to the liability. The discounted amortization amount is recognized as an interest expense. Provisions are not recognized for future operating losses.

(xxi) Employee Benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount in the benefits expected to be paid. They should be recognized as expenses in the period when the employees render service.

2. Pensions

(1) Defined contribution plan

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

(2) Defined benefit plans

A. The net obligation under a defined benefit plan is defined as the present value of pension benefits that employees will receive on retirement for their services with the Company in the current period or prior periods. The amount recognized 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 computed by independent actuaries every year using the projected unit credit method. The discount rate employed is the market yields on government bonds (at the balance sheet date).

B. The re-measured amount of defined benefit plans is recognized in other comprehensive income as it arises and presented in retained earnings.

3. Other long-term employee benefits

The Group has long-term employee benefits in addition to pension plans. Its net obligation is calculated by the projected unit credit method. It is measured by discounting the amount in future benefits earned by the employee from the current or past services less the fair value of any relevant assets. The discounting rate adopts the yield-to-maturity on government bonds' reporting date, the due date which is close to the Group's obligations deadline. All actuarial gains and losses are recognized as profit and loss in the current period.

4. Compensation to employees and remuneration to directors and supervisors

Compensation to employees and remuneration to directors and supervisors are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligations and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequent actual distributed amounts is accounted for as changes in estimates.

(xxii) <u>Income tax</u>

1. Income tax expense comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity. In these cases, the tax is recognized in other comprehensive income or equity.

2. The income tax expenses are calculated on tax rates on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions

taken in tax returns in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. For the income tax levied on retained earnings in accordance with the income tax law, it shall be recognized as retained earnings income tax expenses, based on the actual allocation status of surplus, after the surplus allocation plan has been approved in the shareholders' meeting in the following year of the year in which the surplus is generated

3. Deferred income tax adopts the balance sheet approach. It is recognized as the temporary difference between the tax bases of assets and liabilities and their carrying amounts on the reporting date's consolidated balance sheet. The deferred income tax liabilities deriving from the initial recognition of goodwill won’t be recognized. If the deferred income tax was derived from the initial recognition of assets or liabilities in transactions (excluding business combination), and with no effect on accounting profits or taxable income (or taxable loss) at the time of transaction, it will not be recognized. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
4. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.
5. Unconsumed deferred income tax deduction generated from the procurement of equipment or technology and spending on R&D development carried forward to subsequent period should be recognized as income tax assets within the scope of possible use as income tax deduction for taxation in the future.

(xxiii) Share stock

Ordinary shares are classified as equity. The net amount in increased cost (directly attributed to the issue or warrant of new shares) less income tax, will be recognized as price reduction in equity.

(xxiv) Dividend distribution

The dividend allocated to the shareholders of the Company shall be recognized in the financial report during the resolution of the shareholders' meeting to distribute dividend. In contrast, cash dividends shall be recognized as liabilities.

(xxv) Revenue Recognition

1. Income from Labor Service

The Group engages in testing integrated circuits and services of turnkey wafer bumping and wafer level packaging and other related businesses. If the following conditions are complied with: (a) with the performance of contract by enterprises, customers acquire and consume the benefits provided by enterprises; (b) the performance of contract by enterprises creates or strengthens the assets which are controlled by the customer during the performance process; (c) the performance of contract by enterprises does not create assets which are useful for other purposes, in addition to the presence of executable rights on the currently completed performance items, then the enterprise will gradually transfer control of the commodity or services over time. Thus the performance obligations are gradually fulfilled and are recognized as income. The testing and packaging services provided by the Group meet the condition (b) above. Hence they shall be recognized as revenue gradually over time by following the procedure of completion measurement on the performance obligations.

The Group has not adjusted the transaction price to reflect the time value of the currency because the time interval between the transfer of the promised commodity or services to the customer and the customer's payment time has not exceeded one year.

2. Consideration income

The Group retains production capacity to provide semiconductor testing and packaging services to customers. During the term of the contract, if the purchase quantity of customer less than the minimum purchase amount agreed in the contract each year, the Group may claim the balance consideration for the part of the reserved production capacity not exceeding the purchase amount in accordance with the procedures stipulated in the contract. The income from the balance consideration shall meet the performance obligations upon the transfer of control of each performance obligation and shall be recognized as income.

(xxvi) Operating segment

The information on the operating segment of the Group and the internal management report presented to the key corporate decision-maker of the Group are presented in a consistent manner. Key corporate decision-makers are responsible for the allocation of resources to the operating segments and the evaluation of their performance.

V. The primary sources of uncertainties in major accounting judgments, estimates, and assumptions.

When preparing the consolidated financial statements, management of the Group had determined its accounting policies based on its judgments and made accounting estimates and assumptions based on a rational expectation of future events depending on the circumstances at the balance sheet date. If there is any difference between any critical accounting estimates and assumptions made and actual results, the historical experience, and other factors will be taken into account in order to continue assessment and adjustment. Such estimates and assumptions may result in a risk of a material adjustment to the carrying amount in assets and liabilities in the next year. The related information is addressed below:

(i) Major judgments in adopting the accounting policies

None.

(ii) Critical accounting estimates and assumptions

None.

VI. Descriptions of major accounting subjects

(i) Cash and Cash Equivalents

	December 31, 2020	December 31, 2019
Cash on hand	$ 100	$ 100
Checking deposit and demand deposit	1,065,523	431,319
Total	$ 1,065,623	$ 431,419

1. The Group deals with financial institutions with good credit quality. The Group also deals with various financial institutions to diversify credit risks. Therefore, the expected risk of default is pretty low.
2. The Group has not pledged any cash or cash equivalents.

(ii) Financial assets measured at amortized cost

Items	December 31, 2020	December 31, 2019
Current items:		
Time deposits	$ 1,980,960	$ 2,469,160
Non-current items:		
Time deposits	$ 21,700	$ 20,700

1. The details of recognition of financial assets measured by amortized cost as gains or losses are as follows:

	2020	2019
Interest income	$ 21,616	$ 37,015

2. The time deposits with an amount in $21,700, which is restricted by the customs guarantee are accounted in "financial assets measured at amortized cost - non-current. " Please refer to note VIII for details.

(iii) Account receivables

	December 31, 2020	December 31, 2019
Accounts receivable	$ 627,438	$ 1,156,714
Accounts receivable - related parties	1,662	118
	629,100	1,156,831
Less: allowance for losses and bad debts	-	-
	$ 629,100	$ 1,156,831

The Group does not have accounts provided as hypothecation security.

1. Aging analysis of accounts receivables is stated below:

	December 31, 2020	December 31, 2019
Not overdue	$ 580,727	$ 747,642
≤30 days	46,146	266,790
31-90 days	1,729	142,263
91-180 days	498	130
More than 181 days	-	6
	$ 629,100	$ 1,156,831

The aging analysis above was based on the number of days overdue.

2. The account receivable balance as of December 31, 2020 and December 31, 2019 were generated from customer contracts, and the account receivable balance from customer contracts as of January 1, 2019 amounted to $751,975.

3. The maximum exposure of credit risk of the group deriving from account receivables, let alone the collateral held or other enhanced credit, amounted to $629,100 and $1,156,831 as of December 31, 2020 and December 31, 2019, respectively.

4. For credit risk information, please refer to Note 12 (2).

(iv) Inventory

	December 31, 2020	December 31, 2019
Raw materials	$ 73,114	$ 81,482
Allowance for price decline of inventories	(4,665)	(2,582)
Carrying amount	$ 68,449	$ 78,900

The cost of inventories recognized as expense for the period:

	2020	2019
Cost of inventories have been consumed	$ 2,178,123	$ 2,055,969
Loss from falling price	2,252	1,374
Recovered interest	-	2,279
Exchange Influence	(169)	146
	$ 2,180,206	$ 2,059,476

(v) Property, plant, and equipment

	2020					
	Land	Buildings	Machinery equipment	Office equipment and other equipment	Equipment awaiting examination	Total
January 1						
Cost	$ 194,924	$ 851,293	$ 10,957,684	$ 1,310,031	$ 121,437	$ 13,435,369
Accumulated depreciation	-	(784,517)	(9,479,013)	(1,070,155)	-	(11,333,685)
	$ 194,924	$ 66,776	$ 1,478,671	$ 239,876	$ 121,437	$ 2,101,684
January 1	$ 194,924	$ 66,776	$ 1,478,671	$ 239,876	$ 121,437	$ 2,101,684
Additions	-	1,110	282,181	60,164	15,242	358,697
Disposals	-	-	(1,832)	-	-	(1,832)
Reclassification	-	-	120,190	1,433	(121,623)	-
Depreciation expenses	-	(10,759)	(549,662)	(71,475)	-	(631,896)
Net exchange differences	-	-	(51,670)	(6,415)	(175)	(57,911)
December 31	$ 194,924	$ 57,127	$ 1,227,878	$ 223,582	$ 15,231	$ 1,768,742
December 31						
Cost	$ 194,924	$ 852,402	$ 10,852,487	$ 1,325,142	$ 15,231	$ 13,240,186
Accumulated depreciation	-	(795,275)	(9,574,609)	(1,101,560)	-	(11,471,444)
	$ 194,924	$ 57,127	$ 1,277,878	$ 223,582	$ 15,231	$ 1,768,742

	2019					
	Land	Buildings	Machinery equipment	Office equipment and other equipment	Equipment awaiting examination	Total
January 1						
Cost	$ 194,924	$ 848,779	$ 11,056,984	$ 1,286,930	$ 86,231	$ 13,473,848
Accumulated depreciation	-	(752,381)	(9,500,369)	(1,136,949)	-	(11,389,699)
	$ 194,924	$ 96,398	$ 1,556,615	$ 149,981	$ 86,231	$ 2,084,149
January 1	$ 194,924	$ 96,398	$ 1,556,615	$ 149,981	$ 86,231	$ 2,084,149
Additions	-	2,514	459,872	113,683	123,578	699,647
Disposals	-	-	(3,676)	-	-	(3,676)
Reclassification	-	-	52,361	28,128	(80,579)	-
Depreciation expenses	-	(32,136)	(564,896)	(49,958)	-	(646,990)
Net exchange differences	-	-	(21,605)	(2,048)	(7,793)	(31,446)
December 31	$ 194,924	$ 67,776	$ 1,478,671	$ 239,876	$ 121,437	$ 2,101,684
December 31						
Cost	$ 194,924	$ 851,293	$ 10,957,684	$ 1,310,031	$ 121,437	$ 13,435,369
Accumulated depreciation	-	(784,517)	(9,479,013)	(1,070,155)	-	(11,333,685)
	$ 194,924	$ 66,776	$ 1,478,671	$ 239,876	$ 121,437	$ 2,101,684

Amount in capitalization and interest rate range of real estate, plants and equipment borrowing costs:

	2020	2019
Amount of capitalization	$ 503	$ 1,753
Interest rate range	0.55%-1.12%	11.27%-1.39%

(vi) Lease transactions－Lessee

1. Underlying assets of leased by the Group include any building, machinery equipment, and company vehicles. Normally, the lease term is between two to ten years. All lease contracts are negotiated individually and include various terms and conditions. Except for pledge and guarantee purposes, no other restrictions have been imposed.
2. The lease term of the Group for the leasing of building and machinery equipment is limited to 12 months. The low value subject matters of lease are buildings and machinery equipment.
3. Information of book value and depreciation expense of right-of-use asset is described below:

	December 31, 2020	December 31, 2019
	Book Value	Book Value
Building	$ 5,124	$ 475
Machinery Equipment	-	27,862
Transportation Equipment (Company Vehicle)	3,172	3,080
	$ 8,296	$ 31,417

	2020	2019
	Depreciation Expense	Depreciation Expense
Building	$ 562	$ 535
Machinery Equipment	25,828	107,047
Transportation Equipment (Company Vehicle)	1,755	1,386
	$ 28,145	$ 108,968

4. The addition of right of use assets in 2020 and 2019 amounted to $7,084 and $2,744, respectively.
5. Information of profit and loss items related to lease contracts is shown below:

	2020	2019
Items of influence of current profit and loss		
Interest expense of lease obligations	$ 127	$ 921
Expense of short-term lease	30,972	3,285
Expense of low-value asset lease	9,082	10,295

6. The total amount in cash outflow to rental expense of the Group in 2020 and 2019 amounted

to $66,149 and $125,994, respectively.

(vii) Lease transactions－Lessor

1. Underlying assets of leased out by the Group include any buildings and generally, the lease term is five years. Lease contracts are negotiated individually and include various terms and conditions.

2. In 2020 and 2019, rental income has been recognized as $463 according to operating lease contracts and there has been no change of lease payment change.

3. Analyses of maturity date of lease payment of operating lease of the Company is shown below:

	December 31, 2020			December 31, 2019	
2021	$	288	2020	$	406
2022		219	2021		117
2023		114	2022		-
2024		114	Total	$	523
2025		86			
Total	$	821			

(viii) Intangible assets

	2020		
	Technical royalties	Computer software	Total
January 1			
Cost	$ 35,976	$ 172,105	$ 208,081
Accumulated amortization and impairment	(35,976)	(139,973)	(175,949)
	$ -	$ 32,132	$ 32,132
January 1	$ -	$ 32,132	$ 32,132
Add - derived from separate gain	-	31,488	31,488
Amortization	-	(10,941)	(10,941)
Net exchange differences	-	(564)	(564)
December 31	$ -	$ 52,115	$ 52,115
December 31			
Cost	$ -	$ 197,793	$ 197,793
Accumulated amortization and impairment	(-)	(145,678)	(145,678)
	$ -	$ 52,115	$ 52,115

	2019		
	Technical royalties	Computer software	Total
January 1			
Cost	$ 36,858	$ 156,450	$ 193,308
Accumulated amortization and impairment	(36,858)	(135,635)	(172,493)
	$ -	$ 20,815	$ 20,815
January 1	$ -	$ 20,815	$ 20,815
Add - derived from separate gain	-	18,491	18,491
Amortization	-	(6,848)	(6,848)
Net exchange differences	-	(326)	(326)
December 31	$ -	$ 32,132	$ 32,132
December 31			
Cost	$ 35,976	$ 172,105	$ 208,081
Accumulated amortization and impairment	(35,976)	(139,973)	(175,949)
	$ -	$ 32,132	$ 32,132

The amortization details of intangible assets are as follows:

	2020	2019
Operating cost	$ 6,907	$ 3,385
Administrative expenses	4,034	3,463
	$ 10,941	$ 6,848

(ix) Other payables

	December 31, 2020	December 31, 2019
Bonus and salaries payable	$ 103,993	$ 129,967
Compensation payable to employees and remuneration payable to Directors and Supervisors	44,556	71,009
Payables on equipment	146,656	229,038
Other	98,106	133,790
	$ 393,311	$ 563,804

(x) Long-term loans

Loan type Long-term bank loans	Loan period and repayment method	Interest range	Collateral		December 31, 2020
Credit borrowing	From November 27, 2019 to November 27, 2021, to repay in installments over the period of the agreement	1.0800%	None	$	127,500
Credit borrowing	From March 20, 2020 to March 20, 2022, to repay in installments over the period of the agreement	1.1174%	None		300,000
Credit borrowing	From March 20, 2020 to March 20, 2022, to repay in installments over the period of the agreement	0.550%	None		3,000
					430,500
Less: Long-term loans due within one year or one operating cycle				(	145,000)
				$	285,500

Loan type Long-term bank loans	Loan period and repayment method	Interest range	Collateral		December 31, 2020
Credit borrowing	From November 27, 2019 to November 27, 2021, to repay in installments over the period of the agreement	1.3934%	None	$	240,000
Credit borrowing	From March 20, 2020 to March 20, 2022, to repay in installments over the period of the agreement	1.3500%	None		150,000
Credit borrowing	From March 20, 2020 to March 20, 2022, to repay in installments over the period of the agreement	1.2700%	None		300,000
					690,000
Less: Long-term loans due within one year or one operating cycle				(	82,500)
				$	607,500

Credit borrowing

According to terms of credit contracts signed, before loans are paid back in full before the each credit duration, financial ratios and terms shall be maintained as summarized below:

1. Current ratio: the net current assets divided by the net current liabilities in the consolidated financial statements shall not be less than 100%.

2. Debt ratio: the total net liabilities plus contingent liabilities divided by tangible net value in the consolidated financial statements shall not be more than 100%.

3. Interest coverage ratio: the net profit before tax plus interest expenses plus depreciation expenses and amortization expenses divided by interest expenses in the consolidated financial statements shall not be less than 4 times.

4. Shares of Winstek Semiconductor Corporation held by Sigurd Corporation shall not be less than 50%.

5. Net value of tangible assets shall not be lower than NT$3.8 billion.

6. The balance of deposit at the contract bank over the recent three months on average shall not be lower than NT$ 60 million.

The said financial commitment ratios use the consolidated financial statement audited or approved by the CPT quarterly as the calculation basis and the consolidated financial statement of the Group in 2020 and 2019 meet the requirement of the financial ratios.

(xi) Pension Funds

1. (1) The company and the subsidiaries in accordance with the provisions of the "Labor Standards Law," have made the method to define retirement allowance, which applies to the length of service of all regular employee before the implementation of "Labor Pensions Ordinance" on July 1, 2005, and the length of follow-up service of employee choosing to continue to apply to "Labor Standards Law" after the implementation of "Labor Pensions Ordinance. " Pension payments for employees qualified for the aforementioned retirement criteria are calculated in accordance with the years of service rendered and the average salaries or wages of the last 6 months prior to retirement. Two bases are given for each full year of service over the first 15 years, and one base is given for an additional year of service thereafter, provided that the total bases do not exceed forty-five (45). The Company shall contribute 2% of the total salary to the pension fund on a monthly basis, which shall be deposited into an account of the Bank of Taiwan in the name of the Supervisory Committee of Workers' Pension Preparation Fund.

(2) Amounts recognized on the balance sheets are as follows:

	December 31, 2020	December 31, 2019
Present value of Defined Benefit obligations	$ 52,400	$ 44,297
Fair value of plan assets	(25,584)	(23,080)
Net defined benefit liabilities	$ 26,826	$ 21,217

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

	Present value of defined benefit obligations	Plan fair value of assets	Net defined benefit liabilities
2020			
Balance as of January 1	$ 44,297	($ 23,080)	$ 21,217
Interest expense (income)	443	(238)	205
	44,740	(23,318)	21,422
Remeasurement amount:			
Plan assets return (excluding amounts included in interest income or expenses)	-	($ 670)	(670)
Impacts of changes in demographic assumptions	805	-	805
Impacts of changes in financial assumptions	3,430	-	3,430
Experience adjustment	3,425	-	3,425
	7,660	(670)	6,990
Provision of pension funds	-	(1,596)	(1,596)
Balance as of December 31	$ 52,400	($ 25,584)	$ 26,816

	Present value of defined benefit obligations	Plan fair value of assets	Net defined benefit liabilities
2019			
Balance as of January 1	$ 37,392	($ 20,561)	$ 16,831
Interest expense (income)	514	(294)	220
	37,906	(20,855)	17051
Remeasurement amount:			
Plan assets return (excluding amounts included in interest income or expenses)	-	($ 616)	(616)
Impacts of changes in demographic assumptions	2,339	-	2,339
Impacts of changes in financial assumptions	2,269	-	2,269
Experience adjustment	1,783	-	1,783
	6,391	(616)	5,775
Provision of pension funds	-	(1,609)	(1,609)
Balance as of December 31	$ 44,297	($ 23,080)	$ 21,217

(4) The fund asset of the Company's defined benefit pension plan (hereinafter referred to as the "Fund") is entrusted to the Bank of Taiwan, which manages, or entrusts others to manage, the Fund in accordance with entrusted items enumerated in Article 6 of the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (i.e. deposit in domestic or foreign institutions, investment in

domestic or foreign listed, over-the-counter, or private placement equity securities, and investment in domestic or foreign real estate and its securitization products) to the extent of limitations on investment percentage and amount as stipulated in the Fund's annual utilization plan. The status of utilization of the Fund is subject to supervision by the Labor Pension Fund Supervisory Committee. With regard to utilization of the Fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. In case any deficiency in the earnings arises, Treasury Funds can be used to cover the deficits after the approval of the competent authority. Since the Company has no right to participate in the operation and management of the Fund, it is not able to disclose the classification of the fair value of plan assets as required in IAS 19 paragraph 142. For the fair value of the total assets of the Fund as of 31 December, 2020 and 31 December, 2019, please refer to the various annual labor pension utilization reports issued by the government.

(5) Actuarial assumptions on pensions are summarized as follows:

	2020	2019
Discount rate	0.500%	1.000%
Future increase rate of wage	3.000%	3.000%

The assumptions for future mortality rate are estimated by the Fifth Experience Mortality Table of Taiwan's life insurance industry.

Effects of changes in the principal actuarial assumptions on present value analysis of defined benefit obligation are as follows:

	Discount rate		Future increase rate of wage	
	Increase of 0.25%	Decrease of 0.25%	Increase of 0.25%	Decrease of 0.25%
December 31, 2020				
The impact on present value of defined benefit obligations	($ 1,762)	$ 1,846	$ 1,773	($ 1,703)
December 31, 2019				
The impact on present value of defined benefit obligations	($ 1,586)	$ 1,664	$ 1,607	($ 1,541)

Sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, many changes in assumptions may be linked together. The method used for the sensitivity analysis and calculation of the net defined benefit pension liability is the same. The method of analyzing sensitivity and calculating net pension liability in the balance sheet is the same.

The method and assumptions used for the preparation of the sensitivity analysis for the current period are the same as those used in the previous period.

(6) The Group's projected allocation to the pension plan for the year 2021 is $1,629.

(7) As at 31 December 2020, the weighted average duration of the pension plan is 13.7 years. The analysis of the due dates of retirement allowance payment is as follows:

Within 1 year	$ 584
1 - 2 years	981
2 - 5 years	7,881
5-10 years	9,708
	$ 19,154

As of July 1, 2005, the Company and its subsidiaries have, in accordance with the "Labor Pensions Ordinance," have made the method to define retirement allowance, which applies to local employees. Where the employees have elected to apply the labor pension system as stipulated in the Labor Pension Act, the Company and subsidiaries make a contribution in an amount equal to 6% of the employees' monthly salaries or wages to their individual accounts in the Bureau of Labor Insurance.

(2) The retirement allowance costs recognized by the Group under the above retirement allowance method were $24,960 and $24,052 respectively in the years of 2020 and 2019.

3. The other long-term employee benefit plans (pension for death) provided by the Group to the employees, which is measured by an actuarial technology on other long-term employee benefit liabilities, other long-term employee benefit liabilities were recognized at NT$3,335 as of December 31, 2020 and December 31, 2019, respectively.

(xii) Share stock

On December 31, 2020, the Company's authorized capital was NT$4 million, divided into 400,000,000 shares, and the paid-up capital was NT$1,362,617, with a face value of NT$ 10 per share. Share payments for the Company's issued shares have been collected in full.

The reconciliation between the quantity of outstanding shares of the Company at the beginning and the ending of the period is shown below:

Unit: 1,000 shares

	2020	2019
January 1/December 31	136,262	136,262

(xiii) Capital surplus

According to the provisions of the Company Act, over the face value of share premium gifts of assets donated to Capital surplus for covering the deficit. If there is no accumulated deficit in the company, it shall issue new shares with existing shares or cash by ratio to shareholders. According to the Securities Exchange Act, allocated capital from Capital surplus cannot exceed 10% of the paid-up capital each year. The Company may allocate Capital surplus for covering capital deficiency only if the amount in reserve is inadequate for this purpose.

	2020	
	Issue premium	Difference in the share price and nominal value of the acquired or disposed shares in subsidiaries
January 1/December 31	$ 250,734	$ 115,509

	2019	
	Issue premium	Difference in the share price and nominal value of the acquired or disposed shares in subsidiaries
January 1/December 31	$ 250,734	$ 115,509

(xiv) Retained earnings

1. In accordance with the Articles of Association of the Company, if there is after-tax surplus in the annual accounts, 10% of the statutory capital reserve shall be appropriated after covering the loss of previous years, and the special capital reserve shall be appropriated as necessary. If there is still a balance, pool up with the undistributed earnings accumulated from the preceding fiscal year and retain a portion of the accumulated earnings as dictated by business need. The Board shall then prepare a proposal for the distribution of the earnings and refer to the Shareholders Meeting for resolution of dividend payment to the shareholders The Board shall be authorized to determine if shareholder dividend and bonus issue should be paid in cash in whole or in part, and report to the Shareholders Meeting
2. In accordance with the Articles of Association of the Company, if there is after-tax surplus in the annual accounts, 10% of the legal reserve shall be appropriated after covering the loss of previous years. The special capital reserve shall be appropriated as necessary. The Company's surplus may be distributed as stock dividends or cash dividends, of which the cash dividends shall not be less than 10% of the total dividends.
3. The Board of Directors of the Company may, at the end of a semi-accounting year, compile a business report, financial statements, and resolutions about surplus distribution or recovery of loss for the audit first by the Audit Committee and submission to the Board of Directors for final approval The Company shall estimate and retain appropriate amount for tax payment, offsetting carryforward loss, and legal reserve at the time of distributing

earnings. No further appropriation of legal reserve is necessary if the amount in legal reserve is equivalent to the paid-in capital. If new shares are offered as the mean for distribution of earnings as mentioned in the preceding paragraph, proceed to Article 240 of the Company Act. If cash is paid, the resolution of the Board for approval is required.

4. The legal reserve may be used to cover the Company's loss carried forward and for capitalization into new shares (or in cash) for payment to shareholders in proportion to their holdings. However, the new shares or cash for distribution shall be the amount in excess of the 25% of the paid-in capital

5. The Shareholders Meeting of the Company resolved on 06.09.2020 and 06.10.2019 to pay out earnings of 2019 and 2018 specified as follows:

	2019		2018	
	Amount	Dividend per share (NT$)	Amount	Dividend per share (NT$)
Legal reserve	$ 56,187	$ -	$ 32,982	$ -
Special reserve (reversal)	45,854	-	(67,932)	-
Cash dividend	$ 204,392	$ 1.50	$ 163,514	$ 1.20
Total	306,433	1.50	128,564	1.20

6. The proposal for the distribution of earnings of 2020 was passed by the Board on 03.09.2021 and specified as follows pending on the final approval of the Shareholders Meeting:

	2019	
	Amount	Dividend per share (NT$)
Legal reserve	20,241	-
Special reserve (reversal)	157,618	-
Cash dividend	$ 167,518	$ 1.23
Total	345,377	1.23

Note: Information on dividend payout passed by the Board is available at Market Observation Post Service.

(xv) Revenue

	2020	2019
Revenue from customer contracts	$ 2,613,534	$ 2,942,669

1. Detail of Revenue from customer contracts

The labor services rendered in chronology of time remained the primary source of income for the Group. The details of incomes are specified as follows:

2020	Testing income	Bumping income	Other labor services income	Total
Segment revenue	$ 706,354	$ 1,871,915	$ 35,265	$ 2,613,534
Revenue from external customer contracts	$ 706,354	$ 1,871,915	$ 35,265	$ 2,613,534

2019	Testing income	Bumping income	Other labor services income	Total
Segment revenue	$ 712,432	$ 1,335,676	$ 894,561	$ 2,942,669
Revenue from external customer contracts	$ 712,432	$ 1,335,676	$ 894,561	$ 2,942,669

2. Contract assets

Contract assets pertinent to the incomes from customer contracts recognized by the Group are specified below:

	December 31, 2020	December 31, 2019	January 1, 2019
Contract assets:			
Contract assets - packaging testing	$ 20,401	$ 20,401	$ 13,161
Contract liabilities	$ 396	$ -	$ -

(xvi) Interest income

	2020	2019
Interest income:		
Interest from bank deposits	$ 2,092	$ 7,975
Interest income from financial assets at amortized cost	21,616	37,015
	23,708	44,990

(xvii) Other incomes

	2020	2019
Rental income	$ 463	$ 463

(xviii) Other profits and loss

	2020	2019
Interests from disposal of property, plant, and equipment	$ 7,468	$ 57,320
Foreign exchange gains (losses)	(28,303)	4,442
Other gains and losses	5,049	1,709
	$ 15,786	$ 54,587

(xix) Financial cost

	2020	2019
Interest expense	$ 8,026	$ 15,855
Other financial expenses	147	921
Capitalized interest	(503)	(1,753)
	$ 7,670	15,023

(xx) Additional information on type of expenses

	2020	2019
Employee benefit expenses	$ 706,122	$ 734,332
Depreciation expenses of property, plant, and equipment	660,041	755,958
Amortization expense of intangible assets	$ 10,941	$ 6,848

(xxi) Employee benefit expense

	2020	2019
Wages and salaries expenses	$ 599,401	$ 629,787
Labor and health insurance expenses	51,226	51,086
Pension expense	25,165	24,272
Other employment expenses	30,330	29,187
	$ 706,122	$ 734,332

1. According to the Articles of Association of the Company, if the Company earns profits during the year, 0.1%~15% of which shall be allocated to the employees bonus. If remuneration is in the form of a stock dividend or cash dividend, the employees of controlled entities or subsidiaries shall also be entitled. The Company shall appropriate for covering loss carried forward if applicable. If the company earns profits during the year, less than 3% of which shall be appropriated as directors' bonus depending on the operating circumstances. The Company shall appropriate for covering loss carried forward if applicable.

2. The Company estimated remuneration to employees in 2020 and 2019 amounting to $21,848 and $43,761, respectively, and estimated remuneration to Directors at $0 for both years. The above amount was presented under the account title of salary expense in the book.

   The Board resolved to pay out remuneration to employees and Directors amounting to $43,761 and $0 in 2019, which is relevant with the amount presented in the financial report of 2019. All were paid in cash.

Information on remuneration to employees and Directors passed by the Board is available and Market Observation Post Service.

(xxii) Income tax

1. Income tax expense

Components of income tax expense

	2020	2019
Current income tax:		
Income tax incurred in current period	$ 55,513	158,924
Tax on undistributed profit	-	23,347
Overestimation of prior year's annual income tax	(30,077)	(2,780)
Total income tax in the period	25,436	179,491
Deferred income tax:		
Initial recognition and reversal of temporary differences	(7,088)	6,501
Total deferred income tax	(7,088)	6,501
Income tax expense	$ 18,348	$ 172,990

2. Relation between income tax expense and accounting profit

	2020	2019
Income tax calculated on net profit before tax by statutory tax rate	$ 45,317	$ 148,126
Expenses which shall be excluded in accordance with the provisions of the tax law	686	705
Overestimation of prior year's annual income tax	(30,077)	(2,780)
Tax on undistributed profit	-	23,347
Other	2,422	(3,592)
Income tax expense	$ 18,348	$ 172,990

3. The amount in deferred income tax assets or liabilities deriving from temporary difference

	2020		
	January 1	Recognized in profit and loss	December 31
Deferred income tax assets:			
- Temporary differences:			
Tax differentials in depreciation expenses	$ 11,007	$ 595	$ 11,602
Unrealized exchange loss	7,571	2,067	9,638
Inventory allowance loss from falling price	540	417	957
Other	558	(1,605)	2,163
Subtotal	19,676	4,684	24,360
- Deferred income tax liabilities:			
Unrealized exchange gains	(3,598)	2,127	(1,471)
Other	(422)	(277)	(145)
Subtotal	(4,020)	2,404	(1,616)
Total	$ 15,656	$ 7,088	$ 22,744

	2020		
	January 1	Recognized in profit and loss	December 31
Deferred income tax assets:			
- Temporary differences:			
Tax differentials in depreciation expenses	$ 10,412	$ 595	$ 11,007
Unrealized exchange loss	2,324	5,247	7,571
Inventory allowance loss from falling price	265	275	540
Other	1,603	(1,045)	558
Subtotal	14,604	5,072	19,676
- Deferred income tax liabilities:			
Unrealized exchange gains	(5,304)	1,706	(3,598)
Other	(145)	(277)	(422)
Subtotal	(5,449)	1,429	(4,020)
Total	$ 9,155	$ 6,501	$ 15,656

4. The corporate income tax of the Company has been approved by the tax collection authorities to 2018.

(xxiii) Earnings per share

	2020		
	After-tax amount	Weighted average flow Number of outstanding shares (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net profit of this period attributable to the ordinary shareholders of the parent company	$ 209,398	136,262	$ 1.54
Diluted earnings per share			
Net profit of this period attributable to the ordinary shareholders of the parent company	209,398	136,262	
Impacts of dilutive potential ordinary shares			
Employee remuneration	-	1,071	
Impacts of net profits plus potential ordinary shares attributable to the ordinary shareholders of the parent company in the current period	$ 209,398	137,333	$ 1.52

	2019		
	After-tax amount	Weighted average flow Number of outstanding shares (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net profit of this period attributable to the ordinary shareholders of the parent company	$ 567,643	136,262	$ 4.17
Diluted earnings per share			
Net profit of this period attributable to the ordinary shareholders of the parent company	567,643	136,262	
Impacts of dilutive potential ordinary shares			
Employee remuneration	-	1,784	
Impacts of net profits plus potential ordinary shares attributable to the ordinary shareholders of the parent company in the current period	$ 567,643	138,046	$ 4.11

(xxiv) Supplementary information on cash flow

Investment activities with partial cash payments:

	2020	2019
Purchase of property, plant, and equipment	$ 358,697	$ 699,647
Add: payable on equipment at the beginning of period	229,038	47,404
Less: payable on equipment at the end of the period	(146,656)	(229,038)
Cash paid in the period	$ 441,079	$ 518,013

(xxv) Changes in liabilities from financing

	2020			
	Leasing obligations	Long-term loans (note)	Deposit Received	Total liabilities from financing activities
January 1	$ 28,723	$ 690,000	$ 204	$ 718,927
Changes in cash flows from financing activities	(25,968)	(259,500)	24	(285,444)
Other non-cash changes:				-
Interest costs	127	-	-	127
Impacts of exchange rate changes	413	-	-	413
Amortization of arranger fees	7,084	-	-	7,084
Increase of current period	(2,035)	-	-	(2,035)
December 31	$ 8,344	$ 430,500	$ 288	$ 439,072

	2020			
	Leasing obligations	Long-term loans (note)	Deposit Received	Total liabilities from financing activities
January 1	$ 137,655	$ 743,269	$ 209	$ 881,133
Changes in cash flows from financing activities	(112,256)	(60,000)	5	(172,251)
Other non-cash changes:				
Interest costs	921	-	-	921
Impacts of exchange rate changes	(342)	(71)	(10)	(423)
Amortization of arranger fees	-	6,802	-	6,802
Increase of current period	2.744	-	-	2,744
December 31	$ 28,722	$ 690,000	$ 204	$ 718,926

Note: including current portion of long-term loans.

VII. Related-party Transactions

(I) The ultimate controlling entity of the Company

The Group was previously controlled by Bloomeria Limited (incorporated in Singapore). It was eventually under the control of Ge-Shing Corporation Since July 6, 2020 after Bloomeria Limited has transfer all the equity shares under its holding holds 51.90% of the Company's shares. The ultimate parent company and the ultimate controlling entity of the Group is Sigurd Microelectronics Corporation (incorporated in Taiwan).

(II) Names and Relations with Related Parties

Name of related party	Relation with the Company
Sigurd Microelectronics Corporation	Ultimate parent
Bloomeria Limited	Parent company (before July 6, 2020)
Ge-Shing Corporation	Parent company (after July 6, 2020)

(III) Significant transactions with the related-parties

1. Revenue

	2020	2019
Ultimate parent company	$ 9,995	$ 1,574

The above income from rendering of labor service is based on the price and condition the same as other transactions. The payment term is open account monthly settlement plus 30 days.

2. Purchase

	2020	2019
Purchase of services		
Ultimate parent company	$ -	$ 1,043

3. Receivable from related-parties

	December 31, 2020	December 31, 2019
Accounts receivable		
Ultimate parent company	$ 1,662	$ 117

The receivable from related-parties are mostly from the rendering of labor service No pledge or interest accrued from the account receivables.

4. Payable to related-Parties

	December 31, 2020	December 31, 2019
Other payables - machine rental and purchase:		
Ultimate parent company	$ 257 -	$ 803
Other payables-processing services		
Ultimate parent company	$ -	$ 9

The payable to related-parties are mainly from the labor service rendered by related-parties. No interest accrued from the account payable

5. Asset trade

(1) Acquisition of property, plant and equipment

	2020	2019
Ultimate parent company	$ -	$ 9,888

(2) Disposals of property, plant and equipment:

	2020		2019	
Ultimate parent company	Disposal price	Gain (loss) from disposal	Disposal price	Gain (loss) from disposal
	$ 4,840	$ 3,008	$ 57,546	$ 54,492

6. Other transactions

		Amount of transaction	
	Accounting subject	2020	2019
Ultimate parent company	Rental receipt	$ 131	$ 2,154

(IV) Information on salaries for the top management

	2020	2019
Short-term employee benefits	$ 34,392	$ 34,886
Benefits after retirement	$ 729	$ 756
Total	$ 35,121	$ 35,642

VIII. Pledged assets

The detail of pledged assets of the Group are specified below:

	Book value		
Assets	December 31, 2020	December 31, 2019	Collateral purpose
Hypothecated time deposits (financial assets account measured at amortized cost - non-current)	$ 21,700	$ 20,700	Customs security

IX. Significant contingent liabilities and unrecognized contractual commitments

(I) The Group has signed a five-year technical service agreement with STATS ChipPAC Ltd. on August 5, 2015. It has retained the capacity of the Group to provide STATS ChipPAC Ltd. with wafer level packaging and testing services for five years from the date of this agreement. As stipulated in the contract: As specified in the contract that:

1. The Group must retain the minimum capacity for STATS ChipPAC Ltd. to provide services timely on a monthly basis; the Group shall provide the services within the range of the existing production capacity that can be adjusted if STATS ChipPAC Ltd. placed orders that fall between the minimum production capacity and maximum production capacity; the Group is not obligated to provide the services if STATS ChipPAC Ltd. 's order exceeds the maximum capacity of the Group.

2. During the period of the contract, STATS ChipPAC Ltd. shall place an order with the Group at the agreed minimum purchase quantity for each year at the agreed price. That is, the Group may claim the balance consideration in accordance with the procedures stipulated in the contract for the part of its retained capacity that does not meet the minimum purchase quantity. If STATS ChipPAC Ltd. does not meet the minimum purchase amount, it may exercise the right to defer the minimum purchase amount by 5% to the next year and provide consideration to the Group for any portion of the deferred purchase amount that does not

meet the minimum purchase amount every 12 months from the date of signing the contract. . STATS ChipPAC Ltd. may exercise the right to deferred purchase quantity only once a year, and the deferred portion may not be renewed in the following year, and the right cannot be exercised in the last year of the contract.

3. In addition, the minimum purchase amount shall be combined in calculation and the total minimum purchase amount shall remain unchanged as agreed by both parties from the second contract year. The combined minimum purchase amount that STATS ChipPAC Ltd. shall realize for the Group for the next coming four years is as follows:

Currency: US$ 1,000

	The second year	The third year	The fourth year	The fifth year
Minimum purchase amount	$ 80,800	$ 75,100	$ 63,200	$ 51,400
Deferred amount for the second year	4,750	-	-	-
Deferred amount for the third year	(4,040)	4,040	-	-
Deferred amount for the fourth year	-	(3,755)	3,755	-
Deferred amount for the fifth year	-	-	(3,160)	3,160
	$ 81,510	$ 75,385	$ 63,795	$ 54,560

STATS ChipPAC Ltd. did not meet the minimum purchase quantity in the contracts of year 2 and year 3. The Group has claimed compensation as stated in the agreement and recognized as income. In consideration of the long-term cooperative relationships of both parties, STATS ChipPAC Ltd. proposed to reconcile based on the long-term business interests. The Company also considered its business operations and judgment. The proposed settlement with STATS ChipPAC Ltd. that has been approved by the Board of Directors of the Company on September 20, 2018, is as follows:

(a) Both parties agree that the technical services agreement shall be extended for another two years (from August 5, 2020 to August 4, 2022) and the combined minimum purchase amount that STATS ChipPAC Ltd. shall perform for the Group in accordance with the future agreement shall be as follows:

Currency: US$ 1,000

	The sixth year	The seventh year
Minimum purchase amount	$ 30,000	$ 30,000

(b) The Group reserves the capacity of US$40 million per contract year for the extended period of two years to STATS ChipPAC Ltd.

(c) If STATS ChipPAC Ltd. fails to meet the above commitment amount in the current year, the insufficient amount may be postponed to the next year.

(d) STATS ChipPAC Ltd. agrees to purchase from the Group on a preferential basis during the fourth year of contract.

(e) Based on the above commercial interests and the long-term cooperative relationship between the two parties, the Group will not claim the difference of US$6,830,000 from STATS ChipPAC Ltd., which is less than the minimum purchase amount for the third year of contract.

The said settlement after negotiation by both parties has not been concluded. Later due to the internal consideration of STATS ChipPAC Ltd., it proposed to further negotiate between both parties for the settlement. The Company resolved by the Board of Directors on March 19, 2019 to change the original settlement with ChipPAC Ltd. into STATS settlement. ChipPAC Lt agreed to pay the Group the amount in US$ 5,000,000 (NT$ 153,850,000) for the minimum purchase it failed to meet in the third contract year. the compensation was received in full and recognized as compensation income.

4. In the Technology Service Contract of year 5 entered between the Group and STATS ChipPAC Ltd., on August 5, 2015, in the period of the fourth year (from August 5, 2018 to August 4, 2019), STATS ChipPAC Ltd. purchased a consolidated amount in US$36,435,000 and according to the said contract, it deferred 5% of the minimum purchase amount in the fourth contract year to the following year. Both parties resolved the discrepancy amount that fails to meet the minimum purchase through signing the settlement agreement on October 16, 2019. STATS ChipPAC Ltd. agreed to pay the Group US$ 20,520,000 (as the compensation.
5. In year 5, the combined purchase amount executed by STATS ChipPAC Ltd. (from 08.05.2019 to 08.04.2020) with the Group amounted to US$54,135 thousand, which fell below the minimum purchase difference under the settlement agreement on 11.09.2020. As such, STATS ChipPAC Ltd. Agreed to pay the Group US$383 thousand as compensation. The said amount has been collected and recognized and considered income.

(II) Capital expenditures contracted but not yet incurred:

	December 31, 2020	December 31, 2019
Property, plant, and equipment	$ 178,309	$ 47,169

X. Material disaster losses

No.

XI. Materiality after the reporting period

The Board of the Company passed the proposal for distribution of earnings for the year 2020 on 03.09.2021. Refer to Note 6 (14).

XII. Other

(i) Capital Management

The strategic maintenance of the Group in 2020 remained the same as in 2019 in an effort to reduce the liabilities to capital reasonable risk level. The liabilities to capital ratio of the Group on December 31, 2020 and December 31, 2019 are shown below:

	December 31, 2020	December 31, 2019
Total borrowing	$ 430,500	$ 690,000
Less: cash and cash equivalent	(1,065,623)	(431,419)
Net debt	(635,123)	(258,581)
Total equity	4,729,393	4,888,996
Total capital	$ 4,094,270	$ 5,147,577
Capital and liabilities ratio	-	5 %

(ii) Financial instruments

1. Types of financial instruments

		December 31, 2020		December 31, 2019
Financial assets				
Financial assets measured at amortized cost				
Cash and cash equivalents	$	1,065,623	$	431,419
Financial assets measured at amortized cost (including noncurrent)		1,980,960		2,469,160
Accounts receivable		627,438		1,156,714
Accounts receivable - related parties		1,662		118
Other receivables		7,210		8,042
Refundable Deposits		3,851		3,788
	$	3,686,744	$	4,069,241

		December 31, 2020		December 31, 2019
Financial liability				
Financial liabilities measured at amortized cost				
Accounts payable	$	82,789	$	71,808
Account payables – related parties		257		803
Other payables		393,311		563,804
Other accounts payable - related parties		-		9
Long-term loans (including whose due within one year or one operating cycle)		430,500		690,000
Guarantee deposits		228		204
	$	907,085	$	1,192,035
Lease obligations (including non-current)	$	8,344	$	28,723

2. Risk Management Policy

(1) The Board of Directors shall fully take the responsibilities for establishment and supervision of the risk management structure of the Group and take the responsibilities for development and control of the risk management policies of the Group.

(2) The risk management policy of the Group is established to identify and analyze risks encountered by the Group, set appropriate risk limits and control, and supervise the compliance of risks and risk limits. Risk management policies and systems are periodically reviewed to reflect changes in market conditions and the Group's operations. Through its training and management standards and procedures, the Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(3) The Audit Committee of the Group shall supervise the management to monitor the

compliance of the Group's risk management policies and procedures and review the appropriateness of the Group's relevant management framework for the risks encountered. Internal auditors assist the Group's audit committee in a supervision role. These officers conduct review of risk management controls and procedures and report the review results to the Audit Committee.

3. The nature and intensity of significant risk

(1) Market risk

Exchange rate risk

A. The functional currency of the Company is New Taiwan Dollar and the functional currency of the subsidiary is United States Dollar. Therefore, the information of foreign currency assets and liabilities affected by significant exchange rate fluctuations is as follows:

	December 31, 2020		
	Foreign Currency (in thousands)	Exchange rate	Carrying amount (NT$)
(Foreign currency: functional currency)			
Financial asset			
Monetary items			
US$:NT$	$ 14,831	28.48	$ 422,387
NT$:US$	427,936	0.035	427,936
Financial liability			
Monetary items			
US$:NT$	$ 1,765	28.48	$ 50,267
NT$:US$	625,072	0.035	625,072

	December 31, 2019		
	Foreign Currency (in thousands)	Exchange rate	Carrying amount (NT$)
(Foreign currency: functional currency)			
Financial asset			
Monetary items			
US$:NT$	$ 20,257	29.98	$ 607,305
NT$:US$	679,830	0.033	679,830
Financial liability			
Monetary items			
US$:NT$	$ 2,654	29.98	$ 79,567
NT$:US$	622,047	0.033	622,047

B. Functional currency items of the Group due to foreign exchange with significant impacts were recognized as disclosure of exchanges (losses) in full amount in 2020 and 2019 with the total amount in ($28,303) and $4,442 respectively.

C. The table below illustrates assets and liabilities denominated in foreign currencies of which the values were significantly affected by the exchange rate volatility

	2020		
	Sensitivity analysis		
	Range of change	Affect the profit and loss	Affect other comprehensive income
(Foreign currency: functional currency)			
Financial asset			
Monetary items			
US$:NT$	1%	$ 4,224	$ -
NT$:US$	1%	4,279	-
Financial liability			
Monetary items			
US$:NT$	1%	($ 503)	$ -
NT$:US$	1%	(6,251)	-

	2019		
	Sensitivity analysis		
	Range of change	Affect the profit and loss	Affect other comprehensive income
(Foreign currency: functional currency)			
Financial asset			
Monetary items			
US$:NT$	1%	$ 6,073	$ -
NT$:US$	1%	6,798	-
Financial liability			
Monetary items			
US$:NT$	1%	($ 796)	$ -
NT$:US$	1%	(6,220)	-

Cash Flow and fair value interest rate risk

A. Interest rate risk of the Group mainly comes from long-term loans issued according to floating rates that expose the Group to interest rate risk of cash flow. In 2020 and 2019, loans of the Group issued according to floating rates are mainly calculated according to New Taiwan Dollars.

B. Loans of the Group are measured according to costs after amortization and values will be re-evaluated according to annual interest rates stated in contracts. As such, the Group exposes to risk of any interest rate change in the future market.

C. If the borrowing rate increased or decreased 1% and all other factors remained unchanged, in 2020 and 2019, net profit before tax respectively reduce or increase $4,305 and $6,900 respectively, mainly due to changes of interest expenses.

(2) Credit Risk

A. The Group's credit risk is the risk of financial loss to the Group due to the failure of the customer or counterparty of the financial instrument to perform its contractual obligations, which are mainly resulted from the failure of the counterparty to pay off accounts receivable payable on the terms of collection and the contractual cash flow.

B. The Group manages its credit risk from the perspective of the Group as a whole. Manage and conduct analysis of credit risk prior to determining the terms and conditions for payment and delivery in accordance with the internal credit policy explicitly stated. Internal risk control is conducted in consideration of the financial position, experience in the past and other factors of the customers for assessment of their credit quality. The limits of individual risks are determined on the basis of internal or external rating with routine monitoring of the consumption of credit limit.

C. According to the risk management procedure of the Group, if a specific counterparty fails to make payment in accordance with the agreed terms and conditions of payment and overdue for a certain period, it shall be construed as an act of breach.

D. The Group based on the rating of the customers to classify account receivable and contract assets of customers into two categories, and estimate credit loss on the basis of a simplified method of preparation matrix

E. The Group adopts IFRS 9 in making the following assumption for judgment of possible significant rise of credit risk inherent to the financial instruments after initial recognition:

Suppose specific account is overdue for more than 30 days under the agreed terms and conditions of payment. In that case, it shall be construed as significant risk of credit risk of the financial instrument after initial recognition.

F. The Group uses the following indicators to judge credit impairment of the investment of debt instruments:

(A) High level of insolvency to the issuer, or proceeding to bankruptcy or very likely of financial restructuring:

(B) The financial asset lost its active market due to the insolvency of the issuer.

(C) The issuer delays or declines to pay interest or the principal.

(D) Unfavorable economic change nationwide or in the region that caused the default of the issuer.

G. The Group mainly provides specific customers with semiconductor wafer packaging and testing services. Therefore, the Group assesses the credit risk of individual customers and adjusts loss rate according to the specific historical and current information, considering future prospects, to estimate the loss allowance on accounts receivable. The preparation matrix of the Group as of December 31, 2020 and December 31, 2019 is shown as follows:

	Not overdue	Overdue within 30 days	Overdue 31-90 days	Overdue 91-180 days	Overdue more than 181 days	Total
December 31, 2020						
Expected loss rate	0.001%	0.001%	30%	50%	50%-100%	
Total book value	$ 601,256	$ 46,146	$ 1,729	$ 498	$ -	$ 649,629
Provision for bad debts	$ -	$ -	$ -	$ -	$ -	$ -
December 31, 2020						
Expected loss rate	0.001%	0.001%	30%	50%	50%-100%	
Total book value	$ 768,043	$ 266,790	$ 142,263	$ 130	$ 6	$ 1,177,232
Provision for bad debts	$ -	$ -	$ -	$ -	$ -	$ -

H. No write-off debts as of December 31, 2020 and December 31, 2019.

(3) Liquidity risk

A. The undrawn loans of the Group is shown below:

	December 31, 2020		December 31, 2019	
Fixed interest rate				
Due within 1 year	$	1,251,978	$	795,500
Due for more than 1 year		1,553,000		750,000
	$	2,804,978	$	1,545,500

B. The table below shows the non-derivative financial liabilities and net value, or derivative financial liabilities with the full amount in delivery in chronological order of maturity date. Non-derivative financial liabilities are analyzed on the basis of the period between the balance sheet date to the maturity date stated in the contract. Derivative financial liabilities are analyzed on the basis of the period between the balance sheet date to the maturity date stated in the contract. The contract amount in cash flow stated in the table below is the undiscounted amount.

December 31, 2020	Less than 6 months	Between 6 months to 1 year	Between 1 to 2 years	Between 2 to 5 years
Non-derivative financial liabilities:				
Accounts payable	$ 82,789	$ -	$ -	$ -
Account payables – related parties	257	-	-	-
Other payables	393,311	-	-	-
Other payables - related parties	-	-	-	-
Leasing obligations	1,015	1,015	2,012	4,589
Deposit Received	-	-	-	228
Long-term loans (including those due within one year or one business circle)	74,664	74,278	283,655	2,804

December 31, 2019	Less than 6 months	Between 6 months to 1 year	Between 1 to 2 years	Between 2 to 5 years
Non-derivative financial liabilities:				
Accounts payable	$ 71,808	$ -	$ -	$ -
Account payables – related parties	803	-	-	-
Other payables	563,804	-	-	-
Other payables - related parties	9	-	-	-
Leasing obligations	28,530	1,563	768	896
Deposit Received	-	-	-	204
Long-term loans (including those due within one year or one business circle)	34,618	56,837	331,803	283,438

(iii) Fair value information:

1. The Group does not have financial instruments measured at fair value.

2. Financial instruments not measured with fair values

Cash and cash equivalents, account receivables (including related parties), other account receivables (including related parties), financial assets amortized according to amortization costs, account payable (including related parties), other payables (including related parties), corporate bond payable within one year and book values of deposit guarantee of the Group are determined with approximated values based on fair values.

(iv) Effect of COVID-19 on the operation of the Company

As assessed, COVID-19 did not cause significant influence on the continued operation, impairment of assets and financing risk of the Group.

XIII. Additional disclosure

(i) Information on significant transactions

1. Loans to others: None.

2. Endorsements and guarantees: Please refer to Appendix Table 1.

3. Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates, and jointly control identities): None.

4. Accumulated buying or selling of the same marketable securities at NT$300 million or more or 20% of the paid-in capital: None.

5. Acquisition of property amounting to NT$300 million or more than 20% of the paid-in capital: None.

6. Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None.

7. The amount in purchase or sale with related-party amounting to NT$100 million or more than 20% of the paid-in capital: Table II.

8. Receivable from related-parties amounting to NT$100 million or more than 20% of the paid-in capital: None.

9. Engagement in derivative trade: None.

10. The business relation and material transactions between the parent and the subsidiaries and among the subsidiaries and the amount involved: Table III.

(ii) Information on Direct Investment

Names of the investee companies, the locations, and related information (excluding investee companies in Mainland China): refer to Table IV.

(iii) Information on investment in Mainland China

None.

(iv) Information on dominant shareholders

Refer to Table V.

XIV. Information on operation segments

(i) General information

The Group has 2 segments for reporting: the testing division and the packing division.

(ii) Measurement of information on the segments

The Group has allocated non-routine profit or loss to the segments for reporting. In addition, all the profit and loss of the segments for reporting covered the items of material non-cash items beyond depreciation and amortization. The amount by segment for reporting and the amount used by the corporate decision-maker is relevant. The accounting policies adopted by the operating segments are relevant to the accounting policies of the Group. The profit and loss of the operation segment are based on revenue and pre-tax profit in measurement and used to assess performance.

(iii) Information on profit and loss, assets and liabilities of the segments

Information to be reported to the corporate decision-maker on the segments is specified as follows:

2020	Testing business segment	Bumping business segment	Adjustment and elimination	Total
External revenue	$ 749,533	$ 2,045,688	($ 181,687)	$ 2,613,534
Depreciation and amortization expenses	$ 198,321	$ 472,661	($ -)	$ 670,982
Segment Income	$ 28,490	$ 199,782	($ 1,241)	$ 227,031
Segment assets	$ 146,090	$ 212,607	$ -	$ 358,697

2019	Testing business segment	Bumping business segment	Adjustment and elimination	Total
External revenue	$ 1,268,512	$ 1,758,498	($ 84,341)	$ 2,942,669
Depreciation and amortization expenses	$ 287,577	$ 477,803	($ 2,574)	$ 762,806
Segment Income	$ 479,404	$ 176,811	($ 599)	$ 655,616
Segment assets	$ 195,102	$ 504,545	$ -	$ 699,647

December 31, 2020	Testing business segment	Bumping business segment	Adjustment and elimination	Total
Segment assets	$ 1,843,885	$ 3,949,372	($ 100,297)	$ 5,692,960

December 31, 2019	Testing business segment	Bumping business segment	Adjustment and elimination	Total
	$ 2,266,561	$ 4,227,786	($ 78,302)	$ 6,416,045

(iv) Information on product and labor service

Refer to Note 6 (15).

(v) Information by region

Information of the Group in 2020 and 2019 by region is specified as follows:

	2019		2020	
	Income	Non-current assets	Income	Non-current assets
Singapore	$ 1,207,421	$ -	$ 1,957,210	$ -
Taiwan	986,981	1,829,153	810,690	2,165,233
USA	294,793	-	166,494	-
China	80,352	-		
Malaysia	-	-	507	-
Other	43,987	-	7,768	-
Total	$ 2,613,534	$ 1,829,153	$ 2,942,669	$ 2,165,233

(vi) Important information on customers

	2020	2019
	Income	Income
Customer D	$ 996,767	$ 2,061,752
Customer A	127,270	341,756
Customer E	500,834	93,710
Customer F	239,860	146,970
Customer G	193,476	203,133
	$ 2,058,207	$ 2,847,321

Important information on customers of the Group in 2020 and 2019 is specified as follows:

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Winstek Semiconductors Corporation and Subsidiaries
Providing Endorsement/guarantee to Others
From January 1 to December 31, 2020

Unit: NT$1,000
(unless otherwise specified)

Table 1

Number (Note 1)	The name of the company that provides endorsement/ guarantee	The object receiving endorsement/guarantee		Maximum amount of endorsement /guarantee for a single enterprise (Note 3)	Maximum balance of endorsement/ guarantee for the current period (Note 4)	Balance of endorsement/guarantee at the end of current period (Note 5)	Actual amount drawn (Note 6)	Amount of endorsement/ guarantee guaranteed with property	Percentage of aggregated amount of endorsement/guarantee with the net value in the most recent financial reports	Maximum amount of endorsement/guarantee (Note 3)	A parent company provides endorsement/guarantee for its subsidiary (Note 7)	A subsidiary provides endorsement/guarantee for its parent company (Note 7)	The endorsement/guarantee involves Mainland China (Note 7)	Note
		Name of company	Relationship (Note 2)											
0	Winstek Semiconductors Corporation	Winstek Semiconductor Technology Corporation	2	$4,729,393	$ 900,000	$ 900,000	$ 427,500	$ -	19%	$ 4,729,393	Y	N	N	

Note 1: The description of the number column is as follows:
(1) The issuer shall fill in 0.
(2) The investees are numbered in alphabetical order beginning with the Arabic numeral 1.

Note 2: Please indicate the relationship between the provider of endorsement/guarantee and the object of endorsement/guarantee, which can be classified into the following six categories:
(1) Companies which are doing business with each other.
(2) Companies of which the Company directly or indirectly holds more than 50% of the voting shares.
(3) Companies of which directly or indirectly hold more than 50% of the voting shares in the Company.
(4) Among companies of which the Company directly or indirectly holds more than 90% of the voting shares.
(5) Companies in the same industry that endorse/guarantee for each other due to the need to contract project; or companies which are endorsed/guaranteed mutually by the same founders under provision of contract.
(6) Companies which are endorsed/guaranteed by all shareholders based on their shareholding percentage due to joint investment.
(7) In accordance with the consumer protection law, Companies in the same industry who perform housing pre-sale contract, are jointly and severally endorsed/guaranteed.

Note 3: The total amount of the Company's external endorsement/guarantee shall not exceed 50% of the Company's most recent net value. The amount of the Company's endorsement/guarantee for a single enterprise shall not exceed 20% of the net value at the time when the company endorses/guarantees.
However, an endorsement/guarantee between the Company and among companies of which the Company directly or indirectly holds 100% of the voting shares, or other companies that the Company has agreed to purchase and upon completion will become a subsidiary of which the Company directly or indirectly holds 100% shares, and approved by a resolution of the Board of Directors, its endorsement/guarantee amount shall not be restricted by the aforesaid total amount of endorsement/guarantee and the limit of endorsement/guarantee for a single enterprise.
However, the endorsement/guarantee to a single enterprise shall not exceed 100% of the net value of the Company in its most recent financial reports audited or reviewed by CPA. In addition, the endorsement/guarantee not between the Company and among companies of which the Company directly or indirectly holds 100% voting shares,
the total cumulative amount of such external endorsements/guarantees shall not exceed 100% of the net value of the Company in its most recent financial reports audited or reviewed by CPA.

Note 4: The maximum balance of endorsement/guarantee for others in the current year.

Note 5: By the end of the year, Chu Fan Company shall undertake the obligation of endorsement/guarantee when the amount of endorsement/guarantee contract/bill signed by it to the bank is approved; Other relevant endorsements/guarantees shall be accounted in the balance of endorsements/guarantees.

Note 6: The actual amount drawn by the company endorsed/guaranteed within the balance of the endorsement/guarantee shall be filled here.

Note 7: To be filled if a listed/OTC parent company provides endorsement/guarantee for its subsidiary, or if a subsidiary provides endorsement/guarantee for its listed/OTC parent company; "Y" shall be filled in if the endorsement/guarantee involves Mainland China

Winstek Semiconductor Corporation and Subsidiaries
The amount in purchase or sale with related-party amounting to NT$100 million or more than 20% of the paid-in capital
From January 1 to December 31, 2020

Unit: NT$1,000
(unless otherwise specified)

Table 2

			Transaction Nature				Nature and reasons for the difference between trade terms and general trade (Note 1)		Bills and accounts receivable (payable)		
Purchase (Sale) Company	Name of Counterparty	Relationship	Purchase (Sale)	Balance	Amount	Proportion of total Purchase (Sales)	Credit period	Unit Price	Credit period	Balance	Proportion of total Bills and accounts receivable (payable)	Notes
Winstek Semiconductor Corporation	Winstek Semiconductor Technology Corporation	Subsidiary	Sale	($ 173,503)	(23%)		Monthly settlement 30 days	-	-	$ 55,874	38%	
Winstek Semiconductor Technology Corporation	Winstek Semiconductor Corporation	Parent company	Purchase	173,503	8%		Monthly settlement 30 days	-	-	(55,874)	(41%)	

Note: For the sales transactions between the Company and the interested persons, the transaction prices and the collection conditions have no significant differences from those with others having no interests, and the transaction conditions are determined by both parties concerned through negotiations.

Winstek Semiconductor Corporation and Subsidiaries
Business relation and important transactions between the parent company and subsidiaries, and among the subsidiaries, and the amount
From January 1 to December 31, 2020

Unit: NT$1,000
(unless otherwise specified)

Table 3

Serial No. (Note 1)	Name of Related Company	Counterparty	Relationship With the Counterparty (Note 2)	Transaction Nature			
				Account	Amount	Trade Terms	As a Percentage of Consolidated Revenues or Total Assets (Note 3)
0	Winstek Semiconductor Corporation	Winstek Semiconductor Technology Corporation	1	Revenue	$ 173,503	It is to be processed in accordance with the price and conditions agreed by both parties.	6.64%
0	Winstek Semiconductor Corporation	Winstek Semiconductor Technology Corporation	1	Accounts receivable	55,874	"	0.98%
0	Winstek Semiconductor Corporation	Winstek Semiconductor Technology Corporation	1	Other receivable	43,815		0.77%

Note 1: Business dealings between the parent company and subsidiaries are indicated in the serial number column. The numbering rule is explained below:
(1). 0 for parent company.
(2). Each subsidiary is numbered in sequential order starting from 1.

Note 2: Related party transactions are distinguished into one of three categories, as shown below. Only the category is indicated (no duplicate disclosure is made on two counterparties of the same transaction. For example, in a parent-to-subsidiary transaction, no disclosure is made on the subsidiary's end if disclosure has already been made on the parent company's end; in a subsidiary-to-subsidiary transaction, no disclosure is made on one subsidiary's end if disclosure has already been made on the other subsidiary):
(1). Parent to subsidiary.
(2). Subsidiary to parent.
(3). Subsidiary to subsidiary.

Note 3: Calculation for business dealings as a percentage of consolidated total revenues or total assets is explained as follows: for balance sheet items, percentage relative to total assets is calculated using end-of-period balances; for profit and loss accounts, percentage relative to total revenues is calculated using cumulative amount and cumulative total revenues.

Note 4: If the single transaction amount is for less than NT$5,000, it needs not be disclosed, and the relative transactions will no longer be disclosed.

Winstek Semiconductor Corporation and Subsidiaries
Name, Location, and Other Relevant Information of the Investee Companies (excluding Investee Companies in Mainland China)
From January 1 to December 31, 2020

Unit: NT$1,000
(unless otherwise specified)

Table 4

Name of investing company	Name of the investee company (Notes 1, 2)	Location	Main business items	Original investment amount: At the end of this period	Original investment amount: At the end of last year	Holding at the end of period: Number of shares	Holding at the end of period: Ratio	Holding at the end of period: Carrying amount	Profit and loss of investee company in the current period (Note 2(2))	Investment gains and losses recognized in the current period (Note 2(3))	Note
Winstek Semiconductor Corporation	Winstek Semiconductor Technology Corporation	Taiwan	Wafer bumping and wafer level packaging services	$ 2,875,740	$ 2,875740	310,000,000	100%	$ 3,113,377	$ 180,100	$ 180,100	

Note 1: If a public company has a foreign holding company and the consolidated financial report is the main financial report according to local laws and regulations, the disclosure of information about the foreign investee may only include the relevant information of the holding company.

Note 2: In cases other than those described in Note 1, the following information shall be provided:

(1) The columns of "Name of the investee company", "Location", "Main business items", "Original investment amount" and "Shareholding at the end of period", etc., shall be filled in in order according to the reinvestment situation of the (public) company and each reinvestment situation of the investee company under direct or indirect control. The relationship between each investee company and the (public) company (if it is a subsidiary or sub-subsidiary) shall be indicated in the remarks column.

(2) In the column B of "Profit and loss of investee company in the current period", the current profit and loss amount of each investee shall be filled in.

(3) In the column B of "investment gains and losses recognized in the current period", only the recognized profit and loss amount of each directly reinvested subsidiary of this (public) Company and each investee assessed by equity method shall be filled in, and the balance is not required to be filled in. When filling in "recognized profit and loss amount of each directly reinvested subsidiary for the current period", it shall be confirmed that the amount of profit and loss of each subsidiary for the current period has included the reinvestment profit and loss that should be recognized as investment profit and loss according to provisions.

Winstek Semiconductor Corporation and Subsidiaries
Information on dominant shareholders
From January 1 to December 31, 2020

Table 5

Name of major shareholders	Shares of Stock	
	Quantity of shareholdings	The ratio of shareholding
Ge-Shing Corporation	70,726,438	51.90%

Note 1: The information on the major shareholders listed in this Form is about that concerning the ordinary shares and special shares (that are completed but without physical delivery, as calculated by CHEP) (including the treasury stocks) totaling up to 5%. The capital stocks as stated in the financial reports of the Company and the stocks that are factually completed but without physical delivery may be different or varied because of the preparation and calculation basis.
Note 2: If the abovementioned data is about the shares held by the shareholders and delivered to a trust, it will be disclosed by the accounts of the principals (that are opened by the agent by means of trust accounts). As for the declaration of the insiders' equities with the shareholding percentage over 10% as handled by the shareholders according to the securities exchange acts, their equities shall include their own shares plus the shares that are delivered to the trust and have the right to make decisions on how to use them, etc. As for the data about the declaration of the insiders' equities, please refer to the open information observation station.