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TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.

PARENT COMPANY ONLY FINANCIAL STATEMENTS With Independent Auditor's Report

For the Years Ended December 31, 2021 and 2020

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Independent Auditor's Report

To the Board of Directors and Shareholders of Taiwan Printed Circuit Board Techvest Co., Ltd.:

Opinion

We have audited the accompanying parent company only financial statements of Taiwan Printed Circuit Board Techvest Co., Ltd. ("the "Company"), which comprise the parent company only balance sheets as of December 31, 2021 and 2020, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2021 and 2020, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Valuation of inventories

Please refer to Notes 4(7), 5 and 6(5) of the parent company only financial statements for accounting policies on measuring inventory, assumptions used, and uncertainties considered in determining net realizable value, and description of inventories, respectively.

Description of key audit matter:

Inventories are measured at the lower of cost and net realizable value in the financial statements. The Company produces and sells printed circuit boards, whose industry changes rapidly, and old models may quickly be replaced with new ones, resulting in a difficulty to meet market demands, which may impact the inventory closeout sale and sales price, causing the carrying value to exceed the net realizable value. Therefore, we determined that the assessment of the valuation of inventories is one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedure included: inspecting and analyzing the aging report of the inventory; assessing the rationality of policies of allowance for inventory valuation and obsolescence losses; inspecting the estimated inventory allowance to verify the evaluation accuracy, assessing the rationality of the inventory net realizable value with the Company's selling price and subsequent market price; evaluating whether the disclosure of the key management regarding the allowance of the inventory is appropriate.

2. Timing of revenue recognition

Please refer to Note 4(13) "Revenue recognition", and Note 6(20) "Revenue disclosures" of the financial statements.

Description of key audit matter:

Sales revenue is the leading indicator for investors, wherein the management assesses the Company's financial performance. The timing for the recognition of revenue is significant to the financial statements. Therefore, the test of the timing for recognition of revenue was one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedure included: random sampling of material sales before and after the year-end; assessing sales policies and revenue achievement by inspecting contracts with customers and verifying buyer's documents to confirm the accuracy of the timing for recognition of revenue.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

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

As part of an audit under the auditing standards generally accepted in the Republic of China, we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless laws or regulations preclude 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.

KPMG

CPA:

Approval No.: JIN-GUAN-ZHENG-SHEN-ZI No. 1000011652
(88) TAI-CAI-ZHENG (6) No.18311

March 18, 2022

Note to Readers

The accompanying parent company only financial statements are intended only to present the statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.

Parent Company Only Balance Sheets

For the years ended December 31, 2021 and 2020

(Amounts in Thousands of New Taiwan Dollars)

	Assets	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6(1))	$ 2,668,016	9	3,219,792	11
1110	Current financial assets at fair value through profit or loss (Note 6(2))	399	-	1,409	-
1170	Notes and accounts receivable from non-related parties, net (Note 6(3))	8,471,876	29	6,765,063	24
1180	Accounts receivable due from related parties, net (Note 6(3) and 7)	46,093	-	156,423	1
1200	Other receivables (Note 6(4) and 7)	79,391	-	50,408	-
1220	Current tax assets	-	-	228	-
1310	Inventories (Note 6(5))	626,297	2	567,787	2
1470	Other current assets (Note 6(9) and 8)	106,743	1	155,973	1
	Total current assets	11,998,815	41	10,917,083	39
	Non-current assets:				
1550	Investment accounted for using equity method (Note 6(6))	16,696,115	56	16,138,210	59
1600	Property, plant and equipment (Note 6(7))	887,572	3	539,245	2
1755	Right-of-use assets (Note 6(8))	34,676	-	34,045	-
1980	Other non-current financial assets (Note 6(9) and 8)	10,037	-	10,037	-
1995	Other non-current assets (Note 6(9))	8,852	-	11,003	-
	Total non-current assets	17,637,252	59	16,732,540	61
	Total assets	$ 29,636,067	100	27,649,623	100

	Liabilities and Equity	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current liabilities:				
2100	Short-term debts (Note 6(10))	$ 4,810,138	16	1,908,160	7
2111	Short-term notes and bills payable (Note 6(11))	179,889	1	-	-
2120	Current financial liabilities at fair value through profit or loss (Note 6(2))	40	-	1,589	-
2170	Notes and accounts payable	788,007	3	659,224	2
2180	Accounts payable to related parties (Note 7)	6,058,198	21	5,126,486	19
2200	Other payables (Note 7)	1,794,181	6	1,407,747	5
2230	Current tax liabilities	138,476	-	-	-
2322	Current portion of long-term debts (Note 6(13))	395,753	1	1,273,214	5
2365	Current refund liabilities (Note 6(12))	364,328	1	314,542	1
2280	Current lease liabilities (Note 6(14))	20,302	-	17,483	-
2300	Other current liabilities	12,227	-	8,093	-
	Total current liabilities	14,561,539	49	10,716,538	39
	Non-current liabilities:				
2540	Long-term debts (Note 6(13))	774,599	3	4,250,447	15
2580	Non-current lease liabilities (Note 6(14))	14,630	-	16,782	-
2600	Other non-current liabilities (Note 6(16))	242,737	1	132,540	1
	Total non-current liabilities	1,031,966	4	4,399,769	16
	Total liabilities	15,593,505	53	15,116,307	55
	Equity: (Note 6(17))				
3110	Ordinary shares	2,712,425	9	2,712,425	10
3200	Capital surplus	3,282,591	11	3,119,032	11
	Retained earnings:				
3310	Legal reserve	1,504,059	5	1,308,160	5
3320	Special reserve	875,898	3	1,133,730	4
3350	Unappropriated retained earnings	6,868,499	23	5,463,917	19
	Others:				
3410	Exchange differences on translation of foreign financial statements	(968,217)	(3)	(866,764)	(3)
3420	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	(6,667)	-	(9,135)	-
3500	Treasury shares	(226,026)	(1)	(328,049)	(1)
	Total equity	14,042,562	47	12,533,316	45
	Total liabilities and equity	$ 29,636,067	100	27,649,623	100

See accompanying notes to parent company only financial statements.

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.

Parent Company Only Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Amounts in Thousands of New Taiwan Dollars)

		2021 Amount	2021 %	2020 Amount	2020 %
4110	**Operating revenue (Note 6(20))**	$ 21,127,953	100	17,995,054	100
5110	**Cost of sales (Note 6(5))**	19,467,298	92	16,921,673	94
	Gross Profit	1,660,655	8	1,073,381	6
	Operating expenses:				
6100	Selling expenses	608,788	3	574,152	3
6200	Administrative expenses	708,189	4	450,281	2
6450	Expected credit loss	36,292	-	(74,942)	-
	Total operating expenses	1,353,269	7	949,491	5
	Net operating income	307,386	1	123,890	1
	Non-operating income and expenses: (Note 6(22))				
7100	Interest revenue	2,506	-	4,424	-
7010	Other income	421	-	24,832	-
7020	Other gains and losses	(51,902)	-	(29,742)	-
7050	Finance costs	(65,773)	-	(95,937)	-
7070	Share of profit (losses) of subsidiaries, associates and joint ventures accounted for using equity method	2,315,293	11	2,043,275	11
	Total non-operating income and expenses	2,200,545	11	1,946,852	11
7900	**Income before income tax**	2,507,931	12	2,070,742	12
7951	**Less: Income tax expense (Note 6(16))**	249,002	1	151,881	1
	Net income	2,258,929	11	1,918,861	11
8300	**Other comprehensive income (loss):**				
8310	**Items that will not be reclassified into profit or loss**				
8330	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method that will not be reclassified into profit or loss	3,560	-	40,134	-
8349	Less: Income tax related to items that will not be reclassified	-	-	-	-
	Total	3,560	-	40,134	-
8360	**Items that may be reclassified subsequently into profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(101,453)	(1)	257,831	1
8399	Less: Income tax related to items that may be reclassified subsequently	-	-	-	-
	Total	(101,453)	(1)	257,831	1
8300	**Other comprehensive income (loss), net of income tax**	(97,893)	(1)	297,965	1
8500	**Total comprehensive income (loss)**	$ 2,161,036	10	2,216,826	12
	Basic earnings per share (NTD) (Note 6(19))				
9750	**Basic earnings per share (Unit: NTD)**	$	8.60		7.28
9850	**Diluted earnings per share (Unit: NTD)**	$	8.26		7.00

See accompanying notes to parent company only financial statements.

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.

Parent Company Only Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Amounts in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings			Others			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences in translation of foreign financial statements	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity
Balance on January 1, 2020	$ 2,712,425	3,119,032	1,208,728	548,401	4,854,987	(1,124,595)	(9,135)	(62,920)	11,246,923
Net income in 2020	-	-	-	-	1,918,861	-	-	-	1,918,861
Other comprehensive income (loss) in 2020	-	-	-	-	(776)	257,831	40,910	-	297,965
Total comprehensive income (loss) in 2020	-	-	-	-	1,918,085	257,831	40,910	-	2,216,826
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	99,432	-	(99,432)	-	-	-	-
Special reserve	-	-	-	585,329	(585,329)	-	-	-	-
Cash dividends on common shares	-	-	-	-	(665,301)	-	-	-	(665,301)
Repurchase of treasury shares	-	-	-	-	-	-	-	(328,049)	(328,049)
Conversion of treasury shares	-	-	-	-	(3)	-	-	62,920	62,917
Disposal of equity instrument measured at fair value through other comprehensive income	-	-	-	-	40,910	-	(40,910)	-	-
Balance on December 31, 2020	2,712,425	3,119,032	1,308,160	1,133,730	5,463,917	(866,764)	(9,135)	(328,049)	12,533,316
Net income in 2021	-	-	-	-	2,258,929	-	-	-	2,258,929
Other comprehensive income (loss) in 2021	-	-	-	-	1,092	(101,453)	2,468	-	(97,893)
Total comprehensive income (loss) in 2021	-	-	-	-	2,260,021	(101,453)	2,468	-	2,161,036
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	195,899	-	(195,899)	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(914,349)	-	-	-	(914,349)
Reversal of special reserve	-	-	-	(257,832)	257,832	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	-	-	(3,023)	-	-	-	(3,023)
Conversion of treasury shares	-	163,559	-	-	-	-	-	102,023	265,582
Balance on December 31, 2021	$ 2,712,425	3,282,591	1,504,059	875,898	6,868,499	(968,217)	(6,667)	(226,026)	14,042,562

See accompanying notes to parent company only financial statements.

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.

Parent Company Only Cash Flow Statements

For the years ended December 31, 2021 and 2020

(Amounts in Thousands of New Taiwan Dollars)

		2021	2020
Cash flows from operating activities:			
Income before income tax	$	2,507,931	2,070,742
Adjustments for:			
Adjustments to reconcile net income (loss)			
Depreciation expense		68,192	68,762
Amortization expense		653	611
Expected credit loss (gain)		36,292	(74,942)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss		(359)	180
Interest expense		65,773	95,937
Interest revenue		(2,506)	(4,424)
Share-based compensation cost		163,574	-
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method		(2,315,293)	(2,043,275)
Gain on disposal of property, plant and equipment		(2,724)	(6,407)
Loss on disposal of investments accounted for using the equity method		33,463	-
Total adjustments		(1,952,935)	(1,963,558)
Changes in assets and liabilities relating to operating activities:			
Net changes in assets relating to operating activities:			
Financial assets that are forced to be measured at fair value through profit or loss		1,409	667
Notes and accounts receivable		(1,632,775)	(773,015)
Other receivables		(28,983)	(25,465)
Inventories		(58,510)	(25,293)
Other current assets		(12,843)	(9)
Total net changes in assets relating to operating activities		(1,731,702)	(823,115)
Net changes in liabilities relating to operating activities:			
Financial liabilities held for trading		(1,589)	(16)
Notes and accounts payable		1,060,495	1,689,921
Other payables		231,458	289,615
Current refund liabilities		49,786	55,730
Other current liabilities		4,134	1,507
Total net changes in liabilities relating to operating activities		1,344,284	2,036,757
Total net changes in assets and liabilities relating to operating activities		(387,418)	1,213,642
Total adjustments		(2,340,353)	(749,916)
Cash provided by operations		167,578	1,320,826
Interest received		2,506	4,424
Interest paid		(65,682)	(98,363)
Income taxes paid		(100)	(84,838)
Net cash provided by operating activities		104,302	1,142,049
Cash flows from investing activities:			
Acquisition of investments accounted for using equity method		(45,943)	-
Proceeds from capital reduction of invested companies accounted for using equity method		1,511,219	29,550
Acquisition of property, plant, and equipment		(241,453)	(62,490)
Disposal of property, plant, and equipment		1,615	25,480
Acquisition of intangible assets		(304)	(140)
Other financial assets		62,073	(143,868)
Other non-current assets		-	(5,602)
Dividends received		160,384	162,525
Net cash provided by investing activities		1,447,591	5,455
Cash flows from financing activities:			
Short-term debts		2,901,978	(984,910)
Short-term notes and bills payable		179,889	-
Proceeds from long-term debts		600,000	2,400,000
Repayment of long-term debts		(4,953,309)	(682,589)
Repayment of the principal portion of lease liabilities		(19,886)	(16,507)
Distribution of cash dividends		(914,349)	(665,301)
Repurchase cost of treasury shares		-	(328,049)
Treasury shares purchased by employees		102,008	62,917
Net cash used in financing activities		(2,103,669)	(214,439)
Increase (decrease) in cash and cash equivalents		(551,776)	933,065
Cash and cash equivalents at beginning of period		3,219,792	2,286,727
Cash and cash equivalents at end of period	$	2,668,016	3,219,792

See accompanying notes to parent company only financial statements.

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.
Notes to Parent Company Only Financial Statements
For the years ended December 31, 2021 and 2020
(Amounts in Thousands of New Taiwan Dollars, unless specified otherwise)

1. HISTORY AND ORGANIZATION

Taiwan Printed Circuit Board Techvest Co., Ltd. ("the Company") was incorporated as a company limited by shares on April 21, 1998 under the approval of the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is No. 12, Gongye 2nd Rd., Pingzhen Dist., Taoyuan City. On December 25, 2009, the Company's shares were listed on the Taiwan Stock Exchange (TWSE). The Company is primarily involved in the business of producing and selling electronic components and printed circuit boards.

2. APPROVAL DATE AND PROCEDURES OF THE FINANCIAL STATEMENTS

These parent company only financial statements were authorized for issue by the Board of Directors on March 18, 2022.

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

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

Effective January 1, 2021, the Company adopted the following newly revised International Financial Reporting Standards, which had no significant effect on its parent company only financial statements.

·Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"

·Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform—Phase 2"

·Amendment to IFRS 16 "Covid-19-Related Rent Concessions after June 30, 2021"

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

The Company has assessed that the application of the following newly revised IFRSs effective from January 1, 2022, would not have a significant effect on its parent company only financial statements.

·Amendments to IAS 16 "Property, Plant and Equipment: Proceeds before Intended Use"

·Amendments to IAS 37 "Onerous Contracts—Cost of Fulfilling a Contract"

·Annual Improvements to IFRS Standards 2018–2020

·Amendments to IFRS 3 "Reference to the Conceptual Framework"

(Continued)

（3） IFRSs issued by International Accounting Standards Board (“IASB”) but not yet endorsed by the FSC

The new standards, interpretations issued and amended by the IASB but not yet endorsed by the FSC, and which may have relevance to the Company are as below:

New, Revised or Amended Standards and Interpretations	Major Amendments	Effective Date of Introduction by IASB
Amendment to IAS 1 “Classification of Liabilities as Current or Non-current”	The amendment is intended to improve consistency in the application of the standard to assist companies in determining whether debt or other liabilities with uncertain settlement dates should be classified as current (due or likely to be due within one year) or non-current on the Balance Sheet. The amendment also clarifies the classification of debt that may be converted to equity for settlement purposes.	January 1, 2023
Amendment to IAS 12 “Deferred tax related to assets and liabilities arising from a single transaction”	The amendment restricts the scope of the recognition exemption, which is no longer applicable when the original recognition of the transaction results in an equal amount of taxable and deductible temporary differences.	January 1, 2023

The Company is continuously evaluating the impact of the above standards and interpretations on the Company's financial condition and results of operations, and the related impact will be disclosed upon completion of the evaluation.

The Company does not expect the following other newly issued and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements.

·Amendment to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures”

·IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”

·Amendments to IAS 1 “Disclosure of Accounting Policies”

·Amendments to IAS 8 “Definition of Accounting Estimates”

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies presented in the parent company only financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

(Continued)

(1) Statement of compliance

These parent company only financial statements have been prepared following the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

A. Basis of measurement

Except for the following significant accounts, the parent company only financial statements have been prepared on a historical cost basis:

(a) Financial instruments at fair value through profit or loss are measured at fair value;

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

B. Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment. The financial statements are presented in New Taiwan Dollar (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(3) Foreign Currency

A. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Company entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for the difference relating to investments in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

B. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from the acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average rate. Exchange differences are recognized in other comprehensive incomes.

(Continued)

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, Exchange differences arising from such items are considered to form part of a net investment in the foreign operation and are recognized in other comprehensive income.

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

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current:

A. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
B. The Company holds the asset primarily for trading;
C. The Company expects to realize the asset within twelve months after the reporting period;
D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current:

A. The Company expects to settle the liability in its normal operating cycle;
B. The Company holds the liability primarily for trading;
C. The liability is due to be settled within twelve months after the reporting period;
D. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(Continued)

（5） Cash and cash equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that meet the above definition and are held to meet short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

（6） Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

A. Financial assets

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

On initial recognition, a financial asset is classified as measured at amortized cost; Fair value through other comprehensive income (FVOCI) – equity investment; or FVTPL.

Financial assets are not reclassified after their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

·It is held within a business model whose objective is to hold assets to collect contractual cash flows; and

·Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(Continued)

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

·It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

·Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument by instrument basis.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

(c) Financial assets measured at fair value through profit or loss

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. These assets are subsequently measured at fair value.

Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(d) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, Notes and trade receivables, other receivables, guarantee deposits paid and other financial assets), debt investments measured at FVOCI, and contract assets.

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12 month ECL:

·Debt securities that are determined to have low credit risk at the reporting date; and

·Other debt securities and bank balances for which credit risk (i.e. the risk of a default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

(Continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

Lifetime ECL is the ECL that results from all possible default events over the expected life of a financial instrument.

12-month ECL is the portion of ECL that results from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Company is exposed to credit risk.

ECL is a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive). ECL is discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

·Significant financial difficulty of the borrower or issuer;

·A breach of contract such as a default or being more than 90 days past due;

·The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

·The borrower will probably enter bankruptcy or other financial reorganization; or

·The disappearance of an active market for financial assets because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

(Continued)

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually assesses respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

(e) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters transactions whereby it transfers its assets recognized in the balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In this case, the transferred assets are not derecognized.

B. Financial liabilities and equity instruments

(a) Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument following the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

(b) Equity transaction

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

(c) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written offset).

(Continued)

(d) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(e) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

(f) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

C. Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. After initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(Continued)

（7） Inventories

Inventories are measured at the lower of cost and net realizable value in the financial statements. The cost of inventories is calculated using the weight average method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

（8） Subsidiaries

The subsidiaries which the Company is holding for control are measured under the equity method in the financial statement. Under the equity method, the net income, other comprehensive income and equity in the financial statement are equivalent to the net income, other comprehensive income and equity which are attributable to the owners of the parent company in the financial statement.

The changes in ownership of the subsidiaries are recognized as an equity transaction.

（9） Property, plant, and equipment

A. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

B. Subsequent costs

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

C. Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, except for land.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

(Continued)

(a)	Buildings and structures	2 years~50 years
(b)	Machinery and equipment	2 years~12 years
(c)	Office and other equipment	2 years~12 years

Depreciation methods, useful lives and residual values, are reviewed at each reporting date and adjusted if appropriate.

(10) Lease

At the inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for some time in exchange for consideration.

A. As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

(a) Fixed payments, including in-substance fixed payments;

(b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

(c) Amounts expected to be payable under a residual value guarantee; and

(d) Payments for purchase or termination options that are reasonably certain to be exercised.

(Continued)

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

(a) There is a change in future lease payments arising from the change in an index or rate; or

(b) There is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or(c) Amounts expected to be payable under a residual value guarantee;

(c) There is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

(d) There is a change of its assessment on whether it will exercise an extension or termination option; or

(e) There is any lease modification.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as separate line items respectively in the Balance Sheets.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of staff dormitories, warehouses, parts of the transportation and other equipment that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

B. As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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(11) Intangible assets

A. Recognition and measurement

Intangible assets, including computer software, that are acquired by the Company are measured at cost less accumulated amortization and any accumulated impairment losses.

B. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

C. Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(12) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Where the carrying amount of an asset Cost CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

For non-financial assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization if no impairment loss had been recognized.

(Continued)

(13) Revenue recognition

Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or service to a customer. The accounting policies for the Company's main types of revenue are explained below.

A. Sale of goods–Electronic components

The Company manufactures and sells electronic components to customers. The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to a specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products under the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The Company often recognizes revenue based on the total amount if the sale according to aggregate sales of electronic components is over a 6-month period and had a discount agreement previously or its highly possible to have sales discounts in marketing experience. The Company evaluates the amount of discounts on the day of the occurrence of that fact or the date of the balance sheet, offsets sales revenue or recognizes sales allowance, and recognizes the revenue only to the extent that it is highly probable that a significant reversal will not occur. As of the reporting date, the expecting amount paid to customers relating to the unit price discounts and defects of the product is recognized as refund liabilities.

Trade receivable is recognized when the goods are delivered as this is the point in the time the Company has the right to an amount of consideration that is unconditional.

B. Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(14) Employee benefits

A. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a

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cash refund or a reduction in future payments is available.

B. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

（15）Share-based payment transaction

The equity-settled share-based payment agreement recognizes an expense and increases the relative equity over the vesting period of the award based on the fair value of the award on the vesting date. The expense recognized is adjusted for the number of awards that are expected to meet the service condition and the non-market vesting condition. The final amount recognized is based on the number of awards that meet the service conditions and non-marketable vesting conditions on the vesting date.

Non-vested conditions relating to share-based benefit awards are reflected in the measurement of the fair value of the share-based benefit awards at the vesting date and no adjustment is required to be made to verify the difference between the expected and actual results.

The amount of the fair value of the share appreciation rights payable to employees in cash settlements is recognized as an expense and an increase in the corresponding liability in the period in which the employees reach the point where they can receive unconditional compensation. The liability is remeasured at the fair value of the share appreciation rights at each reporting date and settlement date, and any change is recognized as profit or loss.

The share-based vesting date of the Company, such as the date of transfer of treasury shares to employees, is the date on which the Board of Directors approves the transfer of treasury shares to employees.

（16）Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes if any.

(Continued)

It is measured using tax rates enacted or substantively enacted at the reporting date. Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

A. Temporary differences in the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;
B. Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company can control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
C. Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that future taxable profits will probably be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

A. The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
B. The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
(a) The same taxable entity; or
(b) Different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

（17）Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share are calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share are calculated as the profit

(Continued)

attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

The Company's potentially dilutive ordinary shares include employee compensation.

（18） Segment information

The operating segment information is disclosed in the Company's consolidated financial statements; therefore, the Company does not disclose segment information in parent company only financial statements.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the parent company only financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the future period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the parent company only financial statements is as follows:

Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to the net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Refer to note 6(5) for further description of the valuation of inventories.

(Continued)

6. STATEMENTS OF MAJOR ACCOUNTING ITEMS

(1) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash in hand	$ 100	100
Cash in banks		
Demand deposits	2,667,916	1,929,692
Time deposits	-	1,290,000
Cash and cash equivalents in statement of cash flows	**$ 2,668,016**	**3,219,792**

Please refer to Note 6(23) for the disclosure of credit, interest, currency risks and sensitivity analysis of the financial instruments of the Company.

The Company's cash and cash equivalents have not been pledged as collateral. Cash and cash equivalents are expressed not pledged.

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

A. Details were as follows:

	December 31, 2021	December 31, 2020
Financial assets measured at fair value through profit or loss:		
Derivative instruments not used for hedging	**$ 399**	**1,409**
Financial liability measured at fair value through profit or loss:		
Derivative instruments not used for hedging	**$ 40**	**1,589**

Please refer to Note 6(23) for the disclosure of the Company's fair value of financial instruments, credit and currency risks related to financial instruments.

B. Derivative financial instruments not designated as hedging instruments

The Company uses derivative financial instruments to hedge the certain foreign exchange risk the Company is exposed to, arising from its operating, financing and investing activities. The following derivative instruments, without the application of hedge accounting, were classified as held for trading financial instruments:

Forward exchange contracts:

(Continued)

	December 31, 2021				
	Book value	Notional amount (In Thousands)		Currency	Maturity dates
Derivative financial assets					
Forward exchange sold	$ 399	USD	5,000	USD to NTD	Jan. 07, 2022
Derivative financial liabilities					
Forward exchange sold	$ 40	USD	2,000	USD to NTD	Jan. 07, 2022

	December 31, 2020				
	Book value	Notional amount (In Thousands)		Currency	Maturity dates
Derivative financial assets					
Forward exchange sold	$ 1,409	USD	7,000	USD to NTD	Jan.8, 2021~Mar.10, 2021
Derivative financial liabilities					
Forward exchange sold	$ 1,589	USD	8,000	USD to NTD	Jan.8, 2021~Mar.10, 2021

（3） Notes and accounts receivable

	December 31, 2021	December 31, 2020
Notes receivable	$ 3,279	-
Accounts receivable	8,672,688	7,047,109
Less: Loss allowance	(157,998)	(125,623)
Total	$ 8,517,969	6,921,486

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information, including macroeconomic and relevant industry information. The expected credit losses for notes and accounts receivable were determined as follows:

(Continued)

	December 31, 2021		
	Gross carrying amount	**Weighted average loss rate**	**Loss allowance provision**
Not yet due	$ 8,517,361	0.00%~17.53%	94,171
Overdue within 30 days	125,300	0.00%~100.00%	30,552
Overdue 31-90 days	33,304	0.00%~100.00%	33,273
Overdue above 91 days	2	100.00%	2
	$ 8,675,967		157,998

	December 31, 2020		
	Gross carrying amount	**Weighted average loss rate**	**Loss allowance provision**
Not yet due	$ 7,012,769	0.00%~15.72%	106,286
Overdue within 30 days	19,371	0.00%~100.00%	4,515
Overdue 31-90 days	2,692	11.75%~100.00%	2,545
Overdue above 91 days	12,277	100.00%	12,277
	$ 7,047,109		125,623

The movement in the loss allowance for notes and accounts receivable was as follows:

	2021	**2020**
Balance, beginning of year	$ 125,623	258,611
Impairment losses (reversed) recognized	36,292	(74,942)
Amounts written off	(3,917)	(58,046)
Balance, end of year	$ 157,998	125,623

Please refer to 6(23) for the credit and the currency risks of the Company's accounts receivables.

The Company's notes and accounts receivable have not been pledged as collateral.

(4) Other receivables

	December 31, 2021	**December 31, 2020**
Other receivables	$ 84,065	55,082
Less: Loss allowance	(4,674)	(4,674)
Total	$ 79,391	50,408

(Continued)

As of December 31, 2021 and 2020, the Company assessed that no other receivables were overdue. For further credit and currency risk information, please refer to note 6(23).

The Company's other receivables have not been pledged as collateral.

(5) Inventories

		December 31, 2021	December 31, 2020
Finished goods	$	432,537	397,783
Work in progress		154,946	146,344
Raw materials and supplies		38,814	23,660
Total	$	626,297	567,787

The details of the cost of sales of the Company were as follows:

		2021	2020
Cost of goods sold	$	19,512,146	16,931,753
Inventory scrap loss		19,652	17,967
Write down of inventories		13,917	29,469
Revenue from the sale of scraps		(78,417)	(57,516)
Total	$	19,467,298	16,921,673

The Company's inventories have not been pledged as collateral.

(6) Investments accounted for using the equity method

A summary of the Company's financial information for investments accounted for using the equity method at the reporting date was as follows:

		December 31, 2021	December 31, 2020
Subsidiary	$	16,696,115	16,138,210

For information on subsidiaries, please refer to the consolidated financial statements for the year ended December 31, 2021.

The Company did not provide any investment accounted for using the equity method as collateral for its loans.

(7) Property, plant, and equipment

The cost, depreciation, and impairment of the property, plant, and equipment of the Company were as follows:

(Continued)

	Land	Buildings and structures	Machinery equipment	Other equipment	Construction in progress and equipment to be inspected	Total
Cost or deemed cost:						
Balance on January 1, 2021	$ 202,597	379,245	804,178	104,049	30,180	1,520,249
Additions	-	152,554	239,868	2,818	1,098	396,338
Disposal	-	(629)	(48,111)	(235)	-	(48,975)
Transfer (out) in	-	30,180	1,801	-	(30,180)	1,801
Balance on December 31, 2021	**$ 202,597**	**561,350**	**997,736**	**106,632**	**1,098**	**1,869,413**
Balance on January 1, 2020	$ 202,597	361,225	820,021	99,916	-	1,483,759
Additions	-	18,789	31,210	4,686	30,180	84,865
Disposal	-	(3,397)	(47,953)	(553)	-	(51,903)
Transfer (out) in	-	2,628	900	-	-	3,528
Balance on December 31, 2020	**$ 202,597**	**379,245**	**804,178**	**104,049**	**30,180**	**1,520,249**
Accumulated depreciation and impairment loss:						
Balance on January 1, 2021	$ -	268,967	625,880	86,157	-	981,004
Depreciation	-	6,325	38,983	2,962	-	48,270
Disposal	-	(629)	(46,569)	(235)	-	(47,433)
Balance on December 31, 2021	**$ -**	**274,663**	**618,294**	**88,884**	**-**	**981,841**
Balance on January 1, 2020	$ -	266,775	604,977	83,824	-	955,576
Depreciation	-	5,589	43,648	2,886	-	52,123
Disposal	-	(3,397)	(22,745)	(553)	-	(26,695)
Balance on December 31, 2020	**$ -**	**268,967**	**625,880**	**86,157**	**-**	**981,004**
Book value						
December 31, 2021	**$202,597**	**286,687**	**379,442**	**17,748**	**1,098**	**887,572**
January 1, 2020	**$202,597**	**94,450**	**215,044**	**16,092**	**-**	**528,183**
December 31, 2020	**$202,597**	**110,278**	**178,298**	**17,892**	**30,180**	**539,245**

The Company’s property, plant and equipment have not been pledged as collateral.

(Continued)

（8） Right-of-use assets

The cost and depreciation of the leasing transportation equipment of the Company were as follows:

		Transportation equipment
Cost:		
Balance on January 1, 2021	$	53,171
Additions		20,553
Disposal		(7,270)
Balance on December 31, 2021	**$**	**66,454**
Balance on January 1, 2020	$	27,128
Additions		33,326
Disposal		(7,283)
Balance on December 31, 2020	**$**	**53,171**
Accumulated depreciation:		
Balance on January 1, 2021	$	19,126
Depreciation		19,922
Disposal		(7,270)
Balance on December 31, 2021	**$**	**31,778**
Balance on January 1, 2020	$	9,669
Depreciation		16,639
Disposal		(7,182)
Balance on December 31, 2020	**$**	**19,126**
Book value		
December 31, 2021	**$**	**34,676**
December 31, 2020	**$**	**34,045**

(Continued)

(9) Other current assets, financial assets - non-current and other non-current assets

	December 31, 2021	December 31, 2020
Other financial assets, current	$ 74,296	136,369
Other financial assets, non-current	10,037	10,037
Other current assets	32,447	19,604
Other non-current assets	8,852	11,003
Total	$ 125,632	177,013

Other financial assets are refundable deposits and restricted bank deposits.

Other current and non-current assets are intangible assets, prepayments and others.

(10) Short-term debts

	December 31, 2021	December 31, 2020
Unsecured bank loans	$ 4,810,138	1,908,160
Unused short-term credit lines	$ 5,284,251	4,558,800
Interest Rates	0.63%~0.91%	0.63%~0.70%

The Company did not provide any asset as collateral for its short-term debts.

(11) Short-term notes and bills payable

	December 31, 2021		
	Guarantors	Interest Rates	Amount
Commercial promissory notes payable	China Bills Finance Corporation and Dah Chung Bills Finance Corporation	0.93%~0.94%	$ 180,000
Less: Short-term notes and bills payable discount			(111)
Total			$ 179,889

The Company did not provide any asset as collateral for its short-term notes and bills payable.

(Continued)

(12) Refund liabilities, current

	December 31, 2021	December 31, 2020
Refund liabilities, current	$ 364,328	314,542

Refund liability is mainly due to the characteristics of the industry in which the sales of electronic components may generate a sales discount due to product defects or price drops, which are expected to be paid to customers.

(13) Long-term debts

	December 31, 2021			
	Currency	**Interest Rates**	**Period**	**Amount**
Unsecured bank loans	New Taiwan Dollars	1.11%~1.21%	July 1, 2024 ~ October 20, 2025	$ 1,170,352
Less: Current portion				(395,753)
Total				$ 774,599
Unused long-term credit lines				$ 150,000

	Dec. 31, 2020			
	Currency	**Interest Rates**	**Period**	**Amount**
Unsecured bank loans	New Taiwan Dollars	1.11%~1.41%	February 2, 2021~ December 25, 2025	$ 5,523,661
Less: Current portion				(1,273,214)
Total				$ 4,250,447
Unused long-term credit lines				$ -

The Company did not provide any asset as collateral for its bank borrowings.

For information on the risk of exposure to interest rates, exchange rates and liquidity risks of the Company, please see Note 6(23).

(14) Lease liabilities

The Company lease liabilities were as follows:

	December 31, 2021	December 31, 2020
Current	$ 20,302	17,483
Non-current	$ 14,630	16,782

(Continued)

For the maturity analysis, please refer to Note 6(23).

The amounts recognized in profit or loss were as follows:

	2021	2020
Interest on lease liabilities	$ 472	478
Expenses relating to short-term leases	$ 2,771	1,615
Expenses relating to leases of low-value assets, excluding short term leases of low-value assets	$ 420	410

The amounts recognized in the statement of cash flows for the Company were as follows:

	2021	2020
Total cash outflow for leases	$ 23,549	19,010

The Company leases transportation equipment with lease terms of three years.

In addition, the lease period of the employee dormitory, warehouse, and parts of the transportation equipment and other equipment of the Company is one to three years. These leases are short-term or low-value leases. The Company chooses to apply the exemption requirements and not recognize its related right of use assets and lease liabilities.

(15) Employee benefits

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance under the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The Company's pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to NTD 11,961,000 and NTD 13,265,000 for the years ended December 31, 2021 and 2010, respectively.

(16) Income taxes

A. Income tax expense

	2021	2020
Current income tax expense		
Arising during the period	$ 126,331	-
Adjustments for the previous period	-	6,617
	126,331	6,617

(Continued)

	2021	2020
Deferred tax expense		
Origination and reversal of temporary differences	134,466	132,354
Recognition of unrecognized tax losses from the previous period	(11,795)	-
Others	-	12,910
	122,671	145,264
Income tax expense	$ 249,002	151,881

Reconciliation of income tax and profit before tax for 2021 and 2020 were as follows:

	2021	2020
Income before tax	$ 2,507,931	2,070,742
Income tax using the Company's domestic tax rate	$ 501,586	414,148
Non-deductible expenses	65	7
Tax-exempt income	(259,873)	(79,559)
Tax incentives	-	12,910
Recognition of unrecognized tax losses from the previous period	(11,795)	-
Current year losses for which no deferred tax asset was recognized	-	11,484
Change in unrecognized temporary differences	(57,918)	(213,726)
Underestimation for the previous period	-	6,617
Undistributed earnings additional tax	55,329	-
Others	21,608	-
Total	$ 249,002	151,881

B. Deferred tax assets and liabilities

(a) Unrecognized deferred tax liabilities

The Company entity can control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2021 and 2020. Also, Management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences were not recognized under deferred tax liabilities. Details were as follows:

	December 31, 2021	December 31, 2020
Aggregate amount of temporary differences related to investments in subsidiaries	$ 1,054,683	1,255,859

(Continued)

(b) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2021	December 31, 2020
Tax effect of deductible Temporary Differences	$ 109,141	99,970
The carryforward of unused tax losses	-	11,484
	$ 109,141	111,454

(c) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax liabilities were as follows:

	Others
Deferred Tax Liabilities:	
Balance on January 1, 2021	$ 132,484
Recognized in profit or loss	110,196
Balance on December 31, 2021	$ 242,680
Balance on January 1, 2020	$ 130
Recognized in profit or loss	132,354
Balance on December 31, 2020	$ 132,484

C. Assessment of tax

The Company's tax returns through 2019 have been assessed and approved by the Tax Authority.

(17) Capital and other equity

A. Ordinary shares

As of December 31, 2021 and 2020, the authorized shares of 300,000,000, with a par value of $10 per share, amounted to $3,000,000,000, of which, 271,242,000 ordinary shares were issued. All issued shares were paid up upon issuance.

B. Capital reserve

	December 31, 2021	December 31, 2020
Additional paid-in capital	$ 2,384,724	2,384,724
Differences between acquisition price and carrying amount arising from the acquisition of subsidiaries	612,761	612,761
Changes in ownership interests in subsidiaries	114,641	114,641
Conversion of treasury shares	163,559	-
Others	6,906	6,906
	$ 3,282,591	3,119,032

According to the R.O.C. Company Act, the capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on the issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus above par value should not exceed 10% of the total common stock outstanding.

C. Retained earnings

The Company's article of incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as a legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed as new stacks according to the distribution plan or shares newly issued proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

If the Company distributes dividend bonus, legal reserve, special reserve, or part/whole of the capital surplus by cash payment, two of the three authorized board members must be present during the meeting, and half of the attendees' approval must be obtained before reporting the agreed appropriation at the shareholders' meeting.

To consider stable development and complete financial structure, the Company's surplus distribution shall be no less than 10% of the distributable surplus, minus the previous year's surplus. However, if the distributable surplus, minus the previous year's surplus, is less than the percentage of paid-in capital, the Company may decide to transfer all of the retained surplus to unappropriated retained earnings.

(Continued)

When distributing surplus, cash dividend shall not be less than 10% of the total dividend.

(a) Legal reserve

When a company incurs no loss, it may, according to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

(b) Special reserve

When the Company distributes the distributable surplus, the net deduction of other shareholders' equity in the current year is reported, and the special surplus reserve is made up of the current profit and loss and the undistributed surplus in the previous period; it is the deduction of other shareholders' equity accumulated in the previous period's amount, from the undistributed surplus of the previous period, the special surplus reserve shall not be distributed. When the deduction amount of other shareholders' equity is reversed thereafter, the surplus may be distributed on the reversed part.

(c) Earnings Distribution

The earnings distribution for 2020 and 2019 had been approved during the board's meeting and shareholder's meeting on April 20, 2021 and April 23, 2020, respectively.

The relevant dividend distributions to shareholders were as follows:

	2020		2019	
	Dividend per share (NTD)	**Amount**	**Dividend per share (NTD)**	**Amount**
Dividends distributed to ordinary shareholders				
Cash	$ 3.50	914,349	2.55	665,301

D. Treasury shares

A resolution was approved during the board meeting held on May 7, 2018 for the issuance of employee stock options between May 8 and July 7, 2018, following the requirements of section 28(2) of the Securities and Exchange Act, resulting in the Company to buy back 2,100,000 of its treasury shares. All related conversion procedures had been completed on May 19, 2020.

A resolution was approved during the board meeting held on March 23, 2020 for the issuance of employee stock options between March 25 and May 13, 2020, following the requirements of section 28(2) of the Securities and Exchange Act, resulting in the Company to buy back 10,000,000 of its treasury shares. In addition, 3,110,000 shares were transferred to employees on April 20, 2021 by resolution of the Board of Directors, and the transfer

(Continued)

was completed on July 16, 2021. Please refer to Note 6(18) for details. The remaining 6,890,000 shares were transferred to employees on December 29, 2021 by resolution of the Board of Directors.

As of December 31, 2021, the total number of non-cancelled shares was 6,890,000 shares.

Following the provisions of the Securities and Exchange Act mentioned in the preceding paragraph, the proportion of shares purchased by the Company shall not exceed 10% of its total issued shares, and the total amount of shares purchased shall not exceed the Company's retained earnings, plus the premium on the issued shares and the realized amount of capital reserve. As of December 31, 2021, the number of stocks bought back by the Company and the amount of repurchased shares met all the requirements.

Treasury shares held by the Company shall not be pledged under the provisions of the Securities and Exchange Act and shall not enjoy shareholder rights before being transferred.

E. Other equity

The items listed under other equity are Exchange Differences on Translation of Foreign Financial Statements and the accumulated amount of unrealized gains and losses of financial assets at fair value through other comprehensive gains and losses.

(18) Share-based payment

As of December 31, 2021, the Company had the following two share-based payment transactions:

	Equity-Settlement	
	Transfer of treasury stocks to employees	**Transfer of treasury stocks to employees**
Vesting date	April 20, 2021	December 29, 2021
Quantity made available	3,110,000 shares	6,890,000 shares
Vesting condition	Instantly vested	Instantly vested

(Continued)

A. Fair value measurement parameters on the vesting date

The Company's subsidiaries used the Black Scholes option pricing model to estimate the fair value of share-based payment on the vesting date, and the input value of this model was as follows:

	2021	
	Transfer of treasury stocks to employees	**Transfer of treasury stocks to employees**
Fair value on vesting date	18.70	15.30
Stock value on vesting date	52.70	48.40
Striking price	32.80	32.80
Volatility forecasting (%)	28.25%	23.56%
Share option lifetime (days)	87 days	29 days
Risk-free interest rate (%)	0.12%	0.27%

B. Related information on the transfer of treasury stocks to employees

	2021	
	Weighted average exercise price (NTD)	**Share option quantity (000's shares)**
Number of shares waiting to be transferred on January 1	$ 32.80	10,000
Number of current period executions	32.80	(3,110)
Number of shares waiting to be transferred on December 31	-	6,890

C. Staff expenses

	2021
Expenses arising from the transfer of treasury stocks to employees	$ 163,574

(19) Earnings per share

	2021	**2020**
Basic earnings per share		
Profit attributable to ordinary shareholders of the Company	$ 2,258,929	1,918,861
Weighted average number of ordinary shares (In Thousands)	262,682	263,562
Basic earnings per share (NTD)	$ 8.60	7.28

(Continued)

		2021	2020
Diluted earnings per share			
Profit attributable to ordinary shareholders of the Company	$	2,258,929	1,918,861
Effect of dilutive potential ordinary shares			
Weighted average number of ordinary shares (In Thousands)		262,682	263,562
Effect of dilutive potential ordinary shares			
－Effect of employee share bonus		10,961	10,382
Effect of conversion of convertible bonds (In Thousands) (diluted)		273,643	273,944
Diluted earnings per share (NTD)	$	8.26	7.00

（20）Revenue from contracts with customers

A. Details of revenue

		2021	2020
Primary geographical markets:			
China	$	12,468,633	11,025,610
Singapore		3,178,253	2,035,324
Taiwan		2,919,172	2,708,581
Others		2,561,895	2,225,539
	$	21,127,953	17,995,054
Major products/services lines			
Printed circuit boards	$	20,948,297	17,931,688
Processing fees revenue and others		179,656	63,366
	$	21,127,953	17,995,054

B. Contract balances

		December 31, 2021	December 31, 2020	Jan. 1, 2020
Notes and accounts receivable	$	8,675,967	7,047,109	6,332,140
Less: Loss allowance		(157,998)	(125,623)	(258,611)
Total	$	8,517,969	6,921,486	6,073,529

For details on notes and accounts receivable and allowance for impairment, please refer to Note 6(3).

For refund liabilities disclosure please refer to Note 6(12).

(Continued)

（21） Employee compensation and directors’ remuneration

Following the Articles of Incorporation, the Company should contribute 5% to 15% of the profit as employee compensation and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits (including adjustments to the amount of undistributed surplus), the profit should be reserved to offset the deficit. The amount of remuneration of each director and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company’s affiliated companies who meet certain conditions.

The estimated amount of remuneration for the Company's employees and directors is as follows:

		2021	2020
Employees’ remuneration	$	458,768	378,794
Directors' remuneration		91,754	75,759
	$	**550,522**	**454,553**

The estimated amounts mentioned above are calculated based on the income before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors and as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2021 and 2020. Related information would be available on the Market Observation Post System website.

The amounts, as stated in the parent company only financial statements, are identical to those of the actual distributions for 2021 and 2020.

（22） Non-operating income and expenses

A. Interest income

The details of interest income were as follows:

		2021	2020
Interest income	$	2,444	4,372
Other interest income		62	52
	$	**2,506**	**4,424**

B. Other income

The details of other income were as follows:

		2021	2020
Others	**$**	**421**	**24,832**

(Continued)

C. Other gains and losses

The details of other gains and losses were as follows:

		2021	2020
Foreign exchange gains (losses)	$	(18,013)	(55,168)
Net gains (losses) on financial assets (liabilities) at fair value through profit or loss		(46)	21,335
Net gains on disposal of property, plant and equipment		2,724	6,407
Losses on disposal of investments		(33,463)	-
Others		(3,104)	(2,316)
	$	(51,902)	(29,742)

D. Finance costs

The details of finance costs were as follows:

		2021	2020
Interest on bank loans	$	65,301	95,459
Interest on lease liabilities		472	478
	$	65,773	95,937

（23）Financial instruments

A. Credit risk

(a) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

(b) Concentration of credit risk

The customers of the Company are concentrated in a broad customer base, and there is no significant concentration of transactions with a single customer, and the sales area is dispersed, so the credit risk of accounts receivable is not likely to be significantly concentrated. To reduce credit risk, the Company also regularly and continuously assesses the financial status of its customers, but usually does not require customers to provide collateral.

(c) Credit risk of receivables and debt securities

For credit risk exposure of notes and accounts receivables, please refer to Note 6(3).

Other financial assets at amortized cost include cash and cash equivalents and other receivables, please refer to Notes 6(1) and 6(4).

(Continued)

All these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months of expected credit losses. The fixed deposit certificates held by the Company, the transaction counterparty, and the performing party are financial institutions with investment grades and above, so the credit risk is deemed to be low.

B. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1~2 years	2~5 years
December 31, 2021						
Non-derivative financial liabilities						
Unsecured bank loans	$ 5,980,490	6,009,708	5,023,712	202,851	402,195	380,950
Short-term notes and bills payable	179,889	180,000	180,000	-	-	-
Notes and accounts payable	6,846,205	6,846,205	6,846,205	-	-	-
Other payables	1,794,181	1,794,181	1,793,968	213	-	-
Lease liabilities	34,932	35,397	10,786	9,662	10,708	4,241
Derivative financial liabilities						
Others forward exchange contracts:						
Outflow	(359)	193,830	193,830	-	-	-
Inflow	-	(194,189)	(194,189)	-	-	-
	$ 14,835,338	14,865,132	13,854,312	212,726	412,903	385,191
December 31, 2020						
Non-derivative financial liabilities						
Unsecured bank loans	$ 7,431,821	7,554,818	2,556,526	684,073	1,736,722	2,577,497
Notes and accounts payable	5,785,710	5,785,710	5,785,710	-	-	-
Other payables	1,407,747	1,407,747	1,407,453	294	-	-
Lease liabilities	34,265	34,807	9,185	8,432	13,465	3,725
Derivative financial liabilities						
Others forward exchange contracts:						
Outflow	180	425,108	425,108	-	-	-
Inflow	-	(424,928)	(424,928)	-	-	-
	$ 14,659,723	14,783,262	9,759,054	692,799	1,750,187	2,581,222

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(Continued)

C. Currency risks

(a) Exposure to foreign currency risk

The Company's significant exposure to foreign currency risk was as follows:

	December 31, 2021			December 31, 2020		
	Foreign Currency	Exchange Rate	New Taiwan Dollars	Foreign Currency	Exchange Rate	New Taiwan Dollars
Financial assets						
Monetary items						
USD	$ 355,065	27.68	9,828,205	283,307	28.48	8,068,581
CNY	7,789	4.34	33,837	10,018	4.38	43,850
Financial liabilities						
Monetary items						
USD	332,910	27.68	9,214,949	262,050	28.48	7,463,170
JPY	1,490	0.24	358	1,490	0.28	412

(b) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable, other receivables, loans and borrowings; and notes and accounts payable and other payables that are denominated in foreign currency. A strengthening (weakening) of 5% of the NTD against each transaction currencies currency on December 31, 2021 and 2020 would have increased (decreased) the net income by $25,869,000 and $25,954,000. The analysis in 2021 is performed on the same basis for 2020.

(c) Foreign exchange gain and loss on monetary items

The exchange gains and losses of the Company's monetary items (including realized and unrealized) converted into functional currency, and converted to the parent company's functional currency, New Taiwan dollar (that is, the Company's presentation currency), are as follows:

	2021		2020	
	Exchange gains (losses)	Average Rate	Exchange gains (losses)	Average Rate
New Taiwan Dollars	$ (18,013)	-	(55,168)	-

D. Interest rate analysis

Please refer to the notes on liquidity risk management about the interest rate exposure of the Company's financial assets and liabilities.

(Continued)

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis assumes that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to Management internally, which also represents The Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased /decreased by 1 %, the Company's net income would have decreased /increased by $27,940,000 in 2021 and $44,017,000 in 2020 with all other variable factors remaining constant. Mainly due to group variable interest rate deposits and loans.

E. Fair value of financial instruments

(a) Fair value hierarchy

The fair value of financial assets and liabilities through profit or loss is measured regularly. The carrying amount and fair value of The Company's financial assets and liabilities, including the information on the fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, for equity investments that haves no quoted prices in the active markets and whose fair value cannot be reliably measured, and lease liabilities, for which disclosure of fair value information is not required.

	December 31, 2021				
		Fair Value			
	Net carrying amount as of:	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through profit or loss	$ 399	-	399	-	399
Financial assets measured at amortized cost					
Cash and cash equivalents	2,668,016	-	-	-	-
Notes and accounts receivable	8,517,969	-	-	-	-
Other receivables	79,391	-	-	-	-
Restricted assets	74,091	-	-	-	-
Refundable deposits	10,242	-	-	-	-
Subtotal	11,349,709	-	-	-	-
Total	$ 11,350,108	-	399	-	399

(Continued)

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.
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	December 31, 2021				
		Fair Value			
	Net carrying amount as of:	Level 1	Level 2	Level 3	Total
Financial liability at fair value through profit or loss	$ 40	-	40	-	40
Financial liabilities at amortized cost					
Bank loan	5,980,490	-	-	-	-
Short-term notes and bills payable	179,889	-	-	-	-
Notes and accounts payable	6,846,205	-	-	-	-
Other payables	1,794,181	-	-	-	-
Lease liabilities	34,932	-	-	-	-
Subtotal	14,835,697	-	-	-	-
Total	**$ 14,835,737**	**-**	**40**	**-**	**40**

	December 31, 2020				
		Fair Value			
	Net carrying amount as of:	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss	$ 1,409	-	1,409	-	1,409
Financial assets measured at amortized cost					
Cash and cash equivalents	3,219,792	-	-	-	-
Notes and accounts receivable	6,921,486	-	-	-	-
Other receivables	50,408	-	-	-	-
Restricted Assets	136,164	-	-	-	-
Refundable deposits	10,242	-	-	-	-
Subtotal	10,338,092	-	-	-	-
Total	**$ 10,339,501**	**-**	**1,409**	**-**	**1,409**
Financial liability at fair value through profit or loss	$ 1,589	-	1,589	-	1,589

(Continued)

	December 31, 2020				
		Fair Value			
Financial liabilities at amortized cost					
Bank loan	7,431,821	-	-	-	-
Notes and accounts payable	5,785,710	-	-	-	-
Other payables	1,407,747	-	-	-	-
Lease liabilities	34,265	-	-	-	-
Subtotal	14,659,543	-	-	-	-
Total	$ 14,661,132	-	1,589	-	1,589

(b) Fair value through profit or loss financial instrument-fair value evaluation technique

a. Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value of financial instruments is measured by using the market method and net asset value method if there is no public quotation in an active market. The market method refers to the recent fundraising activities of the investment target, or target with similar market transaction price and conditions; while the net asset value method's main assumption is based on the net value per share of the investee.

b. Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. The fair value of forwarding currency is usually determined by the forward currency exchange rate.

(c) Transfers between Level 1 and Level 2

There were no transfers from Level 2 to Level 1 in 2021 and no transfers in either direction in 2020.

(d) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions: None.

(Continued)

（24）Financial risk management

A. Overview

The Company has exposure to the following risks from its financial instruments:

(a) Credit risk

(b) Liquidity risk

(c) Market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the abovementioned risks. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the parent company only financial statements.

B. Structure of risk management

The Company's financial management department provides services for each business, coordinates the operation of entering domestic and international financial markets, as well as supervises and manages the financial risks related to the Company's operations through internal risk reports that analyze the level and range of risks that may occur. The use of derivative financial instruments is regulated by the policies adopted by the Board of Directors. Those policies are written principles for the exchange rate, interest rate, credit risk, the use of derivative financial instruments and non-derivative financial instruments, and the investment of remaining liquid funds. The Audit Committee and the internal audit will regularly review the policies to limit risk exposures. The financial management department will regularly report to the Audit Committee and the Board. In addition, the Company does not trade financial instruments (including derivative financial instruments) for speculative purposes.

C. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from cash and cash equivalents, financial instruments and the Company's receivables from customers.

(a) Accounts receivable and other receivables

The Company credit risk is affected by individual client circumstances.

The Risk Management Committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available, and, in some cases, bank references. Purchase limits are established for each customer and represent the maximum open amount without requiring approval from the board; these limits are reviewed regularly.

(Continued)

Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

The Company does not require any collateral for accounts receivable and other receivables.

(b) Investments

The credit risk of bank deposits and other financial instruments is measured and monitored by the Company's finance department. Since the Company's counterparties and burden of contract parties are creditworthy banks, financial institutions and corporate organizations with investment grades, there are no materiality concerns, so there is no materiality credit risk.

(c) Guarantees

The Company's policy is to provide financial guarantees only to companies with business dealings, companies that directly and indirectly hold or hold more than 50% of the voting shares. As of December 31, 2021 and 2020, no other guarantees were outstanding.

D. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount above expected cash flows on financial liabilities (other than trade payables) over the succeeding 60 days. The Company also monitors the level of expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. As of December 31, 2021 and 2020, The Company's unused credit line were amounted to $5,634,251,000 and $4,738,800,000 respectively.

E. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect The Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

(Continued)

The Company buys and sells derivatives, and also incurs financial liabilities, to manage market risk. All such transactions are carried out within the guidelines set by the Board of Directors.

(a) Currency risk

The Company is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Company's entities. Therefore, the group engages in derivative transactions to avoid exchange rate risks. The gains and losses of foreign currency assets and liabilities due to exchange rate changes will roughly offset the valuation gains and losses of derivatives. However, derivative transactions can help reduce the number of merged companies but still cannot completely rule out the impact of changes in foreign currency exchange rates.

The Company regularly reviews the risky positions of individual foreign currency assets and liabilities and hedges the risky positions. The main hedging tool used is forward foreign exchange contracts. The maturity dates of the forward foreign exchange contracts undertaken by the group are all shorter than six months and do not meet the requirements of hedging accounting.

(b) Interest rate risk

The Company's policy is to reduce the exposure of the risk changes in borrowing interest rates.

(25) Capital management

The Company's objectives for managing capital are to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Company and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

(Continued)

The Company's capital management strategy in 2021 is consistent with the strategy in 2020. The Company's debt to capital ratios are as follows:

		December 31, 2021	December 31, 2020
Total liabilities	$	15,593,505	15,116,307
Less: Cash and cash equivalents		(2,668,016)	(3,219,792)
Net debt		12,925,489	11,896,515
Total equity		14,042,562	12,533,316
Total capital	**$**	**26,968,051**	**24,429,831**
Debt to equity ratio		**47.93%**	**48.70%**

（26） Investing and financing activities not affecting current cash flow

The Company's financing activities which did not affect the current cash flow in the years ended December 31, 2021 and 2020, were as follows:

For obtaining the right of use asset by lease, please refer to Note 6(8).

Reconciliation of liabilities arising from financing activities was as follows:

				Non-cash changes	
		January 1, 2021	**Cash flows**	**Others**	**December 31, 2021**
Long-term debts	$	5,523,661	(4,353,309)	-	1,170,352
Short-term debts		1,908,160	2,901,978	-	4,810,138
Lease liabilities		34,265	(19,886)	20,553	34,932
Short-term notes and bills payable		-	179,889	-	179,889
Total liabilities from financing activities	$	7,466,086	(1,291,328)	20,553	6,195,311

				Non-cash changes	
		Jan. 1, 2020	**Cash flows**	**Others**	**December. 31, 2020**
Long-term debts	$	3,806,250	1,717,411	-	5,523,661
Short-term debts		2,923,070	(1,014,910)	-	1,908,160
Lease liabilities		17,547	(16,507)	33,225	34,265
Total liabilities from financing activities	$	6,746,867	685,994	33,225	7,466,086

(Continued)

7. RELATED-PARTY TRANSACTIONS

(1) Related parties and relationship

The followings are entities that have had transactions with the related party during the periods covered in the parent company only financial statements.

Name of related parties	Relationship with the Company
TPT International Co., Ltd. (TPT)	Subsidiary of The Company
Chi Yao Ltd. (Chi Yao)	Subsidiary of The Company
T-Flex Techvest PCB Co., Ltd. (tht)	Subsidiary of The Company
tgt Techvest Co., Ltd. (tgt)	Subsidiary of The Company
T-Mac Techvest PCB Co., Ltd. (T-Mac)	Subsidiary of The Company
CATAC Electronic (Zhongshan) Co., Ltd. (tft)	Subsidiary of The Company
T Mac Techvest (Wuxi) PCB Co., Ltd. (tmt)	Subsidiary of The Company
Chi Chau Printed Circuit Board (Suining) Co., Ltd. (twt)	Subsidiary of The Company
Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. (tpts)	Subsidiary of The Company
Sinact Electronics Co., Ltd. (Sinact)	Subsidiary of The Company
Brilliant Star Holdings Ltd. (Brilliant Star)	Subsidiary of The Company
Chi Chau International Co., Ltd. (Chi Chau)	Subsidiary of The Company
Chi Chen Investment Co., Ltd. (Chi Chen)	Subsidiary of The Company
Chi Yang Investment Ltd. (Chi Yang)	Subsidiary of The Company
Chang Tai International Ltd. (Chang Tai)	Subsidiary of The Company
Yang An International (Samoa) Co., Ltd. (Yang An)	Subsidiary of The Company
Sinact (Hong Kong) International Company Limited (Sinact HK)	Subsidiary of The Company
Sin Siang (Xiamen) Technology Co., Ltd. (Sin Siang)	Subsidiary of The Company
Chi Chau (Thailand) Co., Ltd. (CCT)	Subsidiary of The Company

(2) Significant transactions with the related parties

A. Operating Revenue

The amounts of significant sales (including processing fees revenue) by the Company to related parties were as follows:

	2021	2020
Subsidiary	$ 101,441	82,128

(Continued)

The pricing of purchase transactions with related parties was not comparable with those offered by general clients. The payment terms for general clients are ranged from Net 30 days from the end of the month of when the invoice is issued to Net 180 days from the end of the month of when the invoice is issued, and the payment terms for related parties are ranged from Net 90 days from the end of the month of when invoice is issued to Net 150 days from the end of the month of when the invoice is issued.

B. Purchases

The amounts of significant purchases (including processing costs) by the Company from related parties were as follows:

	2021	2020
Subsidiary－twt	$ 3,957,988	3,144,850
Subsidiary－tpts	-	(3,330)
Subsidiary－tft	2,571,373	2,249,893
Subsidiary－tmt	9,302,901	8,599,286
Other subsidiaries	596,330	533,846
	$ 16,428,592	14,524,545

The pricing of purchase transactions with related parties was not comparable with those offered by general clients. The payment terms for general clients are ranged from Net 30 days from the end of the month of when the invoice is issued to Net 150 days from the end of the month of when the invoice is issued, and the payment terms for related parties are ranged from Net 30 days from the end of the month of when invoice is issued to Net 90 days from the end of the month of when the invoice is issued.

The Company's transactions with its subsidiary act as agents, so the purchase and sales transactions are presented on a net basis.

C. Receivables from Related Parties

The receivables from related parties were as follows:

Account	Relationship	December 31, 2021	December 31, 2020
Accounts receivable	Subsidiaries	$ 46,093	156,423
Other receivables	Subsidiary－tmt	27,680	2,363
Other receivables	Other subsidiaries	5,971	864
		$ 79,744	159,650

(Continued)

D. Payables from Related Parties

The payables to related parties were as follows:

Account	Relationship	December 31, 2021	December 31, 2020
Accounts payable	Subsidiary－twt	$ 1,542,723	1,012,959
Accounts payable	Subsidiary－tft	887,581	847,461
Accounts payable	Subsidiary－tmt	3,210,216	2,962,190
Accounts payable	Other subsidiaries	417,678	303,876
Other payables	Subsidiary	6,746	5,016
		$ 6,064,944	5,131,502

E. Property transaction

(a) Purchases of property, plant and equipment

The purchases price of property, plant and equipment purchased from related parties were summarized as follows:

	2021	2020
Subsidiary－tmt	$ 9,568	317
Other subsidiaries	3,040	2,381
	$ 12,608	2,698

(b) Disposal of property, plant, and equipment

The disposals of property, plant and equipment to related parties are summarized as follows:

	2021		2020	
Relationship	Disposal price	Gain (loss) from disposal	Disposal price	Gain (loss) from disposal
Subsidiary-tgt	$ 1,615	73	631	50
Other subsidiaries	-	-	2,390	43
	$ 1,615	73	3,021	93

F. Others

Relationship	Items	2021	2020
Other subsidiaries	Temporary payments	$ 4	4
Other subsidiaries	Other income	7	84
Other subsidiaries	Miscellaneous purchase and mold costs	1,280	2,880
Other subsidiaries	Other expenses	114	4
Other subsidiaries	Labor fees	68,131	11,076

(Continued)

During the year 2021, the Company participated in the Cash Capital Increase of its subsidiary - tgt Techvest Co., Ltd. by subscribing to 4,594,000 shares of stock at NTD10 per share for an investment amount of NTD45,943,000.

（3） Key management personnel compensation

Key management personnel comprised:

		2021	2020
Short-term employee benefits	$	566,506	424,606
Post-employment benefits		954	1,043
	$	567,460	425,649

8. PLEDGED ASSETS

The carrying values of pledged assets were as follows:

Pledged assets	Objects		December 31, 2021	December 31, 2020
Restricted Assets (classified under other current assets)	Remittance to the earnings according to the special law	$	74,091	136,164
Refundable deposits (classified under other current assets and other non-current financial assets)	Lease plant and official vehicle deposit etc.		10,242	10,242
		$	84,333	146,406

9. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

The Company's outstanding standby letter of credit was as follows:

		December 31, 2021	December 31, 2020
USD	$	750	-
JPY		23,165	-

10. LOSSES DUE TO MAJOR DISASTERS: None

11. SIGNIFICANT SUBSEQUENT EVENTS: None

(Continued)

12. OTHERS

（1） A summary of current period employee benefits, depreciation, and amortization, by function, is as follows:

By function / By nature	2021			2020		
	Cost of sales	**Operating expenses**	**Total**	**Cost of sales**	**Operating expenses**	**Total**
Employee benefits						
Salaries	696,165	619,208	1,315,373	597,835	401,596	999,431
Labor and health insurance	33,469	7,967	41,436	28,514	7,707	36,221
Pension	9,328	2,633	11,961	9,480	3,785	13,265
Remuneration of directors	-	93,395	93,395	-	77,152	77,152
Other employee benefits	36,373	3,558	39,931	30,353	4,686	35,039
Depreciation	48,050	20,142	68,192	52,138	16,624	68,762
Amortization	-	653	653	-	611	611

Additional information on the number of employees and employee benefits of the company in 2021 and 2020 were as follows:

	2021	2020
Number of employees	396	416
Number of directors who were not employees	12	10
Average employee benefit expense	$ 3,668	2,670
Average employee salary	$ 3,425	2,462
Average employee salary adjustment	39.11%	38.31%
Supervisor's remuneration	$ -	-

The Company's salary and remuneration policy (including directors, managers and employees) are as follows:

A. If the Company has a surplus, it shall be distributed as remuneration to directors under the Company's Articles of Incorporation and the directors' salary standards, which are reviewed by the Compensation Committee and approved by the Board of Directors, thereafter, to be proposed during the shareholders' meeting.

B. Furthermore, the remuneration to managers is determined by reference to the Company's overall operating performance, as well as the individual's performance achievement rate and contribution to the Company. It will be implemented after being reviewed by the Compensation Committee and approved by the Board of Directors.

(Continued)

C. In addition, the employee remuneration is based on one’s ability, contribution to the Company and the correlation between individual performance and business performance, wherein the overall salary and remuneration package mainly include base salary, position bonus, performance bonus, employee dividends, and others. The standard payment for employee remuneration is based on one’s position and seniority, as well as a reference to the same level within the industry and the Company's policy. Also, bonuses and employee dividends are issued following each employee’s performance and the Company's operating performance.

13. OTHER DISCLOSURES

（1） Information on significant transactions

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Company for the year ended December 31, 2021:

A. Lending to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance (Note 3)	Actual usage amount during the period	Interest rate (%)	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short term financing	Loss allowance Amount	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	tgt	Other receivables - related parties	Y	200,000	-	-	-	2	-	Working capital	-	None.	-	5,617,02	5,617,02
1	tpts	tmt	Other receivables - related parties	Y	2,411,208	-	-	-	2	-	Working capital	-	None.	-	3,876,54	3,876,54
2	tft	twt	Other receivables - related parties	Y	1,308,010	1,303,20	1,194,601	4.75	2	-	Working capital	-	None.	-	4,095,89	4,095,89

Note 1: 2 Represents companies that have short-term financing needs.

Note 2: According to the regulations of the Company's Fund Loan to Others Operating Procedures, if the Company's funds are loaned to a company or bank that is necessary for short term financing, the total amount of the loan shall and the individual loans not exceed 40% of the Company's net worth Limit.
According to the article “Fund Loans to Others Operating Procedures ” of Chi Chau Printed Circuit Board Suzhou Co., Ltd and CATAC Electronic (Zhongshan) Co., Ltd, the parent company, directly and indirectly, holds 100% of the voting shares of its foreign companies who engaged in fund loans, wherein the total amounts for financing and individual loans shall not exceed the Company’s net value in the most recent financial statements.

Note 3: Fund loan and quota approved by the Board of Directors.

B. Guarantees and endorsements for other parties: None.

C. Securities held as of December 31, 2021 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars/Per share)

Name of holder	Category and name of security	Relationship with the Company Relationship with marketable securities Issuer	Account title	Ending balance				Note
				Shares	Carrying amount	Shareholding Ratio	Fair Value	
tht	EVA Technologies Co., Ltd. (Ordinary share)	Non-related party	Financial assets measured at fair value through other comprehensive income, non-current	560,000	5,583	2.71%	5,583	None.

(Continued)

D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTD300 million or 20% of the capital stock: None.

E. Acquisition of individual real estate with an amount exceeding the lower of NTD300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of Company	Type of Property Item	Transaction Date	Transaction Amount	Payment Details	Transaction Counterparty	Relationship	If the counterparty is a related party, information about the previous transfer: Holder	Relationship with the Issuer	Transfer Date	Amount	Price Determination Reference	Objectives and Use	Other contractual matters
twt	Buildings and structures	July 15, 2021	340,413	179,387	Jiangsu Changlun Construction Engineering Co., Ltd.	None	-	-	-	-	Not applicable (Note)	Operating	None.

Note: The project is built by the leasing commission and no appraisal report is required.

F. Disposal of real estate in the amount exceeding the lower of NTD300 million or 20% of capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Type of property	Transaction date	Acquisition date	Book value	Transaction amount	Amount actually receivable	Gain from disposal	Counter-party	Nature of relationship	Purpose of disposal	Price reference	Other terms
T-Mac	Investment Property	September 17, 2021	November 1, 2006~March 31, 2014	252,166	1,000,000	1,000,000	733,301	Shengming Electronic Technology Co., Ltd.	None	To activate assets, reduce liabilities and improve the financial structure	Refer to the real estate appraisal report of China Property Appraising Center Co., Ltd. and Chia Chu Real Estate Joint Appraisers Agency	None

G. Related-party transactions for purchases and sales amounts exceeding the lower of NTD100 million or 20% of capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Notes/ accounts receivable (payable)		Remarks
			Purchase /Sale	Amount	Percentage of total purchases/ sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Chi Yao	Subsidiary	Purchase	567,208	3%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(190,696)	(3)%	None.
The Company	tft	Subsidiary	Purchase	2,571,373	14%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(887,581)	(13)%	None.
The Company	twt	Subsidiary	Purchase	3,957,988	22%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(1,542,723)	(23)%	None.

(Continued)

			Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Notes/ accounts receivable (payable)		
Name of company	Related party	Nature of relationship	Purchase /Sale	Amount	Percentage of total purchases/ sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	Remarks
The Company	tmt	Subsidiary	Purchase	9,302,901	52%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(3,210,216)	(47)%	None.
tht	tmt	Affiliated company	Purchase	180,479	81%	Net 150 days from the end of the month of when invoice is issued	-	Not applicable	(101,538)	(100)%	None.
tgt	The Company	Parent company	(Sale)	(1,086,718)	(79)%	Net 30 days from the end of the month of when invoice is issued	-	Not applicable	226,983	70%	None
Chi Yao.	The Company	Parent company	(Sale)	(568,940)	(100)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	190,696	100%	None
Chi Yao	twt	Affiliated company	Purchase	567,696	100%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(190,260)	(100)%	None.
tpts	twt	Affiliated company	Purchase	1,106,708	42%	Net 60 days from the end of the month of when invoice is issued	-	Not applicable	(116,616)	(27)%	None.
tpts	tmt	Affiliated company	Purchase	1,345,713	51%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	(267,416)	(62)%	None.
tpts	tft	Affiliated company	Purchase	189,700	7%	Net 90 days from the end of the month when invoice is issued	-	Not applicable	(45,175)	(11)%	None.
tft	The Company	Parent company	(Sale)	(2,580,675)	(55)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	888,096	46%	None
tft	tpts	Affiliated company	(Sale)	(189,700)	(4)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	45,175	2%	None
twt	The Company	Parent company	(Sale)	(3,981,366)	(69)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	1,543,619	82%	None
twt	Chi Yao	Affiliated company	(Sale)	(568,123)	(10)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	190,370	10%	None
twt	tpts	Affiliated company	(Sale)	(1,106,708)	(19)%	Net 60 days from the end of the month of when invoice is issued	-	Not applicable	116,616	6%	None

(Continued)

Name of company	Related party	Nature of relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Notes/ accounts receivable (payable)		Remarks
			Purchase /Sale	Amount	Percentage of total purchases/ sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
tmt	The Company	Parent company	(Sale)	(9,339,760)	(84)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	3,212,080	86%	None
tmt	tht	Affiliated company	(Sale)	(180,804)	(2)%	Net 150 days from the end of the month of when invoice is issued	-	Not applicable	101,597	3%	None
tmt.	tpts	Affiliated company	(Sale)	(1,345,713)	(12)%	Net 90 days from the end of the month of when invoice is issued	-	Not applicable	267,416	7%	None

Note 1: Purchasing goods belonging to an agency relationship has been eliminated.

H. Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of capital stock:

(In Thousands of New Taiwan Dollars)

Name of related party	Related-party	Nature of relationship	Ending balance	Turnover rate	Past-due receivables from related party		Amount received in subsequent period	Loss allowance Amount
					Amount	Action taken		
tgt .(Note 2)	The Company	Parent company	226,983	5.59 times	-	Not applicable	226,983	-
tgt (Note 3)	The Company	Parent company	6,746	-times	-	Not applicable	6,633	-
Chi Yao (Note 2)	The Company	Parent company	190,696	3.42 times	-	Not applicable	129,185	-
tft (Note 2)	The Company	Parent company	888,096	2.98 times	-	Not applicable	674,715	-
tft (Note 3)	twt	Affiliated company	1,196,335	-times	-	Not applicable	108,600	-
twt (Note 2)	The Company	Parent company	1,543,619	3.12 times	-	Not applicable	751,965	-
twt (Note 2)	Chi Yao	Affiliated company	190,370	3.43 times	-	Not applicable	128,968	-
twt ((Note 2)	tpts	Affiliated company	116,616	10.13 times	-	Not applicable	209,583	-
tmt (Note 2)	The Company	Parent company	3,212,080	3.03 times	-	Not applicable	2,445,865	-
tmt (Note 2)	tht	Affiliated company	101,597	3.56 times	-	Not applicable	52,952	-
tmt (Note 2)	tpts	Affiliated company	267,416	5.77 times	-	Not applicable	267,416	-
tmt (Note 3)	tpts	Affiliated company	4,474	-times	-	Not applicable	-	-

Note 1: The main sales volume has been eliminated when the purchase and sale are repeated.
Note 2: Account receivable.
Note 3: Other receivable.

I. Trading in derivative instruments:

Please refer to Note 6(2).

(Continued)

（2） Information on investees：

The following is the information on investees for the year 2021 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars/Per share)

Investors	Investees	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Net income (losses) of the investee	Share of profits/losses of the investee	Note
				December 31, 2021	December 31, 2020	No. of Shares	Ratio	Carrying amount			
The Company	Chi Yang	Taiwan	General investment	85,000	85,000	-	100.00%	187,453	(3,819)	(3,819)	None.
The Company	T-Mac	Taiwan	General investment	2,065,497	2,065,497	170,957,200	100.00%	5,537,404	1,195,248	1,264,795	Notes 1 and 2
The Company	tht	Taiwan	General investment and selling of circuit boards	385,357	385,357	30,821,897	44.21%	331,478	82,177	36,333	None.
The Company	TPT	Samoa	General investment	19,207	19,207	500,000	100.00%	33,285	580	580	None.
The Company	Chi Chau	Samoa	General investment	273,300	1,627,043	1,153,524	96.13%	3,782,844	182,148	175,093	None.
The Company	Brilliant Star	Cayman	General investment	2,125,349	2,125,349	68,126,618	97.28%	4,486,482	556,010	538,752	Notes 1 and 2
The Company	Chi Chen	Samoa	General investment	1,079,519	1,079,519	35,600,000	80.73%	2,247,174	372,483	300,128	Note 1
The Company	Sinact HK	Hong Kong	General investment	-	74,383	-	- %	-	1,348	1,348	Note 4
The Company	tgt	Taiwan	Manufacturing, selling of circuit boards	134,057	88,114	9,680,606	20.70%	58,975	20,875	2,058	Notes 1 and 2
The Company	CCT	Thailand	Manufacturing, selling of circuit boards	37,645	37,645	14,850,000	99.00%	31,020	26	25	None.
Chi Yang	Chi Chau	Samoa	General investment	11,252	65,794	46,476	3.87%	150,797	182,148	7,055	None.
Chi Yang.	CCT	Thailand	Manufacturing, selling of circuit boards	131	131	50,000	0.33%	104	26	-	None.
T-Mac	Chang Tai	Samoa	General investment	2,292,370	2,292,370	73,580,000	100.00%	5,486,537	533,112	533,112	None.
T-Mac	CCT	Thailand	Manufacturing, selling of circuit boards	261	261	100,000	0.67%	209	26	-	None.
Chang Tai	Yang An	Samoa	General investment	2,105,341	2,105,341	76,060,000	100.00%	5,484,090	533,150	533,150	None.
tht	Chi Chen	Samoa	General investment	252,297	252,297	8,500,000	19.27%	538,223	372,483	71,794	None.
tht	tgt	Taiwan	Manufacturing, selling of circuit boards	405,977	290,977	26,757,000	57.21%	186,191	20,874	12,074	Note 2
Chi Chau	Chi Yao	Hong Kong	General investment and international trading	32,894	1,429,074	1,188,379	100.00%	3,879,816	181,750	181,750	None.

Note 1: The difference is due to the unrealized gain/loss.
Note 2: The difference is due to the amortization between the investment cost and the fair value of the identifiable net assets.
Note 3: If the relevant figures in this table involve foreign currencies, except for the amount remitted from Taiwan at the historical exchange rate, the profit and loss are calculated at the average exchange rate, and the rest are listed in Taiwan dollars at the exchange rate on the balance sheet date.
Note 4: Referring to Sinact's liquidation in December 2021, as of December 31, 2021, the liquidation process is still in progress, and the related investment shares have been remitted to the Company per the investment path.

(Continued)

(3) Information on investment in mainland China:

A. The names of investees in Mainland China, the main businesses and products, and other information：

(In Thousands of New Taiwan Dollars)

Investees	Main businesses and products	Paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2021	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2021	Net income (losses) of the investee	The company percentage of ownership	Investment income (losses) (Note 2. (2))	Book value	Accumulated remittance of earnings in the current period
					Outflow	Inflow						
tpts (Note 6)	Selling of circuit boards	138,400	(2)	1,429,395	-	1,396,179	33,216	181,954	100.00%	181,954	3,876,545	127,720
tft (Note 7)	Manufacturing, selling of circuit boards	1,882,240	(2)	1,835,867	-	-	1,835,867	556,317	97.28%	541,197	3,984,565	-
twt (Note 8)	Manufacturing, selling of circuit boards	1,530,938	(2)	1,217,920	-	-	1,217,920	468,214	91.26%	427,295	3,201,577	-
Sinact (Note 10)	Selling of circuit boards	-	(2)	11,072	-	11,072	-	4,536	- %	4,536	-	-
tmt (Note 5 and 9)	Manufacturing, selling of circuit boards	2,380,480	(2)	2,020,640	-	-	2,020,640	533,189	100.00%	533,189	5,479,352	-
Sin Siang (Note 11)	Selling of circuit boards	13,840	(2)	-	-	-	-	570	100.00%	570	21,172	-

B. Limitation on investment in Mainland China:

Company Name	Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 3)
The Company	2,851,723	3,136,827	8,787,828
T-Mac	2,020,640	2,380,480	3,351,382
tht	235,280	235,280	534,061

Note 1: The investment method is divided into three types:
(1) Direct investments in mainland China.
(2) Investment in mainland China through third region companies.
(3) Other methods.

Note 2: The investment profit and loss column recognized in this period:
(1) If it is in preparation and there is no investment gain or loss, it should be indicated.
(2) The recognition basis of investment gains and losses is divided into the following three types, which should be specified.
A. Financial statements verified by international accounting firms in partnership with the Republic of China Accounting Firm.
B. The financial statements have been reviewed by the Taiwanese parent company's certified accountant.
C. Others.

Note 3: According to the "Principles of Investing or Technical Cooperation Review in Mainland China", the limit is calculated based on 60% of the group net value.

Note 4: If the relevant figures in this table involve foreign currencies, profit and loss are calculated at the average exchange rate, and others are listed in Taiwan dollars at the exchange rate on the balance sheet date.

Note 5: Yang An International (Samoa) Co., Ltd. used its retained earnings amounting to USD 10,000,000 to participate in the capital increase of T-Mac Techvest (Wuxi) PCB Co., Ltd.

Note 6:The parent company indirectly invested in Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. through Chi Yao Ltd., the difference between the amount of paid-in capital and the amount of accumulated investment transferred was USD3,800,000, in form of common stock dividends.

Note 7: The parent company indirectly invested in CATAC Electronic (Zhongshan) CO., Ltd through Brilliant Star Holdings Ltd..

Note 8: The parent company indirectly invested in Chi Chau Printed Circuit Board (Suining) Co., Ltd. through Chi Chen Investment Co., Ltd., Chi Chau Printed Circuit Board (Suzhou) Co., Ltd. and CATAC Electronic (Zhongshan) CO., Ltd.

Note 9: The parent company indirectly invested in T-Mac Techvest (Wuxi) PCB Co., Ltd. through Yang An International (Samoa) Co., Ltd.

Note 10: The parent company indirectly invested in Sinact Electronics Co., Ltd. through Sinact (Hong Kong) International Company Limited. Sinact Electronics Co., Ltd. was liquidated in June 2021. As of December 31, 2021, the liquidation procedures have been completed and the related investment shares have been remitted to the Company under the investment path.

Note 11: The parent company indirectly invested in Sin Siang (Xiamen) Technology Co., Ltd. through TPT International Co., Ltd.

(Continued)

C. Significant transactions

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

（4） Major shareholder information

Unit: Share

Shareholding / Name of Major Shareholder	Shares	Shareholding ratio
Macquarie Bank Limited - MAIN	15,428,000	5.68%

14. SEGMENT INFORMATION

Please refer to the consolidated financial statements for the year ended December 31, 2021.

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.

STATEMENT OF CASH AND CASH EQUIVALENTS

December 31, 2021

(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Cash in hand		$ 100
Cash in banks	Demand deposits	1,433,084
	Foreign currency deposits USD44,611,000	1,234,832
		$ 2,668,016

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.
STATEMENT OF NOTES AND ACCOUNTS RECEIVABLE
December 31, 2021
(In Thousands of New Taiwan Dollars)

Name of Client	Description	Amount	Note
Related party:			
CATAC Electronic (Zhongshan) Co., Ltd.	Payment for goods	$ 33,837	
tgt Techvest Co., Ltd.	〃	11,813	
Others	〃	443	The balance of a counterparty does not reach 5%
Subtotal		46,093	
Non-related party:			
Dell Global BV (Singapore Branch)	Payment for goods	1,249,671	
Tech Front (Chongqing) Computer Co., Ltd.	〃	1,165,965	
Others	〃	6,214,238	The balance of a counterparty does not reach 5%
Subtotal		8,629,874	
Less: Loss allowance		(157,998)	
Net amount		8,471,876	
Total		$ 8,517,969	

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.

STATEMENT OF INVENTORIES

December 31, 2021

(In Thousands of New Taiwan Dollars)

Item	Amounts		Note
	Cost	Net Realizable Value	
Raw materials	$ 26,375	25,244	
Supplies	14,047	14,047	
Work in progress	166,205	243,786	
Finished goods	511,804	564,248	
Total	718,431	**847,325**	
Less: Loss for market price decline and obsolete and slow-moving inventories	(92,134)		
Net	**$ 626,297**		

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

January 1 to December 31, 2021

(In Thousands of New Taiwan Dollars)

Name of Company	Opening balance		Additions		Decrease		Ending balance			Market Value or Net Assets (Note 2)		Collateral or Pledge Situation	Note
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Shareholding ratio	Amount	Unit price	Total Price		
Equity Method													
TPT International Co., Ltd.	500,000	$ 33,211	-	74	-	-	500,000	100.00%	33,285	67	33,285	None.	
Chi Chau International Co., Ltd.	49,640,000	5,130,873	-	-	48,486,476	1,348,029	1,153,524	96.13%	3,782,844	3,279	3,782,844	〃	
Chi Yang Investment Ltd.	-	231,167	-	-	-	43,714	-	100.00%	187,453	-	187,453	〃	
T-Mac Techvest PCB Co., Ltd.	170,957,200	4,310,113	-	1,227,291	-	-	170,957,200	100.00%	5,537,404	33	5,585,637	〃	Note 1
T-Flex Techvest PCB Co., Ltd.	30,821,897	293,787	-	37,691	-	-	30,821,897	44.21%	331,478	20	607,191	〃	
Brilliant Star Holdings Ltd.	68,126,618	3,973,534	-	512,948	-	-	68,126,618	97.28%	4,486,482	59	4,048,334	〃	Note 1
Chi Chen Investment Co., Ltd.	35,600,000	1,961,735	-	285,439	-	-	35,600,000	80.73%	2,247,174	63	2,254,204	〃	Note 1
Sinact (Hong Kong) International Company Limited	74,178,000	156,145	-	-	74,178,000	156,145	-	- %	-	-	-	〃	
tgt Techvest Co., Ltd.	5,086,300	12,159	4,594,306	46,816	-	-	9,680,606	20.70%	58,975	7	67,831	〃	Note 1
Chi Chau (Thailand) Co., Ltd.	14,850,000	35,486	-	-	-	4,466	14,850,000	99.00%	31,020	2	31,020	〃	
		$ 16,138,210		2,110,259		1,552,354			16,696,115		16,597,799		

Note 1: The difference between the book amount and the equity is due to the unrealized gains on sales or the unamortized items of equity.

Note 2: If there is a public market price, it is the public market price, and those without a public market price are listed as the equity net value.

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.

STATEMENT OF SHORT-TERM DEBTS

December 31, 2021

(In Thousands of New Taiwan Dollars)

Type of debt	Description	Ending balance	Term of Contract	Interest Rates Range	Credit Agreement	Pledge or Collateral	Note
Unsecured loan - Financing institution		$ 4,810,138	November 11, 2022	0.63%~0.91%	10,120,720	None.	

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.

STATEMENT OF SHORT-TERM NOTES AND BILLS PAYABLES

December 31, 2021

(In Thousands of New Taiwan Dollars)

Item	Guarantors	Term of Contract	Interest Rates (%)	Amount: Issued Amount	Amount: Unamortized discount on commercial paper payable	Amount: Carrying amount	Note
Commercial promissory notes payable	China Bills Finance Corporation	February 21, 2022	0.93%	$ 100,000	(54)	99,946	
〃	Dah Chung Bills Finance Corporation	February 21, 2022	0.94%	80,000	(57)	79,943	
				$ 180,000	(111)	179,889	

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.

STATEMENT OF NOTES AND ACCOUNTS PAYABLE

December 31, 2021

(In Thousands of New Taiwan Dollars)

Name of Client	Description	Amount	Note
Related party:			
T-Mac Techvest (Wuxi) PCB Co., Ltd.		$ 3,210,216	
Chi Chau Printed Circuit Board (Suining) Co., Ltd.		1,542,723	
CATAC Electronic (Zhongshan) Co., Ltd.		887,581	
Others		417,678	The balance of a counterparty does not reach 5%
Subtotal		6,058,198	
Non-related party:			
Chao Feng Hsing Technology Co., Ltd.		87,285	
Hong Tai Electronics Industrial Co., Ltd		77,304	
Elite Material Co., Ltd.		41,650	
Others		581,768	The balance of a counterparty does not reach 5%
Subtotal		788,007	
Total		$ 6,846,205	

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.

STATEMENT OF OTHER PAYABLES

December 31, 2021

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	
Salaries payable	Salary, employee and director compensation, etc.	$	1,014,294
Estimated expenses payable	Commission etc.		384,456
Payables on equipment	Equipment expense		207,577
Other accrued expenses	Consumables, repairs and freight expense		164,727
Others	Prepare for employee benefits liabilities, interests, and others, etc.		23,127
		$	**1,794,181**

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.

STATEMENT OF LONG-TERM DEBTS

December 31, 2021

(In Thousands of New Taiwan Dollars)

Creditor	Description	Loan Amount	Term of Contract	Interest Rates	Pledged or Collateral	Remarks
KGI Commercial Bank Co., Ltd.	Unsecured loan	$ 458,333	July 1, 2024	1.21%	None	
Hua Nan Commercial Bank, Ltd.	〃	375,000	July 1, 2024	1.17 %	〃	
Bank of Taiwan	〃	337,019	July 22, 2024~ October 20, 2025	1.11~1.20 %	〃	
Subtotal		1,170,352				
Less: Current portion		(395,753)				
Total		**$ 774,599**				

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.

STATEMENT OF OTHER NON-CURRENT LIABILITIES

December 31, 2021

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Deferred tax liabilities	Please refer to Note 6(16) of the financial report.	$ 242,680	
Net defined benefit liabilities, non-current		57	
Total		**$ 242,737**	

STATEMENT OF NET REVENUE

January 1 to December 31, 2021

Item	Volume (000's square feet)	Amount	Note
Printed circuit boards	64,073	$ 20,948,297	
Processing fees revenue and others	1,185	179,656	
Net operating revenue		**$ 21,127,953**	

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.

STATEMENT OF OPERATING COSTS

January 1 to December 31, 2021

(In Thousands of New Taiwan Dollars)

Item	Amount Subtotal	Amount Total
Raw materials and supplies		
Raw materials and supplies at the beginning of the period	$ 24,556	
Add: Purchase for the current period	1,120,386	
Less: Others	(13,911)	
Raw materials and supplies at the end of the period	(40,422)	
Direct material		$ 1,090,609
Direct labor		403,267
Manufacturing expenses		1,401,789
Manufacturing cost		2,895,665
Add: Work in progress at the beginning of the period		154,052
Less: Work in progress at the end of the period		(166,205)
Cost of finished goods		2,883,512
Add: Finished goods at the beginning of the period		467,397
Purchases		16,695,834
Less: Finished goods obsolescence		(19,652)
Others		(6,826)
Finished goods at the end of the period		(511,804)
Cost of goods sold		19,508,461
Add: Idle capacity loss		3,685
Add: Inventory scrap loss		19,652
Loss due to market price decline, obsolescence and slow-moving		13,917
Less: Income from Sale of Scrap and Wastes		(78,417)
Operating costs		**$ 19,467,298**

TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.

STATEMENT OF SALE EXPENSE

January 1 to December 31, 2021

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Commissions expense		$ 397,126	
Payroll expense		128,350	
Freight		43,666	
Others		39,646	The balance of an item does not reach 5%
		$ 608,788	

STATEMENT OF ADMINISTRATION EXPENSES

Item	Description	Amount	Note
Payroll expense		$ 582,611	
Labor cost		60,259	
Others		65,319	The balance of an item does not reach 5%
		$ 708,189	

For changes in plant, property and equipment, please refer to Note 6(7) of the financial report.
For changes in depreciation of plant, property and equipment, please refer to Note 6(7) of the financial report.
For refund liabilities, please refer to Note 6(12) of the financial report.
For other income, other gains and losses and financial costs, please refer to Note 6(22) of the financial report.