Stock Code:8374

ACE PILLAR CO., LTD.

PARENT-COMPANY-ONLY FINANCIAL STATEMENTS

With Independent Auditors' Report

For the Years Ended December 31, 2021 and 2020

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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.

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Independent Auditors' Report

To the Board of Directors of Ace Pillar Co., Ltd.

Opinion

We have audited the parent-company-only financial statements of Ace Pillar 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 year ended December 31, 2021 and 2020, and 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 financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the year ended December 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit of the parent-company-only financial statements as of and for the year ended December 31, 2021 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' 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 Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 of the current period. 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.

Valuation of inventories

Please refer to notes 4(g), 5, and 6(f) for the subsequent measurement of the inventory accounting policy, "Critical accounting judgements and key sources of estimation uncertainty" for estimation uncertainty of inventory valuation, and "Inventories" for the related disclosures, respectively, of the notes to the parent-company-only financial statements.

Key Audit Matters Explanation

The Company's inventories are industrial transmission and automatic control components as well as systematic products. Inventories are measured at the lower of cost and net realizable value. Since the industrial environment changes rapidly, the stock level of the inventory may be high or the inventory is out-of-date, leading to the price decline or obsolescence of inventory. Accordingly, the valuation of inventory is identified as the key audit matter.

<u>How the matter was addressed in our audit</u>

In relation to the key audit matter above, our principal audit procedures included reviewing the inventory of aging report, inspecting the accuracy of aging report as well as analyzing the fluctuation of inventory aging; selecting and testing the evaluation report of lower of cost and net realizable value for inventories; examining the valuation of inventories had complied with the related accounting policy; evaluating the reasonableness of obsolete inventories losses.

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 in accordance with 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 going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to ceases 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 aggregated, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent-company-only financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditors' 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 investees 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Wei-Ming Shih and Mei-Yen Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 2, 2022

Notes to Readers

The accompanying parent-company-only financial statements are intended only to present the parent-company-only financial statements 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 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 auditor's 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 auditor's report and parent-company-only financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements Originally Issued in Chinese)

ACE PILLAR CO., LTD.

Parent-Company-Only Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 338,373	13	747,401	32
1150-1170	Notes and accounts receivables, net (note 6(d) and (s))	461,845	18	389,348	17
1180	Accounts receivable from related parties, net (note 6(d),(s) and 7)	14,498	1	7,941	-
1200	Other receivables (note 6(e))	420	-	615	-
1210	Other receivables from related parties (note 6(e) and 7)	193,760	8	146,614	7
1300	Inventories (note 6(f))	306,403	12	140,750	6
1461	Non-current assets held for sale (note 6(g))	73,452	3	-	-
1410-1470	Prepayments and other current assets	10,266	-	2,546	-
	Total current assets	1,399,017	55	1,435,215	62
	Non-current assets:				
1550	Investments accounted for using equity method (note 6(h))	770,423	31	702,239	31
1600	Property, plant and equipment (notes 6(i))	311,265	13	126,436	6
1755	Right-of-use assets (note 6(j))	5,371	-	10,422	-
1780	Intangible assets (note 6(k))	4,167	-	-	-
1840	Deferred income tax assets (note 6(o))	9,079	-	11,444	-
1900	Other non-current assets	29,389	1	18,068	1
	Total non-current assets	1,129,694	45	868,609	38
	Total assets	**$ 2,528,711**	**100**	**2,303,824**	**100**

		December 31, 2021		December 31, 2020	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6(l))	$ -	-	2,618	-
2120	Current financial liabilities at fair value through profit or loss (notes 6(b))	-	-	288	-
2130	Contract liabilities – current (note 6(s))	2,116	-	1,104	-
2150-2170	Notes and accounts payable	313,659	13	204,517	9
2180	Notes and accounts payable to related parties (note 7)	3,953	-	591	-
2200	Other Payables	52,000	2	44,614	2
2220	Other Payables to related parties (note 7)	1,054	-	1,293	-
2230	Current tax payables	16,130	1	251	-
2280	Lease liabilities – current (note 6(m))	2,562	-	5,716	-
2300	Other current liabilities	6,929	-	6,517	-
	Total current liabilities	398,403	16	267,509	11
	Non-current liabilities:				
2570	Deferred tax liabilities (note 6(o))	74,358	3	61,148	3
2580	Lease liabilities – non-current (note 6(m))	2,856	-	4,752	-
	Total non-current liabilities	77,214	3	65,900	3
	Total liabilities	475,617	19	333,409	14
	Equity (note 6(c),(p),(q)):				
3110	Common stocks	1,122,505	44	1,122,505	49
3200	Capital surplus	315,077	12	315,077	14
3300	Retained earnings	672,018	27	591,473	26
3400	Other equity	(56,506)	(2)	(58,640)	(3)
	Total equity	2,053,094	81	1,970,415	86
	Total liabilities and equity	**$ 2,528,711**	**100**	**2,303,824**	**100**

See accompanying notes to parent-company-only financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

ACE PILLAR CO., LTD.

Parent-Company-Only Statement of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

		2021		2020	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenues (note 6(s) and 7)**	$ 1,626,561	100	1,357,780	100
5000	**Operating costs (notes 6(f) and 7)**	(1,296,544)	(80)	(1,090,445)	(80)
	Gross profit from operations	330,017	20	267,335	20
	Operating expenses (note6(d), (i), (j), (k), (m), (n), (t), 7 and 12)：				
6100	Selling expenses	(126,351)	(8)	(108,220)	(8)
6200	Administrative expenses	(83,788)	(5)	(72,002)	(6)
6450	Gain of reversal of expected credit	970	-	292	-
	Total operating expenses	(209,169)	(13)	(179,930)	(14)
	Net operating income	120,848	7	87,405	6
	Non-operating income and expenses (note 6(m), (u), and 7):				
7100	Interest Income	2,264	-	3,580	-
7010	Other Income	2,271	-	1,388	-
7020	Other gains and losses, net	(5,846)	-	(33,491)	(2)
7050	Finance costs	(218)	-	(213)	-
7070	Share of profit of subsidiaries	66,050	4	49,032	4
	Total non-operating income and expenses	64,521	4	20,296	2
	Income before income tax	185,369	11	107,701	8
7950	**Less: Income tax expenses (note 6(o))**	(37,474)	(2)	(20,521)	(2)
	Net income	147,895	9	87,180	6
	Other comprehensive (loss) income (note 6(p)):				
8310	**Items that may not be reclassified subsequently to profit or loss:**				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	-	-	1,955	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		-	-	1,955	-
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation	2,134	-	(10,063)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		2,134	-	(10,063)	-
	Other comprehensive income (loss)	2,134	-	(8,108)	-
8500	**Total Comprehensive income (loss)**	**$ 150,029**	**9**	**79,072**	**6**
	Earnings per share (in New Taiwan Dollars) (note 6(r))				
9750	**Basic earnings per share**	**$**	**1.32**		**0.78**
9850	**Diluted earnings per share**	**$**	**1.32**		**0.78**

See accompanying notes to parent-company-only financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

ACE PILLAR CO., LTD.

Parent-Company-Only Statements of Change in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings				Other equity			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange difference on translation foreign financial statement	Unrealized gains (loss) from financial assets measured at fair value through other comprehensive income	Total	Total equity
Balance on January 1, 2020	$ 1,122,255	314,792	247,286	78,028	190,015	515,329	(48,577)	20,677	(27,900)	1,924,476
Net income in 2020	-	-	-	-	87,180	87,180	-	-	-	87,180
Other comprehensive income in 2020	-	-	-	-	-	-	(10,063)	1,955	(8,108)	(8,108)
Total comprehensive income in 2020	-	-	-	-	87,180	87,180	(10,063)	1,955	(8,108)	79,072
Appropriation and distribution of retained earnings:										
Cash dividends on ordinary shares	-	-	-	-	(33,668)	(33,668)	-	-	-	(33,668)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	22,632	22,632	-	(22,632)	(22,632)	-
Employee stock options exercised	250	285	-	-	-	-	-	-	-	535
Balance on December 31, 2020	1,122,505	315,077	247,286	78,028	266,159	591,473	(58,640)	-	(58,640)	1,970,415
Net income in 2021	-	-	-	-	147,895	147,895	-	-	-	147,895
Other comprehensive income in 2021	-	-	-	-	-	-	2,134	-	2,134	2,134
Total comprehensive income in 2021	-	-	-	-	147,895	147,895	2,134	-	2,134	150,029
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	10,981	-	(10,981)	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(67,350)	(67,350)	-	-	-	(67,350)
Balance on December 31, 2021	**$ 1,122,505**	**315,077**	**258,267**	**78,028**	**335,723**	**672,018**	**(56,506)**	**-**	**(56,506)**	**2,053,094**

See accompanying notes to parent-company-only financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

ACE PILLAR CO., LTD.

Parent-Company-Only Statements of Cash Flow

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from operating activities:		
Income before tax income	$ 185,369	107,701
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	9,712	10,087
Amortization expense	1,307	-
Expected credit gain	(970)	(292)
Net (profit) loss on financial liabilities at fair value through profit or loss	(288)	288
Interest expense	218	213
Interest revenue	(2,264)	(3,580)
Share of profit of associates accounted for using equity method	(66,050)	(49,032)
Gain on the changes in lease	(1)	-
Total adjustments to reconcile profit	(58,336)	(42,316)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and accounts receivable	(71,527)	(19,228)
Accounts receivable from related parties	(6,557)	(3,017)
Other Receivables	195	(132)
Other Receivables from related parties	10	794
Inventories	(165,653)	(15,938)
Prepayments and other current assets	(7,668)	1,116
Net change in operating assets	(251,200)	(36,405)
Changes in operating liabilities:		
Notes and accounts payable	109,142	40,403
Accounts payable to related parties	3,362	(230)
Other payables	7,148	4,568
Contract liabilities	1,012	1,104
Other current liabilities	412	(377)
Net change in operating liabilities	121,076	45,468
Total changes in operating assets and liabilities	(130,124)	9,063
Total adjustments	(188,460)	(33,253)
Cash (outflow) inflow generated from operations	(3,091)	74,448
Interest received	3,316	3,580
Dividend received	(6,072)	(20,742)
Net cash flows from operating activities	(5,847)	57,286

(Continued)

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ACE PILLAR CO., LTD.

Parent-Company-Only Statements of Cash Flow

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	26,410
Acquisition of property, plant and equipment	(261,133)	(2,069)
Acquisition of intangible assets	(5,474)	-
Decrease in refundable deposits	51	34
Decrease (Increase) in other receivables from related parties	(48,208)	2,139
Increase in other non-current assets	(11,372)	(6,422)
Net cash flows used in investing activities	(326,136)	20,092
Cash flows from financing activities:		
Increase (Decrease) in short-term borrowings	(2,618)	2,618
Increase (Decrease) in other payables to related parties	-	(22,168)
Payment of lease liabilities	(6,858)	(6,984)
Cash dividends paid	(67,350)	(33,668)
Proceeds from exercise of employee stock options	-	535
Interest paid	(219)	(212)
Net cash flows from financing activities	(77,045)	(59,879)
Net increase in cash and cash equivalents	(409,028)	17,499
Cash and cash equivalents at beginning of period	747,401	729,902
Cash and cash equivalents at end of period	$ 338,373	747,401

(English Translation of Financial Statements Originally Issued in Chinese)

ACE PILLAR CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2021 and 2020

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

(1) Organization and business

Ace Pillar Co., Ltd (the Company) was incorporated on March 31, 1984, as a company limited by shares under the law of the Republic of China (“ROC”) and the registered under the Ministry of Economic Affairs, R.O.C. The address of the Company’s registered office is 2F, No.7, Lane 83, Sec 1, Guangfu Rd., SanChong Dist., New Taipei City 241, Taiwan. The Company is engaged in the tests, processing, sales, repairment, as well as the electromechanical integration for the automatic control and industrial transmission system.

(2) Approval date and procedures of the parent-company-only financial statements

These parent-company-only financial statements were authorized for issue by the Board of Directors on March 2, 2022.

(3) New standards, amendments and interpretations adopted

(a) Impact of adoption of new, revised or amended standards and interpretations endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”)

In preparing the accompanying parent-company-only financial statements, The Company adopted the following revised International Financial Reporting Standards (“IFRS”) on January 1, 2021, without causing any material impact on the parent-company-only financial statements.

- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)
- Interest Rate Benchmark Reform—Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

In preparing the accompanying parent-company-only financial statements, The Company adopted the following revised International Financial Reporting Standards (“IFRS”) on April 1, 2021, without causing any material impact on the parent-company-only financial statements.

- Covid-19-Related Rent Concessions (Amendment to IFRS 16)

(b) The impact of IFRS issued by the FSC but not yet effective

The Compnay assesses that the adoption of the new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its parent-company-only financial statements.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018–2020
- Reference to the Conceptual Framework (Amendments to IFRS 3)

(Continued)

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to The Compnay, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC.

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023

The Company is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its financial position and financial performance. The results thereof will be disclosed when The Company completes its evaluation.

The Company expects that following new and amended standards, which haven't yet to be endorsed by the FSC, don't have a significant impact on its parent-company-only financial statements.

- Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture (Amendments to IRFS 10 and IAS 28)
- Insurance Contracts (IFRS 17 and Amendments to IFRS 17)
- The Disclosure of Accounting Policies (Amendments to IAS 1)
- The Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)

(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 parent-company-only financial statements.

(Continued)

(a) Statement of compliance

The Company's accompanying parent-company-only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the "Regulations").

(b) Basis of preparation

(i) Basis of measurement

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

1) Financial instruments measured at fair value through profit or loss (including derivative financial instruments); and
2) Financial assets measured at fair value through other comprehensive income

(ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the Company operates. The Company's parent-company-only 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.

(c) Foreign currencies

(i) Foreign currency transaction

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. At the end of each reporting period ("the reporting date"), 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 an investment in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(Continued)

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency of the Company's parent-company-only financial statements at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency of the Company's parent-company-only financial statements at the average exchange rate for the period. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the accumulated exchange differences related to that foreign operation is reclassified to profit or loss. In the case of partial disposal that does not result in the Company losing control over the subsidiary, the proportionate share of the accumulated exchange differences is reclassified to non-controlling interest. For a partial disposal of the Company's ownership interest in an associate or join venture, the proportionate share of the accumulated exchange differences in equity is reclassified to profit or loss.

(d) 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:

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
(ii) It is held primarily for the purpose of trading;
(iii) It is expected to be realized within twelve months after the reporting period; or
(iv) The asset is cash or a 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:

(i) It is expected to be settled in the normal operating cycle
(ii) It is held primarily for the purpose of trading;
(iii) It is due to be settled within twelve months after the reporting period;
(iv) 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 issuing equity instruments do not affect its classification.

(Continued)

(e) Cash and cash equivalents

Cash comprises cash on 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 which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Accounts receivable 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 (unless it is an account receivable without a significant financing component) 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. An account receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

On initial recognition, financial assets are classified as measured at: amortized cost; Fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). A regular way purchases or sales of financial assets is recognized or derecognized on the trade-date basis.

Financial assets are not reclassified subsequent to their initial recognition unless the Company 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.

1) 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.

Subsequent to initial recognition, these assets are measured at amortized cost, using the effective interest method less impairment loss. Interest income, foreign exchange gains and losses, and recognition (reversal) of impairment loss are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(Continued)

2) Fair value through other comprehensive income (FVOCI)

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

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of cost of the investment. Other net gains and losses are recognized in other comprehensive income. On derecognition, other comprehensive income accumulated in equity is reclassified to retained earnings and is never reclassified to profit or loss.

Dividend income derived from equity investments is recognized on the date that the Company's right to receive the dividends is established (usually the ex-dividend date).

3) Fair value through profit or loss (FVTPL)

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

The assets are subsequently measured at fair value, and net gains and losses, including any dividend and interest income, are recognized in profit or loss.

4) Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, "principle" is defined as the fair value of the financial assets on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with principle amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments for principal and interest, The Company considers contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that doubt change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, The Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;

(Continued)

- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g., non-recourse features)

5) 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 accounts receivable, other receivables, and other financial assets).

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

- bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Company measures loss allowances for accounts receivable at an amount equal to lifetime ECL.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument. 12-month ECL are the portion of ECL that result 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.

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

ECLs are probability-weighted estimate of credit losses over the expected life of financial assets. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flow due to the Company in accordance with the contract and the cash flow that the Company expected to receive). ECLs are discounted at the effective interest rate of the financial asset.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets, and loss allowance or reversal amount is recognized in profit or loss.

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.

(Continued)

The Company individually makes an assessment with 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 in order to comply with the Company's procedures for recovery of amounts due.

6) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights of the cash flows from the financial assets are terminated, when the Company transfers substantially all the risks and rewards of ownership of the financial assets to the other enterprise or when 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 into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity transaction

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

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as 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.

(Continued)

4) 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.

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are presented on a net basis only when the Company has the legally enforceable right to offset and intend to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

(g) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories consists of all costs of purchase, and the cost is calculated using the weighted average cost formula. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Non-current assets held for sale

Non-current assets or disposal groups comprising assets and liabilities that are expected to be primarily recovered through a sale transaction, rather than through continuing use, are reclassified as non-current assets held for sale. Such non-current assets or disposal groups must be ready for sale immediately under the current situation, and they can be sold out within a year with a high possibility. The evaluation base of non-current assets held for sale would be lower of the carrying amount and the fair value which deducts selling costs; the depreciation or amortization will be suspended.

(i) Investment in subsidiaries

When preparing the parent-company-only financial statements, investment in subsidiaries which are controlled by the Company is accounted for using the equity method. Under equity method, profit or loss, and other comprehensive income recognized in parent-company-only financial statements, is the same as the total comprehensive income attributable to the shareholders of the Company in the consolidated financial statements. In addition, the equity recognized in the parent-company-only financial statements is the same as the total equity attributable to the shareholders of the Company in the consolidated financial statements.

(Continued)

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control as accounted for within equity.

(j) Property, plant and equipment

(i) 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.

(ii) Subsequent expenditure

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

(iii) 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. Land is not depreciated. The estimated useful lives of property, plant and equipment for current and comparative periods are as follows: other equipment: 3 to 5 years; In addition, the estimated useful life of the building is based on the primary components, including building is around 10 to 54 years, and machinery and other engineering are 10 years.

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

(k) Leases

At 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 a period of time in exchange for consideration.

(i) 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

(Continued)

commencement date to the earlier of the 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 or, 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:

1) fixed payments, including in-substance fixed payments; and
2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

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

1) there is a change in future lease payments arising from the change in an index or rate; or
2) there is a change of its assessment on whether it will exercise an extension or termination option; or
3) 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 a separate line item respectively in the statement of financial position.

The Company has elected not to recognize the right of use assets and lease liabilities for leases that are transportation equipment with short-term lease or the lease of the low-value asset. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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(ii) 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.

For operating lease, the Company recognizes rental income on a straight-line basis over the lease term.

(l) Intangible assets

The Company acquires an intangible asset is shown as the costs deducted by accumulated depreciation and accumulated impairment. Amortization is recognized in profit or loss using the straight-line method over the estimated useful lives; acquired software – 3 years.

The residual value, amortization period, and amortization method are reviewed at least at each reporting date, with the effect of any changes in estimate accounted for an on a prospective basis.

(m) Impairment of non-financial assets

Except for the inventories and deferred tax assets, the Company assesses at the end of each reporting date whether there is any indication that the carrying amounts of non-financial assets may be impaired and estimates the asset's recoverable amount based on the impaired indication. When it is impossible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit (“CGU”) is the greater of its value in use and its fair value less costs to sell. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount, and the Company recognizes impairment loss. The impairment loss is recognized immediately in profit or loss.

The Company should assess at the end of each reporting date whether there is any indication that an impairment loss recognized in prior periods for an asset (other than goodwill) may no longer exist or may have decreased. If any such indication exists, an impairment loss shall be reversed and increase the carrying amount of the single asset or CGU to the recoverable amount. However, the reversal amount should not exceed the carrying amount that would have been determined, net of depreciation or amortization in the event of no impairment loss had been recognized in prior periods.

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(n) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to the customer. The company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to the customer.

(i) Sale of goods

The Company recognizes revenue when control of the goods has been transferred to the customer, being when the goods are delivered to the customer, and there is no unfulfilled obligation that could affect the customer’ s acceptance of the goods. Deliver occurs when the customer has accepted the goods in accordance with the terms of sales, the risks of obsolescence and loss have been transferred to the customer, and the Company has objective evidence that all criteria for acceptance have been satisfied.

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

(ii) Financing components

The Company expects that any contracts where the period between the transfer of the promised goods to the customer and the payment by the customer do not exceed one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed during the year in which employees render services.

(ii) Short-term employee benefits

Short term employee benefits are measured on an undiscounted basis and are expensed during the period in which employees render services. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to make payments as a result of past service provided by the employees, and the obligation can be estimated reliably.

(p) Share-based payment

Share-based payment awards granted to employees are measured at fair value at the date of grant. The fair value determined at the grant date is expensed over the period that the employees become unconditionally entitled to the awards, with a corresponding increase in equity. The compensation cost is adjusted to reflect the number of awards given to employees for which the performance and non-market conditions are expected to be met, such that amount ultimately recognized shall be based on the number of equity instruments that eventually have vested.

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(q) Income taxes

Income taxes comprise current taxes and deferred taxes. Current and deferred taxes are recognized in profit or loss unless they relate to business combinations or items recognized directly in equity or other comprehensive income.

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 are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred income taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred taxes are not recognized for:

(i) Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

(ii) Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) Taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, 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:

(i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or
2) 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

(Continued)

significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(r) Earnings per share ("EPS")

The basic and diluted EPS attributable to stockholders of the Company are disclosed in the parent-company-only financial statements. The Company's basic EPS is calculated by dividing net income attributable to shareholders of the Company by the weighted-average number of common shares outstanding. The diluted EPS is calculated by dividing net income attributable to shareholders of the Company by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential common shares. The Company's dilutive potential common shares are employee stock options and employee compensation in the form of common stock.

(s) Operating segments

The Company discloses the operating segments information in the consolidated financial statements. Therefore, the Company does not disclose the operating segments information in the parent-company-only financial statements.

(5) Significant accounting assumptions and judgements, and major sources of estimation uncertainty

The preparation of the parent-company-only financial statements in conformity with the Regulations requires management to make judgements, estimates, and assumptions that affect the application of the accounting policies and reported amount of assets, liabilities, income and expenses. Actual results may differ from the these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, and future periods affected.

Information about judgements and estimations uncertainty that have significant effects on the amounts recognized in the financial statements is as follows:

(a) Value of inventories

Since the inventories are measured at the lower of cost and net realizable value, the management needs to decide the net realizable value at the reporting date by judgement and estimation. At the reporting date, management evaluates the declining amount due to the obsolescence of inventory and the slump in the market price and reduces the cost of inventory to the net realizable value. As the industry's life cycle is uncertain, the valuation of inventory may have significant fluctuations arising from the changes in product demand during the specific period. Please refer to note 6.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand	$ 237	254
Saving accounts and checking accounts	338,136	747,147
	$ 338,373	747,401

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

	December 31, 2021	December 31, 2020
Financial liabilities at fair value through profit or loss		
Foreign currency forward contracts	$ -	288

The Company entered into derivative contracts to manage foreign currency exchange risk resulting from its operating and financing activities. The derivative financial instruments that did not conform to the criteria for hedge accounting, so it was reported as the financial liabilities at fair value through profit or loss. At the reporting date, the outstanding derivative contracts consisted of the following:

	December 31, 2020	
	Contract amount (in thousands)	Maturity
USD Buy / Swap Sell	USD 2,540	2021.01

Refer to note 6(u) for the amount of gain (loss) recognized related to financial assets measured at fair value.

(c) Financial assets at fair value through other comprehensive income – non-current

The Company disposed of the above strategic investment in July 2020 because of the operating strategy. The investment sold for $26,410; the gain on disposal was $22,632, transferred from other equity to retained earnings.

(d) Notes and accounts receivable (including related parties)

	December 31, 2021	December 31, 2020
Notes receivable-resulting from the business	$ 60,456	77,687
Accounts receivable (including related parties)- measured as amortized cost	417,822	326,605
Less: loss allowance	(1,935)	(7,003)
	$ 476,343	397,289

(Continued)

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, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information. Analysis of expected credit losses in Taiwan on notes and accounts receivables was as follows:

	December 31, 2021		
	Gross carrying amounts	Gross carrying amounts	Gross carrying amounts
Current	$ 455,107	0%	-
Past due 1 – 90 days	21,213	0.01%~0.04%	-
Past due 91 – 180 days	23	0.4%~26%	-
Past due 181 – 270 day	1,935	100%	1,935
	$ 478,278		1,935

	December 31, 2020		
	Gross carrying amounts	Gross carrying amounts	Gross carrying amounts
Current	$ 391,262	0.045%	176
Past due 1 – 90 days	6,327	0.43%~20%	157
Past due 91 – 180 days	5	21%	1
Past due 181 – 270 day	55	36%~55%	26
Over 271 days past due	6,643	100%	6,643
	$ 404,292		7,003

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

	2021	2020
Balance at January 1	$ 7,003	7,586
Impairment losses recognized	(970)	(292)
Amounts written off	(4,098)	(291)
Balance at December 31	$ 1,935	7,003

(e) Other Receivables (including related parties)

	December 31, 2021	December 31, 2020
Other Receivables-loan to subsidiaries	$ 193,760	145,552
Other Receivables-related parties	-	1,062
Other	420	615
Less: loss allowance	-	-
	$ 194,180	147,229

(Continued)

As of December 31, 2021 and 2020, no loss allowance was provided for other receivables after management’s assessment.

(f) Inventories

		December 31, 2021	December 31, 2020
Finished goods	$	306,403	140,750

The details of operating cost were as follows:

		2021	2020
Cost of goods sold	$	1,302,069	1,089,206
Allowance for inventory valuation loss (Gain on recovery)		(8,682)	1,239
Obsolescence loss		3,157	-
	$	1,296,544	1,090,445

The Company recognized the allowance for inventory valuation loss, resulting from the write-down of inventories to net realizable value. The gain from the inventory recovery was caused by selling the obsolescence inventory, so the gain was recognized within the range of the original inventory amount and the write-down of inventory to net realizable value.

(g) Non-current assets held for sale

On May 21, 2021, the board made a resolution to sell the land and building in Sanchong Dist. and expected to complete the transaction within one year; the relevant real estate of $73,452 was transferred to non-current assets held for sale. The aforementioned assets were partially sold on January 25, 2022. The sale price and carrying amount were $24,876 and 17,191, respectively.

(h) Investments accounted for using equity method

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

		December 31, 2021	December 31, 2020
Subsidiaries	$	770,423	702,239

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

(i) Property, plant and equipment

		Land	Buildings	Other equipment	Total
Cost:					
Balance at January 1, 2021	$	89,594	57,982	3,971	151,547
Additions		181,650	79,483	-	261,133
Disposals		-	-	(967)	(967)
Reclassified to non-current assets held for sale		(51,476)	(35,159)	-	(86,635)
Balance at December 31, 2021	$	219,768	102,306	3,004	325,078
Balance at January 1, 2020	$	89,594	57,982	10,599	158,175
Additions		-	-	2,069	2,069
Disposals		-	-	(8,697)	(8,697)
Balance at December 31, 2020	$	89,594	57,982	3,971	151,547
Accumulated depreciation:					
Balance at January 1, 2021	$	-	23,598	1,513	25,111
Depreciation		-	2,090	762	2,852
Disposals		-	-	(967)	(967)
Reclassified to non-current assets held for sale		-	(13,183)	-	(13,183)
Balance at December 31, 2021	$	-	12,505	1,308	13,813
Balance at January 1, 2020	$	-	21,584	9,098	30,682
Depreciation		-	2,014	1,112	3,126
Disposals		-	-	(8,697)	(8,697)
Balance at December 31, 2020	$	-	23,598	1,513	25,111
Carrying amount:					
Balance at December 31, 2021	$	219,768	89,801	1,696	311,265
Balance at December 31, 2020	$	89,594	34,384	2,458	126,436

(Continued)

(j) Right-of-use assets

		Buildings	Transportation equipment	Total
Cost:				
Balance at January 1, 2021	$	11,727	2,216	13,943
Additions		4,911	1,539	6,450
Disposals		(11,189)	(1,481)	(12,670)
Balance at December 31, 2021	$	5,449	2,274	7,723
Balance at January 1, 2020		12,735	1,035	13,770
Additions		9,061	1,181	10,242
Disposals	$	(10,069)	-	(10,069)
Balance at December 31, 2020	$	11,727	2,216	13,943
Accumulated depreciation:				
Balance at January 1, 2021	$	2,356	1,165	3,521
Depreciation		5,993	867	6,860
Disposals		(6,957)	(1,072)	(8,029)
Balance at December 31, 2021	$	1,392	960	2,352
Balance at January 1, 2020		6,194	435	6,629
Depreciation		6,231	730	6,961
Disposals		(10,069)	-	(10,069)
Balance at December 31, 2020	$	2,356	1,165	3,521
Carrying amount:				
Balance at December 31, 2021	$	4,057	1,314	5,371
Balance at December 31, 2020	$	9,371	1,051	10,422

(Continued)

(k) Intangible assets

	Software
Cost:	
Balance at January 1, 2021	$ -
Additions	5,474
Balance at December 31, 2021	$ 5,474
Amortization and impairment:	
Balance at January 1, 2021	$ -
Amortization	1,307
Balance at December 31, 2021	$ 1,307
Carrying amount:	
Balance at December 31, 2021	$ 4,167
Balance at December 31, 2020	$ -

(l) Short-term borrowings

	December 31, 2021	December 31, 2020
Unsecured bank loans	$ -	2,618
Unused short-term credit lines	$ 1,938,400	1,267,382
Range of interest rates	-	0.75%

(m) Lease liabilities

Lease liabilities of The Company carrying amounts were as follows:

	December 31, 2021	December 31, 2020
Current	$ 2,562	5,716
Non-current	$ 2,856	4,752

Please refer to note 6 (w) for the maturity analysis.

The amounts recognized in profit or loss were as follows:

	2021	2020
Interest on lease liabilities	$ 110	104
Expenses relating to short-term leases	$ 630	246

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

	2021	2020
Total cash outflow for leases	$ 7,598	7,334

(i) Real estate leases

The Company leases buildings for its office, storage, and factory. The lease term of office, factory, and storage are 2 to 5 years.

(Continued)

(ii) Other leases

The Company leases transportation equipment for 1 to 3 years. In addition, regarding the lease of short-term transportation equipment, the Company has chosen to apply for exemption and not to recognize right-of-use assets and lease liabilities.

(n) Employee benefits

The Company contributes monthly an amount equal to 6% of each employee's monthly wages to the employee's individual pension fund account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act ("Defined Contribution Plan"). Under these plans, the Company contributes a fixed amount based on the related policy; the Company does not pay for the extra regulated amount or presumed obligation.

For the years ended December 31, 2021, and 2020, the Company set aside $4,972 and $4,563, respectively, under the defined contribution plan to the Bureau of the Labor Insurance.

(o) Income taxes

(i) The components of income tax in the years 2021 and 2020 were as follows:

	2021	2020
Current tax expense		
Current period	$ 21,868	12,042
Adjustment for prior periods	31	(1,280)
	21,899	10,762
Deferred income tax expenses		
Origination and reversal of temporary differences	15,575	9,759
	15,575	9,759
Income tax expense	**$ 37,474**	**20,521**

In 2021 and 2020, there was no income tax recognized directly in equity or other comprehensive income.

Reconciliation of tax expense and income before tax for 2021 and 2020 was as follows:

	2021	2020
Income (loss) before tax	**$ 185,369**	**107,701**
Income tax using the Company's statutory tax rate	$ 37,074	21,540
Surtax on undistributed earnings	31	(1,280)
Adjustment of the prior income tax	369	261
	$ 37,474	**20,521**

(Continued)

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

As the Company is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2021, and 2020; the management believes that it is possible that temporary differences will not reverse in the foreseeable future, such temporary differences are not recognized as deferred tax liabilities. Deferred tax liabilities have not been recognized were as follow:

	December 31, 2021	December 31, 2020
Income from investment of subsidiaries	$ 10,191	10,191

2) Recognized deferred tax assets and liabilities

Deferred Tax Assets:

	Allowance of Inventory Valuation Loss	Others	Total
Balance at January 1, 2021	$ 4,586	6,858	11,444
Recognized as a profit (loss)	(1,736)	(629)	(2,365)
Balance at December 31, 2021	$ 2,850	6,229	9,079
Balance at January 1, 2020	$ 4,339	7,057	11,396
Recognized as a profit (loss)	247	(199)	48
Balance at December 31, 2020	$ 4,586	6,858	11,444

Deferred Tax Liabilities:

	Income from investment of subsidiaries
Balance at January 1, 2021	$ 61,148
Recognized as a profit (loss)	13,210
Balance at December 31, 2021	$ 74,358
Balance at January 1, 2020	$ 51,341
Recognized as a profit (loss)	9,807
Balance at December 31, 2020	$ 61,148

3) The Company's tax returns for the years through 2019 were examined and approved by the Taipei National Tax Administration.

(p) Capital and other equity

(i) Common stock

As of December 31, 2021, and 2020, the Company's authorized shares of common stock consisted of 200,000,000 shares, of which 112,250,000 shares were issued and outstanding. The par value of the Company's common stock is $10 (dollars) per share.

On September 23, 2019, the board resolved to issue 23,000,000 shares in the private placement for DFI Inc. at $20 (dollars) per share, amounting to $460,000. The share's par value is $10 (dollars) per share, and the record date of cash capital increase was October 7, 2019. The related regulatory registration had completed.

The aforementioned common stock in the private placement and the transfer of the freely distributed shares should comply with Article 43-8 of the Securities and Exchange Act; after three years of the privately placed securities' delivery date (November 1, 2019), the Company should apply to FSC for the public offer. Then, the Company applies to Taiwan Stock Exchange for going public trading.

The conciliation of outstanding shares are as follows:

	Common stocks (thousands)	
	2021	**2020**
Balance at January 1	112,250	112,225
Execution of employee stock options	-	25
Balance at December 31	112,250	112,250

(ii) Capital surplus

The balances of capital surplus were as follows:

	December 31, 2021	**December 31, 2020**
New stocks issued at premium	$ 278,081	278,081
Employee stock options	7,354	7,354
Unclaimed share dividends transfer to capital surplus	107	107
Treasury stocks transactions	29,454	29,454
Others	81	81
	$ 315,077	315,077

Pursuant to the Company Act, any realized capital surplus is initially used to cover an accumulated deficit, and the balance, if any, could be transferred to common stock as stock dividends based on the original shareholding ratio or distributed as cash dividends based on a resolution approved by the stockholders. Realized capital surplus includes the premium derived from the issuance of share of stock in excess of par value and donations from stockholders

(Continued)

received by the Company. In accordance with the Regulations Governing the Offering and Issuance of Society by Securities Issuers, distribution of stock dividends from capital surplus in any one year shall not exceed 10% of paid-in capital.

(iii) Retained earnings

The Company's article of incorporation stipulate that at least 10% of annual net income after deducting an accumulated deficit, if any, must be retained as legal reserve until such retention equals the amount of paid-in capital. In addition, a special reserve should be set aside or reversed in accordance with applicable laws and regulations. The remaining balance of the annual net income, together with unappropriated earnings from previous years, if any, can be distributed as dividends after the earnings distribution plan proposed by the Board of Directors is approved during the stockholders' meeting.

According to the Company's article of incorporation amended on June 12, 2020, the abovementioned distribution of earnings by way of cash dividends should be approved by the Company's Board of Directors and should be reported to the Company's shareholders in its meeting.

According to the requirement of before the new article amended on August 24, 2021, the earning distribution policy shall be in line with the Company's operation and growth needs, after considering capital expenditures and capital needs in the future; of which, the proportion of cash dividends shall not be lower than the total dividends of 20% in the current year. According to the new article amend on August 24, 2021, the Company's distributable dividend policy is in line with the Company's operation and growth needs. After considering the capital expenditures and capital needs in the future, when the Company has earnings of final general accounts and the distributable earnings reach 2% of the capital amount in the current year, the distributable dividends shall not be lower than 10% of distributable earnings in the current year; of which the proportion of cash dividends shall not be lower than the total amount of 20%.

1) Legal reserve

When a company incurs no loss, it may, pursuant 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 paid-in capital may be distributed.

2) Special reserve

When the Company made the first-time adoption the IFRSs ("IFRS 1") endorsed by FSC, the Company chose to adopt the exemption items of IFRS 1. At the date of transition, the Company transferred the accumulated translation adjustment amount of $78,330 to retained earnings. The Company made the same amount to special reserve, resulting from first-time adoption. When the related assets were used, disposed, or reclassified, the Company should proportionally reserve the original special reserve contribution and

(Continued)

distribute it as earnings. The aforementioned special reserve was 78,028 as of December 31, 2021, and 2020, respectively.

In addition, FSC requires that a portion of current-period earnings and unappropriated prior-period earnings shall be reclassified as a special reserve during earnings distribution. The amount to be reclassified should be equal to the difference between the total net current period reduction of special earnings reserve resulting from the first-time adoption of IFRSs and the carrying amount of other shareholders' equity as stated above. Similarly, a portion of unappropriated prior period earnings shall be reclassified as a special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods due to the first-time adoption of IFRSs. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The amount of cash dividends of appropriations of earnings for 2020 and 2019 that had been approved in the meeting of the board of directors on April 29, 2021, and June 12, 2020, respectively. The resolved appropriation of the dividend per share were as follows:

	2020		2019	
	Dividend per share (dollars)	**Amount**	**Dividend per share (dollars)**	**Amount**
Cash dividend	$ 0.6	67,350	0.3	33,668

The above earnings distribution information can be searched on the Market Observation Post System.

(iv) Other equity

	Foreign currency translation differences	Unrealized gains (losses) on financial assets measured at FVOCI
Balance at January 1, 2021	$ (58,640)	-
Exchange differences on foreign operations	2,134	-
Balance at December 31, 2021	$ (56,506)	-
Balance at January 1, 2020	$ (48,577)	20,677
Exchange differences on foreign operations	(10,063)	-
Unrealized gains on financial assets measured at FVOCI	-	1,955
Disposal of financial assets measured at FVOC	-	(22,632)
Balance at December 31, 2020	$ (58,640)	-

(Continued)

(q) Share-based payment

The Company issued the employee stock options in August 2014, please refer to the following information:

Grant date	August, 2014
Number of units granted	3,000 units
Exercise price per share	NTD 22.4 dollars
Subscribed common stocks per unit	1,000 units
Contract term	6 years
Vesting condition	Within 2 to 4 years to exercise the right based on the issuing policy when the granted date is expired.
Granted target	The Company and subsidiaries' employees, who satisfying the condition.

The information of employee stock options outstanding are as follows:

	2020	
	Number (unit)	**Weighted – average exercise price per share**
Outstanding, beginning of year	958	$ 21.40
Invalidated	(933)	21.40
Exercised	(25)	21.40
Outstanding, end of year	-	$ -

The employee stock option plan was terminated in August 2020 because the contract expired.

(r) Earnings per share

(i) Basic earnings per share

	2021	2020
Profit (loss) attributable to common stockholders of the Company	$ 147,895	87,180
Weighted average number of ordinary shares (thousands)	112,250	112,235
Basic earnings per share (dollars)	$ 1.32	0.78

(ii) Diluted earnings per share

	2021	2020
Profit (loss) attributable to common stockholders of the Company	$ 147,895	87,180
Weighted average number of ordinary shares (thousands)	112,250	112,235
Effect of dilutive potential common stock:		
Effect of employee share compensations	140	86
Weighted-average number of ordinary shares (thousands) (including effect of dilutive potential common stock)	112,390	112,321
Diluted earnings per share (deficit) (dollar)	$ 1.32	0.78

(s) Revenue from contracts with customers

(i) Disaggregation of revenue

	2021	2020
Major products/services:		
Automatic control	$ 1,311,614	1,032,597
Industrial transmission	311,443	322,036
Others	3,504	3,147
	$ 1,626,561	1,357,780

(ii) Contract balance

	December 31, 2021	December 31, 2020	January 1, 2020
Notes and accounts receivables (including related parties)	$ 478,278	404,292	382,338
Less: loss allowance	(1,935)	(7,003)	(7,586)
Total	$ 476,343	397,289	374,752
Contracts liabilities－advance receipt	$ 2,116	1,104	-

Refer to note 6(d) for notes and accounts receivable and the impairment.

The amount of revenue recognized for the years ended December 31, 2021 that was included in the contract liability balance on January 1, 2021 was $1,104.

(Continued)

(t) Rewards of employees, directors and supervisors

The Company's amended article of incorporation requires that earnings (income after deducting the remuneration of employees and directors and before income tax expenses) shall first to be offset against any deficit, including unadjusted undistributed surplus, then, a range from 2% to 20% will be distributed as remuneration to its employees and no more than 1% to its directors. Employees are entitled to receive the abovementioned employee remuneration in shares or cash, while the directors are entitled to receive the remuneration in cash.

For the year ended December 31, 2021, and December 31, 2020, the Company estimated its remuneration to employees amounting to $3,818 and $2,221, respectively; and the remuneration to directors and supervisors amounting to $1,909, and $1,110, respectively. The abovementioned estimated amounts are calculated based on the income before tax (after deducting the remuneration to employees, directors, and supervisors) and multiplied by a certain percentage of the remuneration to employees, directors, and supervisors following the article of incorporation. The amount shall be reported as operating expenses. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in next year. If remuneration to employees is resolved to be distributed in stock, the number of shares is determined by dividing the amount of remuneration by the closing price of the shares on the day preceding the Board of Directors.

There was no difference between the actual distribute amounts as determined by the Board of Directors and those recognized in the Company's financial statements of the years ended December 31, 2021, and 2020. All compensation was paid in cash. The related information can refer to the Market Observation Post System.

(u) Non-operating income and expenses

(i) Interest income

	2021	2020
Interest income		
Interest income from bank deposit	$ 466	592
Interest income from loan and receivables (note 7)	1,798	2,988
	$ 2,264	**3,580**

(ii) Other income

	2021	2020
Miscellaneous income	**$ 2,271**	**1,388**

(Continued)

(iii) Other gains and losses

		2021	2020
Foreign currency exchange losses	$	(5,347)	(8,761)
Loss on financial instruments at fair value through profit or loss		(500)	(24,704)
Others		1	(26)
	$	(5,846)	(33,491)

(iv) Finance costs

		2021	2020
Interest expense of bank loans	$	(108)	(38)
Interest expense of loan to related parties (note 7)		-	(71)
Interest expense on lease liabilities		(110)	(104)
	$	(218)	(213)

(v) Financial instruments

(i) Categories of financial instruments

1) Financial assets

		December 31, 2021	December 31, 2020
Financial assets at amortized cost:			
Cash and cash equivalents		338,373	747,401
Notes and accounts receivable (including related parties)		476,343	397,289
Other receivables (including related parties)		194,180	147,229
Refundable Deposits (reported at non-current assets)		10,608	10,659
	$	1,019,504	1,302,578

2) Financial liabilities

		December 31, 2021	December 31, 2020
Financial liabilities measured at FVTPL:			
Foreign currency forward contracts	$	-	288
Financial liabilities measured at amortized cost:			
Short-term borrowings		-	2,618
Notes and accounts payables (including related parties)		317,612	205,108
Other payables (including related parties)		53,054	45,907
Lease liabilities (including current and non-current)		5,418	10,468
	$	376,084	264,389

(Continued)

(ii) Fair value information-Financial instruments not measured at fair value

The Company considers that the carrying amount of financial assets and financial liabilities measured at amortized cost approximate their fair value.

(iii) Fair value information-Financial instruments measured at fair value

When measuring the fair value of financial instruments, the Company usually uses market observable data. The table below analyze financial instruments that are measured at fair value subsequent to initial recognition, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. The different levels have been defined as follows:

1) Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.
2) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
3) Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

	December 31, 2020				
		Fair Value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities at fair value through profit or loss					
Derivative instrument - Foreign currency forward contracts	$ (288)	-	(288)	-	(288)

(iv) Valuation techniques and assumptions used in fair value measurement

Derivative financial instrument

The fair value of derivative financial instruments is determined using a valuation technique, with estimates and assumptions consistent with those used by market participants. The fair value of foreign currency forward contracts is valued by the current forward rate.

(w) Financial risk management

The Company is exposed to credit risk, liquidity risk, and market risk (including currency risk, interest rate risk, and other market price risk). The Company has disclosed the information on exposure to the aforementioned risks and the Company's policies and procedures to measure and manage those risks as well as the quantitative information below.

The Company's Board of Directors is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor adherence to the controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's operations.

(Continued)

The Company's management monitors and reviews financial activities in accordance with procedures required by relevant regulations and internal controls. Internal auditors undertake both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Company's Board of Directors.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty of a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and cash equivalents, receivables from customers, and other receivables. The maximum exposure to credit risk is equal to the carrying amount of the Company's financial assets.

The Company's cash is deposited in several financial institutions with reputable credit; as a result, it may not arise a significant credit risk.

The Company has established a credit policy under which each customer is analyzed individually for creditworthiness for the purpose of setting the credit limit. Additionally, the Company continuously evaluates the credit quality of customers and utilizes insurance to minimize the credit risk.

Due to numerous customers and a wide geographical spread, the Company does not concentrate on a single customer for the transactions. As a result, the Company believes that there is no significant concentration of credit risk.

For the credit exposure of notes and accounts receivables, please refer to note 6(d). For the financial assets measured at amortized cost, including other receivables and certificate of deposit (reported at other financial assets – non-current), since the financial assets are low credit risk, the loss allowance is measured using 12-months ECL. Please refer to note 6(e) for the ECL.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in settling its financial liabilities by delivering cash or other financial assets. The Company manages liquidity risk by monitoring regularly the current and mid to long-term cash demand, maintaining adequate cash and baking facilities, and ensuring compliance with the terms of the loan agreements. As of December 31, 2021, and 2020, the Company had unused credit facilities of $1,938,400 and $1,267,382, respectively.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments, including principal and interest:

	Contractual cash flows	Within 1 year	1-2 years	2-5 years	More than 5 years
December 31, 2021					
Non-derivative financial liabilities:					
Notes and accounts payables (including related parties)	317,612	317,612	-	-	-
Other payables (including related parties)	53,054	53,054	-	-	-
Lease liabilities	5,537	2,633	1,566	1,338	-
	$ 376,203	373,299	1,566	1,338	-
December 31, 2020					
Non-derivative financial liabilities:					
Shorten-term borrowings	$ 2,629	2,629	-	-	-
Notes and accounts payables (including related parties)	205,108	205,108	-	-	-
Other payables (including related parties)	45,907	45,907	-	-	-
Lease liabilities	10,618	5,831	4,787	-	-
Derivative financial liabilities:					
Foreign currency forward contracts					
Outflow	73,003	73,003	-	-	-
Inflow	(72,715)	(72,715)	-	-	-
	$ 264,550	259,763	4,787	-	-

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

(iii) Market risk

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

1) Foreign currency risk

The Company is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Company. The functional currencies of the Company are mainly the New Taiwan Dollar; the transactions of the non-functional currencies are the mainly the US Dollar, Japanese Yen, and China Yuan.

At the reporting date, the carrying amount of the Company's significant monetary assets and liabilities denominated in a currency other than the respective functional currency were as follows:

(Continued)

Unit: thousands of dollars

	December 31, 2021					
		Foreign currency	Exchange rate	TWD	Change in magnitude	Effect on profit or loss (before tax)
Financial assets						
USD	$	8,093	27.68	224,014	1%	2,240
JPY		6,026	0.2404	1,449	1%	14
Financial liabilities						
USD		528	27.68	14,615	1%	146
JPY		11,453	0.2404	2,753	1%	28

	December 31, 2020					
		Foreign currency	Exchange rate	TWD	Change in magnitude	Effect on profit or loss (before tax)
Financial assets						
USD	$	6,410	28.35	181,724	1%	1,817
JPY		39,714	0.2749	10,917	1%	109
CNY		16,224	4.32	70,088	1%	701
Financial liabilities						
USD		275	28.35	7,796	1%	78
JPY		21,969	0.2749	6,039	1%	60

As the Company deal in diverse foreign currencies, gains and losses on foreign exchange were summarized as a single amount. The aggregate of realized and unrealized foreign exchange gains (losses) for the years ended December 31, 2021, and 2020 were $5,347 and $8,761, respectively.

2) Interest rate risk

The Company's short-term borrowings carried floating interest rates. To manage the interest rate risk, the Company periodically assesses the interest rates of bank loans and maintain good relationships with financial institution to obtain lower financing costs. The Company also strengthens the management of working capital to reduce the dependence on bank loans as well as the risk arising from fluctuation of interest rates.

Regarding the exposure to interest rates of the Company's financial liabilities has descripted in the note of the liquidity risk management. The following sensitivity analysis is based on the risk exposure to floating-interest-rate liabilities on the reporting date. The sensitivity analysis assumes the liabilities recorded at the reporting date had been outstanding for the entire period. The change in interest rate reported to the key management in the Company is based on 100 basis points (1%), which is consistent with the assessment made by the key management in respect of the possible change in interest rate.

If the interest rate had been 100 basis points (1%) higher/lower with all other variables held constant, pre-tax income for the years ended December 31, 2020, would have been $26, lower/higher, which mainly resulted from the borrowings with floating interest rates.

(x) Capital management

In consideration of the industrial characteristics and future developments, as well as external environment factors, the Company plans its capital management to ensure that it has necessary financial resources and operating plan to fund the working capital needs, capital expenditures, repayment of debts, dividend payments, etc. The management uses the appropriate liability/equity ratio to decide the appropriate capital. Based on maintaining the robust capital, the Company would increase the shareholder's return by optimizing debt and equity balance.

(y) Financing activities not affecting current cash flow

Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes		
	January 1, 2021	Cash flows	Lease liabilities Increase	Lease liabilities Decrease	December 31, 2021
Short-term borrowings	$ 2,618	(2,618)	-	-	-
Lease liabilities	10,468	(6,858)	6,450	(4,642)	5,418
Total	$ 13,086	(9,476)	6,450	(4,642)	5,418

			Non-cash changes	
	January 1, 2020	Cash flows	Lease liabilities Increase	December 31, 2020
Short-term borrowings	$ -	2,618	-	2,618
Other payables to related parties	22,168	(22,168)	-	-
Lease liabilities	7,210	(6,984)	10,242	10,468
Total	$ 29,378	(26,534)	10,242	13,086

(7) Related-Party Transactions

(a) Parent company and ultimate controlling part

DFI Inc. (“DFI”) has become the Company's parent company and holds outstanding common stocks of 48.06% and 33.55%, respectively for the years ended December 31, 2021, and 2020; Qisda Corporation (“Qisda”) is the ultimate controlling party of the Company. DFI and Qisda have prepared the consolidated financial reports for the public use.

(Continued)

(b) Names and relationship with related parties

The following are subsidiaries and other related parties that have had transactions with the Company during the reporting periods.

Name of related party	Relationship with the Company
Qisda Corporation	The Company's ultimate controlling party
DFI Inc.	The Company's parent company
Cyber South Management Ltd. ("Cyber")	The Company's subsidiary
Hong Kong Ace Pillar Enterprise Company Limited ("HK ACE")	The Company's subsidiary
Tianjin Ace Pillar Co., Ltd. ("TJ ACE")	The Company's subsidiary
Suzhou Super Pillar Automation Equipment Co., Ltd. ("SZ ACE")	The Company's subsidiary
Proton Inc. (Proton)	The Company's subsidiary
Ace Tek (HK) Holding Co., Ltd. (Ace Tek)	The Company's subsidiary
Grace Transmission (Tianjin) Co., Ltd. ("Grace Transmission")	The Company's subsidiary
Advancedtex Ace(TJ) Inc. ("AD ACE")	The Company's subsidiary
Xuchang Ace AI Equipment Co., Ltd. ("XC ACE")	The Company's subsidiary
Proton Inc. (Proton)	The Company's subsidiary
Ace Tek (HK) Holding Co., Ltd. (Ace Tek)	The Company's subsidiary
Grace Transmission (Tianjin) Co., Ltd. ("Grace Transmission")	The Company's subsidiary
Advancedtex Ace(TJ) Inc. ("AD ACE")	The Company's subsidiary
Darfon Electronics Corp.	Qisda's associate
AU Optronics Corp. ("AU")	Related enterprise of Qisda/Corporate director valuing Qisda under equity approach (Note 1)
AUO Crystal Corp.	AU' subsidiary
AUO Education Service Corp.	AU' subsidiary
Darwin Precisions Corporatoin	AU' subsidiary
BenQ Material Corp.	Qisda's subsidiary
BenQ Healthcare Corporation	Qisda's subsidiary
BenQ ESCO Corp. ("ESCO")	Qisda's subsidiary
BenQ Asia Pacific Corp.	Qisda's subsidiary
BenQ Guru Corp.("Guru")	Qisda's subsidiary
Advancedtek International Corp.	Qisda's subsidiary

(Continued)

Name of related party	Relationship with the Company
SYSAGE TECHNOLOGY CO., LTD.("SYSAGE")	Qisda's subsidiary
Golden Spirit Co., Ltd.	Qisda's subsidiary
Aewin Technologies Co., Ltd. ("AWEIN")	DFI' subsidiary
Global Intelligence Network Co., Ltd.	SYSAGE' s subsidiary

Note 1: AU has been the director of Qisda using the equity method since May 12th, 2021.

(c) Related-party transactions

(i) Sales revenue

		2021	2020
Ultimate controlling party	$	6,295	2,170
Subsidiaries:			
TJ ACE		-	10,015
SZ ACE		2,819	9,243
AD ACE		4,119	4,171
Other subsidiaries		552	254
Other related party-AEWIN		-	6,637
Other related party-ESCO		4,094	135
Other related party-AU		2,376	1,523
Other related parties		1,755	87
	$	22,010	34,235

The above-mentioned related parties' sales price and transaction conditions depend on the economic environment and market competition in each region, so they cannot compare with normal sales price and transaction conditions.

(ii) Purchases

		2021	2020
Ultimate controlling party	$	9,558	5,232
Subsidiaries		10	65
Other related parties		432	157
	$	10,000	5,454

There were no significant differences between the purchase prices of related parties and those for third-party vendors. The payment terms of 2 months showed no significant difference between related parties and third-party vendors.

(Continued)

(iii) Receivables from related parties

Account item	Related-party categories	December 31, 2021	December 31, 2020
Accounts receivable	Ultimate controlling party	$ 6,407	2,278
Accounts receivable	Subsidiary-AD ACE	548	1,928
Accounts receivable	Subsidiary-SZ ACE	866	2,251
Accounts receivable	Other subsidiaries	-	7
Accounts receivable	Other related party-ESCO	4,299	142
Accounts receivable	Other related party-Guru	1,531	-
Accounts receivable	Other related parties	847	1,335
Interest receivable (reported at other receivables)	Subsidiaries	-	1,062
		$ 14,498	9,003

(iv) Payables to related parties

Account item	Related-party categories	December 31, 2021	December 31, 2020
Accounts payable	Ultimate controlling party	$ 3,953	589
Accounts payable	Subsidiaries	-	2
Other payables	Ultimate controlling party	262	593
Other payables	Parent company	700	700
Other payables	Other related parties	92	-
		$ 5,007	1,884

(v) Loans to Related Parties

The loans to related parties were as follows:

	December 31, 2021	December 31, 2020
Subsidiary-TJ ACE	$ 166,080	145,552
Subsidiary-SZ ACE	27,680	-
	$ 193,760	145,552

	2021	2020
Interest income- TJ ACE	$ 1,798	2,988

(vi) Guarantee

As of December 31, 2021, and 2020, the Company had provided a guarantee for related parties to purchase from vendors and to borrow from bank. The credit limit of the guarantee was $188,400 and $248,450, respectively, and the amount used on December 31, 2021, and 2020 was $56,490 and $56,700, respectively.

(Continued)

(d) Compensation for key management personnel

Compensation for key management personnel

		2021	2020
Short-term employee benefits	$	24,578	20,591
Post-employment benefits		268	287
	$	24,846	20,878

(8) Pledged assets: None.

(9) Significant Contingencies and Commitments

On December 31, 2021, and 2020, the Company issued the secured promissory note of $1,938,400 and $1,270,000, respectively, as collateral for obtaining credit facilities from banks.

(10) Significant Catastrophic Losses: None.

(11) Significant Subsequent Events:

In order to enhance semiconductor arrangement, expansion of business, as well as provide wide range of products and services to clients, the Board of Directors came up a resolution on January 4, 2022, by paying NTD 187,000,000 dollars to acquire Standard Technology Corporation's 4,680,000 common shares, which shareholding is 60% of Standard Technology Corporate after split-off. The stock purchase payment and shares transfer were completed on March 1, 2022.

(12) Others

(a) Employee benefits, depreciation, and amortization expenses, categorized as operating cost or expense, were as follows:

		2021	2020
Employee benefits			
Salary	$	134,846	111,449
Labor and health insurance		10,347	8,864
Pension		4,972	4,563
Remuneration of directors		7,024	6,097
Others		6,097	5,108
Depreciation		9,712	10,087
Amortization		1,307	-

(Continued)

The additional information about the number of employee and employee benefit for 2021 and 2020 were as follows:

	2021	2020
The number of employees	126	124
The number of non-employee directors	7	8
Average employee benefit	$ 1,313	1,121
Average employee salaries	$ 1,133	961
Average employee salaries adjustment rate	17.90%	10.08%
Compensation for supervisors	$ -	-

The information about the Company's remuneration policy (including directors, manager, and employee) is as follows:

(a) Directors

(i) Remuneration: Calculated based on the actual number of days in office of each director and issued quarterly. If the directors concurrently hold different positions, such as the chairman of the board, the convener of the audit committee, the member of the audit committee or the member of the remuneration committee, the remuneration with different weights shall be stipulated separately.

(ii) Profit sharing: Calculated based on the actual percentage of employment in the year, and distributed at one time. The distribution of profit sharing is decided by the board of directors.

The base number is determined based on the company's current operating conditions and scale of operations, and with reference to industry standards; if there is any amendment, it must be approved by the board of directors.

(b) Managers

(i) Fixed salary for 12 months

(ii) Variable salary: bonus/employee compensation based on individual performance.

(iii) Other benefits: high-level health check, allotment of official vehicles, fuel/parking space assistance, etc.

(c) Employees

Salary and food allowances are given, and there are three Chinese festival grant paying and quarterly bonuses and year-end bonuses based on individual performance.

(Continued)

(13) Other disclosures

(a) 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:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollar)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	TJ ACE	Other receivable from related parties	Yes	250,560	249,120	166,080	0%~4.35%	2	-	Operating requirements	-		-	410,619	821,237
0	The Company	SZ ACE	Other receivable from related parties	Yes	28,530	27,680	27,680	-	2	-	Operating requirements	-		-	410,619	821,237
1	Cyber South	SZ ACE	Other receivable from related parties	Yes	15,692	-	-	1.15%	2	-	Operating requirements	-		-	626,514	626,514
2	Grace Transmission	AD ACE	Other receivable from related parties	Yes	2,614	-	-	1.80%	2	-	Operating requirements	-		-	7,018	7,018
2	Grace Transmission	TJ ACE	Other receivable from related parties	Yes	13,044	-	-	1.80%	2	-	Operating requirements	-		-	7,018	7,018
3	HK ACE	TJ ACE	Other receivable from related parties	Yes	17,344	-	-	1.80%	2	-	Operating requirements	-		-	39,722	39,722

Note 1: The aggregate financing amount of the Company to others shall not exceed 40% of the most recent worth of the Company; the individual financing amount of the Company to foreign subsidiaries shall not exceed 20% of the most recent worth of the Company.

Note 2: The aggregate financing amount of subsidiaries to others shall not exceed 10% of the most recent worth of the subsidiary; the individual financing amount of the subsidiaries to others shall not exceed 5% of the most recent worth of the subsidiary.

Note 3: For foreign subsidiaries that directly or indirectly hold 100% by the Company and the parent company that directly or indirectly holds 100% of the Company, due to the necessity of financing funds, the amount is not subject to the Note 1 and 2. However, the aggregate financing amounts and the individual financing amount shall not exceed the most recent worth of the subsidiary.

Note 4: Purposes of fund financing are as follows:

1. Business transaction purpose.
2. Short-term financing purpose.

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollar)

No.	Name of guarantor	Counterparty of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	TJ ACE	2	821,237	327,500	188,400	56,490	-	9.18%	1,026,547	Y	N	Y

Note 1: The aggregate endorsement / guarantee amount provide by the Company and its subsidiaries shall not exceed 50% of the most recent worth of the company; the amount to the individual entity shall not exceed 40% of the most recent worth of the company
Note 2: Relationship between the guarantor and guarantee:
2. Companies that directly or indirectly hold 50% by the Company

(iii) Securities held as of December 31, 2021 (excluding investment in subsidiaries, associates and joint ventures): None.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding 300 million or 20% of the paid-in capital stock: None.

(v) Acquisition of individual real estate with amount exceeding 300 million or 20% of the paid-in capital stock:

(In Thousands of New Taiwan Dollar)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
The Company	Land and Building	2021/7/7	262,270	Paid off	Zhongmao Asset Development Limited Company	-	-	-	-	-	Negotiating according to the appraisal report	Office	None

(vi) Disposal of individual real estate with amount exceeding 300 million or 20% of the paid-in capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding 100 million or 20% of the paid-in capital stock:

(In Thousands of New Taiwan Dollar)

Name of Company	Related Parties	Nature of Relationship	Transaction details				Transactions with terms different from others		Notes/ Accounts receivable (payable)		Note
			Purchase /Sale	Amount	Percentage of total purchases /sales	Payment term	Unit price	Payment terms	Ending Balance	Percentage of total notes /accounts receivables (payables)	
AD ACE	TJ ACE	Affiliates	(Sales)	(455,128)	(100.00) %	T/T 30	-		61,680	97.98%	
TJ ACE	AD ACE	Affiliates	Purchase	455,128	33.37 %	T/T 30	-		(61,680)	(30.75)%	

(viii) Receivables from related parties with amounts exceeding $100 million or 20% of the paid-in capital stock:

(In Thousands of New Taiwan Dollar)

Name of Company	Related Parties	Nature of Relationship	Ending Balance	Turnover days	Overdue		Amounts received in subsequent period	Loss allowance
					Amount	Action taken		
The Company	TJ ACE	Parent/Subsidiary	166,080	-	-		-	-

(ix) Trading in derivative instruments: None.

(b) 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 Dollar)

Name of Company	Name of investee	Location	Main business and product	Original investment amount (note)		Balance as of December 31, 2021			Net income (loss) of investee	Share of profit/loss of investee	Note
				December 31, 2021	December 31, 2020	Shares (thousands)	Investee	Carrying Value			
The Company	Cyber South	SAMOA	Investment and holding activity	107,041	107,041	4,669	100.00%	626,514	56,442	56,442	
The Company	HK ACE	Hong Kong	Sales of automation mechanical transmission system and component	5,120	5,120	1,200	100.00%	39,722	(259)	(259)	
Cyber South	Proton Inc.	SAMOA	Investment and holding activity	527,665	527,665	17,744	100.00%	511,706	44,403	44,403	
Cyber South	Ace Tek (HK) Holding Co., Ltd.	Hong Kong	Investment and holding activity	4,938	4,938	150	100.00%	(598)	3,661	3,661	

Note: Original investment amount included surplus capital increase.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollar)

Name of Investee	Main business and product	Total amount of capital surplus	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2021	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2021 (Note1)	Net income (looses) of the investee	Percentage of ownership	Investment income (looses) (Note 3)	Book value at December 31,2021 (Note3)	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Tianjin Ace Pillar Co., Ltd.	Sales of mechanical transmission system and component	USD 35,300,000	Direct and Indirect investment	53,976 (USD 1,950,000)	-	-	53,976 (USD 1,950,000)	56,121	100.00 %	56,121	611,067	125,533
Grace Transmission (Tianjin) Co., Ltd.	Manufacture and process of mechanical transmission product	CNY1,670,000	Indirect Investment	4,429 (USD 160,000)	-	-	4,429 (USD 160,000)	(219)	100.00 %	(219) (USD 8,000)	7,018 (USD 254,000)	-
Advancedtex Ace(TJ) Inc.	Integrate the electronic system	USD 300,000	Indirect Investment	4,152 (USD 150,000)	-	-	4,152 (USD 150,000)	3,662	100.00 %	3,662 (USD 131,000)	(622) (USD (22,000))	-
Suzhou Super Pillar Automation Equipment Co., Ltd.	Process and technical service for mechanical transmission and control products	USD 1,450,000	Indirect Investment	(Note 2)	-	-	(Note 2)	10,511	100.00 %	10,511 (USD 375,000)	98,569 (USD 3,561,000)	-
Xuchang Ace AI Equipment Co., Ltd.	Wholesale and retail of industrial robot-related products	USD 300,000	Indirect Investment	(Note 2)	-	-	(Note 2)	(711)	100.00 %	(711) (USD(25,000))	2,156 (USD 78,000)	-

(Note 1) Including the amount remitted through the overseas holding company.
The exchange rate of US dollar to Taiwan dollar is 1:27.68.
(Note 2) It was reinvested and established by Cyber South.
(Note 3) Investment income(looses) and book value at December 31, 2021 were audited by the auditor of the parent company.
(Note 4) Xuchang Ace was dissolved by the resolution of the board of directors on November 23, 2021, and the liquidation procedure is still in progress.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
141,694 (USD 5,119,000)	141,694 (USD 5,119,000)	1,231,856

Note: The investment of Delta Greentech(China) Co., Ltd was authorized by MOEA to invest USD 2,859,000. The Company's shares of the company were sold in 2011, and submitted to the MOEA on August 5, 2011 to complete the filing. However, the investment quota has not yet been cancelled.

(iii) Significant transactions

The Company's significant transactions with investees in Mainland China, please refer to Note13(a).

(d) Major shareholders

Shareholding / Shareholder's Name	Shares	Percentage
DFI INC.	53,958,069	48.06%
Hanyu Investment Co., Ltd.	10,176,013	9.06%
Qifu Investment Co., Ltd.	7,329,443	6.52%
Ruiduo Investment Co., Ltd.	5,711,538	5.08%

(14) Segment information

Please refer to the consolidated financial statement 2021.

ACE PILLAR CO., LTD.

Statement of Cash and Cash Equivalent

December 31, 2021

(Expressed in Thousands of New Taiwan Dollars)

Item	Depreciation	Amount
Cash on hand		$ 237
Saving accounts and checking accounts		307,844
Foreign currency deposits	USD: 1,042 thousand, exchange rate 27.68 JPY: 6,022 thousand, exchange rate 0.2404 CNY: 1,000 thousand, exchange rate 4.3454	30,292
		$ 338,373

Statement of Notes and Accounts Receivable

Client	Amount
A Company	$ 66,701
Others (less than 5%)	397,079
	463,780
Less: loss allowance	(1,935)
	$ 461,845

ACE PILLAR CO., LTD.

Statement of Inventories

December 31, 2021

(Expressed in Thousands of New Taiwan Dollars)

Item	Content	Amount Carrying amount	 Net realizable value	Note
Finished goods	Automatic control, industrial transmission and others	$ 306,403	365,019	Net realizable value

ACE PILLAR CO., LTD.

Statement of Changes in Investment Account for Using Equity Method

For the year ended December 31, 2021

(Expressed in Thousands of New Taiwan Dollars/Shares)

	Balance as of January 1, 2021		Increase		Decrease		Investment	Foreign	Balance as of December 31,2021			Net Assets Value		
							Income	exchange		Percentage of		Unit	Total	
Name of investee	Share	Amount	Share	Amount	Share	Amount	(Loss)	Adjustment	Share	Ownership	Amount	price	Amount	Collateral
Investment account for using equity method:														
Tianjin Ace Pillar Co., Ltd.	(Note)	$ 91,710	-	-	-	-	9,867	2,610	(Note)	17.05	104,187	-	104,187	-
Cyber South Management Ltd.	4,669	569,330	-	-	-	-	56,442	742	4,669	100.00	626,514	-	626,514	-
Hong Kong Ace Pillar Enterprise Company Limited	1,200	41,199	-	-	-	-	(259)	(1,218)	1,200	100.00	39,722	-	39,722	-
Total		$ 702,239		-		-	66,050	2,134			770,423		770,423	

Note: It is a limited company with no share data.

ACE PILLAR CO., LTD.

Statement of Other Non-current Assets

December 31, 2021

(Expressed in Thousands of New Taiwan Dollars)

Item	Amount
Refundable Deposits	$ 10,608
Others	18,781
	$ 29,389

Statement of Notes and Accounts Payable

Client	Amount
A Company	$ 228,215
B Company	20,740
Others (less than 5%)	64,704
	$ 313,659

ACE PILLAR CO., LTD.

Statement of Other Payables

December 31, 2021

(Expressed in Thousands of New Taiwan Dollars)

Item	Amount
Salaries and bonus payables	$ 34,619
Rewards of employees, directors and supervisors	5,727
Others (less than 5%)	11,654
	$ 52,000

Statement of Lease Liabilities

Item	Content	Lease Term	Discount rate	Balance at December 31, 2021
Buildings	Office, storage, and factory	2020.6.1~2025.12.31	1.5%~1.9%	$ 4,090
Transportation Equipment		2020.4.1~2024.08.21	1.925%~2.35%	1,328
Less: Due within one year				(2,562)
				$ 2,856

ACE PILLAR CO., LTD.

Statement of Operating Cost

For the year ended December 31, 2021

(Expressed in Thousands of New Taiwan Dollars)

Item	Amount
Finished Goods, beginning of year	$ 163,681
Add: Purchase of finished goods	1,459,084
Obsolescence loss	3,157
Less: Finished goods, end of year	(320,653)
Allowance for inventory valuation loss	(8,682)
Transferred to operating expense	(43)
Cost of Goods Sold	$ 1,296,544

Statement of Operating Expenses

Item	Selling Expenses	Administrative Expenses
Salaries (including Pension)	$ 92,882	55,142
Insurance Expense	9,544	4,661
Transportation Expense	6,033	108
Depreciation	2,487	7,225
Professional service fees	798	7,523
Others (less than 5%)	13,637	9,129
Total	$ 125,381	83,788

For detail on statement of Changes in Property, Plant, and Equipment, please refer to Note 6(i)

For detail on statement of Changes in Deferred Tax Assets/Liabilities, please refer to Note 6(o)

For detail on statement of Operating Income, please refer to Note 6(s)

For detail on statement of Interest Income, please refer to Note 6(u)

For detail on statement of Other Income, please refer to Note 6(u)

For detail on statement of Other Gains and Losses, please refer to Note 6(u)

For detail on statement of Finance Costs, please refer to Note 6(u)