

SINBON Electronics Co., Ltd.

2021 Annual Report

Notice to readers

This English version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.

SINBON annual report is available at website:

<http://mops.twse.com.tw>

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Chapter I. A Letter to Shareholders

I. Business Policy and Practice:

The Chief Executive Officer and the Vice President of the Company are charged with logistics management while the President is in charge of 2 Business Groups, the R&D Division, Global Supply Chain Management Division, Quality Assurance and Engineering Service Center, Production and Operation Research Management Division, and Operation Performance Management Division. The gravity of business operation covers:

- (I) The research and integrated manufacturing of electronic parts and components: manufacturing of wire harness, PCBA, wireless communication parts and components, and integrated electronic parts and components. The Company has successfully entered into the fields of automotive electronic parts and components, parts and components for electronic medical devices, EV, green energy, and industrial intelligence.
- (II) Dealership of electronic related parts and components: dealing with the trading of connectors made by HRS of Japan, GPS Module, R/F antennae module, Driver IC and other strategic electronic parts and components.
- (III) The Company seeks to further develop its business territory of electronic parts and components through direct investment, strategic alliance, and mergers & acquisitions. Examples are the investment to establish SINBON Hungary, SINBON USA, SINBON C&C, which enabled the Company to enter into the production and manufacturing of connectors and venture capitalists for possible joint venture.

The Company wishes to provide customers vertical service for Total Solutions at one-stop. Further to the positive development of new products and providing integrated and professional engineering services, the Company also successfully integrated the resources of its overseas subsidiaries through organization re-engineering and integration of information system to yield synergy to its entirety.

II. Business Highlight in 2021:

(I) Business Performance:

In 2021, the parent company of SINBON had net sale amounting to NT\$6,928,235 thousand with gross margin at 24% and operating income amounting to NT\$492,367 thousand, and net income of NT\$2,331,502 thousand with earnings per share at NT\$10.00 after taxation. The consolidated net sale of the whole group amounted to NT\$25,530,706 thousand with gross margin at 25% and operating income amounting to NT\$2,787,859 thousand, and net income of NT\$2,487,829 thousand. With the addition of net minority shareholder equity of NT\$156,327 thousand, net income attributable to shareholders of the parent company amounted to NT\$2,331,502 thousand with earnings per share at NT\$10.00 after taxation.

(II) The execution of operation budget:

The operating income plan was achieved at 103.73% with gross margin attainment at 101.18%, and operating income attained at 93.18% as planned. Net income attainment at 99.41% and the profit goal has been achieved as expected.

(III) Profitability analysis:

Item	2021	2020
Return on Assets (%)	15	16
Return on Equity (%)	24	25
Earnings before taxation to paid-in capital ratio (%)	117	105
Net profit rate (%)	34	38
Earnings per share (NTD)	10.00	9.08

(IV) R&D Outlook:

Year	Result of R&D
2011-2012	Successful development of HDMI, DDR 3, DDR 4, USB and other connectors and additional effort in the development of PV of which Junction Box, PV Connector and Cable have passed the tests of TUV and UL in PV international standard.
2013-2014	Our investee company, DigiO2, a digital medical service firm, engaged in a joint venture with the Remote Care Center of National Taiwan University Hospital in the remote care service project thereby developed the portable medical spraying device of "Brezze®Nebulizer". This also enabled us to win the 2013 iF gold award in design from Germany.
2015-2016	1. Tablet PC development to DVT stage for SF Express. 2. Development to DVT stage for PC monitoring and control system. 3. EV Charger, EV charging gun, and AC charger pole are achieved at the DVT stage.
2017-2018	1. Assistance to the clients in the USA in the development of smart drug cabinet control line, smart light adjustable window control line. 2. Development of robotic arm control line, electronic fireplace, smart grids and other customized products.

2018-2019	1. Development of the sensor of safety air-bag belt, smart water heater, and parking lot display system. 2. AIOT (Artificial Intelligence of Things), the application system of AI x IoT.
2020-2021	1. Development of factory use automated data collector. This device can collect data on the status of machine operation and repetitions of the use of tool, and can generate product quantity data in real-time as interface for electronic production report for combining with the IoT technology to upload the data to cloud system in real-time. 2. Development of factory MES system to provide a platform for real-time information that gives assistance to the factory end in keeping production in control and the progress of work, and early warning on equipment maintenance. This helps management staff to improve their work efficiency and tracking the production. 3. Development of image verification system for assisting factory end for confirmation of the line color, line location and content of the label. This helps to eliminate the probability of human error in identification process.
2022-	1. The development, application, and cloud database of the integrated system for the control of smart car IoT & electric bike. 2. Furthering the technology in the research and development of products in the field of Data Capture (including Single & four slot Ethernet Cradle, Vehicle cradle, and Vehicle charger, and essential peripherals of industrial grade terminal) and the nurturing of the engineering and integration capacity. 3. Design and production of semiconductor equipment cabinets. 4. AI warehouse robots for moving materials to the production lines. 5. Development of various kinds of Mobility products, charging connectors for big current battery.

In 2021, the Group spent NT\$849,022 thousand on research and development, which was an increase of 24% from the same period of the

previous year. Significant effort has been made in the development of IoT, warehouse automation equipment, smart cars, green energy industries, robotic application, smart home and electronic parts and components. Ongoing improvement will be made on factory equipment efficiency. The Group is expected to spend at least NT\$300 million or at least 3% of its revenue in research and development every year in the future.

III. Summary of 2022 Business Plan:

(I) Business policy in 2022:

1. Customized heavy-duty, water-proof and weather-resistance electronic wire harness and connector solutions: provide customized wire harness design, with extension to physical design, PCB assembly, Smart Cable and other integrated engineering services. The products will be used in green energy industries, EV charging equipment, high precision equipment, semiconductor equipment, and different kinds of medical testing equipment. SINBON was engaged in the business of electric bikes over the years
2. Ongoing dealership of electronic parts and components: With years of experience and professional standing in parts and components, The Company provides the customers with consultation service and technical support in different kinds of electronic parts and components, and emerged as the most reliable partner of the customers and agents.
3. Advocacy and pursuit of ESG sustainability strategy: the Company reorganized the Corporate Social Responsibility Committee and established the Sustainability Committee under the direct supervision of the Board in 2021. The CEO acts as the Director of this committee. The position of Sustainability Officer has also been created and is in charge of the "Sustainable Development Office" as the designated body for the advocacy and pursuit of ESG sustainability. The Sustainability Committee is consisted of 6 teams charged with the duties of "corporate governance", "Green SINBON", "environmental sustainability", "sustainable supply chain", "sustainable partnership", and "value chain operation". These teams are administered by senior managers of the Company with the expectation of sustaining the upgrade of SINBON in the performance of environmental protection, social participation, and corporate governance in 2022.
4. Active indulgence in product R&D for strengthening competitive power: prepared for the training and development of R&D people for ongoing refinement of R&D and engineering capacity. Further to the supply of innovative customized design to the need of the customers, the Company also seeks to assure quality for the ongoing assistance to customers in upgrading product performance, developing products with high added-value and competitive power.
5. Launching for digital transformation and accelerating factory automation: buildup of smart factory, introducing different factory

automation systems. Upgrade production efficiency with stable quality assurance through integrating the smart and digital process.

(II) Important policies of production and sale:

1. Strategic Alliance:

Through strategic alliance or direct investment to respond to the rapid changes in market with expansion of business and vertical integration in the development, design, validation, and production of customized precision connectors to the expectation of the customers.

2. Continued performance improvement:

Through the performance evaluation function of the group to directly manage the indicators and operation performance of all business units of the group.

3. Development of niche products:

The Company provides integrated engineering service to upgrade the added-value of products. The gravity of production and sale rests with the development of niche models and products with challenge. The Company has successfully completed the development of high voltage wire harness for EC, aviation/navigation/vehicle GPS electronic parts and components, portable body signal devices, x-ray machine, MRI devices, porosity testing device, wind power generator, and also actively involved in the development of industrial controllers, industrial computer, electronic medical devices, PV and wind power generation, and aviation electronic parts and components.

4. In-depth development of the iMAGIC industry:

The Company aligns with the development trend and is engaged in the development of medical use, automotive, green, industrial, and communication connectors and PCBA, and further the development of the parts and components for automated warehouse system, robotic arms, warehouse moving robots, smart power system, unmanned shops, EV charging module, IoT module electric bikes, and drones.

IV. The influence of the external competitive environment, regulatory environment and macroeconomic environment:

The last few years was characterized by the ongoing China-US trade war, echoed with the global economic uncertainty under the outbreak of COVID-19, the sustained shortage and price surge of raw material supply, wide fluctuation of exchange rate, and international conflicts with unpredictable outcomes. The global supply chain was hardly hit. The challenge to the electronic manufacturers was even stronger. The Company responds to the situation through global deployment to bolster the management of the supply chain so as to reduce operation risk, provide customers boundary fee and zero lead-time service and support. In addition, SINBON seeks to speed up the introduction of automated production equipment and AMR, industrial use robotic arms for man-machine coordinated operation to tackle with the global shortage of labor

supply. The Company is prepared to respond to any unfavorable situations to minimize the influence.

V. Development strategy of the Company in the future:

- (I) The Company will continue to go for high growth through the launch of the strategic matrix (existing customers and products, existing customers and new products, and new customers and new products).
- (II) The Company has established a designated body for business development. This body is responsible for keeping track on market situation and the trend of development in the future so as to search the next generation products for the Company.
- (III) Continue to upgrade the R&D team and fortify its core know-how, and lay hands on frontier industries as early as possible and continue to challenge for products with challenging sophistication.
- (IV) Strategic Alliance: SINBON has proactively sought strategic alliance or joint venture partners through different channels over the years. This would help to bolster the competitive power of the Company and also provide the customers with total solutions in service through the integration of resources.
- (V) Indulge in sustainability and corporate governance, and voluntarily take part in major ESG rating at global level. SINBON also proactively responds to the SDGs of the United Nations, and gear up with the world for sketching out the strategic road map for sustainability in mid to long-term.

The management team would like to express its gratitude to the shareholders for their support and encouragement, and hopes the shareholders could continue to give supervision and suggestion to the team in the year ahead. As always, SINBON will persist with its corporate philosophy to yield good result for sharing with the shareholders.

To

General Meeting of Shareholders, SINBON Electronics Co., Ltd.

Chairman: Shao-Hsin, Wang

Chapter II. Company profile:

I. Date of establishment: December 6 1989

II. Milestone:

(I) Merger & Acquisitions, investee enterprises, and corporate reorganization in the previous period to the date this report was printed:

March 2021 The Board resolved to invest for the establishment of "Xuzhou Yingmai Energy Technology Co., Ltd." through "Beijing SINBON TongAn Renewable Energy Co., Ltd." a direct subsidiary of the Company with 85.53% of equity holding.

April 2021 The Board resolved to dispose part of the shares issued by T-CONN Precision Corporation, a subsidiary of the Company with 58.86% equity holding.

July 2021 The Board resolved to dispose the common shares issued by Argosy Research Inc. Through wholly-owned subsidiary, Kwan Ze Co., Ltd.

March 2022 The Board resolved to passed the motion of raising capital of SINBON USA LLC, a wholly-owned subsidiary of the Company, and the Company planned to invest in "TOP TAIWAN XIV VENTURE CAPITAL CO., LTD."

(II) Massive transfer or replacement of shares by Directors, Supervisors, or top 10 shareholders holding more than 10% of the shares each issued by the Company:

Not applicable

(III) Change in the ownership, significant change in business mode or content of business: not applicable.

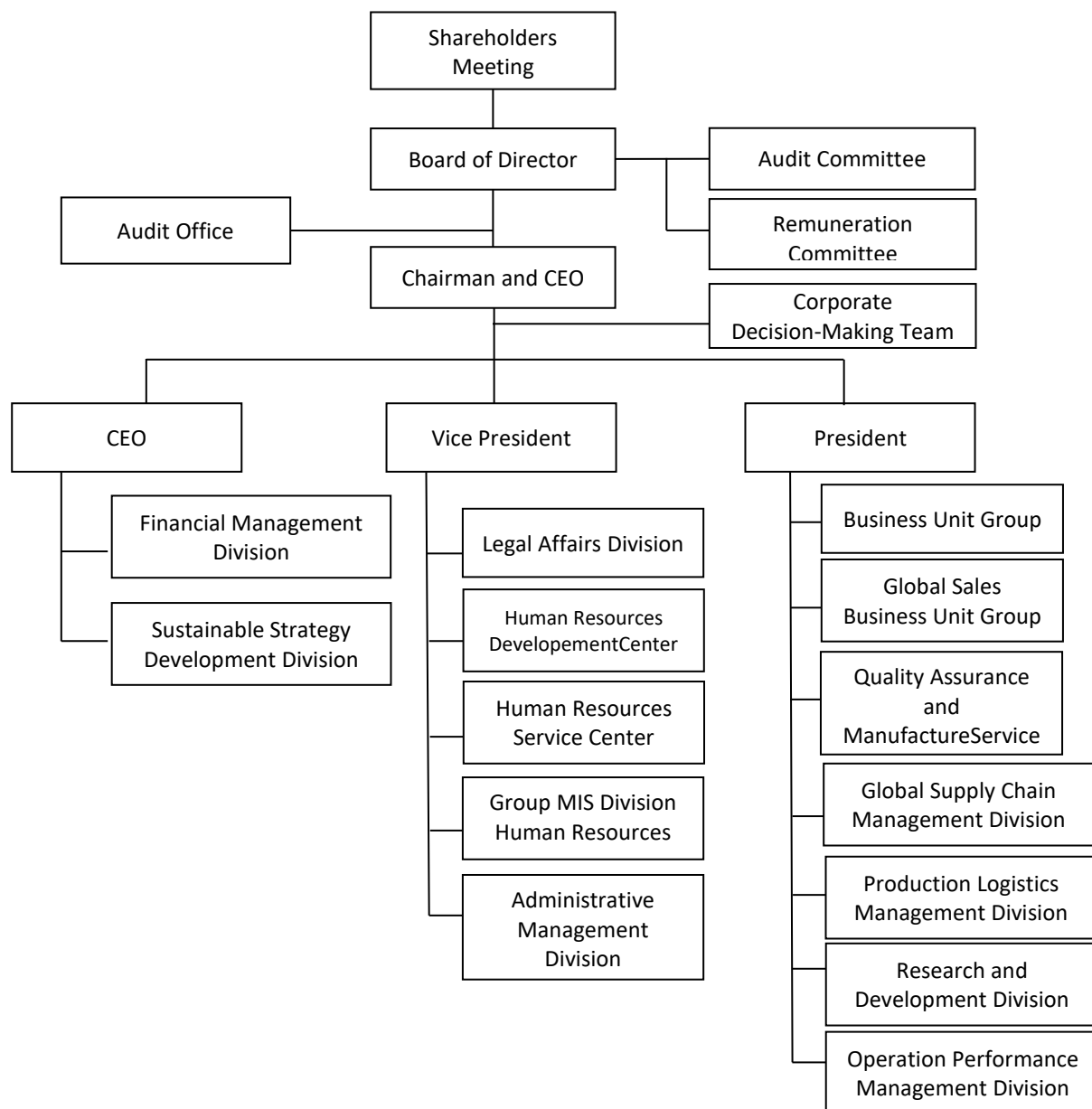
(IV) Important issues that affect shareholders equity and its influence on the Company:

The Board resolved to pay cash dividend at NT\$7.00/share on March 11, 2022. Earnings in 2021 will be appropriated for dividend payment in the first place. This motion was presented to the General Meeting of Shareholders in regular session scheduled to be held on May 30, 2022.

Chapter III Corporate Governance Report

I. Organization system:

(I) Organizational Structure of the Company



(II) The function of major departments are specified below

Major departments and function heads	Job function of major departments
Corporate Decision-Making Team Chairman Shao-Hsin, Wang; President Wei-Ming, Liarnng; Vice President Wen-Sen, Huang, Vice President Chun-Yu, Chen; Director Chi-Chou, Chang; Director Li-Li, Huang.	(1) Dedicated to execute the instructions of the resolutions of the Board and business operation. (2) Formulation of overall business objective and strategic direction of the Group and supervision of the management team. Hearing of the major strategy and report formulated by the management team at regular intervals, and judgment of the feasibility of success of the strategy. Review the development of the strategy from time to time, and give instruction to the management team for proper adjustment where necessary. (3) Formulation of major joint venture and significant capital expenditures cases and direct investment of the Group. (4) Formulation of important internal control of the Group. (5) Planning for responding to important issues of the Group, external operation, related party transactions and possible conflict of interest, major complaints of employees, investigation report on corruption. (6) The paramount body of risk management of the Group, responsible for the coordination and command the implementation of the risk management plan and operation, assessment of various forms of risks from the perspective of the Company and possible influence, aware of the influence of various forms of risks in different aspects, and assuring the effectiveness of risk management. (7) The principle of the pursuit of corporate social responsibility and protection of corporate culture orienting to corporate sustainable development.
CEO A concurrent position held by Chairman Shao-Hsin, Wang	Implementation of the policies to the order of the Board and execution of related tasks, responsible for the result of company operation, and in charge of finance, strategic formulation, and operation performance management.
Headquarters office Vice President, Chun-Yu, Chen	Administration of human resources, administrative affairs, information, and legal affairs.
President President, Wei-Ming, Liarnng	Administration of production and manufacturing, sale, and research and development.

Major departments and function heads	Job function of major departments
Audit Office Manager Hui-Chun, Li (staffed with 5 persons)	(1) Audit on the systems of the Company in operation, and present report at regular intervals. (2) Audit on direct investee entities
Financial Management Division Director Chi-Chou, Chang	(1) Charged with accounting and cashier work. (2) Provide related information on financial management to relevant functional units and senior management as reference in decision-making. (3) Play a leading role in company budgeting. (4) Operation and assessment of overseas investment (5) Major financial planning (6) Coordination of the convention of the Board and Shareholders Meeting, release of information and management of investor relation and contact window for investor services.
Sustainable Strategy Development Division Director Li-Li, Huang	(1) ESG sustainability. (2) Overall strategic planning of the Company (3) Strategic communication marketing
Legal Affairs Division Director Yun-Ju, Huang	(1) Planning and administration of legal affairs (2) Management and protection of intellectual property right
Human Resources Development Center Director Cheng-Ling, Li Human Resources Service Center Ass. Director Shan, Li	(1) Group human resources planning and execution (2) Survey, planning and implementation of Group education and training. (3) Management of remuneration and benefit of the Group.
Group Information Integration Division Ass. Director Yang-Yu, Wu	(1) Installation and maintenance management of computer equipment (hardware and software) (2) Advocacy of companywide computerization (3) Supply of computer spreadsheet in supporting the need of the departments.
Administrative Management Division A concurrent position held by Ass. Director Kuei-Chen, Feng	(1) Execution of regional administrative works of the Group. (2) Coordination, liaison and communication with related departments.
Business Unit Group A concurrent position held by President Wei-Ming, Liang	Sale of parts and components for different types of electronic products
Global Sales Business Unit Group Vice President Wen-Sen, Huang	Development of markets for electronic parts and components of different types of electronic products.

Major departments and function heads	Job function of major departments
Quality Assurance and Manufacture Service Center Director Ping, Li	Coordination of quality assurance, production and manufacturing and engineering resources of the Group.
Global Supply Chain Management Division Director Yang, Tsou	Administration of Group purchase and supply chain management.
Research and Development Division A concurrent position held by President Wei-Ming, Liang	Research of parts and components of different types of electronic products and product development.
Operation Performance Management Division Ass. Manager Hsing-Chih, Tsai	Operation analysis of business units of the Group.

II. Profiles of the Directors, President, Vice Presidents, Ass. Directors, function heads and branch heads:

(I) Directors (including Independent Directors):

Profiles of Directors and Independent Directors (I)

April 1 2022

Occupational title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date of office	Tenure	Date of the first term of office (Note 3)	Quantity of shares held at the time of elected to office		Quantity of shares currently held		Shares held by spouse and underage children		Shares held in the name of a third party		Major work experience (education) (Note 4)	Concurrent positions with the Company and other companies	Other officer or Director who is the spouse or kindred within the 2nd tier.			Remark (Note 5)
							Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding			Occupational title	Name	Relation	
Chairman	Republic of China	Shao-Hsin, Wang	Male Age 71~80	2021.07.09	3 Years	1989.12.06	7,508,062	3.22%	7,508,062	3.19%	2,131,236	0.91%	0	0%	Executive MBA, Fudan University Department of Mathematics, Tamkang University Sales Manager, AMP of USA Sales Manager, Kanagawa of Japan	Note 6	Director (representative of institutional investor)	Wei-Chung, Wang	Father and son	-
Director	Republic of China	Hsin-Chih, Yeh	Male Age 61~70	2021.07.09	3 Years	1997.11.04	1,707,373	0.73%	1,707,373	0.73%	500,000	0.21%	0	0%	Executive MBA, Fudan University Department of Biomechatronics Engineering, National Taiwan University President, T&B of USA	Note 7	None	None	None	-
Director	Republic of China	Wei-Ming, Liang	Male Age 61~70	2021.07.09	3 Years	2005.05.06	746,107	0.32%	746,107	0.32%	0	0%	0	0%	University of Iowa IE & MBA Department of Industrial Engineering, Tunghai University Vice President, Chief Land Electronic Co., Ltd.	Note 8	None	None	None	-
Director	Republic of China	Argosy Research Inc.	Male Age 61~70	2021.07.09	3 Years	1998.05.16	3,806,421	1.63%	3,806,421	1.62%	0	0%	0	0%	Department of Power Mechanical Engineering, National Tsing Hua University Chairman, Argosy Research Inc.	Note 9	None	None	None	-
		Representative Chao-Liang, Wang					0	0.00%	311,388	0.13%										
Director	Republic of China	Tai Yi Investment Co., Ltd.	Male Age 41~50	2021.07.09	3 Years	2005.05.06	4,130,572	1.77%	4,190,000	1.78%	0	0%	0	0%	MBA, National ChengChi University Manager, Top Taiwan Venture Capital	Chairman, Tai Yi Investment Co., Ltd. Asst VP, Top Taiwan Venture Capital	Chairman	Shao-Hsin, Wang	Father and son	-
		Representative Wei-Chung, Wang					0	0.00%	1,159,158	0.49%	628,812	0.27%	0	0%						
Director	Republic of China	Kuo Shian Investment Co., Ltd.	Male Age 61~70	2021.07.09	3 Years	2015.06.11	2,415,539	1.04%	2,415,539	1.03%	0	0%	0	0%	William Rainey Harper College Chairman, Chen Pang Blind Industrial Corporation	Note 10	None	None	None	-
		Representative Kuo-Hung, Wang					0	0.00%	105,022	0.04%										
Director	Republic of China	Wen-Sen, Huang	Male Age 51~60	2021.07.09	3 Years	2021.07.09	230,602	0.10%	235,602	0.10%	26,000	0.01%	0	0%	Design Department, Taipei Industrial College (now National Taipei University of Science and Technology) AMP Marketing Director Marketing Manager, IR-TEC International Ltd.	Note 11	None	None	None	-

Occupational title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date of office	Tenure	Date of the first term of office (Note 3)	Quantity of shares held at the time of elected to office		Quantity of shares currently held		Shares held by spouse and underage children		Shares held in the name of a third party		Major work experience (education) (Note 4)	Concurrent positions with the Company and other companies	Other officer or Director who is the spouse or kindred within the 2nd tier.			Remark (Note 5)
							Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding			Occupational title	Name	Relation	
Director	Republic of China	Te-Cheng, Chiu	Male Age 51~60	2021.07.09	3 Years	2002.06.18	100,000	0.04%	100,000	0.04%	0	0%	0	0%	Vice Chairman, Taiwan Life Insurance Co., Ltd. Chairman, Taiwan Venture Capital Association	Note 12	None	None	None	-
Independent Director	Republic of China	Yu-Fen, Lin	Female Age 51~60	2021.07.09	3 Years	2021.07.09	0	0%	0	0%	0	0%	0	0%	Attorney-at-law, Corporate Investment Department, Lee & Li Attorneys-at-law Attorney-at-law, LIN & ASSOCIATES Maritime Law Office	Independent Director, Chunghwa Telecom Independent Director, Bank SinoPac Presiding Counsel, Law and Honor Attorneys at Law	None	None	None	-
Independent Director	Republic of China	Hou-Ming, Chen	Male Age 61~70	2021.07.09	3 Years	2019.06.06	0	0%	0	0%	0	0%	0	0%	Professor, Department of International Business, National Taiwan University President, Commerce Development Research Institute Dean, College of Management, National Chung Hsing University Chairman, Department of Business Administration, National Chung Hsing University	Professor, Department of International Business, National Taiwan University Independent Director, Fulltech Fiber Glass Corp. Independent Director, ShareHope Medicine Co., Ltd.	None	None	None	-
Independent Director	Republic of China	Cheng-Yen, Chang	Male Age 71~80	2021.07.09	3 Years	2018.06.08	0	0%	0	0%	0	0%	0	0%	Clinical Research Fellow, Université Paris Descartes National Defense Medical Center School of Medicine Supervisor, Radiological Association of North America Adjunct Associate Research Fellow, Institute of Biomedical Engineering and Nanomedicine, National Health Research Institutes Head the Department of Radiology, specialist and chief physician, Taipei Veterans General Hospital Director and Secretary-General, Taiwan Radiological Society	Chief Consultant and Director-General of the Medical Committee of Department of Medical Imaging, Tzu Chi Hospital Consultant Physician, Taipei Veterans General Hospital Department of BioMedical Engineering, National Yang Ming Chiao Tung University Professor of clinical trial, National Defense Medical Center School of Medicine	None	None	None	-

Note 1: List out the name of institutional shareholders and their representatives separately (for representatives of institutional shareholders, specify the name of the institutions) and fill in Table 1 below.

Note 2: Specify the exact age, and may express by range, such as age 41~50, or age 51~60.

Note 3: Specify the date of assuming office as Director for the first time, explain if there is any interruption in the term of office.

Note 4: Experience relevant with the current position. If employed by the CPA office retained for performing auditing services and certification of its affiliates in the aforementioned period, specify the occupational title and the function performed.

Note 5: If the Chairman also hold the position as President or position of relevant function (e.g., the top manager), or these positions were held by spouse or next of kin, explain and justify the necessity and responses (e.g.: additional seats for Independent Directors were reserved, and less than half of the Directors also hold positions as employees or managers).

Note 6: Chairman (Representative of Institutional Shareholder) of SINBON Beijing, Chairman (Representative of Institutional Shareholder) of SINBON Hong Kong, Chairman (Representative of Institutional

Shareholder) of SINBON Shanghai, Chairman (Representative of Institutional Shareholder) of SINBON Shenzhen, Chairman (Representative of Institutional Shareholder) of SINBON Jiangyin, Chairman (Representative of Institutional Shareholder) of Kwan Ze Co., Ltd., Chairman (Representative of Institutional Shareholder) of SINBON International, Director (Representative of Institutional Shareholder) of Argosy Research Inc., Director (Representative of Institutional Shareholder) of Top Taiwan IV Venture Capital, Director (Representative of Institutional Shareholder) of Top Taiwan XI Venture Capital, Director (Representative of Institutional Shareholder) of Top Taiwan XII Venture Capital, Director (Representative of Institutional Shareholder) of T-CONN Precision Corporation, Director (Representative of Institutional Shareholder) of T-CONN Precision (Zhongshan) Corporation, Chairman (Representative of Institutional Shareholder) of Beijing SINBON TongAn Renewable Energy Co., Ltd., Chairman (Representative of Institutional Shareholder) of Enmagic Renewable Energy Co., Ltd.

Note 7: Director (Representative of Institutional Shareholder) of Kwan Ze Co., Ltd., Director (Representative of Institutional Shareholder) of Argosy Beijing, Chairman (Representative of Institutional Shareholder) of T-CONN Precision Corporation, Chairman (Representative of Institutional Shareholder) of T-CONN Precision (Zhongshan) Corporation, Chairman (Representative of Institutional Shareholder) of Super Progressive Ltd. , Supervisor (Representative of Institutional Shareholder) of Top Taiwan XII Venture Capital, Director (Representative of Institutional Shareholder) of Tai Yi Investment Co., Ltd., Chairman (Representative of Institutional Shareholder) of SINTOP Energy I Corp.

Note 8: Director (Representative of Institutional Shareholder) of Worldwide Wire Harnesses Ltd., Chairman (Representative of Institutional Shareholder) of SINBON Tongcheng, Director (Representative of Institutional Shareholder) of SINBON Jiangyin, Director (Representative of Institutional Shareholder) of SINBON Hong Kong, Director (Representative of Institutional Shareholder) of SINBON Beijing, Director (Representative of Institutional Shareholder) of Beijing SINBON TongAn Renewable Energy Co., Ltd, Director (Representative of Institutional Shareholder) of SINBON Shenzhen, Director (Representative of Institutional Shareholder) of SINBON Shanghai , Chairman (Representative of Institutional Shareholder) of Jiangsu ENMAGIC Energy Co., Ltd., Independent Director (Representative of Institutional Shareholder) of Flytech Technology Co., Ltd., Director (Representative of Institutional Shareholder) of Enmagic Renewable Energy Co., Ltd., Chairman (Representative of Institutional Shareholder) of SINBON Jiangyin Beijing Tongzhou Branch, Director (Representative of Institutional Shareholder) of SINBON Technologies Tennessee LLC, Director (Representative of Institutional Shareholder) of Tai Yi Investment Co., Ltd., Chairman (Representative of Institutional Shareholder) of SINTOP Energy Management Co., Ltd.

Note 9: Chairman of Argosy Research Inc., Chairman of Argosy Technology B.V., Chairman of Argosy Technology, Inc., Chairman of Global Saber Electronics Co., Ltd., Chairman of Rotec Limited, Director of (Representative of Institutional Shareholder) of Top Taiwan VIII Venture Capital Co., Ltd., Supervisor (Representative of Institutional Shareholder) of Top Taiwan XII Venture Capital, and Supervisor of Top Taiwan XIII Venture Capital Co., Ltd. (Representative of Institutional Shareholder).

Note 10: Chairman of Chen Bang Blind Industrial Corporation, Director of G-Tech Optoelectronics Corp., Supervisor of Tang Silk Co., Ltd., Director of (Representative of Institutional Shareholder) of Radbon Avionics Inc..

Note 11: Chairman (Representative of institutional shareholder) of SINBON Europe GmbH, Director (Representative of institutional shareholder) of SINBON Hong Kong, Supervisor of SINBON Jiangyin, Supervisor of SINBON Tongcheng, Director (Representative of institutional shareholder) of Nextronics Engineering Corp.

Note 12: Chairman/President of Top Taiwan Venture Capital, Top Taiwan IV Venture Capital, Top Taiwan IX Venture Capital, Top Taiwan X Venture Capital, Top Taiwan XI Venture Capital, Top Taiwan XII Venture Capital, Top Taiwan XIII Venture Capital and Top Taiwan Financial Consulting Co., Ltd., President/Director of Top Taiwan VI Venture Capital and Top Taiwan VIII Venture Capital, Independent Director of Silitech Technology Corporation, Director (Representative of institutional shareholder) of DEPO Auto Parts Ind. Co., Ltd., Director (Representative of institutional shareholder) of AMICCOM Electronics Corporation., Ltd., Director (Representative of institutional shareholder) of Radbon Avionics Inc., Director (Representative of institutional shareholder) of Shin Kong Financial Holding Co., Ltd., Director of ELAN Microelectronics Corp., Director (Representative of institutional shareholder) of T-CONN Precision Corporation, Director of Avatack Co. Ltd., Vice Chairman of Shin Kong Life Insurance Co., Ltd.

Table 1: Dominant shareholders of institutional shareholders

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Name of institutional shareholder (Note 1)	Dominant shareholders of institutional shareholders (Note 2)
Argosy Research Inc.	Kwan Ze Co., Ltd. (16.39%), Chao-Liang, Wang (6.40%), Fubon Life Insurance Co., Ltd.(4.00%), SINBON Electronics (3.52%), Shu-Chen, Chen (2.90%), Labor pension fund under New system (2.45%), Discretionary Stock Investment Account of Tai Shin Life at Tai Shin Securities Investment Trust (1.73%), UPAMC GREAT CHINA Fund (1.70%), Yi-Pen, Yuan (1.29%), Mao-Hsiung, Lin(1.13%)
Tai Yi Investment Co., Ltd.	Chen-Chung, Wang (29.42%), Wei-Chung, Wang (29.39%), Hsin-Chi, Yeh (8.80%), Wei-Ming, Liang (8.19%), Chun-Chiang, Wang (8.00%), Mu-Hsiao, Liu (4.72%), Liang Chen Investment Co., Ltd. (2.83%), Huang-Chi, Lin (1.92%), Chi-Chou, Chang (1.78%), Wen-Sen, Huang (1.13%)
Kuo Shian Investment Co., Ltd.	Kuo-Hung, Wang (33.33%), Hsing-Hui, Liu (33.33%), Hsiang, Wang (33.33%)

Note 1: If the Director is the representative of an institutional shareholder, put down the name of the institution.

Note 2: Put the names of the dominant shareholders of this institutional shareholder (Top 10 by shareholding) and proportion of shareholding. If the dominant shareholders are institutional shareholders, fill in Table 2 below.

Note 3: If the institutional shareholder is not a body corporate, the name of the institutional shareholder and proportion of shareholder for disclosure as mentioned shall be the name of the benefactor or donor, and the proportion of funding or donation.

Table 2: If the dominant shareholders as exhibited in Table 1 are institutional shareholders, the dominant shareholders of these institutional shareholders.

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Name of institutional shareholder (Note 1)	Dominant shareholders of institutional shareholders (Note 2)
Kwan Ze Co., Ltd.	SINBON Electronics Co., Ltd. (100%)
Fubon Life Insurance Co., Ltd.	Fubon Financial Holdings Co., Ltd.(100%)
Labor pension fund under New system	Fund is not applicable
SINBON Electronics Co., Ltd.	Fubon Life Insurance Co., Ltd., (4.46%), PineBridge Global Fund - PineBridge Asia except Japan Small Cap Equity Fund in Custody of Standard Chartered Bank (3.82%), Investment Account of Small Denomination World Funds Co. Ltd. in custody of Standard Chartered Bank (3.72%), Shao-Hsin, Wang (3.19%), Nan Shan Life Insurance Co., Ltd. (2.30%), Investment Account of Swedbank Robur Global Impact Fund in custody of Standard Chartered Bank (1.91%), Investment account of Swedbank Robur Tech Fund in custody of Standard Chartered Bank (1.91%), Tai Yi Investment Co., Ltd. (1.78%), Aberdeen Standard OEICII- ASI Global Smaller Companies Fund in custody of Citibank Taiwan (1.77%), BNP PARIBAS Green Tiger Fund in custody of HSBC (1.67%)
Discretionary Stock Investment Account of Tai Shin Life at Tai Shin Securities Investment Trust.	Fund is not applicable
UPAMC GREAT CHINA Fund	Fund is not applicable
Liang Chen Investment Co., Ltd.	Shu-Ying, Kao (95%), Chao-Yeh, Wang (5%)

Note 1: If the dominant shareholder exhibited in Table 1 is an institutional shareholder, put down the name of the institution.

Note 2: Put down the names of the dominant shareholders of this institutional shareholder (top 10 by shareholding) and the proportion of shareholding.

Note 3: If the institutional shareholder is not a body corporate, the name of the institutional shareholder and proportion of shareholder for disclosure as mentioned shall be the name of the benefactor or donor, and the proportion of funding or donation.

Profiles of the Directors (II)

1. Disclosure of the information on the professional designation and independence of the Directors:

Condition Name	Professional designation and work experience	Status of independence	Number of public companies where the Independent Director also holds positions as Independent Director
Shao-Hsin, Wang	Executive MBA, Fudan University Department of Mathematics, Tamkang University Sales Manager, AMP of USA Sales Manager, Kanagawa of Japan Nothing in connection with the paragraphs under Article 30 of the Company Act	1. Quantity and proportion of shareholding of the person, spouse, kindred within the 2nd tier (or in the name of a third party): For addition information, refer to III, Corporate Governance Report and Profiles of the Directors and Independent Directors (I) 2. The government, institutions, or their representatives were elected as required by Article 27 of the Company Act.	0
Hsin-Chih, Yeh	Executive MBA, Fudan University Department of Biomechanics Engineering, National Taiwan University President, T&B of USA Nothing in connection with the paragraphs under Article 30 of the Company Act	1. Quantity and proportion of shareholding of the person, spouse, kindred within the 2nd tier (or in the name of a third party): For addition information, refer to III, Corporate Governance Report and Profiles of the Directors and Independent Directors (I) 2. The government, institutions, or their representatives were elected as required by Article 27 of the Company Act.	0
Representative of Argosy Research Inc.: Chao-Liang, Wang	Department of Power Mechanical Engineering, National Tsing Hua University Chairman, Argosy Research Inc. Nothing in connection with the paragraphs under Article 30 of the Company Act	1. Not an employee of the Company or its affiliate. 2. Quantity and proportion of shareholding of the person, spouse, kindred within the 2nd tier (or in the name of a third party): For addition information, refer to III, Corporate Governance Report and Profiles of the Directors and Independent Directors (I) 3. Not a Director, Supervisor or employee of companies with special relation to the Company (for additional information, refer to Subparagraphs 5~8 of Paragraph 1 under Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies.) 4. No business, legal, financial and accounting services rendered to the Company or its affiliates in the last 2 years.	0

Condition Name	Professional designation and work experience	Status of independence	Number of public companies where the Independent Director also holds positions as Independent Director
Wei-Ming, Liarnng	University of Iowa IE & MBA Department of Industrial Engineering, Tunghai University Vice President, Chief Land Electronic Co., Ltd. Nothing in connection with the paragraphs under Article 30 of the Company Act	1. Quantity and proportion of shareholding of the person, spouse, kindred within the 2nd tier (or in the name of a third party): For addition information, refer to III, Corporate Governance Report and Profiles of the Directors and Independent Directors (I) 2. The government, institutions, or their representatives were elected as required by Article 27 of the Company Act.	1
Wen-Sen, Huang	Design Department, Taipei Industrial College (now National Taipei University of Science and Technology) AMP Marketing Director Marketing Manager, IR-TEC International Ltd. Nothing in connection with the paragraphs under Article 30 of the Company Act	1. Quantity and proportion of shareholding of the person, spouse, kindred within the 2nd tier (or in the name of a third party): For addition information, refer to III, Corporate Governance Report and Profiles of the Directors and Independent Directors (I) 2. The government, institutions, or their representatives were elected as required by Article 27 of the Company Act.	0
Representative of Tai Yi Investment Co., Ltd.: Wei-Chung, Wang	MBA, National ChengChi University Manager, Top Taiwan Venture Capital Nothing in connection with the paragraphs under Article 30 of the Company Act	1. Not an employee of the Company or its affiliate 2. Quantity and proportion of shareholding of the person, spouse, kindred within the 2nd tier (or in the name of a third party): For addition information, refer to III, Corporate Governance Report and Profiles of the Directors and Independent Directors (I) 3. Not a Director, Supervisor or employee of companies with special relation to the Company (for additional information, refer to Subparagraphs 5~8 of Paragraph 1 under Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies.) 4. No business, legal, financial and accounting services rendered to the Company or its affiliates in the last 2 years.	0

Condition Name	Professional designation and work experience	Status of independence	Number of public companies where the Independent Director also holds positions as Independent Director
Representative of Kuo Shian Investment Co., Ltd.: Kuo-Hung, Wang	William Rainey Harper College Chairman, Chen Pang Blind Industrial Corporation Nothing in connection with the paragraphs under Article 30 of the Company Act	1. Not an employee of the Company or its affiliate 2. Quantity and proportion of shareholding of the person, spouse, kindred within the 2nd tier (or in the name of a third party): For addition information, refer to III, Corporate Governance Report and Profiles of the Directors and Independent Directors (I) 3. Not a Director, Supervisor or employee of companies with special relation to the Company (for additional information, refer to Subparagraphs 5~8 of Paragraph 1 under Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies.) 4. No business, legal, financial and accounting services rendered to the Company or its affiliates in the last 2 years.	0
Te-Cheng, Chiu	Vice Chairman, Taiwan Life Insurance Co., Ltd. Chairman, Taiwan Venture Capital Association Nothing in connection with the paragraphs under Article 30 of the Company Act	1. Not an employee of the Company or its affiliate 2. Quantity and proportion of shareholding of the person, spouse, kindred within the 2nd tier (or in the name of a third party): For addition information, refer to III, Corporate Governance Report and Profiles of the Directors and Independent Directors (I) 3. Not a Director, Supervisor or employee of companies with special relation to the Company (for additional information, refer to Subparagraphs 5~8 of Paragraph 1 under Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies.) 4. No business, legal, financial and accounting services rendered to the Company or its affiliates in the last 2 years.	1

Condition Name	Professional designation and work experience	Status of independence	Number of public companies where the Independent Director also holds positions as Independent Director
Independent Director Yu-Fen, Lin	Presiding Counsel, Law and Honor Attorneys at Law Attorney-at-law, Corporate Investment Department, Lee & Li Attorneys-at-law Attorney-at-law, LIN & ASSOCIATES Maritime Law Office Nothing in connection with the paragraphs under Article 30 of the Company Act	1. The person, spouse, kindred within the 2nd tier does not hold position as Director, Supervisor or employee of the Company or its affiliates. 2. The person, spouse, kindred within the 2nd tier (or in the name of a third party) do not hold any shares issued by the Company. 3. Not a Director, Supervisor or employee of companies with special relation to the Company (for additional information, refer to Subparagraphs 5~8 of Paragraph 1 under Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies.) 4. No business, legal, financial and accounting services rendered to the Company or its affiliates in the last 2 years.	2
Independent Director Hou-Ming, Chen	Professor, Department of International Business, National Taiwan University President, Commerce Development Research Institute Dean, College of Management, National Chung Hsing University Chairman, Department of Business Administration, National Chung Hsing University Nothing in connection with the paragraphs under Article 30 of the Company Act		2
Independent Director Cheng-Yen, Chang	Clinical Research Fellow, Université Paris Descartes National Defense Medical Center School of Medicine Supervisor, Radiological Association of North America Adjunct Associate Research Fellow, Institute of Biomedical Engineering and Nanomedicine, National Health Research Institutes Head the Department of Radiology, specialist and chief physician, Taipei Veterans General Hospital Director and Secretary-General, Taiwan Radiological Society Nothing in connection with the paragraphs under Article 30 of the Company Act		0

2. Diversity and independence of the Board

(1) Diversity of the Board:

According to Article 23 of the “Corporate Governance Best Practice Principles” of the Company, the Board of the Company shall direct the strategy of the Company, supervise the management, and accountable to the Company and the Shareholders Meeting. The plans and arrangement pertinent to the corporate governance system of the Company shall be able to assure the Board in compliance with applicable legal rules, the Articles of Incorporation of the Company, or the resolutions of the Shareholders Meeting in performing its function. The Board shall consist of at least 5 seats of Directors appropriate for the job with reference to the scale of corporate development and the shareholding of dominant shareholders, and the needs in actual operation.

Diversity shall be taken into account in organizing the Board. Directors who also assume managerial positions of the Company shall not account for more than 1/3 of the members of the Board. The policy of diversity shall also be in place relevant with the function of the Board, the mode of operation, and development need, and shall include without limitation to the following 2 major aspects of criteria:

- a. Fundamental condition and value: gender, age, nationality and education.
- b. Professional designation and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills, and industry experience.

Members of the Board shall be disciplined with the knowledge, skills, and accomplishment in their respective areas of expertise. For achieving the objective of corporate governance, the Board in general shall be capacity of the following:

- a. Judgement in operation.
- b. Accounting and financial analysis
- c. Corporate management
- d. Crisis management
- e. Industry knowledge
- f. International view of market
- g. Leadership
- h. Decision-making

The members of the Board will be organized by the Chairman under authorization of the Board on the basis of corporate development need for the suitable candidates.

The pursuit:

1. Diversified background of the Directors (including Independent Directors): Three Directors have participated in the operation of the Company. All other Directors (including Independent Directors) are professionals from outside of whom 5 have corporate management background, 1 is specialized in industry research, 1 is a practicing lawyer, and 1 is a professor of finance and economics.

2. 1 female Director has been appointed. More female candidates will be appointed as Directors in the future.
3. Age: In this term of the Board, 2 of the Directors (including Independent Directors) are at the age of over 70, 3 are at the age of 60~70, 2 are at the age of 50~60, and 1 are under the age of 50.

The list of Board members is shown below:

Chairman	Shao-Hsin, Wang
Director	Hsin-Chi, Yeh (Corporate management background)
Director	Wei-Ming, Liang (Corporate management background)
Director	Wen-Sen, Huang (Corporate management background)
Director	Chao-Liang, Wang (Corporate management background)
Director	Kuo-Hung, Wang (Corporate management background)
Director	Te-Cheng, Chiu (Specialized in venture capital investment, financial background)
Director	Wei-Chung, Wang (Specialized in industry research)
Independent Director	Hou-Ming, Chen (Professor at NTU, specialized in international business management and finance)
Independent Director	Cheng-Yen, Chang (Physician, specialized in medical services, and congruent with the area of business development of the Company)
Independent Director (Female)	Yu-Fen, Lin (Attorney-at-law)

(2) Independence of the Board:

1. The Company has established 3 seats of Independent Directors for the time being, which account for 3/11 of all the seats of Directors. The Company has reviewed the status of independence of the Independent Directors internally in accordance with Paragraphs 3 and 4 under Article 26-3 of the Securities and Exchange Act. Independent Directors Qualification Requirement Checklist has been filled in at the time of the assumption (election to) of Office. No violation has ever been detected by the Company.
2. Director Shao-Hsin, Wang and Director Wei-Chung, Wang are kindred within the 2nd tier to each other. All other Directors are not related.

(II) President, Vice Presidents, Ass. Directors, and function heads and branch heads:

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Occupational title (Note 1)	Nationality	Name	Gender	Date of office	Quantity of shareholding		Quantity of shareholding by spouse and underage children		Shares held in the name of a third party		Major work experience (education) (Note 2)	Concurrent positions in other companies.	Manager who is spouse or kindred within the 2nd tier.			Remark (Note 3)
					Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding			Occupational title	Name	Relation	
President	Republic of China	Wei-Ming, Liang	Male	1998.01.05	746,107	0.32%	0	0.00%	0	0.00%	University of Iowa IE & MBA Department of Industrial Engineering, Tunghai University Vice President, Chief Land Electronic Co., Ltd.	Note 4	None	None	None	-
Vice President	Republic of China	Wen-Sen, Huang	Male	1998.02.11	235,602	0.10%	26,000	0.01%	0	0.00%	Design Department, Taipei Industrial College (now National Taipei University of Science and Technology) AMP Marketing Director Marketing Manager, IR-TEC International Ltd.	Note 5	None	None	None	-
Vice President	Republic of China	Chun-Yu, Chen	Male	2018.04.20	57,712	0.02%	0	0.00%	0	0.00%	School of Law, Fudan University, Shanghai HR and Sale Department Manager, Tsann Kuen Shanghai Manager, General Management Division, Want Want Holdings Limited	Supervisor of SINTOP Energy I Corp.	None	None	None	-
Director	Republic of China	Ping, Li	Male	1996.10.01	101,220	0.04%	0	0.00%	0	0.00%	BA in Industrial Management, National Cheng Kung University QC Department Manager, Chenfeng Machinery & Enterprise Co., Ltd.	None	None	None	None	-
Director	Republic of China	Li-Li, Huang	Female	1997.04.21	8,930	0.00%	0	0.00%	0	0.00%	Department of International Trade, Chung Yuan Christian University AMP Market Department Product Management Public and Consumer Relation Professional Staff, Taiwan Scott Paper	None	None	None	None	-

Occupational title (Note 1)	Nationality	Name	Gender	Date of office	Quantity of shareholding		Quantity of shareholding by spouse and underage children		Shares held in the name of a third party		Major work experience (education) (Note 2)	Concurrent positions in other companies.	Manager who is spouse or kindred within the 2nd tier.			Remark (Note 3)
					Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding			Occupational title	Name	Relation	
CFO	Republic of China	Chi-Chou, Chang	Male	2000.10.01	235,389	0.10%	266,124	0.11%	0	0.00%	Business Administration, Graduate Institute of Business Management, National Chung Hsing University Department of Accounting, Chung Yuan Christian University Ass. Manager, Diwan & Company	Note 6	None	None	None	-
Director	Republic of China	Cheng-Ling, Li	Female	2014.09.01	0	0.00%	0	0.00%	0	0.00%	Double Bachelor Degree of Business Administration/Sociology, Tunghai University HONDA Taiwan HR Section Mgr. Infineon Group HR Mgr. Foxconn Group HR Senior Mgr.	None	None	None	None	-
Director	Republic of China	Hsiu-Sui, Lin	Female	2014.09.01	30,403	0.01%	0	0.00%	0	0.00%	Jing Zhong Business College	Director of SINBON Shenzhen (Representative of Institutional Shareholder) Director of SINBON Shanghai (Representative of Institutional Shareholder)	None	None	None	-
Director	Republic of China	Yun-Ju, Huang	Female	2014.09.01	0	0.00%	62	0.00%	0	0.00%	University of Southern California Law School LLB, National Taiwan University Legal Affairs Department, Kingpo Group ACBEL Polytech Inc. Legal Affairs Department, Lin & Chang International Law Offices	None	None	None	None	-
Director	Republic of China	Hsing-Chun, Wu	Female	2014.10.01	39,569	0.01%	0	0.00%	0	0.00%	Department of Spanish, Tamkang University	Director of SINBON Jiangyin (Representative of Institutional Shareholder)	None	None	None	-

Occupational title (Note 1)	Nationality	Name	Gender	Date of office	Quantity of shareholding		Quantity of shareholding by spouse and underage children		Shares held in the name of a third party		Major work experience (education) (Note 2)	Concurrent positions in other companies.	Manager who is spouse or kindred within the 2nd tier.			Remark (Note 3)
					Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding			Occupational title	Name	Relation	
Director	Republic of China	Hao-Min, Hsu	Male	2014.10.01	2,078	0.00%	0	0.00%	0	0.00%	Department of Shipping and Transportation Management, National Taiwan Ocean University Longwell Company, FedEx Taiwan.	None	None	None	None	-
Director	Republic of China	Chin-Tsung, Huang	Male	2018.09.01	0	0.00%	0	0.00%	0	0.00%	Junior High School graduate, Engineer of NISSEI Electric, COO, Chief Operating Officer of Golden Bridge Electech Inc.	None	None	None	None	-
Ass. Director	Republic of China	Ping-Chen, Sung	Male	2014.10.01	1,689	0.00%	0	0.00%	0	0.00%	Ping Tung College of Technology Sales Manager , Wieson Technologies	None	None	None	None	-
Ass. Director	Republic of China	Ming-Cheng, Lin	Male	2015.06.01	588	0.00%	0	0.00%	0	0.00%	Graduated from Department of Electronic Engineering, National United University Section Manager, Electronics Section, Tech-Cast Mfg. Corp.	None	None	None	None	-
Ass. Director	Republic of China	Chia-Ching, Lin	Male	2017.04.18	9,202	0.00%	0	0.00%	0	0.00%	Department of Electronic Engineering, Chung Hua University	None	None	None	None	-
Ass. Director	Republic of China	Ya-Hui, Kuo	Female	2017.04.18	0	0.00%	0	0.00%	0	0.00%	Department of Business Administration, NTUST	None	None	None	None	-
Ass. Director	Republic of China	Kuei-Chen, Feng	Female	2018.04.09	0	0.00%	4,000	0.00%	0	0.00%	Department of Russian Language, National ChengChi University Operations manager of Holistic Music Culture Enterprise Co., Ltd. Head of Management Department, Ju Percussion Music School	None	None	None	None	-
Ass. Director	Republic of China	Ping-Jen, Chen	Male	2018.04.09	7,000	0.00%	0	0.00%	0	0.00%	Department of Sport Management, Aletheia University Sales Manager, T-CONN Precision Corporation	None	None	None	None	-
Ass. Director	Republic of China	Chien-Ming, Huang	Male	2018.04.09	0	0.00%	0	0.00%	0	0.00%	Department of Electronics, Fu-Hsin Trade & Arts School	None	None	None	None	-
Ass. Director	Republic of China	Hsing-Hsiu, Kuo	Female	2018.04.10	6,262	0.00%	100	0.00%	0	0.00%	Department of Applied Foreign Languages, National Yunlin University of Science and Technology	None	None	None	None	-

Occupational title (Note 1)	Nationality	Name	Gender	Date of office	Quantity of shareholding		Quantity of shareholding by spouse and underage children		Shares held in the name of a third party		Major work experience (education) (Note 2)	Concurrent positions in other companies.	Manager who is spouse or kindred within the 2nd tier.			Remark (Note 3)
					Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding			Occupational title	Name	Relation	
Ass. Director	Republic of China	Kuo-Hung, Chen	Male	2018.10.29	0	0.00%	0	0.00%	0	0.00%	Department of Mechanical Engineering, National Taiwan of Science and Technology Asst VP, Consumer Product Department, Lorom Industrial Co. Ltd.	None	None	None	None	-
Ass. Director	Republic of China	Ping-Chen, Fu	Male	2019.06.03	0	0.00%	3,000	0.00%	0	0.00%	Stratford University, MBA. Project Manager, LITE-ON Technology	None	None	None	None	-
Ass. Director	Republic of China	Yang-Yu, Wu	Male	2020.05.01	11,000	0.00%	9,000	0.00%	0	0.00%	Department of Applied Mathematics, Chinese Culture University MIS Manager, NEXCOM International Co., Ltd.	None	None	None	None	-
Ass. Director	Republic of China	Shan, Li	Male	2020.05.01	0	0.00%	0	0.00%	0	0.00%	PhD, Business Administration, National Chengchi University Consultant to the Office of the President, Avatack Co. Ltd.	None	None	None	None	-
Ass. Director	Republic of China	Yu-Hsuan, Lin	Female	2020.05.01	16,165	0.01%	0	0.00%	0	0.00%	Department of Chinese Literature, National Taiwan University	None	None	None	None	-
Ass. Director	Republic of China	Ya-Hui, Kao	Female	2020.05.01	1,288	0.00%	0	0.00%	0	0.00%	Department of International Business, Tunghai University	None	None	None	None	-
Ass. Director	Republic of China	Yao-Ting, Li	Male	2021.05.01	2,000	0.00%	0	0.00%	0	0.00%	Chien Hsin University of Science and Technology	None	None	None	None	-
Ass. Director	Republic of China	Yi-Hsien, Lin	Male	2021.05.01	14,000	0.01%	1,029	0.00%	0	0.00%	Pure Mathematics of Department of Mathematics, Fu Jen Catholic University	Director (Representative of Institutional Shareholder) of SINTOP Energy Management Co., Ltd.	None	None	None	-
Ass. Director	USA	Hsin-Nan, Hsiung	Male	2022.01.01	28,000	0.01%	0	0.00%	0	0.00%	University of Houston Marketing and North America Business Development Manager, C.C.P. Contact Probes Co., LTD.	None	None	None	None	-

Note 1: The profiles of the President, Vice Presidents, Ass. Directors, function heads and branch heads should be included. Positions equivalent to the President, Vice President, or Ass. Director should also be included regardless of the occupational title.

Note 2: Experience relevant with the current position. If employed by the CPA office retained for performing auditing services and certification of its affiliates in the aforementioned period, specify the occupational title and the function performed.

Note 3: If the Chairman also hold the position as President or position of relevant function (e.g., the top manager), or these positions were held by spouse or next of kin, explain and justify the necessity and responses (e.g., additional

seats for Independent Directors were reserved, and less than half of the Directors also hold positions as employees or managers).

- Note 4: Director (Representative of Institutional Shareholder) of Worldwide Wire Harnesses Ltd., Chairman (Representative of Institutional Shareholder) of SINBON Tongcheng, Director (Representative of Institutional Shareholder) of SINBON Jiangyin, Director (Representative of Institutional Shareholder) of SINBON Hong Kong, Director (Representative of Institutional Shareholder) of SINBON Beijing, Director (Representative of Institutional Shareholder) of Beijing SINBON TongAn Renewable Energy Co., Ltd, Director (Representative of Institutional Shareholder) of SINBON Shenzhen, Director (Representative of Institutional Shareholder) of SINBON Shanghai , Chairman (Representative of Institutional Shareholder) of Jiangsu ENMAGIC Energy Co., Ltd., Independent Director (Representative of Institutional Shareholder) of Flytech Technology Co., Ltd., Director (Representative of Institutional Shareholder) of Enmagic Renewable Energy Co., Ltd., Chairman (Representative of Institutional Shareholder) of SINBON Jiangyin Beijing Tongzhou Branch, Director (Representative of Institutional Shareholder) of SINBON Technologies Tennessee LLC, Director (Representative of Institutional Shareholder) of Tai Yi Investment Co., Ltd., Chairman (Representative of Institutional Shareholder) of SINTOP Energy Management Co., Ltd.
- Note 5: Chairman (Representative of institutional shareholder) of SINBON Europe GmbH, Director (Representative of institutional shareholder) of SINBON Hong Kong, Supervisor of SINBON Jiangyin, Supervisor of SINBON Tongcheng, Director (Representative of institutional shareholder) of Nextronics Engineering Corp.
- Note 6: Supervisor of SINBON Hong Kong, Supervisor of SINBON Shenzhen, Supervisor of SINBON Shanghai, Director (Representative of institutional shareholder) of Kwan Ze Co., Ltd., Supervisor of T-CONN Precision (Zhongshan) Corporation, Supervisor of Beijing SINBON TongAn Renewable Energy Co., Ltd., Director (Representative of institutional shareholder) of SINBON Tongcheng, Director (Representative of institutional shareholder) of SINBON Jiangyin, Supervisor of SINBON Beijing, Director (Representative of institutional shareholder) of Jiangsu ENMAGIC Energy Co., Ltd., Supervisor of Kunshan ENMAGIC Energy Co., Ltd., Supervisor of Enmagic Renewable Energy Co., Ltd., Supervisor of SINTOP Energy Management Co., Ltd.

III. Remuneration to the Directors, President and Vice Presidents in the previous period:

(I) Remuneration to Directors and Independent Directors (Disclosure of the names in relevant bracket of the payment scale)

December 31 2021; Unit: NT\$1,000

Occupational title	Name	Remuneration to Directors								The sum of A, B, C and D in proportion to net income (Note 10)		Related payment in performing the duties as employees								The sum of A, B, C, D, E, F and G in proportion to net income (Note 10)		Any payment from direct investee companies other than the subsidiaries or the parent company (Note 11)
		Remuneration (A) (Note 2)		Pension and severance payment (B)		Remuneration to Directors(C) (Note 3)		Professional allowances (D) (Note 4)				Salaries, bonus and special expense account (E) (Note 5)		Pension and severance payment(F)		Remuneration to employees (G) (Note 6)						
		The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company		All companies included in the financial statements (Note 7)		The Company	All companies included in the financial statements (Note 7)			
														Amount of cash	Amount of stock	Amount of cash	Amount of stock					
Chairman	Shao-Hsin, Wang	-	-	-	-	17,600	17,600	1,470	1,470	0.82	0.82	6,436	6,696	-	-	13,210	-	13,210	-	1.66	1.67	
Director	Wei-Ming, Liang																					
Director	Hsin-Chih, Yeh																					
Director	Representative of Argosy Research Inc.: Chao-Liang, Wang																					
Director	Representative of Tai Yi Investment Co., Ltd.: Wei-Chung, Wang																					
Director	Representative of Kuo Shian Investment Co., Ltd.: Kuo-Hung, Wang																					
Director	Te-Cheng, Chiu																					
Director	Wen-Sen, Huang																					

Occupational title	Name	Remuneration to Directors								The sum of A, B, C and D in proportion to net income (Note 10)		Related payment in performing the duties as employees								The sum of A, B, C, D, E, F and G in proportion to net income (Note 10)		Any payment from direct investee companies other than the subsidiaries or the parent company (Note 11)
		Remuneration (A) (Note 2)		Pension and severance payment (B)		Remuneration to Directors(C) (Note 3)		Professional allowances (D) (Note 4)				Salaries, bonus and special expense account (E) (Note 5)		Pension and severance payment(F)		Remuneration to employees (G) (Note 6)						
		The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company		All companies included in the financial statements (Note 7)		The Company	All companies included in the financial statements (Note 7)	
																Amount of cash	Amount of stock	Amount of cash	Amount of stock			
Independent Director	Hou-Ming, Chen	-	-	-	-	3,400	3,400	430	430	0.16	0.16	-	-	-	-	-	-	-	-	-	-	
Independent Director	Cheng-Yen, Chang																					
Independent Director	Yu-Fen, Lin																					
1. Specify the policy, system, standard and structure of the fees for Independent Directors, and the association between the duties performed, the risk, the commitment of time and related factors and the amount of payment: 2. Further to the disclosure in the above table, the remuneration to the Directors from all companies included in the financial statements for the service rendered (such as consultant, which is not in the capacity as employee): the amount is 0.																						

Remuneration Scale

Payment to individual Directors along the payment scale	Name of Director			
	Sum total of the above 4 items (A+B+C+D)		Sum total of the above 7 items (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies included in the financial statements (Note 9) H	The Company (Note 8)	All companies included in the financial statements (Note 9) I
Less than NT\$1,000,000	Yu-Fen, Lin	Yu-Fen, Lin	Yu-Fen, Lin	Yu-Fen, Lin
NT\$1,000,000 (inclusive)~NT\$2,000,000 (exclusive)	Cheng-Yen, Chang; Wen-Sen, Huang; Hou-Ming, Chen; Te-Cheng, Chiu	Cheng-Yen, Chang; Wen-Sen, Huang; Hou-Ming, Chen; Te-Cheng, Chiu	Cheng-Yen, Chang; Hou-Ming, Chen; Te-Cheng, Chiu	Cheng-Yen, Chang; Hou-Ming, Chen; Te-Cheng, Chiu
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)	Representative of Kuo Shian Investment Co., Ltd.: Kuo-Hung, Wang; Representative of Argosy Research Inc.: Chao-Liang, Wang; Representatives of Tai Yi Investment Co., Ltd.: Wei-Chung, Wang; Hsin-Chi, Yeh; Wei-Ming, Liarnng.	Representative of Kuo Shian Investment Co., Ltd.: Kuo-Hung, Wang; Representative of Argosy Research Inc.: Chao-Liang, Wang; Representatives of Tai Yi Investment Co., Ltd.: Wei-Chung, Wang; Hsin-Chi, Yeh; Wei-Ming, Liarnng.	Representative of Kuo Shian Investment Co., Ltd.: Kuo-Hung, Wang; Representative of Argosy Research Inc.: Chao-Liang, Wang; Representatives of Tai Yi Investment Co., Ltd.: Wei-Chung, Wang; Hsin-Chi, Yeh;	Representative of Kuo Shian Investment Co., Ltd.: Kuo-Hung, Wang; Representative of Argosy Research Inc.: Chao-Liang, Wang; Representatives of Tai Yi Investment Co., Ltd.: Wei-Chung, Wang; Hsin-Chi, Yeh;
NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive)	Shao-Hsin, Wang	Shao-Hsin, Wang	Wen-Sen, Huang	Wen-Sen, Huang
NT\$5,000,000 (inclusive)~NT\$10,000,000 (exclusive)			Wei-Ming, Liarnng	Wei-Ming, Liarnng
NT\$10,000,000 (inclusive)~NT\$15,000,000 (exclusive)			Shao-Hsin, Wang	Shao-Hsin, Wang
NT\$15,000,000 (inclusive)~NT\$30,000,000 (exclusive)				
NT\$30,000,000 (inclusive)~NT\$50,000,000 (exclusive)				
NT\$50,000,000 (inclusive)~NT\$100,000,000 (exclusive)				
More than NT\$100,000,000				
Total	11	11	11	11

Note 1: List out the names of the Directors separately (for institutional shareholders, list out the name of the institutional shareholder and the representative separately), as well as the Directors and Independent Directors, and disclose all payments in aggregate. If a Director also holds the position of President or Vice President, fill in this table and the table (3-1) below, or Table (3-2-1), and (3-2-2) below.

Note 2: Refers to the remuneration to the Directors in the previous period (including salaries, professional allowances, severance payment, different types of bonus, and gratuities).

Note 3: Put down the amount paid to the Directors in the previous period passed by the Board.

Note 4: Related professional allowances paid to the Directors in the previous period (including traveling subsidy, special expense account, allowances, and payment in kind such as accommodation and company car). If housing, company car or other transportation vehicle or exclusive expense is incurred, disclose the nature and cost of the assets, the actual amount of rent or estimated at fair value, fuel payment and other payment.

If a driver is assigned, specify the remuneration to the driver by the Company but not included as a part of the remuneration.

- Note 5: Refers to payment to Directors who also performed the duties as employees (including holding the position as President, Vice President, managers, and other personnel) including salaries, professional allowances, severance payment, different types of bonus, gratuities, traveling subsidy, special expense account, allowances, and payment in kind such as accommodation, company car. If housing, company car or other transportation vehicle or exclusive expense is incurred, disclose the nature and cost of the assets, the actual amount of rent or estimated at fair value, fuel payment and other payment. If a driver is assigned, specify the remuneration to the driver by the Company but not included as a part of the remuneration. Salary expense recognized under IFRS 2 "Share-Based Payment", including the acquisition of ESO, RSU/RSA, and subscription of new shares for raising capital, which should be included as remuneration.
- Note 6: If the Directors also performed the duties as employees (including holding the position as President, Vice President, managers, and other personnel) and received payment as employees (including stock and cash), disclose the amount of remuneration to employee in the previous period passed by the Board. If estimation is not possible, calculate the amount planned to pay out in current period on the basis of the actual amount payment in the previous year, and fill in Table 1-(3).
- Note 7: Disclose the total amount of payment from all companies (including the Company) included in the consolidated financial statements to the Directors of the Company.
- Note 8: Disclose the names of the Directors in respective bracket of the payment scale by the total amount of payment from the Company.
- Note 9: Disclose the total of all itemized payment from all companies (including the Company) included in the consolidated financial statements to each Director of the Company, and disclose the names of the Directors in respective brackets of the payment scale.
- Note 10: Net income refers to the net income of the previous period. If IFRS has been adopted in reporting, net income shall be referred to the net income as presented in the separate financial statement covering the previous period.
- Note 11: a. Put down the amount of remuneration from direct investee companies other than the subsidiaries or the parent company to the Directors of the Company (If there is no payment, put down "None").
- b. If the Directors have received payment from direct investee companies other than the subsidiaries or the parent company, include this amount in Column I of the payment scale, and rename the column name as "parent company and all direct investee companies".
- c. Remuneration refers to the reward, payment (including payment to employees, Directors, and Supervisors) and performing professional duties to Directors who also act in the capacity of Directors, Supervisors or Managers in the direct investee companies other than the subsidiaries.
- * The content of remuneration disclosed in this table is different from the purpose of taxation. This table is just for disclosure of information only, not as reference for taxation.

(II) Remuneration to President and Vice Presidents (disclosure of the names in relevant bracket of the payment scale)

December 31 2021; Unit: NT\$1,000

Occupational title	Name	Salaries (A) (Note 2)		Pension and severance payment (B)		Bonus and special expense account (C) (Note 3)		Amount of remuneration to employees (D) (Note 4)				The sum of A, B, C and D in proportion to net income (Note 8)		Any Remuneration from direct investee companies other than the subsidiaries or the parent company (Note 9)
		The Company	All companies included in the financial statements (Note 5)	The Company	All companies included in the financial statements (Note 5)	The Company	All companies included in the financial statements (Note 5)	The Company		All companies included in the financial statements (Note 5)		The Company	All companies included in the financial statements	
								Amount of cash	Amount of stock	Amount of cash	Amount of stock			
President	Wei-Ming, Liarngr	6,905	7,165	-	-	3,315	3,315	2,780	-	2,780	-	0.56	0.57	-
Vice President	Wen-Sen, Huang													
	Chun-Yu, Chen													

* Disclose all persons holding position equivalent to the President, Vice Presidents (e.g.: President, CEO, Chief Officer, and so forth) regardless of the occupational title.

Remuneration Scale

Remuneration to individual President and Vice Presidents along the payment scale	Names of President and Vice Presidents	
	The Company (Note 6)	All companies included in the financial statements (Note 7) E
Less than NT\$1,000,000		
NT\$1,000,000 (inclusive)~NT\$2,000,000 (exclusive)		
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)		
NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive)	Wei-Ming, Liarn; Wen-Sen, Huang; Chun-Yu, Chen	Wei-Ming, Liarn; Wen-Sen, Huang; Chun-Yu, Chen
NT\$5,000,000 (inclusive)~NT\$10,000,000 (exclusive)		
NT\$10,000,000 (inclusive)~NT\$15,000,000 (exclusive)		
NT\$15,000,000 (inclusive)~NT\$30,000,000 (exclusive)		
NT\$30,000,000 (inclusive)~NT\$50,000,000 (exclusive)		
NT\$50,000,000 (inclusive)~NT\$100,000,000 (exclusive)		
More than NT\$100,000,000		
Total	3	3

Note 1: List out the President and Vice Presidents by the name, and disclose the amount of itemized payment in aggregate. If a Director also holds position as President or Vice President, fill in this form and the form above.

Note 2: Put down the salaries, professional allowances, and severance payment of the President and the Vice Presidents in the previous period.

Note 3: Put down different types of bonus, gratuities, traveling subsidy, special expense account, allowances, and payment in kind including accommodation and company vehicle for the President and Vice Presidents in the previous period. If housing, company car or other transportation vehicle or exclusive expense is incurred, disclose the nature and cost of the assets, the actual amount of rent or estimated at fair value, fuel payment and other payment. If a driver is assigned, specify the remuneration to the driver by the Company but not included as a part of the remuneration. Salary expense recognized under IFRS 2 "Share-Based Payment", including the acquisition of ESO, RSU/RSA, and subscription of new shares for raising capital, which should be included as remuneration.

Note 4: Put down the amount of remuneration to the President and Vice Presidents as employees (including stock and cash) passed by the Board in the previous period. If estimation is not possible, calculate the amount in proportion to the actual payment of the previous year, and fill in Table 1-(3). Net income refers to the net income of the previous period. If IFRSs is adopted in reporting, net income shall be the net income stated in the separate financial statements.

Note 5: Disclose the total payment from all companies included in the financial statements (including the Company) to the President and the Vice Presidents of the Company.

Note 6: The total amount of payment to the President and each Vice President of the Company, and disclose the names of the persons in relevant brackets along the payment scale.

Note 7: Disclose the total amount of payment from all companies included in the financial statements (including the Company) to the President and each Vice President, and disclose the names of the persons in relevant brackets along the payment scale.

Note 8: Net income refers to the net income of the previous period. If IFRS has been adopted in reporting, net income shall be referred to the net income as presented in the separate financial statement covering the previous period.

Note 9: a. Put down the amount of related payment to the President and the Vice Presidents from all direct investee companies other than the subsidiaries or the parent company (If there is no payment, put down "None").

b. If the President and the Vice Presidents were remunerated by direct investee companies other than the subsidiaries, put down the amount paid to the President and the Vice Presidents of the Company from direct investee companies other than the subsidiaries or the parent company in relevant brackets along the payment scale in column E, and change the name of the column as "Parent company and all direct investee companies".

c. Remuneration includes the reward and wages (including payment to employees, Directors and Supervisors) and professional allowances to the President and Vice Presidents of the Company from direct investee companies other than the subsidiaries or the parent company in the capacity of Directors, Supervisors or Managers of these companies.

* The content of remuneration disclosed in this table is different from the purpose of taxation. This table is just for disclosure of information only, not as reference for taxation.

Names of managers with remuneration as employees and the disbursement:

December 31 2021; Unit: NT\$1,000

	Occupational title (Note 1)	Name (Note 1)	Amount of stock	Amount of cash	Total	The total amount in proportion to net income (%)
Managers	President	Wei-Ming, Liang	-	4,030	4,030	0.17
	Vice President	Wen-Sen, Huang				
	Vice President	Chun-Yu, Chen				
	Director	Ping, Li				
	Director	Hsing-Chun, Wu				
	Director	Li-Li, Huang				
	Director	Hao-Min, Hsu				
	Director	Cheng-Ling, Li				
	Director	Hsiu-Sui, Lin				
	Director	Yun-Ju, Huang				
	Director	Chin-Tsung, Huang				
	Ass. Director	Yi-Hsien, Lin				
	Ass. Director	Shan, Li				
	Ass. Director	Kuei-Chen, Feng				
	Ass. Director	Ping-Chen, Sung				
	Ass. Director	Yu-Hsuan, Lin				
	Ass. Director	Ming-Cheng, Lin				
	Ass. Director	Chia-Ching, Lin				
	Ass. Director	Ya-Hui, Kuo				
	Ass. Director	Yang-Yu, Wu				
	Ass. Director	Ping-Jen, Chen				
	Ass. Director	Chien-Ming, Huang				
	Ass. Director	Hsing-Hsiu, Kuo				
	Ass. Director	Kuo-Hung, Chen				
	Ass. Director	Ping-Chen, Fu				
	Ass. Director	Ya-Hui, Kao				
	Ass. Director	Yao-Ting, Li				
	CFO	Chi-Chou, Chang				

Note 1: Disclose the name and occupational title of each person, and the distribution of earnings may be disclosed in aggregate.

Note 2: Put down the amount of remuneration to the Managers as employees (including stock and cash) passed by the Board in the previous period. If estimation is not possible, calculate the amount in proportion to the actual payment of the previous year.

Net income refers to the net income of the previous period. If IFRSs is adopted in reporting, net income shall be the net income stated in the separate financial statements.

Note 3: The scope of Managers shall be defined under FSC Letter Taiwan-Finance-Securities (III)- No. 0920001301 dated March 27 2003 specified as follows:

- (1) President and equivalent rank
- (2) Vice President and equivalent rank
- (3) Ass. Director and equivalent rank
- (4) Chief Financial Officer
- (5) Chief Accounting Officer
- (6) Any other authorized personnel charged with administrative duties and entitled to sign document on behalf of and in the name of documents.

Note 4: If the Directors, President and Vice Presidents were remunerated as employees (including stock and cash), fill in Table 1-(2), and also this form.

- (III) The total payment from the Company and all companies included in the financial statements to the Directors (including Independent Directors), President and Vice Presidents as remuneration in the last 2 years in proportion to the net income and related analysis, and explain the policy, standard and components of payment, the procedure for setting the amount of payment, and the association with the operation performance and the risks in the future:

December 31 2021

Item	Total remuneration in proportion to net income (%)			
	2021		2020	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Directors (including Independent Directors)	1.82	1.83	1.56	1.58
President and Vice Presidents	0.56	0.57	0.51	0.56

The policy, standard and components of remuneration:

1. Directors (including Independent Directors): no fixed salary, traveling subsidy at NT\$10,000 will be paid for attending each session of the Board. Remunerations to the Directors will be under 3% of the earnings of the Company in the year where applicable under the Articles of Incorporation of the Company. The performance evaluation of the Directors will also be taken into consideration.
2. Managers: Performance bonus will be remunerated with fixed salaries at industry level and bonus in commensurate with operation performance. They are also entitled to the remuneration to employees of the year (twice a year, one in the first half of the year and another in the second half of the year). The amount of payment will range from 1% to 15% of the earnings of the Company.

The procedure for setting the amount of remuneration, and the association with operation performance and risks in the future:

1. The procedure for setting the amount of remuneration: Setup of annual performance indicator → Annual performance evaluation → Approval of the amount of remuneration → Review by Remuneration Committee → Final approval of the Board → Disbursement.
2. Association with operation performance and risks in the future: Performance bonus and remuneration to employees will be based on the revenue and profit position of the Company and the performance of individual departments and employees.
3. The salaries and other payment as remuneration to the Directors (including Independent Directors) and Managers will commensurate with the pursuit of the core value of the Company, capacity in corporate management, financial and business performance indicators, participation in continuing education and sustainable development, other special contribution, or incidents of significant negative impact, which will be considered in the evaluation of performance and disbursement of payment.

IV. Pursuit of corporate governance:

(I) Function of the Board:

The Board of the Company convened for 5 times (A) from June 2021 to April 1 2022.

The attendance of the Directors is specified below:

Occupational title	Name (Note 1)	Actual frequency attendance (as observer) B	Frequency of attendance by proxy	Actual attendance rate (%) [B/A] (Note 2)	Remark
Chairman	Shao-Hsin, Wang	5	0	100%	None
Director	Hsin-Chih, Yeh	5	0	100%	None
Director	Wei-Ming, Liang	5	0	100%	None
Director	Wen-Sen, Huang	5	0	100%	None
Director	Representative of Argosy Research Inc.: Chao-Liang, Wang	5	0	100%	None
Director	Representative of Tai Yi Investment Co., Ltd.: Wei-Chung, Wang	5	0	100%	None
Director	Representative of Kuo Shian Investment Co., Ltd.: Kuo-Hung, Wang	5	0	100%	None
Director	Te-Cheng, Chiu	5	0	100%	None
Independent Director	Chi-Lin, Wei	1	0	100%	(Resigned on July 9 2021)
Independent Director	Yu-Fen, Lin	4	0	100%	(Newly appointed on July 9 2021)
Independent Director	Cheng-Yen, Chang	5	0	100%	None
Independent Director	Hou-Ming, Chen	5	0	100%	None

Additional information:

I. If any of the following applies to the Board in session, specify the date, the session of the meeting, the content of the motions, the opinions of all Independent Directors, and the response of the Company to the opinions of the Independent Directors:

(I) Particulars inscribed in Article 14-3 of the Securities and Exchange Act

(II) Further to the aforementioned issues, any other adverse opinions or qualified opinions from the Independent Directors on record or in written declaration on the resolutions of the Board:

Date of Independent Directors /session of the Board	June 11 2021	July 09 2021	July 23 2021	October 22 2021	March 11 2022
Chi-Lin, Wei	No adverse opinion				
Yu-Fen, Lin		No adverse opinion	No adverse opinion	No adverse opinion	No adverse opinion
Cheng-Yen, Chang	No adverse opinion	No adverse opinion	No adverse opinion	No adverse opinion	No adverse opinion
Hou-Ming, Chen	No adverse opinion	No adverse opinion	No adverse opinion	No adverse opinion	No adverse opinion

- II. The recusal of the Directors from motions involving a conflict of interest. Specify the names of the Directors, the content of the motions, the reasons for recusal and the participating in voting:
- (I) July 23 2021: Kwan Ze Co., Ltd. (hereinafter referred to as “KZ”), a wholly-owned subsidiary of the Company, plans to dispose the shares issued by Argosy Research Inc.. Directors Shao-Hsin, Wang, and Chao-Liang, Wang, who are also the Directors of Argosy Research Inc., recused for avoidance of the conflict of interest. Presiding Officer Hsin-Chi, Yeh, in acting capacity inquired for opinions from the other Directors (9 persons) in session. The motion was passed at common consent of all the Directors in session.
- (II) March 11 2022: The Company plans to make capital investment in TOP TAIWAN XIV VENTURE CAPITAL CO., LTD., Directors Deh-Cheng, Chiu and Wei-Chung, Wang, who are also the President and employee of Top Taiwan Venture Capital, recused for avoidance of the conflict of interest. Presiding Officer inquired for opinions from the other Directors (9 persons) in session. The motion was passed by 5, which is a simple majority
- III. Information on the cycle and duration for the Board of Directors of companies listed at TWSE/TPEX in self-evaluation (peer evaluation), the scope, means and content of assessment, and fill in Table 2-(2) on the status of evaluation of the Board.
- IV. The objective of the Board in performing its function and the state of pursuit in current period and previous period: the Company passed the “Regulations Governing the Evaluation of Board Performance” in a session of the Board dated April 22 2016. The items of the Board (functional committees) for evaluation of its performance covers the following 5 major aspects:
- (I) Level of participation in the operation of the Company.
- (II) Upgrade the quality of decision-making by the Board
- (III) The organization and structure of the Board
- (IV) Election of Directors and continuing education.
- (V) Internal control
- The items for the evaluation of the performance of the Board members (including self-assessment and peer assessment) covers the following 6 major aspects:
- (I) The control of the objective and mission of the Company
- (II) Awareness of the duties of the Directors
- (III) Level of participation in the operation of the Company.

(IV) Cultivation of internal relation and communication

(V) Professional designated and continuing education of the Directors

(VI) Internal control

The Secretariat of the Board will collect information pertinent to the activities of the Board at the end of the fiscal year (once annually), and release the "Questionnaire for Self-Assessment of the Performance of the Board (functional committees)" for filling in, or related questionnaires of "Self-Assessment of the member of the Board (self-assessment or peer assessment)", and collect the questionnaires from the respondents for tracking down the result. These reports will be submitted to the Board for review and taking corrective action. The Board of the Company completed its self-assessment in 2021 on October 22 2021, and uploaded the result to the official website of the Company at <https://www.sinbon.com/en/corporate-governance>. All attainment of all indicators is higher than 90%, which indicated sound implementation.

Note 1: If specific Director is an institution, disclose the name of the institution and the name of the representative.

Note 2: (1) If specific Director elected to resign within the fiscal year, put down the date of relief from office in the remark column. The actual attendance (as observer) rate (%) will be calculated on the basis the actual frequency of attendance (as observer) to the session of the Board and the frequency of the convention of the Board while the Director is still in office.

(2) If an election of Directors has been held to fill the vacancy before the end of the fiscal year, put down the names of the newly elected Directors and the Directors of the previous term, and noted as new to office or reelected to office, and the date of the election. The actual attendance (as observer) rate (%) will be calculated basis the actual frequency of attendance (as observer) to the session of the Board and the frequency of the convention of the Board while the Director is still in office.

(II) The pursuit of evaluation of the Board

Evaluation cycle	Duration of evaluation	Scope of evaluation	Means of evaluation	Content of evaluation
Once annually	January 1 2021 to December 31 2021	Board of Director	Self-Assessment of the members of the Board	(Note 1)

Note 1: The content of assessment will be based on the scope of assessment and shall cover at least the following items:

- (1) Evaluation of Board performance: Cover at least the level of participation in the operation of the Company, the quality of decision-making of the Board, the organization and structure of the Board, the election of Directors and continuing education, and internal control.
- (2) Evaluation of the performance of individual Board members: Cover at least the control of the objective and mission of the Company, awareness of the duties of Directors, level of participation in the operation of the Company, cultivation of internal relation and communication, professional designation and continuing education of Directors, and internal control.

(III) The function performed by the Auditing Committee or the participation of Supervisors in the operation of the Board: the Company adopted the system of Auditing Committee. The Auditing Committee convened for 3 times (A) from June 2021 to April 1 2022. The attendance of the committee members is specified below:

Occupational title	Name	Actual frequency of attending as observer (B)	Actual attendance rate as observer (%) (B/A) (Note 1, Note 2)	Remark
Independent Director	Chi-Lin, Wei	-	-	(Resigned on July 9 2021)
Independent Director	Cheng-Yen, Chang	3	100%	None
Independent Director	Hou-Ming, Chen	3	100%	None
Independent Director	Yu-Fen, Lin	3	100%	(Newly appointed on July 9 2021)

I. Additional information:

(I) Particulars inscribed in Article 14-5 of the Securities and Exchange Act:

Date of the session	Content of the motions and follow-up action	Opinions of all the Independent Directors and the response of the Company to the opinions of the Independent Directors.
July 23 2021	• Nomination of the convener for the Auditing Committee • The consolidated financial statements of Q2 2021 • Update the credit limit of HSBC Bank (Taiwan) • Update the overall credit limit of HSBC Bank (China) Company Limited • Update the credit limit of Far Eastern International Bank • Update the overall credit limit and derivative limit of Taishin International Bank • The Company plans to undertake endorsement and guarantee in favor of wholly-owned subsidiary SINBON USA LLC (hereinafter, "SINBON USA"). • Wholly-owned subsidiary of the Company, Kwan Ze Co., Ltd. (hereinafter, "KZ") plans to dispose its holding of shares issued by Argosy Research Inc.	All members of the committee acted in favor of these motions in common consent, and submit to the Board. The Board passed these motions at common consent.

October 22 2021	• The consolidated financial statements of Q3 2021 • Review of the 2022 Annual Audit Plan • Update the loaning of fund to wholly-owned subsidiary of the Company, SINBON Hungary Kft (hereinafter, "SINBON Hungary"). • Update the credit limit of CTBC Bank • Update the credit limit of Cathay United Bank • Update the overall credit limit of Mizuho Bank • The institution of the "Internal Control and Self-Assessment Procedure" of the Company • The institution of the "Risk Management Policy and Operation Procedure" of the Company • Amend to the "Processing of Material inside Information and Prevention of Insider Trade Procedure" of the Company in part. • Amendment to the "Regulations Governing the Informing of Illegal and Unethical Practices" in part. • Institution of the "Regulations Governing Information Security Policy and Operation Procedure".	
March 11 2022	• 2021 Separate Financial Statement and Consolidated Financial Statement • Proposal for the Distribution of Earnings in 2021 • Statement of Declaration of Internal Control in 2021 • Review the assessment result of the Independence of the CPAs of the Company. • Amendment to the "Procedure for the Acquisition or Disposal of Assets" of the Company in part. • Amendment to the "Articles of Incorporation" of the Company in part. • The Company raised capital for the 100% investee company, SINBON USA LLC, amounting to USD520,200. • The Company plans to make capital investment in TOP TAIWAN XIV VENTURE CAPITAL CO., LTD. • Update the short-term credit limit of the Land Bank of Taiwan. • New overall credit limit of Mizuho Bank (China) • Update the short-term credit limit of Bank of Taiwan	

(II) Other motions not passed by the Auditing Committee but required the consent of at least 2/3 of the Directors for passing: None.

II. The organization and function of the Auditing Committee

(I) All the members of the Auditing Committee are Independent Directors

The function of the Auditing Committee is specified as follows

1. Establishment or amendment to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Evaluation of the effectiveness of the internal control system.
3. Establishment or amendment to the procedures for the acquisition or disposal of assets, engagement in derivative trade, loaning of funds to third parties, endorsement and guarantee

in favor of third parties, and related material financial and business transactions pursuant to Article 36-1 of the Securities and Exchange Act.

4. Issues involving the conflict of the private interest of the Directors
5. Significant assets or derivative trade
6. Significant loaning of funds or endorsement and guarantee.
7. Offering, issuance or private placement of equity securities.
8. The appointment, dismissal or remuneration of CPAs as Independent Auditors
9. Appointment and dismissal of the head of finance, accounting and internal audit
10. Annual and interim financial reports
11. Other materiality required by the Company or the competent authority

(II) Communication between the Auditing Committee and the head of internal audit and the CPAs: the members of the Auditing Committee will voluntarily communicate with the head of internal audit and the CPAs retained as Independent Auditors on matters pertinent to the finance and business of the Company by telephone, e-mail, or face-to-face meeting. Likewise, the head of internal control will voluntarily communicate with the Independent Directors through presentation of internal audit reports and the CPAs will also issue questionnaire from time to time for communication with the Independent Auditors. From the 3rd session of the Board in 2016, the CPAs attended the session of the Board quarterly for face-to-face exchange of opinions. For additional information on the communication between the Independent Directors and head of internal auditor and the CPAs, visit the official website of the Company at <http://www.sinbon.com/tw/investor-relations/financial-statement/>.

III. The members of the Auditing Committee may present opinions in the sessions of the Auditing Committee, specify the date and the session, the content of the motion, the result of resolution by the Auditing Committee, and the response of the Company to the opinions of the Independent Directors:

Auditing Committee member/ Date of session of the Board	July 23 2021	October 22 2021	March 11 2022
Chi-Lin, Wei (Relieved from office on July 9 2021)	-	-	-
Cheng-Yen, Chang	No adverse opinion	No adverse opinion	No adverse opinion
Hou-Ming, Chen	No adverse opinion	No adverse opinion	No adverse opinion
Yun-Fen, Lin (Newly appointed on July 9 2021)	No adverse opinion	No adverse opinion	No adverse opinion

Note 1: If specific Independent Director resigned before the end of the fiscal year, specify the date of relief from office, the actual attendance rate (%) calculated on the basis of the frequency of the convention of the Auditing Committee and frequency of attendance to the session of the Auditing Committee in the remark column.

Note 2: If there is an election of Independent Directors before the end of the fiscal year, specify the name of the newly elected and the previous Independent Directors, and note down if the Independent Directors are in office, newly elected or reelected, and the date of the election. The actual attendance rate (%) will be calculated on the basis of the frequency of the convention of the Auditing Committee and the actual frequency of attendance to the sessions of the Auditing Committee within the term of office.

(IV) Pursuit of corporate governance varied with the Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies, and the reason for the variation:

Items of evaluation	The pursuit (Note 1)			Variation from Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies, and the reason for the variation
	Yes	No	Summary Explanation	
I. Has the Company established and disclosed its Corporate Governance Best Practice Principles in accordance with the "Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies"?	✓		The Company has established its Corporate Governance Best Practice Principles in accordance with the "Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies" and disclosed at MPOS: http://mops.twse.com.tw/mops/web/t100sb04_1	None.
II. Equity structure and shareholder equity of the Company				
(I) Has the Company established the internal operation procedures for responding to the suggestion, queries, disputes and lawsuits of the shareholders, and proceed with the procedures?	✓		The Company has instituted the "Regulations Governing the Informing of Illegal and Unethical Practices", and has set up the "Stakeholders Section" at its official website and the system of spokesman to handle related matters as required. For additional information, visit: the rules and regulations of corporate governance.	None.
(II) Has the Company kept list of the dominant shareholders actually controlling the Company, and the list of ultimate controlling parties of these dominant shareholders?	✓		The Company has kept track on the list of the dominant shareholders and the ultimate controlling parties of these shareholders, and has cultivated positive investor-investee relation with the dominant shareholders.	None.
(III) Is there any control and firewall mechanisms established between the Company and its affiliates with proper execution?	✓		The direct investment of the Company is regulated by the "Regulations Governing and Administration of Group Enterprises", "Regulations Governing Direct Investment", "Internal Control System", and "Internal Audit System" of the Company and other applicable legal rules.	None.
(IV) Has the Company instituted related internal rules and regulations for prohibiting the use of undisclosed information in market by insiders for trading of securities?	✓		Prohibition of insider trade is explicitly stated in Article 8 of the "Corporate Governance Best Practice Principles" of the Company. Related rules are also set forth in Article 14 of the "Ethical Corporate Governance Best Practice Principles and Code of Conduct".	None.

Items of evaluation	The pursuit (Note 1)			Variation from Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies, and the reason for the variation
	Yes	No	Summary Explanation	
III. The organization and function of the Board				
(I) Has the Board established the policy of diversity, the substantive management objective, and the attainment?	✓		The policy of the diversity of Board members was stated in Article 18 of the "Corporate Governance Best Practice Principles" of the Company. The Chairman is authorized to select the appropriate persons to form the Board aiming at the need of corporate development. The implementation: (1) the diversified background of the Directors (including Independent Directors): Three Directors participated in the operation of the Company. All other Directors (including the Independent Directors) are professionals in relevant fields of whom 5 have strong background in corporate management, 1 is a professor of finance and economics, 1 is a practicing lawyer, and 1 is a specialist in industry research. (2) 1 female Independent Director has assumed office on July 9 2021, additional effort will be made in searching for more female candidates to the Board. (3) Age: The age of the Directors (including Independent Directors) in current term of the Board: 2 are older than the age of 70, 3 are at the age of 60~70, 2 are at the age of 50~60, and 1 is under the age of 50.	None.
(II) The Company has established the Remuneration Committee and Auditing Committee as required by law. Will the Company establish other functional committees on a voluntary basis?	✓		The Company resolved to establish a "Corporate Management Decision-Making Team" in the 1st session of the Board in 2018. For information on the organization code of this team, visit the page of corporate governance at the official website of the Company.	None.

Items of evaluation	The pursuit (Note 1)			Variation from Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies, and the reason for the variation
	Yes	No	Summary Explanation	
(III) Has the Company established the regulations governing the evaluation of Board performance and the method of evaluation, and conduct annual evaluation at regular intervals, report the result of evaluation to the Board, and taken as the reference for the remuneration to individual Directors and the nomination for another term of office?	✓		The Board of the Company passed the “Regulations Governing the Evaluation of Board Performance” in a session dated April 22 2016 thereby the Secretariat of the Board will collect information on the activities of the Board at the end of each fiscal year (once annually), and release the “Questionnaire for Self-Assessment of the Performance of the Board (functional committees)” for filling in, or related questionnaires of “Self-Assessment of the member of the Board (self-assessment or peer assessment)”, and collect the questionnaires from the respondents for tracking down the result. These reports will be submitted to the Board for review and taking corrective action. The evaluation of Board performance of the Company in 2021 was completed on October 22 2021, and the result was disclosed at the official website of the Company at https://www.sinbon.com/tw/corporate-governance	None.
(IV) Has the Company assessed the independence of the CPAs at regular intervals?	✓		According to Article 27 of the Corporate Governance Best Practice Principles, the Company shall assess the independence of the CPAs acting in capacity of Independent Auditors at regular intervals (once annually) and report to the Board on the result. The last report was submitted to the Board on March 11 2022. The Company assesses the independence of the CPAs in the aspects of financial interest, financing and guaranty, business relation, family and personal relation, employment relation, gift and preferential treatment, the rotation of duties of the CPAs and non-auditing services, and also obtains the statement of declaration of independence issued by the CPAs. The Company does not sense out anything that may affect the independence of the CPAs.	None.

Items of evaluation	The pursuit (Note 1)			Variation from Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies, and the reason for the variation
	Yes	No	Summary Explanation	
IV. Has the Company appointed competent and appropriate number of personnel to perform the function of corporate governance, and a designated Corporate Governance Officer charged with corporate governance and related affairs (including but not limiting to supplying the Directors with information required for their performance of duties, assistance to the Directors in law and compliance, administrative affairs pertinent to the convention of the Board and the Shareholders Meeting, keeping minutes of meeting on record for the convention of the Board and the Shareholders Meeting)?	✓		The Board of the Company passed the motion of the appointment of a Corporate Governance Officer in the session dated April 23 2020. Manager Pi-Wei, Cheng was appointed as designated Corporate Governance Officer charged with corporate governance and related matters, including: supplying the Directors (including Independent Directors) with information required for their performance of duties, processing company registration and related changes, handling administrative affairs pertinent to the convention of the Board and the Shareholders Meeting under law, keeping minutes of meeting on record for the convention of the Board and the Shareholders Meeting, preparation of annual reports for the Shareholders Meeting and disclosure of related information. Pursuit in 2021: 1. Assistance to the Independent Directors and Directors in performing their duties, and supply the information required, and arrangement of continuing education for the Directors. 2. Assistance to the Board and Shareholders Meeting in setting the procedures and legal aspects of resolutions. 3. Preparation of the agenda for the session of the Board with 7 days of notice, calling for the convention and supply materials for the meeting, give reminders on motions requiring recusal from the conflict of interest in advance, and finished the minutes of Board meeting on record within 20 days after the meeting. 4. Proceed to registration of the date for the convention of Shareholders Meeting in advance as required by law, preparation of notice of meeting,	None.

Items of evaluation	The pursuit (Note 1)			Variation from Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies, and the reason for the variation
	Yes	No	Summary Explanation	
			Meeting Procedure Handbook, minutes of meeting on record by designated deadlines, and registration of any amendment to the Articles of Incorporation, or the election of Directors. Continuing education in 2021: Continuing education in 2021 has been accomplished as planned, and the details of which were disclosed at the official website of the Company and MOPS.	
V. Has the Company established channels for communications with stakeholders (including but not limiting to shareholders, employees, customers and suppliers), and set up a section for stakeholders at its official website with proper response to stakeholders on issues of corporate social responsibility for their concern?	✓		The Company has set up a page on "Stakeholder Section" at its official website, and established the system of spokesman for handling related matters. The result has been reported to the 7th Board in 2018 and disclosed at the official website of the Company: https://www.sinbon.com/en/csr/stakeholder-contact , Report on ethical corporate responsibility.	None.
VI. Has the Company commissioned a professional investor service agent to handle matters pertinent to the Shareholders Meeting?	✓		The Company has commissioned the "Stock Transfer Agency Department of Taishin International Bank" as the paraprofessional service agent.	None.
VII. Transparency of information				
(I) Has the Company established a website for the disclosure of information on the financial position and business of the Company?	✓		The Company discloses information on financial position and business at regular intervals as required and from time to time where necessary at MOPS. Official website of the Company: www.sinbon.com Website of MOPS: http://newmops.twse.com.tw/ .	None.
(II) Has the Company adopted other means of information disclosure (such as the installation of website in the English language, appointment of designated person to collect and disclose information for the Company, proper pursuit of the system of spokesman, and the upload the record on	✓		The Company has established the system of spokesman as required, and disclosed material information in Chinese and English at the official website of the Company: www.sinbon.com . In addition, the Company also voluntarily compiles its Corporate Social Responsibility Report (Chinese and English) and discloses at the Company website for the reference of the investors.	None.

Items of evaluation	The pursuit (Note 1)			Variation from Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies, and the reason for the variation
	Yes	No	Summary Explanation	
the entire process of institutional investors conferences to the Company website)?				
(III) Has the Company disclosed and declared its annual financial reports within 2 months after the end of the fiscal year, and declares its financial reports in Q1, Q2, and Q3, and the monthly business reports before respective deadlines at regular intervals?		✓	The Company acted in compliance with the requirements of the competent authority in disclosing and declaring related financial reports and monthly business report by respective deadlines. The Company did not disclose and declare the annual financial report within 2 months after the fiscal year, but has disclosed and declared the financial reports of Q1, Q2, and Q3, as well as the monthly business reports ahead of the deadline. For additional information, visit the website of MOPS: http://newmops.twse.com.tw/	None.
VIII. If there any important information that helps to under the pursuit of corporate governance of the Company (including but not limiting to employee rights, employee care, investor relation, supplier relation, stakeholder right, continuing education of the Directors, risk management policy and risk assessment standard in action, customer policy in action, taking professional liability insurance for the protection of the Directors)?	✓		As always, the Company cares about the interest of the customers, suppliers, shareholders and employees thereby manages the Company by systems and through friendly measures. In addition, the Company also treasures safety and health at workplace and has established an Employee Welfare Committee, taken professional liability insurance for the protection of the Directors, established a bonus system for the employees in its Article of Incorporation. The Directors (including Independent Directors) of the Company are required to take at least 6 hours of continuing education on topics of corporate governance annually. Newly elected Directors (including Independent Directors) are required to take at least 12 hours of continuing education on topics of corporate governance. Information on the continuing education of the Directors has been uploaded to MOPS. Risk management policy and risk assessment standard were carried out in accordance with the "Regulations Governing the Acquisition and Disposal of Assets", "Procedure for Endorsement and	None.

Items of evaluation	The pursuit (Note 1)			Variation from Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies, and the reason for the variation
	Yes	No	Summary Explanation	
			Guarantee”, “Ethic Code of Conduct”, “Parliamentary Procedure of the Board”, “Procedure for Processing Material Insider Information”. Transaction amounting to NT\$300 million or exceeding 20% of the paid-in capital of the Company shall be subject to the approval of the Board. The policy of quality assurance and protection of customer right has been incorporated into ISO procedures. The Company has taken professional liability insurance for the protection of the Directors, which is explicitly stated in the Articles of Incorporation. For additional information, refer to the Corporate Social Responsibility Report of the Company.	
IX. Explain the corrective action taken in response to the evaluation result released by Corporate Governance Center of Taiwan Stock Exchange Corporation in the previous period, and special attention and additional effort on issues that needed to be addressed to at top priority: The performance of the Company was rated at the range of 21% ~35% in the 7th Corporate Governance Evaluation. Of the 5 dimensions in evaluation, additional effort has been made to “Reinforce the structure and function of the Board”. Did the Remuneration Committee convene at least twice a year in 2021, and each member have attended the meeting for at least 2 times? In “enhancing the transparency of information”, did the Company declare material information also in English at the same time. In the “pursuit of sustainable development”, did the Company established a full-time (part-time) body charged with sustainable development and report to the Board at regular intervals, and explain the progress in the pursuit and related corrective actions at the official website of the Company. The Company established the Auditing Committee in 2018, and at least 2 Independent Directors have been in successive terms of office for less than 9 years. More than half of the members of the Remuneration Committee are Independent Directors. In the year of evaluation, the Board of the Company has convened for at least 6 times. The Company has appointed designated personnel in charge of corporate governance and disclosed substantive dividend policy and corrective action on related indicators will be accomplished in 2022.				

Note 1: Either “YES” or “NO” for the status of operation requires summary explanation in the remark column.

Note 2: http://mops.twse.com.tw/mops/web/t100sb04_1 (Market type: TWST listed. Search 3023, or SINBON)

- (V) If the Company has established the Remuneration Committee, disclose the organization, function, and operation:

The Board of the Company has established the Remuneration Committee and its organization code in accordance with the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is listed on the Taiwan Stock Exchange or the Taipei Exchange” The function of the committee is explicitly stated in the organization code. The committee will assess the performance objective of the Directors and Managers and the remuneration policy, system, standard, and structure from a professional and objective perspective, and perform its function in due diligence with recommendation to the Board as reference for decision-making.

1. Profiles of the Members of the Remuneration Committee:

Identity (Note 1)	Condition	Professional designation and work experience (Note 2)	Status of independence (Note 3)	Number of companies where the members of the Remuneration Committee also hold concurrent position as members of Remuneration Committee
	Name			
Independent Director (Convener)	Cheng-Yen, Chang	Currently Chief Consultant and Director-General of the Medical Committee of Department of Medical Imaging, Tzu Chi Hospital Consultant Physician, Taipei Veterans General Hospital Department of BioMedical Engineering, National Yang Ming Chiao Tung University Professor of clinical trial, National Defense Medical Center School of Medicine Nothing in connection with Article 30 of the Company Act	1. The person, spouse, kindred within the 2nd tier does not hold position as Director, Supervisor or employee of the Company or its affiliates. 2. The person, spouse, kindred within the 2nd tier (or in the name of a third party) do not hold any shares issued by the Company. 3. Not holding position as Director, Supervisor, or employee of companies with special relation to the Company (Subparagraphs 5~8 of Paragraph 1 under Article 6 of the Regulations Governing the Appointment and Exercise of Powers by The Remuneration Committee of a Company Whose Stock is Listed on Taiwan Stock Exchange or Taipei Exchange). 4. Remuneration of no service in commerce, legal affairs, finance, and accounting to the Company or its affiliates in the last 2 years.	0

Identity (Note 1)	Condition	Professional designation and work experience (Note 2)	Status of independence (Note 3)	Number of companies where the members of the Remuneration Committee also hold concurrent position as members of Remuneration Committee
	Name			
Independent Director	Hou-Ming, Chen	Currently Professor, Department of International Business, National Taiwan University Former President, Commercial Development Research Institute Dean, College of Management, National Chung Hsing University Chairman, Department of Business Administration, National Chung Hsing University Nothing in connection with Article 30 of the Company Act	1. The person, spouse, kindred within the 2nd tier does not hold position as Director, Supervisor or employee of the Company or its affiliates. 2. The person, spouse, kindred within the 2nd tier (or in the name of a third party) do not hold any shares issued by the Company. 3. Not holding position as Director, Supervisor, or employee of companies with special relation to the Company (Subparagraphs 5~8 of Paragraph 1 under Article 6 of the Regulations Governing the Appointment and Exercise of Powers by The Remuneration Committee of a Company Whose Stock is Listed on Taiwan Stock Exchange or Taipei Exchange). 4. Remuneration of no service in commerce, legal affairs, finance, and accounting to the Company or its affiliates in the last 2 years.	2
Others	Chi-Lin, Wei	Currently Chairman of Top Taiwan VI Venture Capital Co., Ltd. Former Director, Graduate Institute of International Business, National Taiwan University Secretary-General, Executive Yuan Chairman of Land Bank of Taiwan Director-General, Executive Yuan Research, Development and Evaluation Council Doctor of Economics, University of Paris Nothing in connection with Article 30 of the Company Act	1. The person, spouse, kindred within the 2nd tier does not hold position as Director, Supervisor or employee of the Company or its affiliates. 2. The person, spouse, kindred within the 2nd tier (or in the name of a third party) do not hold any shares issued by the Company. 3. Not holding position as Director, Supervisor, or employee of companies with special relation to the Company (Subparagraphs 5~8 of Paragraph 1 under Article 6 of the Regulations Governing the Appointment and Exercise of Powers by The Remuneration Committee of a Company Whose Stock is Listed on Taiwan Stock Exchange or Taipei Exchange). 4. Remuneration of no service in commerce, legal affairs, finance, and accounting to the Company or its affiliates in the last 2 years.	3

Identity (Note 1)	Condition	Professional designation and work experience (Note 2)	Status of independence (Note 3)	Number of companies where the members of the Remuneration Committee also hold concurrent position as members of Remuneration Committee
	Name			
Others	Mu-Hsiao, Liu	With related work experience in commerce and the business required by the Company. Previously spokesman and special assistant to the CEO of Genetics Generation Advancement Corp., currently Vice President of TeamPlus Technology. Nothing in connection with Article 30 of the Company Act	1. The person, spouse, kindred within the 2nd tier does not hold position as Director, Supervisor or employee of the Company or its affiliates. 2. The person, spouse, kindred within the 2nd tier (or in the name of a third party) do not hold any shares issued by the Company. 3. Not holding position as Director, Supervisor, or employee of companies with special relation to the Company (Subparagraphs 5~8 of Paragraph 1 under Article 6 of the Regulations Governing the Appointment and Exercise of Powers by The Remuneration Committee of a Company Whose Stock is Listed on Taiwan Stock Exchange or Taipei Exchange). 4. Remuneration of no service in commerce, legal affairs, finance, and accounting to the Company or its affiliates in the last 2 years.	0

Note 1: Specify the years of seniority of related work, professional designation and experience, and the status of independence of the members of Remuneration Committee. For Independent Directors, refer to P.8, Appendix I, Profiles of Directors and Independent Directors (I) content as stated in the remark column. Put down Director, Independent Director, or others for identity (specify if the person is the convener).

Note 2: Professional designation and experience: specify the professional designation and experience of individual members of the Remuneration Committee.

Note 3: Status of independence: specify the status of independence of the members of the Remuneration Committee, including but not limiting to holding position as Director, Supervisor or employee of the Company and its affiliates by the person, spouse, kindred within the 2nd tier. Quantity and proportion of Company shares held by the person, spouse, and kindred within the 2nd tier (or in the name of a third party), holding position as Director, Supervisor or employee of companies in special relation with the Company (refer to Subparagraphs 5~8 of Paragraph 1 under Article 6 of the Regulations Governing the Appointment and Exercise of Powers by The Remuneration Committee of a Company Whose Stock is Listed on Taiwan Stock Exchange or Taipei Exchange), the amount of remuneration for rendering services in commerce, legal affairs, finance, and accounting to the Company or its affiliates in the last 2 years.

2. Information on the function of the Remuneration Committee:

- (1) The Remuneration Committee of the Company is consisted of 4 members.
- (2) Tenure of the members in previous and current term: the previous term of office lasted from June 19 2018 to June 7 2021. The committee convened for 5 times (A1) until June 7 2021. The current term of office started on July 23 2021 and will end on July 8 2024. The committee convened for 2 times (A2) until March 31 2022. The eligibility of the members and attendance to committee sessions of the members are specified below:

Committee members of the previous term					
Occupational title	Name	Actual frequency of attendance (B)	Frequency of attendance by proxy	Actual attendance rate (%) (B/A1) (Note)	Remark
Convener	Chi-Lin, Wei	5	0	100%	
Member	Cheng-Yen, Chang	4	0	100%	Newly appointed to office on March 14 2019
Member	Mu-Hsiao, Liu	4	1	80%	-
Committee members of this term					
Occupational title	Name	Actual frequency of attendance (B)	Frequency of attendance by proxy	Actual attendance rate (%) (B/A2) (Note)	Remark
Convener	Cheng-Yen, Chang	2	0	100%	Renewed term of office-
Member	Chi-Lin, Wei	2	0	100%	Renewed term of office-
Member	Hou-Ming, Chen	2	0	100%	Newly appointed to office on July 23 2021
Member	Mu-Hsiao, Liu	2	0	100%	Renewed term of office-

Date of the sessions, content of the motions, resolutions and the response of the Company to the opinions of the Remuneration Committee:

Date of the session	Content of the motions and follow-up action	Resolutions	Response of the Company to the opinions of the Remuneration Committee
2021.03.19	1. Review the proposal of remuneration to the employees and Directors of the Company in 2020	Passed by all members in common consent.	Present to the Board for approval of all Directors.
	2. Amendment to the organization code of the Remuneration Committee		
2021.10.22	1. Nomination of the convener of the Remuneration Committee		Not required to present to the Board
	2. Recognition for approval of remuneration to the new managers		Present to the Board for approval of all Directors.
2022.03.11	1. Review the proposal of remuneration to the employees and Directors of the Company in 2021		
	2. Review the remuneration to the new managers of the Company		

Additional information:

- I. If the Board turned down or revised the recommendation of the Remuneration Committee, specify the date, session of the Board, the content of the motion, the resolution of the Board and the response of the Company to the opinions of the Remuneration Committee (if the resolution on remuneration passed by the Board is senior to the recommendation of the Remuneration Committee, explain the difference and the reason): Not applicable. Subparagraph 44 on disclosure of material information will apply where applicable.
- II. If there is any adverse opinion or qualified opinion on record or in written declaration on the resolutions of the Remuneration Committee, specify the date, session of the committee meeting, content of the motion, opinions of all members and response to the opinions of the members: not applicable. Subparagraph 44 on disclosure of material information will apply where applicable.

Note: (1) If specific member elected to resign within the fiscal year, put down the date of relief from office in the remark column. The actual attendance (as observer) rate (%) will be calculated on the basis the actual frequency of attendance (as observer) to the session of the Remuneration Committee and the frequency of the convention of the Remuneration Committee while the Director is still in office.

(2) If an election of Directors has been held to fill the vacancy before the end of the fiscal year, put down the names of the newly elected members and the members of the previous term, and noted as new to office or reelected to office, and the date of the election. The actual attendance (as observer) rate (%) will be calculated basis the actual frequency of attendance (as observer) to the session of the Remuneration Committee and the frequency of the convention of the Remuneration Committee while the member is still in office.

(VI) The advocacy of sustainable development and variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason:

Advocated items	The pursuit (Note 1)			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Summary Explanation	
I. Has the Company built up a governance framework for the advocacy of sustainable development, and established a full-time (part-time) body for the advocacy of sustainable development led by a senior officer at the authorization of the Board and under the supervision of the Board?	✓		A designated body, the “Corporate Social Responsibility Committee” was established in 2014. This body reports to the Board on the pursuit of corporate social responsibility and progress annually. In the advent of the ESG trend, SINBON seeks to positively respond to all walks of social lives on issues of corporate financial performance and sustainability. Accordingly, SINBON underwent the restructured the sustainable development organization in 2021 with the establishment of the position of a Sustainability Officer and Sustainable Development Office as the designated body under the direct supervision of the chairman for the advocacy of sustainable development. The “Corporate Social Responsibility Committee” in existence was reorganized as “Sustainability Committee” and the establishment of 6 subcommittees led by a senior officer and run by its management team charged with the duties of corporate governance, digital transformation, Green product, environmental sustainability, employee care and training, and social participation.	None.
II. Has the Company conducted assessment on the risks inherent to the operation environment, social context, and issues of corporate governance under the principle of materiality, and mapped out the risk management policy or strategy? (Note 2)	✓		1. The risk management organization framework of the Company consists of the Board, corporate decision-making team, Auditing Office, and respective business management units. The Company emphasized companywide risk control in accordance with the management organizational structure and the internal control cycle of the Company, and face all risks to be considered in the process for control of operation positively with annual report submitted to the Board.	None.

Advocated items	The pursuit (Note 1)			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Summary Explanation	
			2. In responding to the internationalization of the scale of operation, the impact from the change in global economic environment, and the growing sophistication of the challenges, the Company defines different types of risks on the basis of the overall operation policy, including economic development/corporate governance, environmental protection, and social responsibility. Under proper organization and planning, the vertical objective design and management of the departments, and the horizontal liaison among the departments allow for the effective identification, prevention and control of risks. The Company also fine-tuned its practice in risk management with reference to the changes in the internal and external operation environment to the highest standard for the protection of the interests of the employees, shareholders, business partners, and customers, increase of Company value, and moving towards sustainability. 3. The risk management policy and risk assessment is in conformity to the "Regulations Governing the Acquisition or Disposal of Assets", "Procedure for Endorsement and Guarantee", "Ethic Code of Conduct", "Parliamentary Procedure for the Board", "Procedure for Processing Material Insider Information". In addition, the Company has also established the "Risk Management Policy and Procedure" in October 2021, which has been passed by the Board for coming into force. The risk management process covers risk identification, risk assessment, and risk control and mitigation, risk monitoring, risk warning and disclosure for assessing the frequency of risk incidents and the severity of impact on the operation and financial	

Advocated items	The pursuit (Note 1)			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Summary Explanation	
			position of the Company, and defining the priority of risk control and risk level with appropriate reciprocal actions. 4. The Group President is the Director-General of the Business Continuity Management Team of the Company. Respective departments will be called to map out Business Continuity Plans with reference to different risk scenarios to reduce risk, mitigate the impact on operation, condense the time for recovery, and achieve the goal of business continuity. Action has been taken in line with the "COVID-19 BCP" and "Infected Suppliers and Employees BCP" for mitigation of the impact, and make perfect related BCP regarding information security, supply shortage from suppliers, and power interruption.	
III. Environmental Issues				
(I) Has the Company established appropriate environmental management system by nature of its industry?	✓		1. The Green SINBON Committee is responsible for supervising the pursuit and the effect of the internal environment policy, proper pursuit of ISO 14001 (accredited in 2002, the validity period is April 6 2021~April 6 2024).	None.
(II) Has the Company made effort in upgrading energy efficiency and using regenerated materials for mitigating the impact on the environment?	✓		1. In responding to customer needs and aligning with the international trend of environmental protection, the company takes RoHS, PFOA and PFOS as the objective in production. There is no sale return due to RoHS issue. 2. Select and adopt environmental friendly materials. 3. Design for life-cycle extension 4. Power saving design and green packaging. 5. The Green Product Management System was introduced to control chemical substances susceptible of causing environmental damage in the supply chain to reduce the risk to the environment and health.	None.

Advocated items	The pursuit (Note 1)			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Summary Explanation	
(III) Has the Company assessed the potential risk and opportunity to the enterprise brought about by climate change, and taken appropriate measures in responding to climate change issues?	✓		Yes. In light of the deteriorating impact of global climate change on the environment, the Company takes the Task Force on Climate-related Financial Disclosures (TCFD) as the framework for the timely response to climate change issues, alleviation of the pressure of energy saving and carbon reduction, and conformity to the regulatory environment on environmental protection so as to identify the potential risk, risk and opportunity of transformation brought about by climate change, and response to the change. For additional information, refer to P.114 of the 2020 CSR Report (https://www.sinbon.com/files/large/0d4d20522161cbb).	None.
(IV) Has the Company kept statistical data on the greenhouse gas emission volume, water consumption capacity and weight of solid wastes, and made policies of energy saving and carbon reduction, greenhouse gas reduction, efficient use of water or the management of solid wastes?	✓		1. The Company has been passed the audit of ISO 14061-1 on greenhouse gas inspection in 2012, and disclosed the detail in the CSR report annually. 2. The Company adopted the standard of ISO 14064-1 2018 in 2021 to intensify greenhouse gas inspection of the whole Group. The scope of inspection is extended to Scope 3 greenhouse gas inspection. It is expected that the inspection result will be aligned with the objective of international scientific carbon reduction route, and accomplished in mid 2022. 3. For information on the greenhouse gas emission volume, capacity of water consumption, and weight of solid wastes and the management policies over the last 2 years, refer to the 2020 CSR Report. 4.3 Greenhouse gas emission on P. 109-110; 4.5 Water resources management on P.112; 4.4 Solid wastes management on P.111(https://www.sinbon.com/files/large/0d4d20522161cbb)	None.

Advocated items	The pursuit (Note 1)			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Summary Explanation	
IV. Social Issues				
(I) Has the Company established related policies and procedures in accordance with applicable legal rules and the International Conventions on Human Right?	✓		The Company has been accredited with the SA8000 in corporate social responsibility at the end of 2013. In 2021, the Company voluntarily complied and accessed as a member of the UN Global Compact. People is the fundamental principle of SINBON thereby the Company duly observe the 10 principles of human rights, labor, environment, and anti-corruption. SINBON also elects to observe the “Universal Declaration of Human Rights”, “UN Global Compact”, “International Labour Convention” and other covenants on human rights and established its human right policy in accordance with the aforementioned guiding principles. For additional information, visit the official website of SINBON/Investor Relation/Corporate Governance/Human Right Policy (https://www.sinbon.com/files/download/5f01d0fbf8b6ec6)	None.
(II) Has the Company established and pursued reasonable employee benefit policies (including remunerations, leave and other benefits), and reflected operation performance or result appropriated in the remuneration to employees?	✓		Employees receive fixed salaries. The Company also releases performance bonus to the employees in the Q1 and Q3 of the year. Performance bonus is a very timely incentive to employees and is also significantly associated with performance. This not only reflects the overall profit of the Company from operation but also released on the basis of individual performance so that the result of operation performance and the remuneration to employees are reasonably linked. The Company has established and disclosed the “Remuneration Committee Organization Code”. Additional information on the operation of the Remuneration Committee is available at the official website of SINBON/Investor Relation/Corporate Governance (https://www.sinbon.com/files/download/45c4e753d797b0c , https://www.sinbon.com/files/download/ff4e23dc3b62d18).	None.

Advocated items	The pursuit (Note 1)			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Summary Explanation	
(III) Has the Company provided a safe and healthy environment for the employees at workplace, and provided education on safety and health at regular intervals?	✓		The Company has been accredited with the ISO45001 occupational health and safety management system for the proper pursuit of safety management and assurance of the safety of the employees and products at the plant site. The Company arranges safety inspection and maintenance of equipment and exercise drills for responding to the occurrence of disaster at regular intervals. In addition, the Company also provides health examination for all employees and holds lectures and seminars on safety/health/environmental protection.	None.
(IV) Has the Company established effective career development planning and training program for the employees?	✓		For tuning towards the goal of corporate development of the Group and satisfying the needs of employees in the kind of occupational skills for performing their assigned duties, the Company provides a wide array of channels for learning such as: internal training, external training, and annual subsidy for learning. In 2020, the Company founded the SINBON Institute offering training in 7 disciplines of management, sale, customer service, merchandising, industrial research, manufacturing, and common knowledge to satisfy the needs of employees in different functions for nurturing the comprehensive occupational skills required for their assigned duties.	None.
(V) Regarding customer health and safety, customer privacy, marketing and labeling of product and services, has the Company complied with applicable legal rules and international standards, and established the policies for the protection of consumer or customer rights and procedure for complaints?	✓		1. The marketing and labeling of products of the Company are in compliance with applicable legal rules. In addition, any form of cheating, misleading, fraud or any act that spoils the trust of the consumers and causes damage to the right of consumers are prohibited. 2. On the basis of the complaints filed by individual customers, the Company will trace the root cause of the problem and address to the problem accordingly in order to regain customer satisfaction.	None.

Advocated items	The pursuit (Note 1)			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Summary Explanation	
(VI) Has the Company established policies for the management of suppliers and required suppliers to comply with applicable rules and regulations governing environmental protection, occupational safety and health, or human rights of the labor, and the pursuit of these policies?	✓		The Company has established the code of conduct for the suppliers in accordance with the RBA system of social responsibility standard commonly adopted by the electronics industry where the Company is in as a vital part of the contracts with suppliers. Before proceeding to business transaction with the suppliers, the Company requires the suppliers to sign for confirmation of the Commitment to Social Responsibility Self-Assessment Sheet. It will be followed by the on-site audit of the Company for assuring the suppliers have properly performed their part of social responsibility.	None.
V. Has the Company consulted the internationally adopted standard or guide in compiling its Sustainability Report for disclosure of non-financial information on the Company? Has the aforementioned reports been accredited or guaranteed by a third party accreditation institution?	✓		1. The Company compiled its CSR Report with reference to the GRI and SASB standards, and voluntarily disclosed at its official website. The mid to long-term sustainability road map, "GO GREEN", was geared up with the sustainability objective of SDGs of the UN with gravity on corporate governance, digital transformation, green products, environmental sustainability, employee care and training. The Company will strengthen its organization to perform the responsibility of sustainability. 2. As required by applicable legal rules, the Company should release CSR Report annually from 2015 onward for the disclosure of the performance of corporate social responsibility and announce at the official website of the Company. 3. A third party accreditation institution has been delegated by the Company for the accreditation of the CSR Report from 2015 onward.	None.

Advocated items	The pursuit (Note 1)			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Summary Explanation	
VI.	If the Company has established the Sustainable Development Best Practice Principles in accordance with the “Sustainable Development Best Practice Principles for TWSE Listed and TPEX Listed Companies”, specify the variation between the practice and the principles: the Company has not yet established the Sustainable Development Best Practice Principles, but has complied with applicable legal rules of the government, international conventions and standard in advocating corporate sustainable development in the aspects of corporate governance, environmental sustainability, and social charity.			
VII.	Any other vital information that helps to under the pursuit of sustainability better: (I) The Company was accredited with the SA 8000 social responsibility international standard at the end of 2013 with the issuance of accreditation certificate in 2014. (II) Establishment of the Sustainability Officer and Sustainable Development Office: the organization for sustainable development was reorganized in 2021 with the establishment of the position of Sustainability Officer and the Sustainable Development Office as the designated body for this cause. They are under the direct supervision of the chairman for pursuing the policy of CSR development. (III) Reorganized the Sustainability Committee and its subcommittees under the leadership of a Level 1 Officer: the Company established the “Corporate Social Responsibility Committee” in 2014, and reorganized as the “Sustainability Committee” with 6 subcommittees in 2021. Under the leadership of a Level 1 Officer, this designated body was run by its management team charged with the duties of corporate governance, digital transformation, green product, environmental sustainability, employee care and training, and social participation for in-depth exploration of sustainability. (IV) Compliance with and advocacy of human right policy: In 2021, the Company voluntarily complied with the UN Global Compact and became a member. People is the fundamental principle of SINBON thereby the Company duly observe the 10 principles of human rights, labor, environment, and anti-corruption. SINBON also elects to observe the “Universal Declaration of Human Rights”, “UN Global Compact”, “International Labour Convention” and other covenants on human rights and established its human right policy in accordance with the aforementioned guiding principles.			

Note 1: If “YES” is chosen for implementation, specify the important policies, strategies, measures and pursuit in concrete term. If “NO” is chosen, explain in the column of “Variation from the Sustainable Development Best Practice Principles for TWSE Listed and TPEX Listed Companies and the reasons” the variation and the reason, and specify related policies, strategies and measures planned for the future.

Note 2: Principle of materiality refers to issues related to the environment, society, and corporate governance that will cause significant influence on the investors and other stakeholders.

Note 3: For information on the means of disclosure, refer to the sample version of the best practice principles posted at the website of the Corporate Governance Center of Taiwan Stock Exchange Corporation.

(VII) Practice of ethical corporate government and the variation with the Ethical Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies, and the reason:

Implementation of ethical corporate management

Items of evaluation	The pursuit (Note 1)			Variation from the Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEX Listed Companies
	Yes	No	Summary Explanation	
I. Establishment of the ethical corporate management policy and action plans				
(I) Has the Company made policies of ethical corporate management passed by the Board, and explicitly stated the ethical corporate management policy and related action plans, and the commitment of the Board and the senior management in the proper pursuit of the ethical corporate management policy?	✓		The Company has established the “Ethical Corporate Management Best Practice Principles” and the “Ethical Corporate Management Operation Procedure and Code of Conduct”, and has properly pursued these policies and announced at the official website of the Company.	None.
(II) Has the Company developed the mechanisms for the assessment of the risk of unethical practices, and conducted analysis and assessed the kind of business activities vulnerable to the risk of unethical practices within the scope of operation at regular intervals, and mapped out the solution for preventing such practices covering at least the preventive measures as stated in Paragraph 2 under Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEX Listed Companies”?	✓		Internal audits were included in the Annual Audit Plan. Audits will be conducted as scheduled or at any time where necessary.	None.
(III) Has the Company mapped out the solution for preventing unethical practices, and specified the operation procedures, code of conduct, penalty on violation and the system for complaints in the solutions, and properly implemented the plans with routine review and revision of the aforementioned solutions?	✓		The Principles and Operation Procedure and Code of Conduct have been incorporated into the annual training program with announcement at the official website of the Company.	None.

Items of evaluation	The pursuit (Note 1)			Variation from the Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEX Listed Companies
	Yes	No	Summary Explanation	
II. Practice of ethical corporate management				
(I) Has the Company assessed the record of integrity on the counterparties of trade, and explicitly stated the integrity clause in the contracts binding the counterparties and the Company?	✓		It is explicitly stated in the standardized contracts of the Company.	None.
(II) Has the Company established a designated body charged with the advocacy of business integrity under ethical corporate management on a full-time (part-time) basis under the direct supervision of the Board, and report to the Board of the ethical corporate management policy and the plans for prevention of unethical practices with monitoring on the enforcement of the plans at regular intervals (at least once a year)?	✓		The designated body of the Company for this purpose is the "Group General Management Division". This body reports to the Board at least once a year or where necessary (the last report was presented in the 5th session of the Board in 2021). In addition, the internal audit function also report to the Board at regular intervals or as needed.	None.
(III) Has the Company established the policies for the avoidance of the conflict of interest and appropriate channels for expression, and properly pursued these policies?	✓		The Company has established the channel and mail box for hearing complaints. The "Administrative Management Department" is responsible for answering the complaints. The Company has also established the "Stakeholders Section" at its official website.	None.
(IV) For the proper pursuit of ethical corporate management, has the Company established an effective accounting system and internal control system, with related audit plans designed by the internal audit function on the basis of the findings of the assessment on the risk of unethical practices basing on which audit on prevention of unethical practice will be conducted, or CPAs will be delegated for conducting the audit?	✓		Arranged as a part of the Annual Audit Plan in accordance with the "Ethical Corporate Management Best Practice Principles" and "Ethical Corporate Management Operation Procedure and Code of Conduct" established by the Company.	None.

Items of evaluation	The pursuit (Note 1)			Variation from the Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEX Listed Companies
	Yes	No	Summary Explanation	
(V) Has the Company organized internal and external training on ethical corporate management at regular intervals?	✓		The Board of the Company arranges the reference filing of the report on Ethical Corporate Management Best Practice Principles and as a part of training in the orientation of the new employees every year.	None.
III. The functioning of the informing and complaint system of the Company				
(I) Has the Company established the informing and complaint system and channels for facilitating informing and complaint, and appointed designated personnel to appropriately handle the personnel accused of unethical practice?	✓		1. The Company has established the "Stakeholder Section" at its official website handled by designated personnel.	None.
(II) Has the Company established the standard operation procedure for processing reports and complaints, the actions to be taken after the investigation, and the mechanisms of confidentiality?	✓		2. The Company has established the "Regulations Governing the Responses to the informing of Illegal and Unethical Practices" and announced at its official website.	None.
(III) Has the Company taken appropriate measures for the protection of the informants from undue treatment due to reporting on illegal or unethical practice?	✓		3. The measures taken by the Company for the protection of the informants include no disclosure of the source of the information, conduct investigation by a third party, and enter into agreement on confidentiality with the parties concerned.	None.
IV. Additional disclosure of information Has the Company disclosed the content of its Ethical Corporate Management Best Practice Principles and the result of implementation at its official website and MOPS?	✓		1. The website installed by the Company is: www.sinbon.com 2. The official website of MOPS (Market Observation Post Service): Note 2. 3. No record on violation of ethical corporate management by the Company.	None.
V. If the Company has established its Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEX Listed Companies", specify the practice and variation from the Principles: No variation.				

Items of evaluation	The pursuit (Note 1)			Variation from the Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEX Listed Companies
	Yes	No	Summary Explanation	
VI. Any other vital information that help to understand the practice of ethical corporate management better: (e.g.: review and revise the Ethical Corporate Management Best Practice Principles): The Board of the Company arranges the reference filing of the report on Ethical Corporate Management Best Practice Principles and included as a part of the training for the orientation of the new employees. The internal audit function also arranges related issues as special audit items.				

Note 1: Either "YES" or "NO" for the status of operation requires summary explanation in the remark column.

Note 2: http://mops.twse.com.tw/mops/web/t100sb04_1 (Market type: TWST listed. Search 3023, or SINBON)

- (VIII) For Inquiry of Corporate Governance Best Practice Principles and related rules and regulations: <https://www.sinbon.com/tw/corporate-governance>
- (IX) Any other vital information that helps to understand the pursuit of corporate governance by the Company better: visit the official website of the Company at www.sinbon.com.

(X) Implementation of internal control for disclosure:

1. Declaration of internal control:

Statement of Declaration of Internal Control

Date: March 11 2022

SINBON Electronics Co., Ltd. has conducted internal audit in accordance with its Internal Control Regulation covering the period from January 1 to December 31, 2021, and hereby declares as follows:

- I. The company acknowledges and understands that, the establishment, enforcement and preservation of internal control system is the responsibility of the Board and the managers, and that the company has already established such system. The purpose of it is to reasonably ensure the effect and efficiency of operation (including profitability, performance and security of assets), the reliability, timeliness and transparency of reporting and the compliance with relevant legal rules.
- II. There is limitation inherent to internal control system, no matter how perfect the design. As such, effective internal control system may only reasonably ensure the achievement of the aforementioned goals. Further, the operation environment and situation may vary, and hence the effectiveness of the internal controls system. The internal control system of the company features the self-monitoring mechanism. Once identified, any shortcoming will be corrected immediately.
- III. The company judges the effectiveness of the internal control system in design and enforcement in accordance with the “Regulations Governing Establishment of Internal Control Systems by Public Companies” (hereinafter referred to as “the Regulations”). The Regulations are instituted for judging the effectiveness of the design and enforcement of internal control system. There are five components of effective internal control as specified in the Regulations with which the procedure for effective internal control are composed by five elements, namely, 1.control environment, 2. Risk Evaluation, 3. Control Operation, 4. Information and Communication, and 5. Monitoring. Each of the elements in turn contains certain audit items, and shall be referred to the Regulations for detail.
- IV. The company has adopted the aforementioned internal control system for internal audit on the effectiveness of the design and enforcement of the internal control system.
- V. Basing on the aforementioned audit findings, the company holds that has reasonably preserved the achievement of the aforementioned goals of internal control (including the monitoring over the subsidiaries) in the period

of January 1 to December 31, 2021, including the effectiveness and efficiency in operation, reliability, timeliness and transparency in reporting and compliance with relevant legal rules, and that the design and enforcement of internal control are effective.

- VI. This statement of declaration shall form an integral part of the annual report and prospectus on the company and will be announced. If there is any fraud, concealment and unlawful practice discovered in the content of the aforementioned information, the company shall be liable to legal consequences under Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchanges Act.
- VII. This statement of declaration has been approved by the Board on March 11 2022.

SINBON Electronics Co., Ltd.

Chairman : Shao-Hsin, Wang

President : Wei-Ming Liarnng

- 2. If a CPA is appointed to conduct a special audit on the internal control system, disclose the Auditor's Report: None.
- (XI) The Company and insiders were punished under law, or punished due to the violation of internal control system by insiders in the previous period to the date this report was printed, the major defect and the status of rectification: None.
- (XII) Major resolutions of the Shareholders' Meeting and the Board in the previous period to the date this report was printed:

2021.03.19	Board of Director	Proposal for the remuneration to employees and Directors in 2020, Proposal for distribution of earnings in 2020, Statement of Declaration of Internal Control in 2020, 2021 Business Plan, Result of the Assessment of the Independence of the CPAs of the Company, Amendment to the "Remuneration Committee Organization Code" in part, Amendment to the "Rules of Procedure for Shareholders' Meeting" in part, Amendment to the "Auditing Committee Organization Code" in part, Amendment to the "Regulations Governing the Duties of Independent Directors" in part, Election of a new Board, Nomination of candidates to the election of Directors and Independent Directors, Lift the ban on competition of the newly elected Directors of the Company, "Beijing SINBON TongAn Renewable Energy Co., Ltd." a direct investee of the Company with the holding of 85.53% of its stakes, planned to establish "Xuzhou ENMAGIC Energy Co., Ltd.", the Company plans to act on behalf of "Beijing SINBON TongAn Renewable Energy Co., Ltd." a direct investee of the Company with the holding of 85.53% of its stakes in an undertaking for its listing at

overseas stock exchange for trading, the schedule for the regular session of the Shareholders' Meeting in 2021 and related matters.

2021.04.23	Board of Director	Update the proposal for distribution of earnings in 2020, review of the motions presented to Shareholders' Meeting, update the collaboration between the Company and Top Taiwan Venture Capital for the establishment of an equity joint venture, "SINTOP Energy Management Co., Ltd.", disposal of the holding of direct investee, T-CONN Precision Corporation.
2021.06.11	Board of Director	Update the schedule for the regular session of the Shareholders' Meeting in 2021, replacement of the securities dealer previously delegated for "Beijing SINBON TongAn Renewable Energy Co., Ltd." (hereinafter, "Beijing TongAn"), a direct investee of the Company with the holding of 85.53% of its stakes.
2021.07.09	Shareholders' Meeting	Recognition of the financial statements and consolidated financial statement of 2020. Status: the minute of meeting on record has been uploaded to MOPS on July 9 2021. Recognition of the proposal for distribution of earnings in 2020. Status: base day for dividend on August 28 2021, payment made on September 17 2021. Passed the amendment to "Rules of Procedure for Shareholders' Meeting" in part. Status: announced and uploaded to MOPS on July 9 2021. Passed the motion of the election of a new Board. Status: uploaded to MOPS on July 9 2021. Passed the motion of lifting the ban on competition for the newly elected Directors and their representatives. Status: uploaded to MOPS on July 9 2021.
2021.07.09	Board of Director	Election of the Chairman.
2021.07.23	Board of Director	Appointment of the members to the Remuneration Committee, set the ex-dividend day of the Company in 2021, amendment to the "Regulations Governing the Evaluation of Board Performance" of the Company in part, amendment to the "Corporate Governance Best Practice Principles" of the Company in part, Kwan Ze Co., Ltd., a wholly-owned subsidiary of the Company, plans to dispose its holding of shares issued by Argosy Research Inc.
2021.10.22	Board of Director	Review of the 2022 Annual Audit Plan, establishment of the "Internal Control Self-Assessment Procedure", establishment of the "Risk Management Policy and Procedure", amendment to the "Procedure for Processing of Material Insider Information and the Prevention of Insider Trade" in part, amendment to the "Regulations Governing the Response to Informing and Complaints of Illegal and Unethical Practices" in part, establishment of the "Information Security Policy and Management Operation Regulations".
2022.03.11	Board of Director	Proposal for remuneration to employees and Directors in 2021, Proposal for the distribution of earnings in 2021, Statement of Declaration of Internal Control in 2021, 2022 Business Plan, Result of the Assessment of

the Independence of the CPAs in the capacity of Independent Auditors of the Company, Amendment to the “Procedure for the Acquisition or Disposal of Assets” in part, Amendment to the “Corporate Governance Best Practice Principles” in part, Amendment to the “Sustainable Development Best Practice Principles” in part, Amendment to the “Parliamentary Procedure for the Board” in part, Amendment to the “Rules of Procedure for Shareholders’ Meeting” in part, Amendment to the “Articles of Incorporation” in part, Raising capital amounting by US\$520,200 for wholly-owned subsidiary SINBON USA LLC, Capital investment in TOP TAIWAN XIV VENTURE CAPITAL CO., LTD., Establishment of the “Sustainability Supervisory Committee”, Schedule for the regular session of the Shareholders’ Meeting in 2022 and related matters.

- (XIII) Adverse opinions from the Directors over the resolutions of the Board on record or in written declaration, in the previous period to the date this report was printed, and the summary of the content: the Company plans to make capital investment in TOP TAIWAN XIV VENTURE CAPITAL CO., LTD., the Presiding Officer inquired all Directors in the session (11 persons) for opinion, Director Te-Cheng, Chiu and Director Wei-Chung, Wang, recused for avoidance of the conflict of interest. Five of the 9 Directors voted for the motion. The motion was passed by a simple majority.
- (XIV) The resignation or dismissal of related personnel of the Company (including the Chairman, President, Chief Accounting Officer, Chief Financial Officer, head of internal audit, and head of R&D) in the previous period to the date this report was printed:

The table showing the resignation or dismissal of related personnel of the Company

April 1 2022

Occupational title	Name	Date of office	Date of relief from office	Reason for resignation or relief
Director	Chia-Chih, Hsu	2000/11/1	2021/4/30	Personal career planning

Note: Related personnel of the Company are the Chairman, President, Chief Accounting Officer, Chief Financial Officer, head of internal audit, Corporate Governance Officer, and head of R&D.

V. Information on fee for CPAs service:

- (I) If the payment for the non-audit service of the CPAs of the Company, the CPA firm and its affiliates accounting for 1/4 or more of the fee for auditing service, disclose the content of audit and non-audit services and the amount: the Company voluntarily disclosed the amount of payment for audit and non-audit services and the content of the services specified as follows:

Unit: NT\$1,000

Name of CPA firm	Ernst & Young, Taiwan	
Name of CPA 1	Tzu-Ping, Huang	
Name of CPA 2	Ming-Hung, Chen	
Auditing fee	6,200	
Non-auditing fee	System design	0
	Business registration	0
	Human Resources	0
	Others (Note 2)	1,880
	Subtotal	1,880
Does the audit period of the CPAs cover the whole fiscal year	Cover or not	Yes
	Audit period	2021

- (II) If the payment for CPAs audit services in the year of replacement of CPAs firm was less than the amount paid for the audit services of the previous year, disclose the amount of auditing fee reduced, the ratio of reduction and the reason: Not applicable.
- (III) If the auditing fee reduced by more than 10% from the same period of the previous year, disclose the amount reduced, the ratio and the reason: Not applicable.

Information on payment to CPAs of the Company

Currency unit: NT\$1,000

Name of CPA firm	Name of Independent Auditor	CPA audit period	Auditing fee	Non-auditing fee (Note)	Total	Remark
Ernst & Young, Taiwan	Tzu-Ping, Huang	January 1 2021 to December 31 2021	6,200	1,880	8,080	
	Ming-Hung, Chen					

Note: The content of service includes tax audit and accreditation of CSR Report.

VI. Information on replacement of CPAs:

(I) About the CPAs previously appointed:

Date of replacement	Not applicable		
Reason for replacement and explanation	Not applicable		
Explain if terminated by the principal or the CPA, or the CPA declined the appointment	The Parties concerned	CPA	Principal
	Status		
	Voluntary termination of the appointment		
	Declined the (continued) appointment		
The opinion stated in Auditor's Report issued with unqualified opinion in the last 2 years and the reason.	None		
Any different opinion from the issuer	None		
Additional information for disclosure (Particulars inscribed in Section 1-(4) and Section 1-(7) of Subparagraph 6 under Article 10 of the Principles should be disclosed).	None		

(II) About the successor CPA

Name of CPA firm	None
Name of Independent Auditor	None
Date of appointment	None
The issues for consultation on the accounting method or principle of special transactions before the appointment that may affect the audit opinion and the result.	None
The difference between the opinion of the successor CPAs and the predecessor expressed in writing.	None

(III) The reply of the previous CPAs of the Company on issues stated section 1 and section 2-(3) of subparagraph 6 under Article 10 of the Regulations: Not applicable.

VII. In case the Chairman, President, Chief Financial Officer or Chief Accounting Officer of the Company who has been employed by the CPA firm retained for services or its affiliate, disclose the name, occupational title, and the duration of employment by the CPA firm or its affiliate: Not applicable.

VIII. In the previous period to the date this report was printed, the transfer of shares or changes in the pledge of shares under lien by the Directors, Managers, and shareholders holding more than 10% of the shares issued by the Company:

(I) Changes in equity of the Directors, Managers and major shareholders:

Unit: share

Occupational title	Name	2021		In current period to April 1	
		Change in the quantity of shareholding	Change in the quantity of shares under lien	Change in the quantity of shareholding	Change in the quantity of shares under lien
Chairman	Shao-Hsin, Wang	0	0	0	0
Director	Hsin-Chih, Yeh	0	0	0	0
Director	Argosy Research Inc.	0	0	0	0
Representative of Director	Chao-Liang, Wang	0	0	0	0
Director	Wei-Ming, Liang	0	(50,000)	0	0
Director	Tai Yi Investment Co., Ltd.	50,428	0	9,000	0
Representative of Director	Wei-Chung, Wang	0	0	0	0
Director	Kuo Shian Investment Co., Ltd.	0	0	0	0
Representative of Director	Kuo-Hung, Wang	0	0	0	0
Director & Vice President	Wen-Sen, Huang	5,000	0	0	0
Director	Te-Cheng, Chiu	0	0	0	0
Independent Director	Chi-Lin, Wei (date of relief from office: July 9 2021)	0	0	Not applicable	Not applicable
Independent Director	Cheng-Yen, Chang	0	0	0	0
Independent Director	Hou-Ming, Chen	0	0	0	0
Independent Director	Yu-Fen, Lin	0	0	0	0
Vice President	Chun-Yu, Chen	0	0	0	0
Director	Ping, Li	0	0	0	0
Director	Chia-Chih, Hsu (date of relief from office: April 30 2021)	(9,000)	0	Not applicable	Not applicable
Director	Li-Li, Huang	1,000	0	2,000	0
Director	Hsiu-Sui, Lin	0	0	0	0
Director	Cheng-Ling, Li	0	0	0	0

Occupational title	Name	2021		In current period to April 1	
		Change in the quantity of shareholding	Change in the quantity of shares under lien	Change in the quantity of shareholding	Change in the quantity of shares under lien
Director	Yun-Ju, Huang	0	0	0	0
Director	Hsing-Chun, Wu	(2,000)	0	38,705	0
Ass. Director	Hao-Min, Hsu	(22,544)	0	0	0
Ass. Director	Ping-Chen, Sung	0	0	0	0
Ass. Director	Ming-Cheng, Lin	0	0	0	0
Ass. Director	Chia-Ching, Lin	0	0	0	0
Ass. Director	Ya-Hui, Kuo	0	0	0	0
Ass. Director	Kuei-Chen, Feng	0	0	0	0
Ass. Director	Ping-Jen, Chen	0	0	0	0
Ass. Director	Chien-Ming, Huang	0	0	0	0
Ass. Director	Hsing-Hsiu, Kuo	0	0	0	0
Director	Chin-Tsung, Huang	0	0	0	0
Ass. Director	Kuo-Hung, Chen	0	0	0	0
Ass. Director	Ping-Chen, Fu	0	0	0	0
Ass. Director	Yang-Yu, Wu	0	0	0	0
Ass. Director	Shan, Li	0	0	0	0
Ass. Director	Yu-Hsuan, Lin	0	0	2,000	0
Ass. Director	Ya-Hui, Kao	0	0	0	0
Ass. Director	Yao-Ting, Li	0	0	0	0
Ass. Director	Yi-Hsien, Lin	0	0	0	0
Ass. Director	Hsin-Nan, Hsiung	0	0	4,000	0
CFO	Chi-Chou, Chang	10,000	(50,000)	0	0

Note 1: Shareholders holding more than 10% of the shares issued by the Company shall be noted as Dominant Shareholders (no shareholder of the Company holding more than 10% of the shares issued by the Company).

Note 2: If the counterparties in the transfer of shares or pledge of shares under lien are related parties, fill in the table below.

(II) Information on transfer of shares:

Name (Note 1)	Reason for transfer of shares (Note 2)	Date of transaction	Counterparties of transactions	The relation between the counterparties and the Company, Directors, Managers, and shareholders holding more than 10% of the shares issued by the Company.	Quantity of shares	Transaction price
Not applicable to unrelated parties						

Note 1: Put down the Directors, Managers and shareholders holding more than 10% of the shares issued by the Company.

Note 2: Put down acquisition or disposal.

(III) Information on lien:

Name (Note 1)	Reason for change in lien (Note 2)	Date of the change	Counterparties of transactions	The relation between the counterparties and the Company, Directors, Managers, and shareholders holding more than 10% of the shares issued by the Company.	Quantity of shares	Proportion of shareholding (%)	Proportion under lien (%)	Amount of lien (redemption) (NT\$1,000)
Wei-Ming, Liang	Redemption	2021.04.16	CTBC Bank Chengdong Branch special account	None	150,000	0.32%	0%	N.A.
Wei-Ming, Liang	Redemption	2021.04.22	CTBC Bank Chengdong Branch special account	None	250,000	0.32%	0%	N.A.
Wei-Ming, Liang	Lien	2021.04.21	Cathay United Bank Guanqian Branch	None	150,000	0.32%	20%	N.A.
Wei-Ming, Liang	Lien	2021.04.21	Cathay United Bank Guanqian Branch	None	200,000	0.32%	26%	N.A.
Wen-Sen, Huang	Redemption	2021.04.16	CTBC Bank Chengdong Branch special account	None	60,000	0.10%	0%	N.A.
Wen-Sen, Huang	Redemption	2021.04.20	CTBC Bank Chengdong Branch special account	None	40,000	0.10%	0%	N.A.
Wen-Sen, Huang	Lien	2021.04.19	Cathay United Bank Guanqian Branch	None	100,000	0.10%	42%	N.A.
Chi-Chou, Chang	Redemption	2021.04.16	CTBC Bank Chengdong Branch special account	None	50,000	0.10%	0%	N.A.
Chi-Chou, Chang	Redemption	2021.04.16	CTBC Bank Chengdong Branch special account	None	64,000	0.10%	0%	N.A.

Name (Note 1)	Reason for change in lien (Note 2)	Date of the change	Counterparties of transactions	The relation between the counterparties and the Company, Directors, Managers, and shareholders holding more than 10% of the shares issued by the Company.	Quantity of shares	Proportion of shareholding (%)	Proportion under lien (%)	Amount of lien (redemption) (NT\$1,000)
Chi-Chou, Chang	Redemption	2021.05.05	CTBC Bank Chengdong Branch special account	None	50,000	0.10%	0%	N.A.
Chi-Chou, Chang	Lien	2021.04.28	Cathay United Bank Guanqian Branch	None	114,000	0.10%	48%	N.A.
Kuo Shian Investment Co., Ltd.	Redemption	2021.05.18	KGI Securities line of credit	None	500,000	1.03%	0%	N.A.
Kuo Shian Investment Co., Ltd.	Redemption	2021.06.30	KGI Securities line of credit	None	100,000	1.03%	0%	N.A.
Kuo Shian Investment Co., Ltd.	Lien	2021.05.18	Cathay United Bank Taichung Branch	None	500,000	1.03%	20%	N.A.
Kuo Shian Investment Co., Ltd.	Lien	2021.06.30	Cathay United Bank Taichung Branch	None	100,000	1.03%	4%	N.A.

Note 1: Put down the Directors, Managers and shareholders holding more than 10% of the shares issued by the Company.

Note 2: Put down pledge under lien or redemption.

IX. The top 10 shareholders by proportion of shareholding are related parties, spouse, kindred within the 2nd tier to one another:

Information on the relation of the top 10 shareholders by proportion of shareholding

Name (Note 1)	Holding of share by the person		Quantity of shareholding by spouse and underage children		Joint holding of share in the name of a third party		If the top 10 shareholders by proportion of shareholding are related parties, spouse, kindred within the 2nd tier to one another, specify the names and relation. (Note 3)		Remark
	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Title (or name)	Relation	
Fubon Life Insurance Co., Ltd.	10,495,000	4.46%	0	0.00%	0	0.00%	None	None	
Representative Ming-Hsing, Tsai	0	0.00%	0	0.00%	0	0.00%			
PineBridge Global Funds-PineBridge Asia ex Japan Small Cap Equity Fund in custody of Standard Chartered Bank.	8,992,000	3.82%	0	0.00%	0	0.00%	None	None	
Investment Account of Small Denomination World Funds Co. Ltd. in custody of Standard Chartered Bank	8,747,000	3.72%	0	0.00%	0	0.00%	None	None	
Shao-Hsin, Wang	7,508,062	3.19%	2,131,236	0.91%	0	0.00%	Representative of Tai Yi Investment: Wei-Chung, Wang	Father and son	
Nan Shan Life Insurance Company, Ltd.	5,408,000	2.30%	0	0.00%	0	0.00%	None	None	
Representative Chen, Tang	0	0.00%	0	0.00%	0	0.00%			

Name (Note 1)	Holding of share by the person		Quantity of shareholding by spouse and underage children		Joint holding of share in the name of a third party		If the top 10 shareholders by proportion of shareholding are related parties, spouse, kindred within the 2nd tier to one another, specify the names and relation. (Note 3)		Remark
	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Title (or name)	Relation	
Investment Account of Swedbank Robur Global Impact Fund in custody of Standard Chartered Bank	4,500,000	1.91%	0	0.00%	0	0.00%	None	None	
Investment account of Swedbank Robur Tech Fund in custody of Standard Chartered Bank	4,500,000	1.91%	0	0.00%	0	0.00%	None	None	
Tai Yi Investment Co., Ltd.	4,190,000	1.78%	0	0.00%	0	0.00%	Shao-Hsin, Wang	Father and son	
Representative Wei-Chung, Wang	1,159,158	0.49%	628,812	0.27%	0	0.00%			
Aberdeen Standard OEIC II -ASI Global Smaller Companies Fund in custody of Citibank Taiwan	4,162,229	1.77%	0	0.00%	0	0.00%	None	None	
BNP PARIBAS Green Tiger Fund in custody of HSBC	3,919,102	1.67%	0	0.00%	0	0.00%	None	None	

Note 1: List out the top 10 shareholders, if the shareholders are institutional shareholders, list out the names of the institutions and the representatives separately.

Note 2: The proportion of shareholding should include the holding in the own name of the person, by spouse, underage children or in the name of a third party in the calculation.

Note 3: Disclose the relation of the aforementioned shareholders, including institutions and natural persons, in accordance with the Regulations Governing Preparation of Financial Reports by Securities Issuers.

- X. The quantity of shares issued by particular investee company held jointly by the Directors, Managers, and direct or indirect controlled entity of the Company, and the proportion of shares under joint holding:

Unit: share; %; December 31 2021.

Direct investment (Note 1)	Investment of the Company		Investment of the Directors, Managers or direct or indirect controlled business (Note 2)		Overall investment	
	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding
SINBON International Enterprise Co., Ltd	-	100.00%	-	-	-	100.00%
Hong Kong SINBON Electronics Co., Ltd.	-	100.00%	-	-	-	100.00%
Kwan Ze Co., Ltd.	25,200,000	100.00%	-	-	25,200,000	100.00%
Argosy Research Inc.	3,174,598	3.52%	14,951,152	16.59%	18,125,750	20.12%
Beijing SINBON TongAn Renewable Energy Co., Ltd.	130,000,000	85.53%	-	-	130,000,000	85.53%
SINBON USA L.L.C	-	100.00%	-	-	-	100.00%
Radbon Avionics Inc.	5,280,000	55.00%	-	-	5,280,000	55.00%
SINBON Europe GmbH	-	100.00%	-	-	-	100.00%
T-CONN Precision Corporation	20,107,286	57.45%	-	-	20,107,286	57.45%
SINBON Hungary Kft	-	100.00%	-	-	-	100.00%
SINTOP Energy Management Co., Ltd.	680,400	53.57%	-	-	680,400	53.57%

Note 1: Investment accounted for under the equity method.

Note 2: Investment of Kwan Ze Co., Ltd.

Note 3: The symbol of “-” stands for 0, not applicable or none unless otherwise specified.

Chapter IV. Status of fundraising

I. Capital stock and shares:

(I) Sources of capital:

Year/month	Offering price	Authorized capital		Capital Stock		Remark		
		Quantity of shares (1,000 shares)	Amount (NT\$1,000)	Quantity of shares (1,000 shares)	Amount (NT\$1,000)	Sources of capital (NT\$1,000)	Non-cash investment in kind (NT\$1,000)	Others
December 1989	10	500	5,000	500	5,000	Established at 5,000 in cash	None	None
June 1991	10	1,300	13,000	1,300	13,000	Raising capital of 6,000 through offering new shares	Shareholders transaction at 2,000	None
December 1994	10	2,900	29,000	2,900	29,000	Raising capital of 5,000 through offering new shares	Credit against debt amounted to 11,000	None
September 1995	10	9,900	99,000	9,900	99,000	Raising capital of 70,000 through offering new shares	None	None
December 1997	10	19,800	198,000	19,800	198,000	—	Capitalization through merger amounting to 99,000	None
September 1998	10	50,000	500,000	30,000	300,000	Raising capital by offering new shares amounting to 64,560 Capitalization of retained earnings into new shares amounting to 11,880 Capitalization of additional paid-in capital into new shares amounting to 23,760 Capitalization of employee bonus into new shares amounting to 1,800	None	Note 1
September 1999	10	50,000	500,000	40,000	400,000	Raising capital by offering new shares amounting to 37,000 Capitalization of retained earnings into new shares amounting to 30,000 Capitalization of additional paid-in capital into new shares amounting to 30,000 Capitalization of employee bonus into new shares amounting to 3,000	None	Note 2
July 2000	10	50,000	500,000	46,800	468,000	Capitalization of retained earnings into new shares amounting to 44,000 Capitalization of additional paid-in capital into new shares amounting to 16,000 Capitalization of employee bonus into new shares amounting to 8,000	None	Note 3

Year/month	Offering price	Authorized capital		Capital Stock		Remark		
		Quantity of shares (1,000 shares)	Amount (NT\$1,000)	Quantity of shares (1,000 shares)	Amount (NT\$1,000)	Sources of capital (NT\$1,000)	Non-cash investment in kind (NT\$1,000)	Others
November 2000	10	50,000	500,000	50,000	500,000	Raising capital of 32,000 through offering new shares	None	Note 4
June 2001	10	90,000	900,000	61,500	615,000	Capitalization of retained earnings into new shares amounting to 100,000 Capitalization of employee bonus into new shares amounting to 15,000	None	Note 5
March 2002	10	150,000	1,500,000	70,798	707,981	Conversion of convertible bonds amounting to 92,981	None	Note 6
August 2002	10	150,000	1,500,000	88,213	882,132	Capitalization of retained earnings into new shares amounting to 141,596 Capitalization of employee bonus into new shares amounting to 20,000 Conversion of convertible bonds amounting to 12,555	None	Note 7
October 2002	10	150,000	1,500,000	89,849	898,489	Conversion of convertible bonds amounting to 16,357	None	Note 6
October 2002	10	150,000	1,500,000	90,028	900,279	Conversion of convertible bonds amounting to 1,790	None	Note 8
January 2003	10	150,000	1,500,000	90,455	904,554	Conversion of convertible bonds amounting to 4,275	None	Note 6
March 2003	10	150,000	1,500,000	90,578	905,780	Conversion of convertible bonds amounting to 1,226	None	Note 6
June 2003	10	190,000	1,900,000	100,336	1,003,358	Capitalization of retained earnings into new shares amounting to 17,516 Capitalization of employee bonus into new shares amounting to 10,000 Capitalization of additional paid-in capital into new shares amounting to 70,062	None	Note 9
August 2003	10	190,000	1,900,000	101,700	1,016,997	Conversion of convertible bonds amounting to 13,638	None	Note 6
September 2003	10	190,000	1,900,000	101,797	1,017,971	Conversion of convertible bonds amounting to 974	None	Note 6
July 2004	10	190,000	1,900,000	106,797	1,067,969	Capitalization of retained earnings into new shares amounting to 45,999 Capitalization of employee bonus into new shares amounting to 4,000	None	Note 10
August 2004	10	190,000	1,900,000	107,010	1,070,103	Conversion of convertible bonds amounting to 2,134	None	Note 6
July 2005	10	240,000	2,400,000	131,970	1,319,695	Capitalization of retained earnings into new shares amounting to 230,016 Capitalization of additional paid-in capital into new shares amounting to 19,576	None	Note 11

Year/month	Offering price	Authorized capital		Capital Stock		Remark		
		Quantity of shares (1,000 shares)	Amount (NT\$1,000)	Quantity of shares (1,000 shares)	Amount (NT\$1,000)	Sources of capital (NT\$1,000)	Non-cash investment in kind (NT\$1,000)	Others
August 2005	10	240,000	2,400,000	146,281	1,462,811	Conversion of convertible bonds amounting to 143,115	None	Note 6
November 2005	10	240,000	2,400,000	150,139	1,501,392	Conversion of convertible bonds amounting to 38,581	None	Note 6
July 2006	10	240,000	2,400,000	157,646	1,576,462	Capitalization of additional paid-in capital into new shares amounting to 75,070	None	Note 12
June 2007	10	450,000	4,500,000	176,563	1,765,636	Capitalization of retained earnings into new shares amounting to 157,646 Capitalization of additional paid-in capital into new shares amounting to 31,529	None	Note 13
June 2008	10	450,000	4,500,000	185,291	1,852,919	Capitalization of retained earnings into new shares amounting to 87,282	None	Note 14
November 2010	10	450,000	4,500,000	185,796	1,857,962	Conversion of convertible bonds amounting to 5,043	None	Note 15
April 2011	10	450,000	4,500,000	183,796	1,837,962	Capital reduction by expiration of treasury shares amounting to 20,000 on March 25 2011 as the base day.	None	Note 16
August 2011	10	450,000	4,500,000	182,666	1,826,662	Capital reduction by expiration of treasury shares amounting to 11,300 on August 20 2011 as the base day.	None	Note 16
November 2011	10	450,000	4,500,000	179,516	1,795,162	Capital reduction by expiration of treasury shares amounting to 31,500 on November 16 2011 as the base day.	None	Note 16
May 2012	10	450,000	4,500,000	180,887	1,808,865	Conversion of convertible bonds amounting to 13,704	None	Note 17
July 2012	10	450,000	4,500,000	180,928	1,809,282	Conversion of convertible bonds amounting to 417	None	Note 17
November 2012	10	450,000	4,500,000	200,015	2,000,155	Conversion of convertible bonds amounting to 190,873	None	Note 17
April 2013	10	450,000	4,500,000	207,671	2,076,709	Conversion of convertible bonds amounting to 76,554	None	Note 17
May 2015	10	450,000	4,500,000	207,956	2,079,563	Conversion of convertible bonds amounting to 2,854	None	Note 18
August 2015	10	450,000	4,500,000	211,109	2,111,090	Conversion of convertible bonds amounting to 31,528	None	Note 18
September 2015	10	450,000	4,500,000	215,262	2,152,625	Capitalization of additional paid-in capital into new shares amounting to 41,534	None	Note 19
November 2015	10	450,000	4,500,000	215,830	2,158,298	Conversion of convertible bonds amounting to 5,674	None	Note 18
March 2016	10	450,000	4,500,000	217,645	2,176,454	Conversion of convertible bonds amounting to 18,155	None	Note 18

Year/month	Offering price	Authorized capital		Capital Stock		Remark		
		Quantity of shares (1,000 shares)	Amount (NT\$1,000)	Quantity of shares (1,000 shares)	Amount (NT\$1,000)	Sources of capital (NT\$1,000)	Non-cash investment in kind (NT\$1,000)	Others
May 2016	10	450,000	4,500,000	217,934	2,179,342	Conversion of convertible bonds amounting to 2,888	None	Note 18
August 2016	10	450,000	4,500,000	217,958	2,179,585	Conversion of convertible bonds amounting to 243	None	Note 18
September 2016	10	450,000	4,500,000	224,495	2,244,949	Capitalization of additional paid-in capital into new shares amounting to 65,364	None	Note 20
November 2016	10	450,000	4,500,000	224,607	2,246,068	Conversion of convertible bonds amounting to 1,119	None	Note 18
March 2017	10	450,000	4,500,000	225,416	2,254,161	Conversion of convertible bonds amounting to 8,093	None	Note 18
November 2018	10	450,000	4,500,000	225,727	2,257,273	Conversion of convertible bonds amounting to 3,112	None	Note 21
March 2019	10	450,000	4,500,000	226,695	2,266,954	Conversion of convertible bonds amounting to 9,681	None	Note 21
April 2019	10	450,000	4,500,000	229,075	2,290,745	Conversion of convertible bonds amounting to 23,791	None	Note 21
June 2019	10	450,000	4,500,000	229,297	2,292,974	Conversion of convertible bonds amounting to 2,229	None	Note 21
September 2019	10	450,000	4,500,000	232,524	2,325,237	Conversion of convertible bonds amounting to 32,263	None	Note 21
December 2019	10	450,000	4,500,000	232,669	2,326,693	Conversion of convertible bonds amounting to 1,456	None	Note 21
March 2020	10	450,000	4,500,000	232,777	2,327,774	Conversion of convertible bonds amounting to 1,081	None	Note 21
March 2021	10	450,000	4,500,000	232,937	2,329,371	Conversion of convertible bonds amounting to 1,596	None	Note 22
June 2021	10	450,000	4,500,000	233,313	2,333,129	Conversion of convertible bonds amounting to 3,758	None	Note 22
September 2021	10	450,000	4,500,000	233,377	2,333,770	Conversion of convertible bonds amounting to 641	None	Note 22
December 2021	10	450,000	4,500,000	234,206	2,342,060	Conversion of convertible bonds amounting to 8,290	None	Note 22
March 2022	10	450,000	4,500,000	235,203	2,352,034	Conversion of convertible bonds amounting to 9,974	None	Note 22

Note 1: Approved under Securities and Futures Commission, Ministry of Finance Letter (87) Taiwan-Finance-Securities (I) No. 47522 dated June 6 1998.

Note 2: Approved under Securities and Futures Commission, Ministry of Finance Letter (88) Taiwan-Finance-Securities (I) No. 56082 dated June 20 1999.

Note 3: Approved under Securities and Futures Commission, Ministry of Finance Letter (89) Taiwan-Finance-Securities (I) No. 58816 dated July 7 2000.

Note 4: Approved under Securities and Futures Commission, Ministry of Finance Letter (89) Taiwan-Finance-Securities (I) No. 81883 dated October 2 2000.

Note 5: Approved under Securities and Futures Commission, Ministry of Finance Letter (90) Taiwan-Finance-Securities (I) No. 123711 dated May 7 2001.

Note 6: Approved under Securities and Futures Commission, Ministry of Finance Letter (90) Taiwan-Finance-Securities (I) No. 166362 dated November 9 2001.

Note 7: Approved under Securities and Futures Commission, Ministry of Finance Letter (91) Taiwan-Finance-Securities (I) No. 0910139537 dated July 16 2002.

Note 8: Approved under Securities and Futures Commission, Ministry of Finance Letter (91) Taiwan-Finance-Securities (I) No.

0910133858 dated June 27 2002.

Note 9: Approved under Securities and Futures Commission, Ministry of Finance Letter (92) Taiwan-Finance-Securities (I) No. 0920126156 dated June 13 2003.

Note 10: Approved under Securities and Futures Commission, Ministry of Finance Letter (93) Taiwan-Finance-Securities (I) No. 0930121806 dated May 18 2004.

Note 11: Approved under Executive Yuan Financial Supervisory Commission Letter FSC (I) No. 0940119716 dated May 18 2005.

Note 12: Approved under Executive Yuan Financial Supervisory Commission Letter FSC (I) No. 0950130935 dated July 17 2006.

Note 13: Approved under Executive Yuan Financial Supervisory Commission Letter FSC (I) No. 0960032589 dated June 28 2007.

Note 14: Approved under Executive Yuan Financial Supervisory Commission Letter FSC (I) No. 0970033372 dated July 4 2008.

Note 15: Approved under Executive Yuan Financial Supervisory Commission Letter FSC No. 0990018240 dated May 4 2010.

Note 16: Cancellation pursuant to Article 28- 2 of the Securities and Exchange Act

Note 17: Approved for offering under Executive Yuan Financial Supervisory Commission Letter FSC No. 090018240 dated May 4 2010 and Executive Yuan Financial Supervisory Commission Letter FSC No. 1000060425 dated December 21 2011.

Note 18: Approved for offering under Financial Supervisory Commission Letter FSC No.1030017865 dated May 26 2014.

Note 19: Approved for offering under Financial Supervisory Commission Letter FSC No. 1040028514 dated July 28 2015.

Note 20: Declared with Financial Supervisory Commission on July 18 2016 for causing into effect.

Note 21: Approved for offering under Financial Supervisory Commission Letter FSC No. 1060014871 dated May 10 2017.

Note 22: Approved for offering under Financial Supervisory Commission Letter FSC No. 1090373515 dated November 23 2020.

Unit: share

Type of share	Stated capital			Remark
	Outstanding shares (Note)	Unissued shares	Total	
Common shares	235,203,440 shares listed at TWSE	214,796,560	450,000,000	Of which 30,000,000 shares were reserved for the conversion of subscription warrants, preferred shares featured subscription warrants, or corporate bonds featured subscription rights.

Note: Specify if the shares are listed at TWSE or TPEX (specify if the shares are restricted for repurchase from TWSE or TPEX).

(II) Shareholder Structure:

April 1 2022

Shareholder Structure	Number of persons	Quantity of shareholding	Proportion of shareholding
Government institutions	3	1,538,510	0.66 %
Financial institutions	50	22,068,601	9.38 %
Other institutions	217	13,773,390	5.86 %
Foreign institutions and nationals	418	137,158,563	58.31 %
Individuals	36,423	60,664,376	25.79 %
Others	0	0	0.00 %
Total	37,111	235,203,440	100.00 %

Note: Disclose the proportion of shareholding by investors from Mainland China for enterprise listed at TWSE (TPEX) and Emerging Stock Market; investors from Mainland China refers to the people, institutions, groups, or other entities or the investees of a third region of Mainland China as stated in Article 3 of the Regulations Governing the Permission of Investment of People from Mainland China in Taiwan.

(III) Dispersion of shareholding:

April 1 2022

Level of shareholding (share)	Number of shareholders	Quantity of shareholding	Proportion of shareholding
1 to 999	30,148	1,071,419	0.46 %
1,000 to 5,000	5,355	9,514,418	4.05 %
5,001 to 10,000	621	4,482,755	1.91 %
10,001 to 15,000	277	3,341,618	1.42 %
15,001 to 20,000	121	2,121,850	0.90 %
20,001 to 30,000	124	3,056,354	1.30 %
30,001 to 40,000	65	2,266,440	0.96 %
40,001 to 50,000	47	2,095,915	0.89 %
50,001 to 100,000	103	7,324,318	3.11 %
100,001 to 200,000	78	10,877,636	4.62 %
200,001 to 400,000	69	18,886,178	8.03 %
400,001 to 600,000	25	11,588,893	4.93 %
600,001 to 800,000	14	9,667,089	4.11 %
800,001 to 1,000,000	11	9,665,354	4.11 %
1,000,001 to 999,999,999	53	139,243,203	59.20 %
1,000,000,000 and above	0	0	0.00 %
Total	37,111	235,203,440	100.00 %

(IV) List of Dominant Shareholders:

Names of Dominant Shareholders	Shares	Quantity of shareholding	Proportion of shareholding
Fubon Life Insurance Co., Ltd.		10,495,000	4.46 %
PineBridge Global Funds-PineBridge Asia ex Japan Small Cap Equity Fund in custody of Standard Chartered Bank.		8,992,000	3.82 %
Investment Account of Small Denomination World Funds Co. Ltd. in custody of Standard Chartered Bank		8,747,000	3.72 %
Shao-Hsin, Wang		7,508,062	3.19 %
Nan Shan Life Insurance Company, Ltd.		5,408,000	2.30 %
Investment Account of Swedbank Robur Global Impact Fund in custody of Standard Chartered Bank		4,500,000	1.91 %
Investment account of Swedbank Robur Tech Fund in custody of Standard Chartered Bank		4,500,000	1.91 %
Tai Yi Investment Co., Ltd.		4,190,000	1.78 %
Aberdeen Standard OEIC II -ASI Global Smaller Companies Fund in custody of Citibank Taiwan		4,162,229	1.77 %

Names of Dominant Shareholders	Shares	Quantity of shareholding	Proportion of shareholding
BNP PARIBAS Green Tiger Fund in custody of HSBC		3,919,102	1.67 %

(V) Market price, net value, earnings, dividend per share in the last 2 years and related information:

Item			Year	2020	2021
Market price per share (Note 1)	High			219.50	301.5
	Low			91.90	207.5
	Average			156.92	255.90
Net value per share (Note 2)	Cum-dividend			39.33	44.22
	Ex-dividend			33.03	Undistributed
Earnings per share	Weighted average quantity of shares			232,766,000 shares	233,157,000 shares
	Earnings per share (Note 3)	Before adjustment		9.08	10.00
		After adjustment		Not applicable	Not applicable
Dividend per share	Cash dividend			6.30	7.00
	Distribution of additional paid-in capital as dividend			-	-
	Stock dividend	Distribution of retained earnings as dividend		-	-
		Stock dividend from capitalization of additional paid-in capital		-	-
	Undistributed dividend in accumulation (Note 4)			-	-
Analysis of return on investment (ROI)	Price earnings ratio (Note 5)			17.28	25.59
	Price to dividend ratio (Note 6)			24.9	36.56
	Cash dividend yield rate (Note 7)			4.01 %	2.74 %

*If stock dividend is paid by the shares from capitalization of retained earnings or additional paid-in capital, disclose the information on the market price and cash dividend on the basis of the quantity of shares for release under retroactive adjustment.

Note 1: Display the highest and lowest market price of the year, calculate the average market price on the basis of the transaction value and volume of the year.

Note 2: Base on the quantity of outstanding shares as of the last day of the year, and fill in the information as per the resolution of the Board or the resolution of the Shareholder Meeting of the next year.

Note 3: If retroactive adjustment is necessary due to the payout of stock dividend, disclose the earnings per share before and after adjustment.

Note 4: If the requirement of the offering of equity securities allows for the accumulation of the unpaid dividend of the year to the year the Company has surplus, disclose the unpaid dividend accumulated to current period.

Note 5: Price earnings ratio = the average closing price per share of the year/ earnings per share.

Note 6: Price to cash dividend ratio = the average closing price per share of the year/ cash dividend per share.

Note 7: Cash dividend yield rate = cash dividend per share/ average closing price per share of the year.

Note 8: Information on net value per share and earnings per share should be audited (reviewed) and to the last quarter prior to the date this report was printed. Fill in the information of the year in relevant fields to the date this report was printed.

(VI) Dividend policy of the Company and the distribution:

1. Dividend policy:

If the Company has earnings after the annual account settlement, appropriate for covering carryforward loss further to the appropriation for tax payment and adjustment under the Statement of Financial Accounting Standard. If there is still a balance, appropriate 10% as mandatory reserve until the amount of mandatory reserve is equivalent to the total capital of the Company. Special reserve required for appropriation or reversal shall be pooled up with the undistributed earnings accumulated in the previous period as distributable income, and considered for retaining in part or in whole depending on the business situation, and distribute the remaining balance as shareholder dividend at the resolution of the Shareholder Meeting.

The Board shall prepare a proposal for the distribution of the aforementioned earnings subject to the final approval of the Shareholder Meeting for distribution. The Company is at the stage of growth. For supporting the long-term capital planning for sustainable development and stable growth, the Company shall pay out cash dividend no less than 10% of the total of cash dividend and stock dividend.

Amendment by the Shareholder Meeting in the regular session of 2018: if the Company has earnings in the total account settlement of the year, retain the earnings in whole or in part depending on the business situation, and appropriate at least 50% of the net income as shareholder dividend.

2. Distribution:

The proposal for dividend payment in the regular session of Shareholder Meeting in 2021:

Type of dividend	Distribution per share	Source	Distribution
Cash dividend	6.30	NT\$6.30 is undistributed earnings	Dividend paid on September 17 2021.
Stock dividend	0	None	None
Total	6.30		

(VII) The influence of the stock dividend proposed to this session of the Shareholder Meeting for release on the operation performance and earnings per share of the Company:

1. The influence on operation performance: No influence, as no stock dividend paid out.
2. The influence on earnings per share: No influence, as no stock dividend paid out.

(VIII) Remunerations to employees, Directors and Supervisors:

1. The percentage and scope of remunerations to the employees, Directors and Supervisors of the Company as stated in the Articles of Incorporation:
If the Company has made profit in the year, appropriate 1%~15% as remuneration to the employees, and no more than 3% as remuneration to the Directors and Supervisors. The Company shall appropriate for covering carryforward loss, where applicable.

Remuneration to the employees may be effected in cash or stock dividend. Employees of subsidiaries meeting certain condition shall also be entitled to remuneration.

2. The basis for the estimation of the amount of remuneration to the employees, Directors and Supervisors in current period, the basis for the calculation of the quantity of shares for release to employees as stock dividend, and the accounting procedure if there is a difference between the actual amount of payment and the estimated amount: the basis of estimation is the same as stated in the Articles of Incorporation. Dividend will be paid in cash in full amount. There is no difference between the actual amount and estimated amount of payment.

3. The remuneration passed by the Board:

Remuneration to employees (NTD)		Remuneration to Directors and Supervisors (NTD)	The amount of remuneration to employees in stock dividend in proportion to the net income and total remuneration to employees as stated in the separate financial statements.
Cash	Stock		
30,000,000	0	21,000,000	No stock dividend paid as remuneration to employees

The difference, the cause and the response: Not applicable.

4. The actual amount of remuneration to the employees, Directors and Supervisors in the previous period (including the quantity of shares released, the amount and stock price), and specify the difference, the cause and response if there is significant variation from the estimated remuneration to the employees, Directors and Shareholders:

Remuneration to employees (NTD)		Remuneration to Directors and Supervisors (NTD)	The amount of remuneration to employees in stock dividend in proportion to the net income and total remuneration to employees as stated in the separate financial statements.
Cash	Stock		
35,000,000	0	20,000,000	No stock dividend paid as remuneration to employees

The aforementioned actual payment is identical with the proposal for distribution passed by the Board.

(IX) The buy-back of shares by the Company:

April 1 2022

The buy-back issue	Not applicable
The purpose of buy-back	Not applicable
Buy-back period	Not applicable
Price range for buy-back	Not applicable
Types and quantity of shares being bought back	Not applicable
Amount of shares being bought back	Not applicable
Quantity of canceled or assigned shares	Not applicable
Accumulated quantity of Company shares in holding	Not applicable
Accumulated quantity of Company shares in holding in proportion to the total outstanding shares of the Company (%)	Not applicable

II. Corporate bonds :

(I) Corporate bonds :

Type of corporate bond (Note 2)		The 7th issue of non-guaranteed domestic convertible bonds (Note 5)
Date of issuance (offering)		December 15 2020
Face amount		NT\$100,000
Place of offering and trade (Note 3)		Not applicable
Offering price		NT\$108.3
Total		NT\$1,300,000,000
Interest rate		0 %
Maturity date		3 Years maturing date: December 15 2023
Guarantor		None
Fiduciary agent		Taipei Fubon Bank
Underwriter		Fubon Securities Co., Ltd.
Certifying lawyer		Kang-Te, Lu
Certifying CPA		Tzu-Ping, Huang, Ming-Hung, Chen
Method of repayment		Repayment of principal in lump sum at maturity
Outstanding amount		NT\$817,200,000
Redemption or early settlement clause		For additional information, refer to Article 18 and Article 19 of the Regulations Governing the Offering and Conversion of Bonds
Restrictive clause (Note 4)		Not applicable
Name of credit rating institution, rating date, rating result on the corporate bond		None
Other rights attached	The amount of converted (swap or subscription of shares) common shares, overseas depository receipts or other securities to the date this report was printed.	None
	Regulations governing the offering and conversion (swap)	None
Regulations governing the offering and conversion, swap or subscription of shares, and possible dilution under the condition for offering and influence on shareholders equity for the time being.		The conversion price is NT\$197.7 for the time being. It is expected 4,133,535 shares of common shares could be converted with approximate dilution of 1.77% on the return.
Name of the custodian of the subject matter of swap		Not applicable

Note 1: Status of the issuance of corporate bonds, including through public offering and private placement. Corporate bonds issued through public offering are those became effective (approved) by FSC. Corporate bonds issued through private placement are those passed by the Board.

Note 2: The number of fields could be adjusted as needed.

Note 3: Note down if it is overseas corporate bonds.

Note 4: Such as the restriction on cash dividend, foreign investment, or keeping specific ratio of assets.

Note 5: For private placement, post in eye-catching manner.

Note 6: Convertible bonds, exchangeable bonds, and the overall declaration of corporate bonds or corporate bonds featured subscription rights shall be disclosed in tabular form on the information on convertible bonds, exchangeable bonds, and information on the overall declaration of the offering of corporate bonds and corporate bonds features subscription right.

(II) Information on exchangeable bonds:

Type of corporate bond (Note 1)		The 7th issue of non-guaranteed domestic convertible bonds	
Item	Year	2021	Current period to March 31 2022 (Note 4)
Market price of convertible bonds (Note 2)	High	150.00	147.00
	Low	115.00	123.80
	Average	129.15	136.50
Conversion price		197.70	197.70
Date of issuance (offering)		December 15 2020	
Conversion price at the time of offering		203	
Means of performing conversion obligation (Note 3)		Issuing new shares	

Note 1: The number of fields could be adjusted as needed.

Note 2: If there are several places for the trading of overseas corporate bonds, list out the places.

Note 3: Settlement with outstanding shares or new shares

Note 4: Fill in the information in current period to the date this report was printed.

III. Preferred shares: Not applicable.

IV. Overseas depository receipts: Not applicable.

V. Employee Stock Option: Not applicable

VI. RSU/RSA: Not applicable.

VII. Merger and Acquisition (including merger, acquisition and spinoff): Not applicable.

VIII. Information on the implementation of the capital utilization plan: Not applicable.

Chapter V. Operation Highlight

I. Content of business:

(I) Scope of business:

1. CC01080 Manufacturing of electronic parts and components
2. F119010 Wholesaling of electronic materials.
3. CC01110 Manufacturing of computer and peripheral equipment.
4. F113050 Wholesaling of computer and business machine.
5. CC01030 Manufacturing of electrical appliances and audiovisual electronic products.
6. F113020 Wholesaling of electrical appliances.
7. CC01101 Manufacturing of telecommunication and controlled R/F devices.
8. F401021 Import of telecommunication and controlled devices.
9. CC01060 Manufacturing of cable communication machines.
10. CC01070 Manufacturing of wireless communication machines.
11. F113070 Wholesaling of telecommunication devices.
12. CC01090 Manufacturing of battery cells.
13. F113110 Wholesaling of battery cells
14. I501010 Product design
15. CF01011 Manufacturing of medical devices.
16. F108031 Wholesaling of medical devices.
17. CE01021 Manufacturing of measurement apparatus.
18. F113060 Wholesaling of measurement apparatus.
19. IG03010 Energy technical services.
20. F401010 International trade.
21. CD01040 Manufacturing of motorcycles and parts.
22. CD01050 Manufacturing of bicycles and parts.
23. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

(II) Industry Outlook:

The Company is specialized in the manufacturing of wire harness and dealer of connectors in Taiwan. Further to providing integrated design and manufacturing services, the Company also deals with the connector products of HIROSE, a company among the top 10 connector manufacturers of the world, and is the biggest dealers of HIROSE in Southeast Asia. The products of the Company are extensively applicable, including Medical Health, Automotive & Aviation, Green Energy, Industrial Application, and Communication, which is known as MAGIC in abbreviation.

1. Industry Outlooks and Prospect:

According to a survey report of ITRI, the global connector market in 2021 was driven by the ongoing development of 3C, IoT, and high speed I/O interface, that the terminal application extended to automotive, industrial, medical, and green energy further to consumer electronics. In general, the connector industry was affected partially by the outbreak of COVID-19 and fell slightly and the rebound was contributed by the mushrooming of “home economy” and “EV”.

Manufacturers who can actively deploy in the materials and process technology of high frequency transmission required for mid to high end connectors could access to the lucrative IoT market at the next stage, including the ADAS, and the demand for the deriving image sensor module integrated connectors.

In addition, “digital transformation”, “ESG”, “supply chain” also emerged to attract much of the attention worldwide. According to a survey conducted by KPMG, the outbreak of the pandemic at the beginning of 2021 triggered the accelerated transformation of the industry. As suggested by 89% of the technology leaders, they have already accelerated for digital transformation. In the wake of climate change, the idea of “zero carbon emission” has drawn much of the attention, and fermented from the consumer end to the industrial supply chain from upstream to downstream. Global supply chain transformed from “long chain” to “short chain” under the levy of tariff and sanction on enterprises under the cloud of China-US trade war. It was echoed with the influence of the pandemic on global logistics that localization of production appeared to the trend of development.

2. The association between the upstream, midstream and downstream industries:

The Company is at the midstream of the connector supply chain and deals with connectors and provides design and processing services for wire harness and PCBA. We can provide bare copper wire, plastics, and electroplating materials at upstream for the customers in one-stop service. The electronic parts and components produced and distributed by the Company are applicable to many areas of application.

Supply chain of the connector industry



3. The development trends of products in different areas:

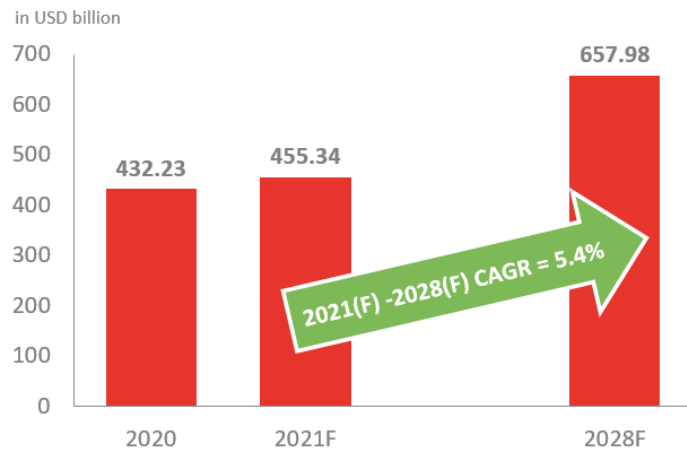
The electronic parts and components produced and distributed by the Company is widely applicable to the following 5 major industries:

(1) Medical Health:

The global market of medical devices

A report from Fortune Business Insights suggested that in the wake of the incremental spreading of chronic illness, and the increase in the demand for ophthalmology and orthopedics equipment, the market size of medical instruments worldwide is projected at US\$455,300 million in 2021, and will grow further to US\$657,900million in 2028 at the compound growth rate of 5.4%. The aging population and the prolonged longevity of people at our time triggered the demand for smart medical equipment under IoT technology. As such, the demand for wearables surged. In addition, the demand for using radioactive ray for medical diagnosis and treatment also increased, echoed with the reform in medical service and the financial aid of the government to the elderly, which stimulated further growth in the demand for medical electronic products.

Global Medical Device Market



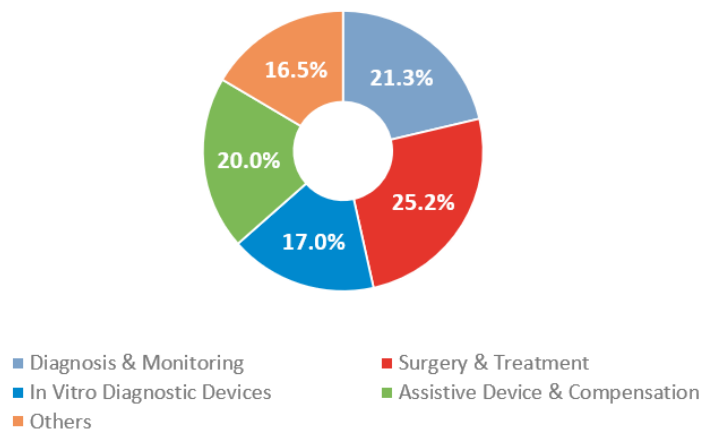
Source: Fortune Business Insights (2021)

According to a report of the Industrial Technology International Institute of ITRI, the market of auxiliary support and compensatory medical devices was the industry hit the hardest by COVID-19. The most benefited sectors are patient monitoring, respiration treatment, and external testing devices. It is expected that the market of medical devices will be segmented into diagnosis and monitoring (21.3%), surgery and treatment (25.2%), auxiliary support and compensation (20%), external diagnosis (17%), and others (16.5%) by 2025.

The negative effect triggered by COVID-19 cannot be overcome in the short run. Yet, it helps to speed up the innovation and progress of medical technologies, including the improvement in the diagnosis and caring of patients, and the reduction of medical expenses so that the vast majority of the public could access to medical and healthcare resources more effectively. In an article of MDLinx, there are 4 crucial trends of medical technologies in 2022 that worth our attention: remote patient monitoring (RPM), Big Data, Internet of Things (IoT), and Digital Therapeutics (DTx).

RPM helps the patients to keep track and control their physical condition more effectively, and enables them to take preventive measures before spending a huge sum for medical treatment. This also allows the patients to understand their own health in all aspects. Big Data allows for the collection of the electronic medical record, charts and images on the patients, or the collection of the health data of people through wearables. These data help to map out a model or sample and even a solution.

Global Healthcare Industry Segmentation



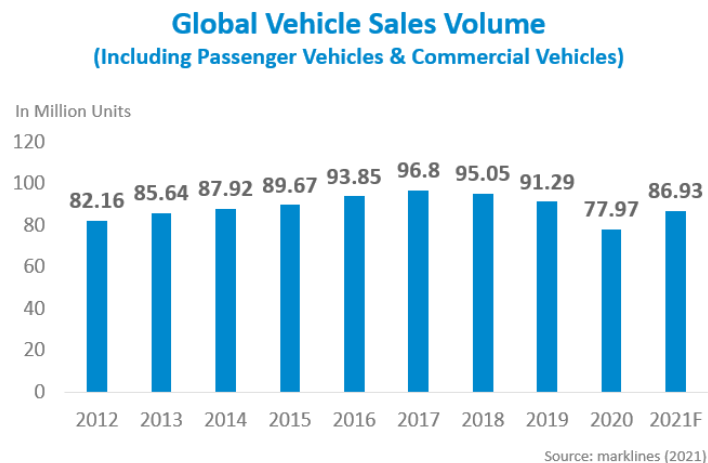
Source: IEK (2021)

Medical IoT makes the medical and healthcare system more efficient and medical and healthcare safer and more effective. The term digital treatment first came into being in 2015 denoting the use of PC software program, digital devices in combination with medications for clinical trial to prove effective treatment. The result was positive, as the treatment on patients yielded positive result and the purpose of caring was achieved.

(2) Automotive & Aviation

The global automotive market

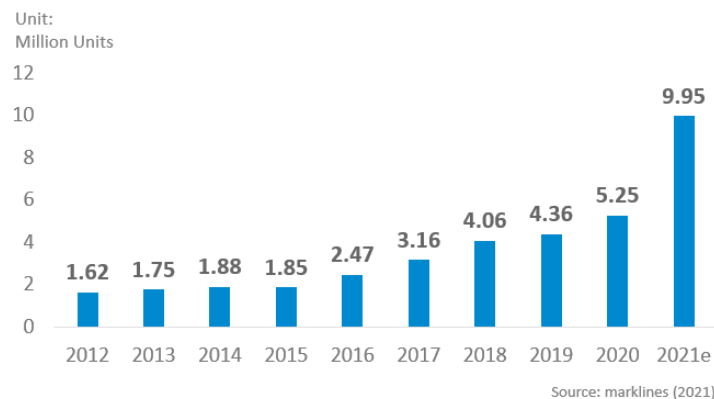
Automotive sale rebounded in 2021 worldwide, which may be the result of the control over the pandemic. Global sale of automobiles in 2020 accounted for 77.97 million units and the volume of sale in 2021 could be 86.93 million units or at the growth rate of 11.5%. China (31.1%), USA (20.2%), Japan (5.8%), India (4.7%) and Germany (3.8%) are among the countries of top sale. In China, the number one country in terms of automotive sale, the policy of sale to the rural market, “EV to the rural areas”, pronounced in 2021, is the prime force driving the sale upward.



The Global EV market

The global sale of EV in 2021 was unprecedented by volume. The volume of sale was 5.25 million units in 2020, and the projected sale of 9.96 million units in 2021, at the growth rate of 89.5%. EV has picked up momentum for further growth in market. For achieving the objective of global carbon reduction, many countries pursued the subsidizing policy. Many countries or automotive manufacturers have already proposed the objective of all EV for automotive.

Global Passenger Electric Vehicle Sales Volume (Including HEV, BEV, PHEV, FCEV)



EV can be subdivided into different categories, namely, hybrid EV (HEV), which accounts for 42.3% of total global sale by volume. Followed by straight EV, which accounts for 39.9% of the total global sale by volume. Plug-in EV, which accounts for 17.5% of the total global sale by volume. Even though HEV remains the mainstream item, the ratio fell as compared with the previous year.

The top 5 countries in EV sale in 2021 were China (32.5%), Japan (17.9%), USA (16.3%), Germany (7.9%), and the UK (5.0%). The growth in China as compared with 2020 was 117.2%.

If we look at EV by brand, with the support of HEV sale by volume, Toyota is still the champion (23.5%), followed by Tesla (8.9%), and Renault-Nissan-Mitsubishi (7.3%). As compared with the previous year, Suzuki (460.5%), GM (134.0%) and BYD (122.7%) enjoyed the largest growth.

Global Electric Vehicle Sales Volume & Growth Rate By Country

Rank	Sales Volume		Sales Growth Rate	
	Country	Market Share	Country	Growth Rate
1	China	32.5%	China	117.2%
2	Japan	17.9%	Austria	110.5%
3	USA	16.3%	USA	105.4%
4	Germany	7.9%	Japan	92.4%
5	UK	5.0%	Italy	79.7%

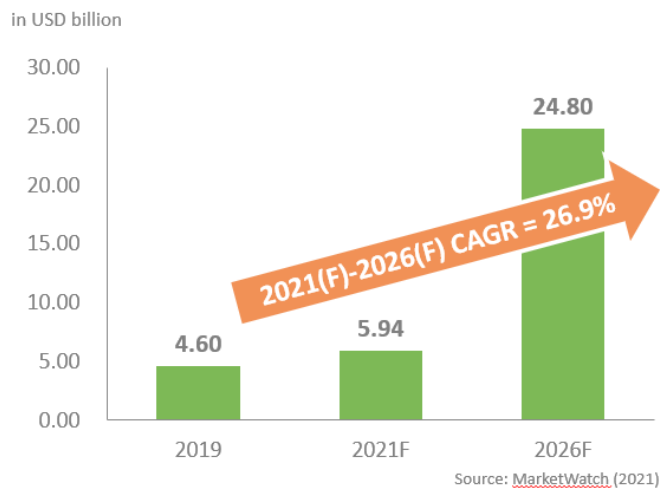
Source: ITRI (2021)

(3) Green Energy

The global market of energy storage system

The decade of high growth in energy storage system is imminent. According to the latest forecast of Bloomberg NEF, global energy storage devices will reach 358 GW/1,028 GWh by 2030, which is at least 20 times more than that in 2020. The USA and China will be the two biggest markets, which will account for more than half of energy storage systems by 2030 worldwide.

Global Energy Storage Systems Market



India, Australia, Germany, the UK and Japan are also main markets for energy storage systems. Policy incentive, long-term climate objective, and the increasing demand for power grid

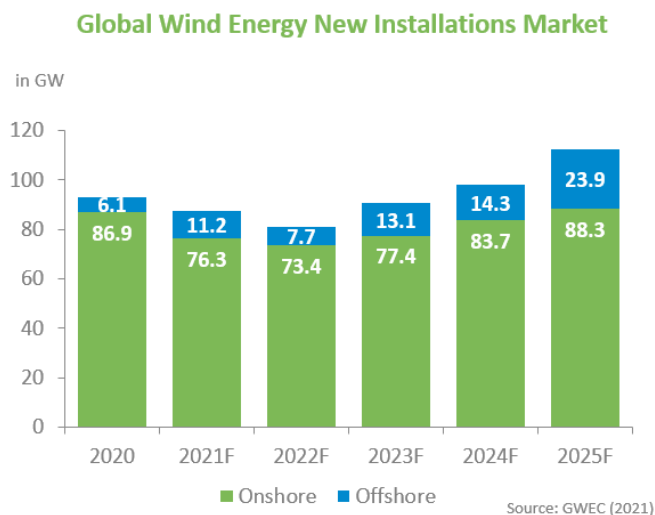
stability are the factors contributed to the thriving of energy storage systems.

According to the figures released by MarketWatch, the global market value of energy storage systems in 2019 amounted to US\$4,600 million. It is expected that the market value will amount to US\$24,800 million by the end of 2026. The compound growth in the period of 2021-2026 will be 26.9%. There is no doubt that the market of energy storage systems will be one of the most preferred markets.

The global market of wind power

In the “2021 World Wind Energy Market Report” released by GWEC, it is stated that the market of wind power will be promising with projected compound growth in the period of 2021-2025 at 4.0% at the annual growth rate over 94 GW. There will not more than 469 GW in installed capacity.

The projected annual compound growth for land-based wind farm is 0.3% while for offshore wind farm will be at the rate of 31.5%. It is expected that there will be 70GW installed capacity increased in the period of 2021-2025 for offshore wind power.

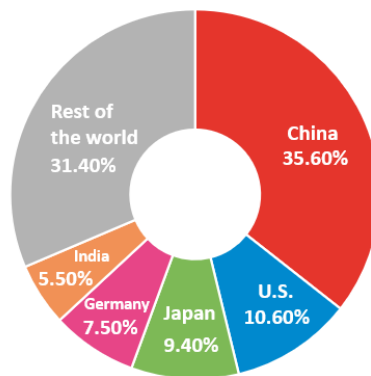


The factors driving the increase in installed capacity in the wind power market are similar as those of the previous years. The continued support of government policy and the declining cost of wind power allows for a promising future of the industry.

The global market of solar energy

China is still the largest solar energy market of the world for the time being. As of 2021, the total installed capacity in China is accounted for 35.6% of the world total. It is expected that additional installed capacity will be introduced to 55GW in 2021 (source: Bloomberg). In the aspect of supply chain, enterprises in China produced 66% of the polycrystalline silicon of the world (the material for solar panel). In addition, more than 3/4 of the solar cells and 72% of the parts and components related to solar energy are exported from China. This made China the champion of the world in the supply of solar energy installed capacity. The objective is the realization of carbon neutrality in 2060.

Global Solar Power Capacity Ranking (2021)



Source: Visual Capitalist

It was closely followed by the USA, which accounted for 10.6% of the solar energy installed capacity of the world in aggregate. Under the policy of tax deduction and waiver, the solar energy industry in the USA thrived. In the past 10 years, the annual growth rate of solar energy in the USA was 42%, which is much higher than other countries.

(4) Industrial Application

The global market of industrial robotics

The market of industrial robots is projected to grow from US\$42,200 million in 2021 to US\$75,300 million in 2026. The severance of the supply chain and the anxiety of ongoing spreading of the pandemic drove up the demand for industrial robots in the market.

The following 3 technology trend in robotics will shape the industrial world in 2022:

- Self-maintenance: many AI robots can learn at any time, and can collect data in the course of motion and improve mobility. They are even capable of “self-maintenance”, which means that their system does not require human intervention in repair and maintenance.
- Attention to the environment: environmental issue has been taken into consideration in the technological design of robots in 2021. While seeking for process improvement and profit enhancement, enterprises also wish to reduce carbon footprints.
- New market: Smart factory is in the process of integrating with traditional production lines. Robots and automation in the manufacturing sector of food and beverages, textiles and plastics are common.

The Industry 4.0 market worldwide

The adoption of Industry 4.0 and IIoT prompts for the investment from enterprises in data network and analysis infrastructure of IIoT, including high speed Ethernet, cloud computing and edge computing, and the solutions for connection to all additional links.

The following shows the 3 major market trends in 2022:

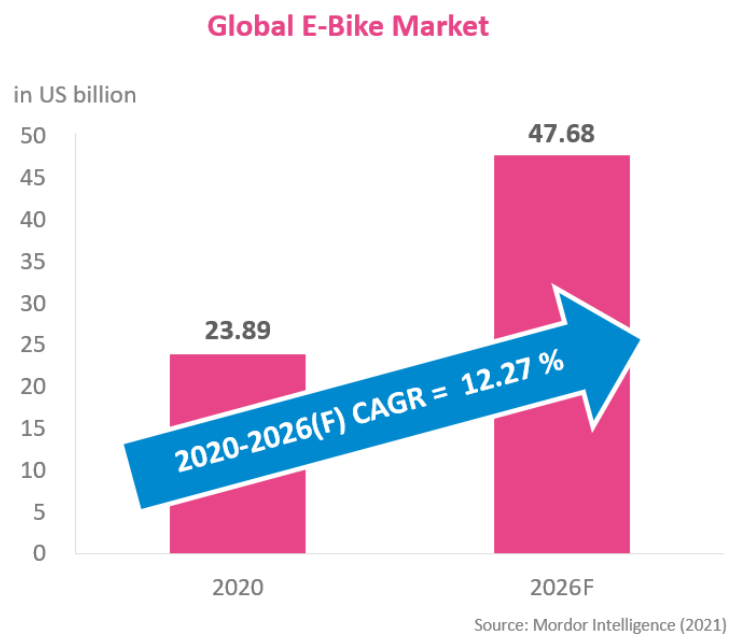
- Inclining to using connectors: heavy duty industrial connectors are getting increasing popularity in the wiring of module equipment and system. This is better than traditional wiring and layout. The use of connector is fool-proof. Connector is an ideal choice for Industry 4.0 / IIoT. In customized and small lot manufacturing, the power cord must be disconnected for the frequent replacement of tools or rapid switching of machine.

- Smart connection: In the last 30 years, modularized connector is consider passive component, and is a vital signal channel. Now, this type of connectors becomes active, examples are the protection against over-voltage of the I/O sensor circuit, or energy measurement or monitoring and control.
- Single pairing Ethernet (SPE): The deployment with SPE at the bottom layer of the automation pyramid is the simplest, quickest, and most economical mean. It could help to integrate hundreds or even thousands of small sensors, visual systems, and other IIoT devices into a single TCP/IP network of the cloud on shop floor.

(5) Communication

The global market of electric bikes

The market value of electric bikes in 2020 amounted to US\$23,890 million and is expected to increase to US\$47,680 million in 2026. The projected compound growth rate in the period of 2021-2026 is 12.27%.



It is expected that the Asia-Pacific region will be the global market leader while China has the lion share of sale in the region. Peddled electric bikes are dominant in market.

In responding to the increasing demand for environmental friendly means of transportation, the governments of many countries encourage for carbon reduction. This helps to boost up the demand for electric bikes. In the wake of the COVID-19 crisis, people tend to avoid using public means of transportation. Electric bike is taken as a safer and cheaper mean of transportation for commuting. In 2020, most of the enterprises and production lines were compelled to shut down due to the outbreak of COVID-19. The market performed poorly. It is expected that the market will resume to normal in 2021. Main markets including the USA, Germany, and the UK did not provide any incentive or subsidy for buying electric bikes.

4. The major competition for principal items

Connectors and connection wire harness are the key items of the Company, and are extensively applicable to parts and component of electronic peripherals, electronic parts and components of optoelectronics, electronic parts and components of wireless communication, energy products, automotive industry, and parts and components of medical devices. Among the companies listed at TWSE or TPEx the principal business engagement of which is similar to the Company are Foxlink, Jess-Link Products and Bizlink. The carrying items of these industry peers are specified in the table below:

Company name	Key items
Foxlink (2392)	Manufacturing, sale and service of connectors, cables, battery, and power source products for the information industry, communication industry, automation equipment industry, precision machinery industry, and consumer electronics.
JPC Connectivity (6197)	Manufacturing, sale, and service of connectors, wire harness, and antennae.
BizLink Holding Inc. (3665)	Research and development production, and sale of related parts and components, connection cords, connectors, wire harness, and optoelectronic components for computers, automobiles, medical service, communication, and PV energy equipment.

Source: compiled by Fubon Securities

(III) R&D Outlook:

Year	Result of R&D
2011-2012	Successful development of HDMI, DDR 3, DDR 4, USB and other connectors and additional effort in the development of PV of which Junction Box, PV Connector and Cable have passed the tests of TUV and UL in PV international standard.
2013-2014	Our investee company, DigiO2, a digital medical service firm, engaged in a joint venture with the Remote Care Center of National Taiwan University Hospital in the remote care service project thereby developed the portable medical spraying device of “Brezze® Nebulizer”. This also enabled us to win the 2013 iF gold award in design from Germany.
2015-2016	1. Tablet PC development to DVT stage for SF Express. 2. Development to DVT stage for PC monitoring and control system. 3. EV Charger, EV charging gun, and AC charger pole are achieved at the DVT stage.
2017-2018	1. Assistance to the clients in the USA in the development of smart drug cabinet control line, smart light adjustable window control line. 2. Development of robotic arm control line, electronic fireplace, smart grids and other customized products.
2018-2019	1. Development of the sensor of safety air-bag belt, smart water heater, and parking lot display system. 2. AIOT (Artificial Intelligence of Things), the application system of AI x IoT.
2020-2021	1. Development of factory use automated data collector. This device can collect data on the status of machine operation and repetitions of the use of tool, and can generate product quantity data in real-time as interface for electronic production report for combining with the IoT technology to upload the data to cloud system in real-time. 2. Development of factory MES system to provide a platform for real-time information that gives assistance to the factory end in keeping production in control and the progress of work, and early warning on equipment maintenance. This helps management staff to improve their work efficiency and tracking the production. 3. Development of image verification system for assisting factory end for confirmation of the line color, line location and content of the label. This helps to eliminate the probability of human error in identification process.

2022-	1. The development, application, and cloud database of the integrated system for the control of smart car IoT & electric bike. 2. Furthering the technology in the research and development of products in the field of Data Capture (including Single & four slot Ethernet Cradle, Vehicle cradle, and Vehicle charger, and essential peripherals of industrial grade terminal) and the nurturing of the engineering and integration capacity. 3. Design and production of semiconductor equipment cabinets. 4. AI warehouse robots for moving materials to the production lines. 5. Development of various kinds of Mobility products, charging connectors for big current battery.

In 2021, the Group spent NT\$849,022 thousand on research and development, which was an increase of 24% from the same period of the previous year. Significant effort has been made in the development of IoT, warehouse automation equipment, smart cars, green energy industries, robotic application, smart home and electronic parts and components. Ongoing improvement will be made on factory equipment efficiency. The Group is expected to spend at least NT\$300 million or at least 3% of its revenue in research and development every year in the future.

(IV) Long- and short-term business development plans:

1. Short-term business development plans:

(1) Short-term business direction:

- A. Customized heavy-duty, water-proof and weather-resistance electronic wire harness and connector solutions: provide customized wire harness design, with extension to physical design, PCB assembly, Smart Cable and other integrated engineering services. The products will be used in green energy industries, EV charging equipment, high precision equipment, semiconductor equipment, and different kinds of medical testing equipment. SINBON was engaged in the business of electric bikes over the years
- B. Ongoing dealership of electronic parts and components: With years of experience and professional standing in parts and components, The Company provides the customers with consultation service and technical support in different kinds

of electronic parts and components, and emerged as the most reliable partner of the customers and agents.

- C. Advocacy and pursuit of ESG sustainability strategy: the Company reorganized the Corporate Social Responsibility Committee and established the Sustainability Committee under the direct supervision of the Board in 2021. The CEO acts as the Director of this committee. The position of Sustainability Officer has also been created and is in charge of the “Sustainable Development Office” as the designated body for the advocacy and pursuit of ESG sustainability. The Sustainability Committee is consisted of 6 teams charged with the duties of “corporate governance”, “Green SINBON”, “environmental sustainability”, “sustainable supply chain”, “sustainable partnership”, and “value chain operation”. These teams are administered by senior managers of the Company with the expectation of sustaining the upgrade of SINBON in the performance of environmental protection, social participation, and corporate governance in 2022.
- D. Active indulgence in product R&D for strengthening competitive power: prepared for the training and development of R&D people for ongoing refinement of R&D and engineering capacity. Further to the supply of innovative customized design to the need of the customers, the Company also seeks to assure quality for the ongoing assistance to customers in upgrading product performance, developing products with high added-value and competitive power.
- E. Launching for digital transformation and accelerating factory automation: buildup of smart factory, introducing different factory automation systems. Upgrade production efficiency with stable qualify assurance through integrating the smart and digital process.

(2) Important policies of production and sale:

- A. Strategic Alliance:
Through strategic alliance or direct investment to respond to the rapid changes in market with expansion of business and vertical integration in the development, design, validation,

and production of customized precision connectors to the expectation of the customers.

B. Continued performance improvement:

Through the performance evaluation function of the group to directly manage the indicators and operation performance of all business units of the group.

C. Development of niche products:

The Company provides integrated engineering service to upgrade the added-value of products. The gravity of production and sale rests with the development of niche models and products with challenge. The Company has successfully completed the development of high voltage wire harness for EC, aviation/navigation/vehicle GPS electronic parts and components, portable body signal devices, x-ray machine, MRI devices, porosity testing device, wind power generator, and also actively involved in the development of industrial controllers, industrial computer, electronic medical devices, PV and wind power generation, and aviation electronic parts and components.

D. In-depth development of the iMAGIC industry:

The Company aligns with the development trend and is engaged in the development of medical use, automotive, green, industrial, and communication connectors and PCBA, and further the development of the parts and components for automated warehouse system, robotic arms, warehouse moving robots, smart power system, unmanned shops, EV charging module, IoT module electric bikes, and drones.

2. Long-term business development plans:

(1) The Company will continue to go for high growth through the launch of the strategic matrix (existing customers and products, existing customers and new products, and new customers and new products).

(2) The Company has established a designated body for business development. This body is responsible for keeping track on market situation and the trend of development in the future so as to search the next generation products for the Company.

- (3) Continue to upgrade the R&D team and fortify its core know-how, and lay hands on frontier industries as early as possible and continue to challenge for products with challenging sophistication.
- (4) Strategic Alliance: SINBON has proactively sought strategic alliance or joint venture partners through different channels over the years. This would help to bolster the competitive power of the Company and also provide the customers with total solutions in service through the integration of resources.
- (5) Indulge in sustainability and corporate governance, and voluntarily take part in major ESG rating at global level. SINBON also proactively responds to the SDGs of the United Nations, and gear up with the world for sketching out the strategic road map for sustainability in mid to long-term.

II. Market, Production and Sale

(I) Market analysis:

Unit: NT\$1,000

Region of sale		2020		2021	
		Amount	%	Amount	%
Domestic sale		1,317,872	6.05	1,872,357	7.33
Export sale	USA	3,750,432	17.20	5,338,758	20.91
	Europe	1,959,424	8.99	2,836,630	11.11
	Mainland China	12,507,187	57.38	12,504,279	48.98
	Others	2,262,627	10.38	2,978,682	11.67
Total		21,797,542	100.00	25,530,706	100.00

(II) Principal use and production process of key items:

Key items	Principal use or function	Production process
Electronic peripheral parts:	Connection cord: PCMCIA signal lines, computer and peripherals cables (I/O Cable), USB Link Cable, Flat Cable, barcode reader input/output interface module, LCD soft PCB, LCD ultra fine coaxial signal cables. Connectors: connectors used in network communication, computer peripherals and consumer electronics. Systems: scanning receivers, USB PEN DRIVE, research and manufacturing services and consumer electronics.	1. Wire cutting and stripping 2. Terminated 3. Assembly, Crimping 4. Inspection 5. Packing
Energy products	Manufacturing and sale of power rectifier.	
Wireless communication	Mobile phone transmission line, cell phone connector, antennae, RFID.	
Optoelectronic communication parts and components	Optoelectronic connector, LED, LCM and high frequency coaxial line.	
Others	Parts and components for automotive, medical, and industrial use.	1. SMT 2. Assembly 3. Inspection 4. Packing

(III) The supply of key materials:

Name of material	Suppliers	Status of supply
Connectors	Hirose, JAE Taiwan Ltd.	Good, stable
Wires	Jiangzhou Copper, Staubli	Good, stable

(IV) Names of customers accounting for more than 10% of the total purchase or sale in either of the last 2 years, and the amount and proportion of purchase and sale, also explain the changes:

1. Customers of sale: There was no particular customer accounting for more than 10% of the total sale over the last 2 years.

2. Supplier:

Profiles of key suppliers over the last 2 years

Unit: NT\$1,000

Item	2020				2021			
	Name	Amount	Proportion to the total purchase of the year (%)	Relation with the issuer	Name	Amount	Proportion to the total purchase of the year (%)	Relation with the issuer
1	Supplier A	1,942,337	11.66	None	Supplier A	3,178,177	14.63	None
2	Supplier B	1,345,870	8.08	None	Supplier B	1,263,538	5.82	None
3	Others	13,368,033	80.26		Others	17,275,214	79.55	
	Net purchase	16,656,240	100.00		Net purchase	21,716,929	100.00	-

Cause of change: The amount of purchase from Supplier A increased due to the growth of sale of the Company.

Note 1: List out the names of the suppliers accounting for more than 10% of the total purchase over the last 2 years, and the amount and proportion of purchase. Use supplier code if it is specified in the buy-sell agreement that the names of the suppliers or counterparties of trade are individuals and not related-parties that cannot be disclosed.

Note 2: For companies listed at TWSE or TPEX for the trading of stock have audited or reviewed financial information to the date this report was printed, disclose such information.

(V) Production value and volume in the last 2 years

Unit: 1,000 pcs; NT\$1,000

Year	2020			2021		
Production quantity and quality Key items (or by segment)	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Wire harness	-	208,809	15,566,977	-	240,398	18,341,376
Connectors	-	107,222	524,026	-	136,103	550,371
Others	-	-	-	-	-	-
Total	-	316,031	16,091,003	-	376,501	18,891,747

Note 1: Production capacity refers to the quantity of production generated with the use of the production equipment on hand under normal condition after considering for necessary discontinuation of work and holidays.

Note 2: If the production of the products could be substituted, combine the calculation of production capacity and make note on that.

Note 3: The Company is only a dealer of connectors, not manufacturer.

(VI) Sale volume and value over the last 2 years

Unit: 1,000 pcs; 1,000 pcs; NT\$1,000

Production quantity and quality Key items (or by segment)	Year	2021				2020			
		Domestic sale		Export sale		Domestic sale		Export sale	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Connection cord		10,109	1,443,139	128,207	18,272,260	7,263	1,025,718	112,865	15,939,612
Connectors		172,120	398,482	2,176,042	5,044,654	95,886	280,555	1,490,057	4,359,806
Others		2,081	27,240	26,373	344,931	976	11,599	15,169	180,252
Total		184,310	1,868,861	2,330,622	23,661,845	104,125	1,317,872	1,618,091	20,479,670

III. The number of employees, the average years of seniority in services, average age, and education in the last 2 years to the date this report was printed:

Year		2020	2021
Number of employees	Director labor	4,620	4,904
	Indirect labor	1,940	2,066
	Total	6,560	6,970
Average age		31.36	32.3
Average years of seniority in service		3.11	3.16
Education	PhD	0.03%	0.04%
	Master	2.04%	1.99%
	College/university	28.02%	30.58%
	Senior high school	32.26%	31.41%
	Below senior high school	37.65%	35.98%
	Total	100.00%	100.00%

IV. Information on expenditures on environmental protection:

- (I) The total amount of loss or penalty due to pollution of the environment in the previous period to the date this report was printed: Not applicable.
- (II) Policy in the future and possible spending:
 1. Capacity expansion at Zhong Hua Plant in Miaoli
 - (1) Compilation of dumps removal and setting up a solid wastes parking site at the expense of NT\$104 thousand.
 - (2) Installation of septic tank at NT\$430 thousand.
 2. Guo Hua Plant in Miaoli
 - (1) For connecting to the sewage system of Miaoli, the adjustment of pipeline at the plant is expected to cost NT\$210 thousand.

- (2) Improvement of the industrial wastes parking zone is expected to cost NT\$200 thousand.

V. Labor-Management Relation:

- (I) The benefit policy, continuing education, training, and retirement system of the employees of the Company and the pursuit of these policies:

1. All employees are covered by labor insurance and national health insurance:

The Company will include employees for labor insurance and health insurance coverage as of zero hour on the day the employees reported for duties for the protection of their rights and privileges.

2. Group Insurance:

The Company provides group insurance for the employees in accordance with the Regulations Governing Insurance for the Employees. Life insurance, accident insurance, medical insurance for hospitalization and cancer are covered. The amount insured varied with the positions and nature of the duties. The insurance premium will be paid by the budget of the Company that employees are not required to pay at all.

Dependents of the employees were included in 2020 for coverage of injury treatment and hospitalization. Employees may take insurance for the protection of spouse and children. The Company will pay for the premium in full amount.

3. Routine health examination for the employees:

Employees are the valuable assets of the Company and the health of whose are pivotal to the production capacity of the Company and their family lives. For this reason, the Company provides health examination for personnel at the rank of managers and above once a year. Other employees also receive health examination in accordance with the Occupational Safety and Health Act.

4. Employee training:

For alignment with the object of the strategic development of the Group and the satisfaction of the skills and knowledge of the employees required for their jobs, the Company provides a wide array of means and channels for learning. Examples are: internal training, domestic training, overseas study, and reading gathering.

5. Employee bonus:

Employees share the profit of growth with the Company. The strong

bonding and cohesiveness of the employees yield result under team spirit.

6. Employee Welfare Committee:

- (1) Gifts and allowance for matrimony, bereavement, and celebrity.
- (2) Pleasure trips for the employees are organized at regular intervals.
- (3) Different kinds of social functions were organized for enhancing communication and harmony.
- (4) Gift voucher or gifts for festivals and birthday celebration.
- (5) Entered into agreement with several shops to provide discount price and special offer for the employees.
- (6) Allowances for hospitalization, and relief from disasters.
- (7) Scholarship for employees in continuing education.
- (8) Seminars on professional topics from time to time

7. Employee retirement system:

The Company appropriates for the pension reserve of employees monthly in accordance with the "Labor Pension Act" thereby at least 6% of the monthly salary of each employee will be deposited in their respective personal pension fund account at the Labor Insurance Bureau. The Company recognized the amount of NT\$60,074 thousand and NT\$51,814 thousand, respectively, in 2021 and 2020 for appropriation under the plan.

Under the Regulations Governing Pension Fund of Employees established in accordance with the "Labor Standards Act", the payment of pension to employees is based on the basic points of the years of service and the average monthly salary of the employee at the time of approval for retirement. For those whose service seniority is 15 years or less, 2 basic points will be given for each year of service. For service seniority over 15 years, 1 basic point will be given for each year of service with accumulation of up to 45 basic points. The Company appropriates 2% of the total salaries as pension reserve monthly as required, and deposit at the special account of the Bank of Taiwan under the account title of Labor Pension Reserve Monitoring Committee. As of December 31 2021, the Company appropriated NT\$9,600 thousand under the defined benefit plan for the next year at the present value of NT\$140,221 thousand for the defined benefit obligation. The net defined benefit liabilities amounted to NT\$67,561 thousand. Application with the Company for retirement may be made via the electronic signature system or file with HR Department.

8. Free parking:

Parking is a problem at the Taipei Office. The Company spares a budget for renting a parking lot for the free parking of the employees.

9. The following leave and holidays are senior to the requirement under the Labor Standards Act:

(1) Maternity leave: the mandatory leave for maternity is 56 days while the Company offers 61 days.

(2) The "Leave for caring of parents or spouse suffering critical illness or injuries" is senior to the Labor Standards Act: this kind of leave is not required by law. The Company just expresses its concern for the employees in circumstances of the sudden critical illness or injuries of their parents or spouse that they must have sufficient time for related arrangement and caring of their love ones. Accordingly, employees may take 10 days off in the first and the second half of the first year of critical illness or injuries of their parents or spouse, respectively, under the provision of "Leave for caring of parents or spouse suffering critical illness or injuries".

(3) Leave with pay: Further to the 14 days of leave without pay for personal reason under the Labor Standards Act, the Company offers the employees 7 days of "persona leave with pay".

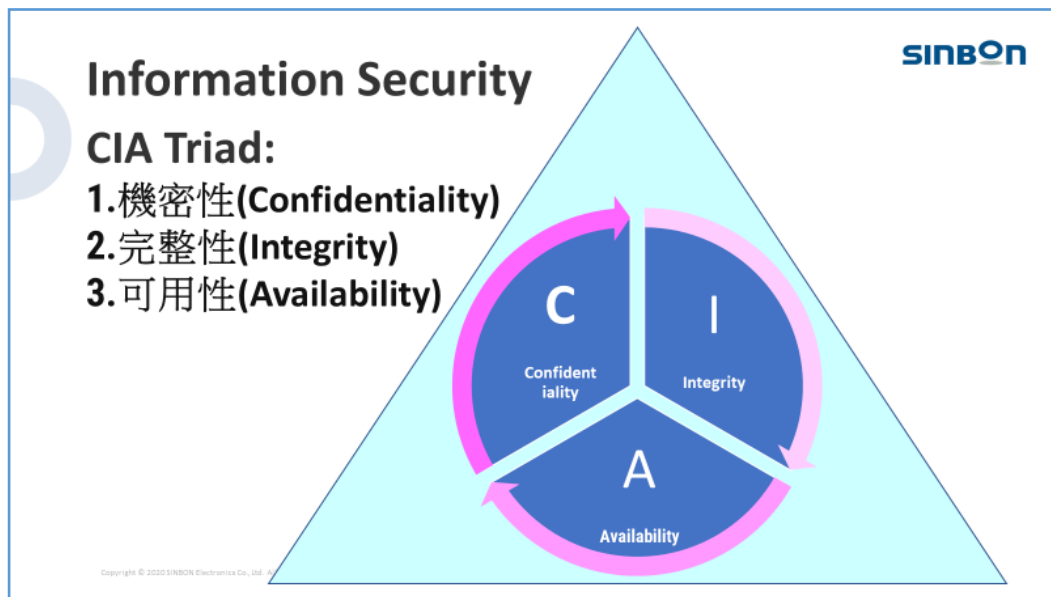
(II) Loss caused by Labor-Management dispute in the previous period to the date this report was printed: not applicable.

VI. Information Security Management:

(I) The framework of information security risk management

1. The Company has established the Information Security Management Committee charged with the duties of approving information security policies. The committee has a subordinated body, the Information Security Department, which is responsible for the reporting and pursuing the information security policy of the Group, the advocacy and proper pursuit of related measures for assurance of the security of the information system in ongoing operation.
2. The Auditing Office is the supervisory body of information security, and is responsible for the audit of information security, proposition of corrective action plan and tracking with the status of rectification to reduce information security risk.

(II) The information security policy and action plans



1. Protection of the confidentiality, integrity and usability of the information operation of the Company for sustainability.
2. For assuring the information security of the Company and proper access control, and the privacy of information.
3. The implementation of information security policies of the Company includes the following:
 - (1) Formation of cross-function information security organization to map out, advocate, enforce and continue improvement plan for assuring an information environment secure for ongoing operation.
 - (2) Conduct risk assessment and management of information security at regular intervals, and implement relevant control measures properly.
 - (3) Provide information security education and training at regular intervals to upgrade the awareness of information security and protection, and related rules of operation.
 - (4) Establish a secure and reliable information system environment for assisting the sustainable development of business at the Company. Install appropriate backup and monitoring mechanisms for vital information system or equipment with routine exercise drill for assuring normal functioning.
 - (5) Establish the reporting and responding procedures for critical information security events with appropriate and timely response and recover within specific period of time to avoid spillover of the damage.

(6) The following control measures were taken as vital information security tasks:

Item	Explanation	Processing
Control of user ID and access	Management of account access and operating system.	User ID and access control
Access control	System access and data transmission management measures	System access control and user management
Threat	System weak points and malicious intrusion	1. Weak point scanning, 2. Antivirus protection, 3. Screening of behavior
Usability	State of service of the system and response to interruption	1. System monitoring and alarm system 2. Equipment failure and response 3. Backup and alternate backup mechanism 4. Disaster recovery exercise drill

(III) Resources committed to information security management

The Company has committed massive resources for the development of good people for many years. Further to the staffing with information security personnel internally, the Company also outsources for information security diagnosis. If the test result indicated the existence of loopholes, the Company will require to fixing the problem and conduct a new round of test within designated period of time.

The Company provides information security education and training at regular intervals and has 100% attainment towards the goal. In addition, the Company also arranges professional training programs on information security and personal information in system management, network management, program development, information security management, information security testing, personal information protection and related fields of specialization.

(IV) The loss, possible influence caused by critical information security incidents in the previous period to the date this report was printed, and the policy in response to the situation. If reasonable assessment is impossible, explain why.

Not applicable

VII. Important agreements:

Nature of agreements	Contracting parties	Perpetuity of the agreements	Summary of the content	Restrictive clause
Agreement with Suppliers on Special Arrangement	P	August 22 2017 ~ the last day of the arrangement	SINBON engaged in a joint venture with Company P for tooling development. The parties hereto entered into an agreement on this joint venture for assuring the ownership and right of use of the intellectual property rights thereof.	None
Dealership agreement	C	July 15 2015 ~	SINBON distributes the products made by Company C as a dealer, the parties hereto entered into an agency agreement for defining the regions of sales and commission.	None
MOU on joint venture	E	November 18 2016 ~	The parties entered into an MOU for the consent of SINBON in assisting Company E in capacity expansion. Company E promises on the purchase quantity.	None
Supplier agreements	A	January 25 2018	SINBON is the supply chain of Company A, and entered into an agreement with Company A On supply	None

Design agreements	M	August 18 2017	SINBON conducts R&D on products for Company M. The parties hereto entered into an agreement on design joint-venture.	None
Manufacturing Agreement	A	July 01 2019 ~	SINBON is the supplier of Company A. The parties hereto enter into an agreement on supply	None
Parts and Components Purchase Agreement	A	September 12 2019 ~	SINBON is a supplier of parts and components to Party A. The parties hereto entered into an agreement on the production and supply of related parts and components.	None
Long-term Agreements	S	February 16 2019 ~ February 15 2022	SINBON is a supplier of Company S and entered into an agreement with Company S on production and supply	None
Equity Joint-Venture Agreement	V	May 19 2020	SINBON and affiliate Company T invest in Company V	SINBON and affiliate Company T cannot provide production and assembly service to competitors engaged in the same business as Company V.

Settlement Agreement	S	July 28 2020	Termination of the equity joint venture agreement with the investors in Europe. According to the Settlement Agreement, SINBON acquired 100% of the stakes of SINBON Hungary	None
Agreement pertinent to equity joint-venture	N	June 14 2018	Company N invests in SINBON affiliate Company R and provides related technical licensing, and run Company R in joint effort.	None
Agreement pertinent to equity joint-venture	I	April 15 2021 ~	SINBON and Company I engaged in equity joint-venture for the development of green energy.	None

Chapter VI. Financial Information

I. Condensed Balance Sheet and Comprehensive Income Statement (2017-2021) Specify the names of the independent auditors and audit opinion:

(I) Condensed Balance Sheet and Comprehensive Income Statement:

Condensed Balance Sheet (Consolidated under IFRS)

Unit: NT\$1,000

Year Item		Financial Information (2017-2021) (Note 1)				
		2017 (Audited)	2018 (Audited)	2019 (Audited)	2020 (Audited)	2021 (Audited)
Current assets		9,716,118	11,361,548	13,568,882	19,087,028	22,056,872
Property, plant and equipment (Note 2)		1,486,310	1,854,001	2,154,817	2,701,729	2,828,071
Intangible assets		59,529	94,820	91,601	70,899	48,226
Other assets (Note 2)		310,123	177,400	353,925	323,964	441,705
Total assets		12,519,477	14,201,536	17,184,967	23,683,043	27,148,720
Current liabilities	Cum-dividend	5,473,028	6,981,572	8,823,257	11,793,084	14,376,646
	Ex-dividend	6,374,692	8,008,194	10,056,977	13,260,588	Undistributed
Non-current liabilities		750,193	423,332	564,497	2,121,826	1,636,694
Total liabilities	Cum-dividend	6,223,221	7,404,904	9,387,754	13,914,910	16,013,340
	Ex-dividend	7,124,885	8,431,526	10,621,474	15,382,414	Undistributed
Shareholders equity attributable to the parent company		6,084,637	6,572,643	7,517,407	9,154,788	10,357,746
Capital stock		2,254,162	2,266,954	2,326,694	2,327,775	2,342,060
Additional paid-in capital		830,265	904,086	1,228,781	1,885,096	2,190,472
Retained earnings	Cum-dividend	3,233,651	3,743,536	4,443,155	5,341,646	6,207,190
	Ex-dividend	2,331,987	2,716,914	3,209,435	3,874,142	Undistributed
Other equities		(233,441)	(341,933)	(481,223)	(399,729)	(381,976)
Treasury shares		-	-	-	-	-
Non-controlling interests		211,619	223,989	279,806	613,345	777,634
Total equity	Cum-dividend	6,296,256	6,796,632	7,797,213	9,768,133	11,135,380
	Ex-dividend	5,394,592	5,770,010	6,563,493	8,300,629	Undistributed

Note 1: Financial information covering 2017~2021 were audited.

Note 2: No reappraisal of assets has been conducted over the years.

Note 3: The proposal for distribution of earnings in 2021 was pending on the final decision of the General Meeting of Shareholders. The ex-dividend amount was not disclosed.

Note 4: The financial information of the Company has not been rectified or recompiled upon the notification of the competent authority.

Condensed Balance Sheet (Separate under IFRS)

Unit: NT\$1,000

Year Item		Financial Information (2017-2021) (Note 1)				
		2017 (Audited)	2018 (Audited)	2019 (Audited)	2020 (Audited)	2021 (Audited)
Current assets		3,137,049	2,840,557	3,106,100	5,508,374	6,081,057
Property, plant and equipment (Note 2)		277,238	518,658	526,522	673,018	704,798
Intangible assets		-	-	-	-	-
Other assets (Note 2)		155,386	24,773	136,430	99,479	198,328
Total assets		9,807,235	10,126,114	11,221,369	15,277,067	17,147,563
Current liabilities	Cum-dividend	3,014,416	3,276,402	3,402,927	4,158,829	5,283,238
	Ex-dividend	3,916,080	4,303,024	4,636,647	5,626,333	Undistributed
Non-current liabilities		708,182	277,069	301,035	1,963,450	1,506,579
Total liabilities	Cum-dividend	3,722,598	3,553,471	3,703,962	6,122,279	6,789,817
	Ex-dividend	4,624,262	4,580,093	4,937,682	7,589,783	Undistributed
Shareholders equity attributable to the parent company		6,084,637	6,572,643	7,517,407	9,154,788	10,357,746
Capital stock		2,254,162	2,266,954	2,326,694	2,327,775	2,342,060
Additional paid-in capital		830,265	904,086	1,228,781	1,885,096	2,190,472
Retained earnings	Cum-dividend	3,233,651	3,743,536	4,443,155	5,341,646	6,207,190
	Ex-dividend	2,331,987	2,716,914	3,209,435	3,874,142	Undistributed
Other equities		(233,441)	(341,933)	(481,223)	(399,729)	(381,976)
Treasury shares		-	-	-	-	-
Non-controlling interests		-	-	-	-	-
Total equity	Cum-dividend	6,084,637	6,572,643	7,517,407	9,154,788	10,357,746
	Ex-dividend	5,182,973	5,546,021	6,283,687	7,687,284	Undistributed

Note 1: Financial information covering 2017~2021 were audited.

Note 2: No reappraisal of assets has been conducted over the years.

Note 3: The proposal for distribution of earnings in 2021 was pending on the final decision of the General Meeting of Shareholders. The ex-dividend amount was not disclosed.

Note 4: The financial information of the Company has not been rectified or recompiled upon the notification of the competent authority.

Condensed Comprehensive Income Statement (Consolidated under IFRS)

Unit: NT\$1,000

Item \ Year	Financial Information (2017-2021) (Note 1)				
	2017 (Audited)	2018 (Audited)	2019 (Audited)	2020 (Audited)	2021 (Audited)
Revenue	13,061,439	15,645,253	17,886,170	21,797,542	25,530,706
Gross profit	3,280,351	3,919,945	4,589,668	5,585,997	6,409,195
Operating income	1,393,146	1,631,689	1,892,758	2,649,177	2,787,859
Non-operating incomes and expenses	226,398	288,379	276,405	78,689	240,841
Net income before tax	1,619,544	1,920,068	2,169,163	2,727,866	3,028,700
Net income of continued operations	1,224,088	1,371,529	1,677,851	2,183,500	2,487,829
Loss from discontinued operations	-	-	-	-	-
Net income (loss)	1,224,088	1,371,529	1,677,851	2,183,500	2,487,829
Other comprehensive income (after tax)	(64,127)	25,083	(136,197)	91,276	19,807
Total comprehensive income	1,159,961	1,396,612	1,541,654	2,274,776	2,507,636
Net income attributable to the shareholders of parent company	1,226,471	1,413,477	1,718,511	2,113,868	2,331,502
Net income attributable to non-controlling interests	(2,383)	(41,948)	(40,660)	69,632	156,327
Total comprehensive income attributable to shareholders of parent company	1,169,058	1,441,241	1,586,951	2,213,705	2,350,660
Total comprehensive income attributable to non-controlling interests	(9,097)	(44,629)	(45,297)	61,071	156,976
Earnings per share	5.44	6.26	7.47	9.08	10.00

Note 1: Financial information covering 2017~2021 were audited.

Note 2: Loss from discontinued operation is presented by the net amount after taxation.

Note 3: The financial information of the Company has not been rectified or recompiled upon the notification of the competent authority.

Condensed Comprehensive Income Statement (Separate under IFRS)

Unit: NT\$1,000

Item \ Year	Financial Information (2017-2021) (Note 1)				
	2017 (Audited)	2018 (Audited)	2019 (Audited)	2020 (Audited)	2021 (Audited)
Revenue	4,812,279	5,035,927	4,899,284	5,570,753	6,928,235
Gross profit	1,217,761	1,285,215	1,258,919	1,350,582	1,685,433
Operating income	530,700	471,163	313,250	324,942	492,367
Non-operating incomes and expenses	837,031	1,174,503	1,680,569	2,121,339	2,248,442
Net income before tax	1,367,731	1,645,666	1,993,819	2,446,281	2,740,809
Net income of continued operations	1,226,471	1,413,477	1,718,511	2,113,868	2,331,502
Loss from discontinued operations	-	-	-	-	-
Net income (loss)	1,226,471	1,413,477	1,718,511	2,113,868	2,331,502
Other comprehensive income (after tax)	(57,413)	27,764	(131,560)	99,837	19,158
Total comprehensive income	1,169,058	1,441,241	1,586,951	2,213,705	2,350,660
Net income attributable to the shareholders of parent company	-	-	-	-	-
Net income attributable to non-controlling interests	-	-	-	-	-
Total comprehensive income attributable to shareholders of parent company	-	-	-	-	-
Total comprehensive income attributable to non-controlling interests	-	-	-	-	-
Earnings per share	5.44	6.26	7.47	9.08	10.00

Note 1: Financial information covering 2017~2021 were audited

Note 2: Loss from discontinued operation is presented by the net amount after taxation.

Note 3: The financial information of the Company has not been rectified or recompiled upon the notification of the competent authority.

(II) Names of Independent Auditors in 2017~2021, and audit opinions:

Year	Name of Independent Auditor	Audit Opinion	Remark
2017	Ernst & Young, Taiwan Tzu-Ping, Huang, CPA Hung-Kuang, Lin, CPA	Unqualified with Emphasis-of-Matter and Other-Matter Paragraphs	
2018	Ernst & Young, Taiwan Tzu-Ping, Huang, CPA Hung-Kuang, Lin, CPA	Unqualified with Emphasis-of-Matter and Other-Matter Paragraphs	
2019	Ernst & Young, Taiwan Tzu-Ping, Huang, CPA Ming-Hung, Chen, CPA	Unqualified with Emphasis-of-Matter and Other-Matter Paragraphs	
2020	Ernst & Young, Taiwan Tzu-Ping, Huang, CPA Ming-Hung, Chen, CPA	Unqualified with Emphasis-of-Matter and Other-Matter Paragraphs	
2021	Ernst & Young, Taiwan Tzu-Ping, Huang, CPA Ming-Hung, Chen, CPA	Unqualified with Emphasis-of-Matter and Other-Matter Paragraphs	

II. Financial Analysis 2017~2021:

(I) Financial Analysis:

Year (Note 1) Financial Analysis 2017~2021 (Consolidated under IFRS)						
		2017 (Audited)	2018 (Audited)	2019 (Audited)	2020 (Audited)	2021 (Audited)
Item of analysis (Note 2)						
Financial structure	Liabilities to assets ratio (%)	49.71	52.14	54.63	58.75	58.98
	Long-term capital to property, plant and equipment ratio (%)	456.18	367.01	362.22	419.57	429.29
Ability to repay debt	Current ratio	177.53	162.74	153.79	161.85	153.42
	Quick ratio	125.04	108.69	100.36	105.09	77.87
	Debt service coverage ratio	55.41	45.27	45.30	56.54	39.36
Utility	Accounts receivable turnover (time)	3.81	3.83	3.73	3.45	3.55
	Average days of cash receipt	95	95	98	106	103
	Inventory turnover (time)	3.94	3.64	3.21	2.95	2.29
	Accounts payable turnover (time)	4.01	4.01	4.10	3.61	3.32
	Average days of sale	92	100	114	124	159
	Property, plant and equipment turnover (time)	9.25	9.37	8.92	8.98	9.23
	Total assets turnover (time)	1.11	1.17	1.14	1.07	1.00
Profitability	Return on assets (%)	10.58	10.53	10.95	10.88	10.04
	Return on equity (%)	20.27	20.95	22.99	24.86	23.80
	Net income before tax to paid-in capital ratio (%) (Note 6)	71.85	84.7	93.23	117.19	129.32
	Net profit rate (%)	9.37	8.77	9.38	10.02	9.74
	Earnings per share (NTD)	5.44	6.26	7.47	9.08	10.00

Year (Note 1) Financial Analysis 2017~2021 (Consolidated under IFRS)						
		2017 (Audited)	2018 (Audited)	2019 (Audited)	2020 (Audited)	2021 (Audited)
Item of analysis (Note 2)						
Cash flow	Cash flow rate (%)	14.11	4.92	19.21	4.64	9.35
	Cash flow adequacy rate (%)	114.45	78.45	81.73	44.86	30.72
	Cash reinvestment rate (%)	(0.74)	(6.54)	6.95	(5.19)	(0.82)
Leverage	Operation leverage	2.28	2.31	2.36	2.03	2.22
	Financial leverage	1.02	1.03	1.03	1.02	1.03
Explain the cause of the change in financial ratios over the previous 2 periods. (Analysis is not required for changes below 20%) I. The change in average days of sale is caused by the increase of inventory at the end of the period. II. The change in cash flow rate is caused by the increase of net cash flow from operation. III. The change in cash reinvestment ratio is caused by increase of net cash flow from operation.						

Year (Note 1) Financial Analysis 2017~2021 (Separate under IFRS)						
		2017 (Audited)	2018 (Audited)	2019 (Audited)	2020 (Audited)	2021 (Audited)
Item of analysis (Note 2)						
Financial structure	Liabilities to assets ratio (%)	37.96	35.09	33.01	40.07	39.60
	Long-term capital to property, plant and equipment ratio (%)	2,369.28	1,267.24	1,427.75	1,591.97	1,610.69
Ability to repay debt	Current ratio	104.07	86.7	91.28	132.45	115.10
	Quick ratio	85.38	67.2	69.69	88.97	66.89
	Debt service coverage ratio	87.31	91.84	156.5	160.36	95.71
Utility	Accounts receivable turnover (time)	4.4	4.65	4.5	4.12	4.37
	Average days of cash receipt	83	78	81	89	84

Item of analysis (Note 2)	Year (Note 1)	Financial Analysis 2017~2021 (Separate under IFRS)				
		2017 (Audited)	2018 (Audited)	2019 (Audited)	2020 (Audited)	2021 (Audited)
	Inventory turnover (time)	7.76	6.16	5.3	3.29	2.49
	Accounts payable turnover (time)	3.9	4.06	3.97	3.56	3.82
	Average days of sale	47	59	69	111	146
	Property, plant and equipment turnover (time)	17.02	12.65	9.38	9.29	10.06
	Total assets turnover (time)	0.52	0.51	0.46	0.42	0.43
Profitability	Return on assets (%)	13.27	14.33	16.20	16.05	14.52
	Return on equity (%)	20.76	22.33	24.39	25.36	23.90
	Net income before tax to paid-in capital ratio (%) (Note 6)	60.68	72.59	85.69	105.09	117.03
	Net profit rate (%)	25.49	28.07	35.08	37.95	33.65
	Earnings per share (NTD)	5.44	6.26	7.47	9.08	10.00
Cash flow	Cash flow rate (%)	6.06	5.53	7.31	(12.89)	0.22
	Cash flow adequacy rate (%)	39.76	30.32	28.11	24.92	2.68
	Cash reinvestment rate (%)	(9.30)	(10.18)	(9.63)	(6.22)	(12.17)
Leverage	Operation leverage	2.09	2.45	3.53	3.66	3.06
	Financial leverage	1.03	1.04	1.04	1.05	1.06
Explain the cause of the change in financial ratios over the previous 2 periods. (Analysis is not required for changes below 20%) I. The change in debt service coverage ratio is caused by the increase of net income. II. The change in inventory turnover is caused by the increase of inventory at the beginning of the period. III. The change in cash flow adequacy ratio is caused by the increase of net cash flow from operation.						

Note 1: The information on financial analysis 2017~2021 were audited.

Note 2: The following equations should be presented at the end of this statement.

1. Financial structure
 - (1) Liabilities to assets ratio = total liabilities / total assets.
 - (2) Long-term capital to property, plant and equipment ratio = (total equity + non-current liabilities) / net value of property, plant and equipment.
2. Ability to repay debt
 - (1) Current ratio = current assets / current liabilities.
 - (2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
 - (3) Debt service coverage ratio = net income before income tax and interests expenses / interest expenses for the current period.
3. Utility
 - (1) Accounts receivable (including accounts receivable and bills receivable arising from business operation) turnover rate = net sales of goods / average receivables for different periods (including balance of accounts receivable and bills receivable arising from business operation).
 - (2) Average days of cash receipt = 365 / accounts receivable turnover.
 - (3) Inventory turnover rate = operating costs / average inventory (including inventory and construction work in progress).
 - (4) Accounts payable (including accounts payable and bills payable arising from business operation) turnover rate = operating costs / average payable for different period (including accounts payable and bills payable arising from business operation).
 - (5) Average days of sale = 365 / inventory turnover rate.
 - (6) Property, plant and equipment turnover rate = net sales / average net worth of property, plant and equipment.
 - (7) Total asset turnover rate = net sales / total average assets.
4. Profitability
 - (1) Return on asset = (profit or loss after tax + interests expenses × (1 - tax rate)) / average total assets
 - (2) Return on equity = profit and loss after tax / net average shareholders' equity
 - (3) Net profit rate = profit and loss after tax / net sales of goods.
 - (4) Earnings per share = (Income attributable to shareholders of parent company - preferred share dividend) / weighted average of outstanding shares (Note 4)
5. Cash flow
 - (1) Cash flow ratio = net cash flow due to operating activities / current liabilities.
 - (2) Net cash flow adequacy rate = net cash flow from operating activities over the current five years / (capital expenditure + increase in inventory + cash dividends) for the current five years)
 - (3) Cash re-investment ratio = (net cash flow from operation - cash dividends) / (gross property, plant and equipment + long-term investment + other non-current assets + working capital). (Note 5)
6. Leverage:
 - (1) Operation leverage = (net sale - variable operating costs and expenses) / operating income. (Note 6)
 - (2) Financial leverage = operating income / (operating income - interests expenses)

Note 3: Pay close attention to the following when using the aforementioned equation to calculate the earnings per shares:

1. Based on the weighted average quantity of outstanding shares, not the quantity of shares issued by the end of the year.
2. Consider the duration of any shares issued for raising new capital or treasury shares in circulation in the calculation of the weighted average quantity of shares.
3. If there are new shares through capitalization of retained earnings or capitalization of additional paid-in capital, adjustment in proportion of the capitalization in retrospect should be taken into account in the calculation of the earnings per share of the previous period and mid-term. The outstanding period of these new shares could be omitted.
4. If the preferred shares are nonconvertible accumulative preferred shares, the dividend for the year (paid out or not) should be subtracted from net income, or add to net loss. If the preferred shares are noncumulative by nature, and there is net income, dividend to preferred shares should be subtracted from net income. No adjustment is necessary if it is net loss.

Note 4: Pay close attention to the following in measurement through cash flow analysis:

1. Net cash flow from operation refers to the amount of net cash inflow from operation as presented in the statement of cash flows.
2. Capital expenditure refers to the cash outflow in each year for capital investment.
3. The increase of inventory is only accounted for when the balance at the end of the period is greater than the beginning of the period. If there is decrease of inventory at the end of the year, put zero in the calculation.
4. Cash dividend includes the cash dividend paid to common shares and preferred shares.
5. Gross property, plant and equipment refers to the property, plant and equipment before deducting accumulated depreciations.

Note 5: Issuers shall classify the cost of operation and operating expenses into fixed cost / expense and variable cost / expense. If estimation or subjective judgment is involved, make sure it is justifiable and consistent.

Note 6: If the stock issued by the Company has no face value or the face value is not NT\$10/share, calculate the aforementioned ratio to paid-in capital by taking the ratio of the shareholder equity attributable to the shareholders of the parent company as presented in the balance sheet.

III. Supervisors or Auditing Committee Review Report on the Financial Statements of the Previous Period:

SINBON Electronics Co., Ltd.
Review Report of Auditing Committee

The Board of Directors prepared the 2021 Separate Financial Statements and Consolidated Financial Statements of SINBON Electronics Co., Ltd., which have been audited by the Independent Auditors from Ernst & Young, Taiwan, Tzu-Ping, Huang, CPA, and Ming-Hung, Chen, CPA. These financial statements and the Business Report and Proposal for Distribution of Earnings have been reviewed by the Auditing Committee. In our opinion, these statements and reports were proper in compliance with the Company Act and other applicable legal rules, and hereby presented for your approval pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

General Meeting of Shareholders of SINBON Electronics Co., Ltd.

SINBON Electronics Co., Ltd.

Convener of Auditing Committee, Ho-Min, Chen

March 11 2022

- IV. The financial report of the previous period, including the Independent Auditors Report, the Balance Sheet, Comprehensive Income Statement, Statement of Change in Shareholders Equity, Statement of Cash Flows and notes to the financial statements covering the two periods for comparison:

Independent Auditors' Report Translated from Chinese

To SINBON Electronics Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of SINBON Electronics Co., Ltd. and its subsidiaries (the "Group") as of 31 December 2021 and 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2021 and 2020, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other Matter – Making Reference to the Audits of Component Auditors* section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2021 and 2020, and its consolidated financial performance and cash flows for the years ended 31 December 2021 and 2020, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of consolidated financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of

China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2021 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Valuation for inventories

As of 31 December 2021, the Group’s net inventories amounted to NT\$10,179,125 thousand. Net inventories accounted for 37% of consolidated total assets, which was considered material in the consolidated statements. As the fluctuation in market demand and the fast-changing technology could cause losses of obsolete and slow-moving inventories, the assessment of the inventory write-downs require significant management judgement. We therefore determined this a key audit matter.

Our audit procedures included, but not limited to, understanding and testing the adequacy of accounting policy around obsolete and slow-moving inventories; evaluating stocktaking plan and selecting important storage locations to observe inventory counts to ensure inventory quantities and status; obtaining inventory aging schedule to test whether inbound and outbound records are accurate; re-calculating the unit cost of inventories; and evaluating and testing net realizable value adopted by management. We also assessed the adequacy of disclosures of financial assets. Please refer to Notes 5 and 6 to the Group’s consolidate financial statements.

2. Impairment of accounts receivable

As of 31 December 2021, gross accounts receivable and loss allowance by the Group amounted to NT\$5,970,535 thousand and NT\$1,166 thousand, respectively. Net accounts receivable accounted for 22% of consolidated total assets. Since the loss allowance of account receivables is measured by the expected credit loss for the duration of the account receivables, it is necessary to divide account receivables into groups in the process of measurement and analyze the application of related assumptions, including appropriate aging intervals and their respective loss rate. As

the measurement of expected credit loss involves making judgment, analysis and estimates, and the result will affect the net account receivable, we therefore determined this a key audit matter.

Our audit procedures included, but not limited to, analyzing the appropriateness of the grouping of account receivables and confirming whether customers with significantly different credit loss types are grouped by similar risk characteristics. Testing the provision matrix, including evaluating the appropriateness of the aging intervals and the accuracy of the basic data by reviewing the original certificates; testing the related statistics information of loss rate based on the rolling rate within one year. We also assessed the adequacy of disclosures of financial assets. Please refer to Notes 5 and 6 to the Group's consolidate financial statements.

Other Matter– Making Reference to the Audits of Component Auditors

As explained in Note 4(3), we did not audit the financial statements of certain consolidated subsidiaries, which statements reflected total assets of NT\$5,846,770 thousand and NT\$4,479,558 thousand, representing 22% and 19% of consolidated total assets as of 31 December 2021 and 2020, respectively, and total operating revenues of NT\$7,159,405 thousand and NT\$4,902,880 thousand, representing 28% and 22% of consolidated operating revenues for the years ended 31 December 2021 and 2020, respectively. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors. We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method whose statements are based solely on the reports of other auditors. As explained in Note 6(7), these associates and joint ventures under equity method amounted to NT\$784,175 thousand and NT\$715,375 thousand, both representing 3% of consolidated total assets as of 31 December 2021 and 2020. The related shares of profits from the associates and joint ventures under the equity method amounted to NT\$130,470 thousand and NT\$128,830 thousand, representing 4% and 5% of the consolidated net income before tax for the years ended 31 December 2021 and 2020, respectively, and the related shares of other comprehensive income from the associates and joint ventures under the equity method amounted to NT\$53,842 thousand and NT\$81,485 thousand, representing 272% and 89% of the consolidated other comprehensive income for the years ended 31 December 2021 and 2020, respectively.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Group. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2021 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

Other

We have audited and expressed an unqualified opinion including an Other Matter Paragraph on the parent company only financial statements of the Company as of and for the years ended 31 December 2021 and 2020.

/s/Huang, Tzu Ping

/s/Chen, Ming Hung

Ernst & Young, Taiwan

11 March 2022

Notice to Readers

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

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of 31 December	
		2021	2020
Current assets			
Cash and cash equivalents	4,6(1)	\$4,008,815	\$4,450,375
Financial assets at fair value through profit or loss, current	4,6(2)	247,949	252,618
Notes receivable, net	4,6(3)	724,820	1,264,482
Accounts receivable, net	4,6(4),7	5,969,369	6,370,363
Other receivables	7	292,394	196,961
Current income tax assets		17,492	26,284
Inventories	4,6(5)	10,179,125	6,164,699
Prepayments		510,812	340,261
Other current assets		106,096	20,985
Total current assets		<u>22,056,872</u>	<u>19,087,028</u>
Non-current assets			
Financial assets at fair value through profit or loss, noncurrent	4,6(2)	2,333	-
Financial assets at fair value through other comprehensive income, noncurrent	4,6(6)	388,571	299,065
Investments accounted for under the equity method	4,6(7)	784,175	715,375
Property, plant and equipment	4,6(8)	2,828,071	2,701,729
Right-of-use assets	4,6(19)	461,993	353,599
Other intangible assets		48,226	70,899
Deferred tax assets	4,6(23)	136,774	131,384
Other non-current assets	4,6(9)	441,705	323,964
Total non-current assets		<u>5,091,848</u>	<u>4,596,015</u>
Total assets		<u><u>\$27,148,720</u></u>	<u><u>\$23,683,043</u></u>

(continued)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS(Continued)
31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of 31 December	
		2021	2020
Current liabilities			
Short-term loans	4,6(10)	\$3,357,725	\$3,061,501
Financial liabilities at fair value through profit or loss, current	4,6(11)	241	22,112
Contract liabilities, current	4,6(17)	2,825,473	1,677,711
Notes payable		436,717	545,655
Accounts payable		5,703,930	4,820,571
Other payables	4,6(12),7	1,493,951	1,294,578
Current tax liabilities	4	138,546	240,258
Lease liabilities, current	4,6(19)	93,555	77,830
Current portion of long-term loans		301,017	3,636
Other current liabilities		25,491	49,232
Total current liabilities		14,376,646	11,793,084
Non-current liabilities			
Financial liabilities at fair value through profit or loss, noncurrent	4,6(11)	-	2,470
Bonds payable	4,6(13)	994,351	1,256,981
Long-term loans	4	10,983	308,094
Deferred tax liabilities	4,6(23)	242,579	226,025
Lease liabilities, noncurrent	4,6(19)	307,261	240,742
Long-term deferred revenue	4,6(14)	13,957	14,378
Net defined benefit obligation, noncurrent	4,6(15)	67,561	72,965
Other non-current liabilities-others		2	171
Total non-current liabilities		1,636,694	2,121,826
Total liabilities		16,013,340	13,914,910
Equity attributable to the parent company			
Capital	6(16)		
Common stock		2,333,770	2,327,775
Certificates of bond-to-stock conversion		8,290	-
Subtotal		2,342,060	2,327,775
Additional Paid-in Capital	6(16)	2,190,472	1,885,096
Retained earnings			
Legal reserve		1,493,995	1,280,774
Special reserve		399,729	481,223
Unappropriated earnings		4,313,466	3,579,649
Subtotal		6,207,190	5,341,646
Other components of equity	4		
Exchange differences on translation of foreign operations		(561,279)	(501,613)
Unrealized gains or losses measured at fair value through other comprehensive income		179,303	101,884
Subtotal		(381,976)	(399,729)
Non-controlling interests	4,6(16)	777,634	613,345
Total equity		11,135,380	9,768,133
Total liabilities and equity		\$27,148,720	\$23,683,043

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended 31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the years ended 31 December	
		2021	2020
Operating revenues	4,6(17),7	\$25,530,706	\$21,797,542
Operating costs	6(5.20),7	(19,121,511)	(16,211,545)
Gross profit-net		6,409,195	5,585,997
Operating expenses	6(20),7		
Sales and marketing expenses		(1,525,269)	(1,178,676)
General and administrative expenses		(1,245,255)	(1,074,736)
Research and development expenses		(849,022)	(683,312)
Expected credit losses	4,6(18)	(1,790)	(96)
Subtotal		(3,621,336)	(2,936,820)
Operating income		2,787,859	2,649,177
Non-operating income and expenses	6(21)		
Interest revenue		12,707	12,551
Other income		216,950	172,965
Other gains and losses		(40,340)	(186,541)
Finance costs		(78,946)	(49,116)
Share of profit or loss of associates and joint ventures in equity method	4,6(7)	130,470	128,830
Subtotal		240,841	78,689
Income from continuing operations before income tax		3,028,700	2,727,866
Income tax expense	4,6(23)	(540,871)	(544,366)
Net income		2,487,829	2,183,500
Other comprehensive income	6(22)		
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		(178)	526
Unrealized gains on equity instruments measured at fair value through other comprehensive income		28,401	(11,517)
Share of other comprehensive income of associates and joint ventures which will not be reclassified subsequently to profit or loss	6(7)	54,053	77,323
Income tax related to items that may not be reclassified subsequently		36	(104)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(77,543)	23,993
Share of other comprehensive (loss) income of associates and joint ventures which may be reclassified subsequently to profit or loss	6(7)	(211)	4,162
Income tax related to items that may be reclassified subsequently		15,249	(3,107)
Total other comprehensive income, net of tax		19,807	91,276
Total comprehensive income		\$2,507,636	\$2,274,776
Net income attributable to:	4,6(24)		
Stockholders of the parent		\$2,331,502	\$2,113,868
Non-controlling interests		156,327	69,632
		\$2,487,829	\$2,183,500
Comprehensive income attributable to:			
Stockholders of the parent		\$2,350,660	\$2,213,705
Non-controlling interests		156,976	61,071
		\$2,507,636	\$2,274,776
Earnings per share (NTD)			
Earnings per share-basic	4,6(24)	\$10.00	\$9.08
Earnings per share-diluted		\$9.80	\$9.07

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended 31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to the Parent Company										
	Capital			Retained earnings			Other components of equity				
	Common stock	Certificates of Bond-to-Stock Conversion	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains (Losses) on Equity Instruments Measured at Fair Value Through Other Comprehensive Income	Total	Non-Controlling Interests	Total Equity
								Gain (losses)			
Balance as of 1 January 2020	\$2,325,237	\$1,457	\$1,228,781	\$1,108,150	\$341,933	\$2,993,072	\$(522,918)	\$41,695	\$7,517,407	\$279,806	\$7,797,213
Appropriation and distribution of 2019 retained earnings											
Legal reserve				172,624		(172,624)			-		-
Special reserve					139,290	(139,290)			-		-
Cash dividends						(1,233,720)			(1,233,720)		(1,233,720)
Other changes in additional paid-in capital											
Embedded conversion options derived from convertible			143,735						143,735		143,735
Change of associates and joint ventures in equity method			136,974						136,974		136,974
From differences between equity purchase price and carrying amount arising from actual acquisition or disposal of subsidiaries			6,457						6,457		6,457
Changes in ownership interests in subsidiaries			363,080						363,080		363,080
Net income in 2020						2,113,868			2,113,868	69,632	2,183,500
Other comprehensive income (loss), net of tax in 2020						422	21,305	78,110	99,837	(8,561)	91,276
Total comprehensive income	-	-	-	-	-	2,114,290	21,305	78,110	2,213,705	61,071	2,274,776
Increase in non-controlling interests										272,468	272,468
Proceeds from disposal of equity instruments at fair value through other comprehensive income of associates and joint ventures						1,571		(1,571)	-		-
Proceeds from disposal of equity instruments at fair value through other comprehensive income						16,350		(16,350)	-		-
Bonds converted to stock	2,538	(1,457)	6,069						7,150		7,150
Balance as of 31 December 2020	\$2,327,775	\$ -	\$1,885,096	\$1,280,774	\$481,223	\$3,579,649	\$(501,613)	\$101,884	\$9,154,788	\$613,345	\$9,768,133
Balance as of 1 January 2021	\$2,327,775	\$ -	\$1,885,096	\$1,280,774	\$481,223	\$3,579,649	\$(501,613)	\$101,884	\$9,154,788	\$613,345	\$9,768,133
Appropriation and distribution of 2020 retained earnings											
Legal reserve				213,221		(213,221)			-		-
Cash dividends						(1,467,504)			(1,467,504)		(1,467,504)
Special reserve reversal					(81,494)	81,494			-		-
Other changes in additional paid-in capital											
Proceeds from disposal of investments accounted for using equity method			(2,415)			472	30	(472)	(2,385)		(2,385)
From differences between equity purchase price and carrying amount arising from actual acquisition or disposal of subsidiaries			33,203						33,203		33,203
Changes in ownership interests in subsidiaries			10,174						10,174		10,174
Net income in 2021						2,331,502			2,331,502	156,327	2,487,829
Other comprehensive income (loss), net of tax in 2021						(142)	(59,696)	78,996	19,158	649	19,807
Total comprehensive income (loss)	-	-	-	-	-	2,331,360	(59,696)	78,996	2,350,660	156,976	2,507,636
Increase in non-controlling interests										7,313	7,313
Proceeds from disposal of equity instruments at fair value through other comprehensive income of associates and joint ventures						(748)		748	-		-
Proceeds from disposal of equity instruments at fair value through other comprehensive income						1,964		(1,853)	111		111
Bonds converted to stock	5,995	8,290	264,414						278,699		278,699
Balance as of 31 December 2021	\$2,333,770	\$8,290	\$2,190,472	\$1,493,995	\$399,729	\$4,313,466	\$(561,279)	\$179,303	\$10,357,746	\$777,634	\$11,135,380

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended 31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2021	2020
Cash flows from operating activities:		
Net income before tax	\$3,028,700	\$2,727,866
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Income and expense adjustments:		
Depreciation	444,258	327,573
Amortization	39,914	32,246
Interest expense	78,946	49,116
Interest income	(12,707)	(12,551)
Dividend income	(16,559)	(20,688)
Share of profit of associates and joint ventures	(130,470)	(128,830)
(Gain) Loss on disposal of property, plant and equipment	(9,767)	5,882
Expected credit loss	1,790	96
Gain on disposal of investments	(22,361)	-
Gain of financial assets/liabilities at fair value through loss or profit	(75,433)	(12,836)
Property, plant and equipment transfer to expenses	2,874	-
Amortization of deferred government grants	(360)	(355)
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	539,662	(434,513)
Decrease (increase) in accounts receivable	399,204	(2,303,291)
Increase in other receivables	(110,708)	(45,852)
Increase in inventories, net	(4,014,426)	(1,665,380)
Increase in prepayments	(170,551)	(126,183)
Increase in other current assets	(85,111)	(7,575)
(Decrease) increase in notes payable	(108,938)	357,010
Increase in accounts payable	883,359	1,416,137
Increase in contract liabilities	1,147,762	712,988
Increase in other payables	199,489	260,165
(Decrease) increase in other current liabilities	(23,741)	1,654
Decrease in accrued pension liabilities	(5,582)	(3,467)
Cash generated from operations	1,979,244	1,129,212
Interest received	12,707	12,665
Dividends received	16,559	20,688
Interest paid	(62,437)	(42,555)
Income tax paid	(600,577)	(572,320)
Net cash provided by operating activities	1,345,496	547,690

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English Translation of Consolidated Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS(Continued)
For the years ended 31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2021	2020
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(541,353)	(658,686)
Proceeds from disposal of property, plant and equipment	150,118	8,485
Decrease in other intangible assets	22,673	6,813
Dividends received	102,977	75,548
Acquisition of financial assets at fair value through other comprehensive income	(75,000)	(68,099)
Proceeds from disposal of financial assets at fair value through other comprehensive income	23,590	28,029
Decrease in financial assets at fair value through other comprehensive income	2,449	3,061
Proceeds from disposal of financial assets at fair value through profit or loss	52,870	11,655
Acquisition of financial assets at fair value through profit or loss	-	(60,069)
Acquisition of investments accounted for under the equity method	-	(75,395)
Proceeds from disposal of investments accounted for under the equity method	38,082	-
Increase in other noncurrent assets	(248,332)	(175,345)
Increase in other account receivable	(2,437)	-
Proceeds from disposal of subsidiaries	-	(241)
Net cash used in investing activities	(474,363)	(904,244)
Cash flows from financing activities:		
Increase in short-term loans	296,224	333,098
Proceeds from bonds issued	-	1,402,864
Increase in long-term loans (including current portion)	270	296,191
Cash dividends	(1,467,504)	(1,233,720)
Cash payments for the principal portion of the lease liability	(123,938)	(74,131)
(Decrease) increase in deposits received	(169)	169
Increase in non-controlling interests	50,690	468,776
Net cash (used in) provided by financing activities	(1,244,427)	1,193,247
Effect of exchange rate changes on cash and cash equivalents	(68,266)	34,493
Net (decrease) increase in cash and cash equivalents	(441,560)	871,186
Cash and cash equivalents at beginning of period	4,450,375	3,579,189
Cash and cash equivalents at end of period	\$4,008,815	\$4,450,375

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

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended 31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

SINBON Electronics Co., Ltd. (the Company) was incorporated in Republic of China (R.O.C) in December 1989. The main activities of the Company include manufacturing and selling computer peripherals, connectors, wires and other parts. The shares of the Company commenced trading on Taiwan's Over-the-Counter Market in May 2001 and were listed on the Taiwan Stock Exchange in August 2002.

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Company and its subsidiaries (the Group) were authorized for issue in accordance with a resolution of the Board of Directors' meeting on 11 March 2022.

3. Newly issued or revised standards and interpretations

- (1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after 1 January 2021. Apart from the nature and impact of the new standard and amendment is described below, the remaining new standards and amendments had no material impact on the Group.

- (2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, but not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Narrow-scope amendments of IFRS, including Amendments to IFRS 3, Amendments to IAS 16, Amendments to IAS 37 and the Annual Improvements	1 January 2022

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (a) Narrow-scope amendments of IFRS, including Amendments to IFRS 3, Amendments to IAS 16, Amendments to IAS 37 and the Annual Improvements

A. Updating a Reference to the Conceptual Framework (Amendments to IFRS 3)

The amendments updated IFRS 3 by replacing a reference to an old version of the Conceptual Framework for Financial Reporting with a reference to the latest version, which was issued in March 2018. The amendments also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential “day 2” gains or losses arising for liabilities and contingent liabilities. Besides, the amendments clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Conceptual Framework.

B. Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

C. Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments clarify what costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

D. Annual Improvements to IFRS Standards 2018 - 2021

Amendment to IFRS 1

The amendment simplifies the application of IFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Amendment to IFRS 9 Financial Instruments

The amendment clarifies the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

Amendment to Illustrative Examples Accompanying IFRS 16 Leases

The amendment to Illustrative Example 13 accompanying IFRS 16 modifies the treatment of lease incentives relating to lessee's leasehold improvements.

Amendment to IAS 41

The amendment removes a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in IAS 41 with those in other IFRS Standards.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC so that they are applicable for annual periods beginning on or after 1 January 2022. The new or amended standards and interpretations have no material impact on the Group.

- (3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 "Insurance Contracts"	1 January 2023
c	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2023
d	Disclosure Initiative - Accounting Policies – Amendments to IAS 1	1 January 2023
e	Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
f	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (a) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

- (b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(c) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

(d) Disclosure Initiative - Accounting Policies – Amendments to IAS 1

The amendments improve accounting policy disclosures that to provide more useful information to investors and other primary users of the financial statements.

(e) Definition of Accounting Estimates – Amendments to IAS 8

The amendments introduce the definition of accounting estimates and included other amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to help companies distinguish changes in accounting estimates from changes in accounting policies.

(f) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. The new or amended standards and interpretations have no material impact on the Group.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

4. Summary of significant accounting policies

(1) Statement of Compliance

The consolidated financial statements of the Group for the years ended 31 December 2021 and 2020 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee, which are endorsed by FSC (TIFRSs).

(2) Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars (NT\$) unless otherwise stated.

(3) Basis of Consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (a) power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- (b) exposure, or rights, to variable returns from its involvement with the investee, and
- (c) the ability to use its power over the investee to affect its returns

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee
- (b) rights arising from other contractual arrangements
- (c) the Group's voting rights and potential voting rights

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

- (a) derecognizes the assets (including goodwill) and liabilities of the subsidiary
- (b) derecognizes the carrying amount of any non-controlling interest
- (c) recognizes the fair value of the consideration received
- (d) recognizes the fair value of any investment retained
- (e) recognizes any surplus or deficit in profit or loss
- (f) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The consolidated entities are listed as follows:

Investor	Subsidiary	Main businesses	Percentage of ownership (%)		Note
			31 December 2021	31 December 2020	
The Company	SINBON International Enterprise Co., Ltd. (SB BVI)	Holding company	100.00%	100.00%	
The Company	Hong Kong SINBON Electronics Co., Ltd. (HKSB)	Selling a wide variety of connectors, wires and cables	100.00%	100.00%	
The Company	Kwan-Ze Corporation Ltd. (Kwan-Ze)	Selling a wide variety of electronic materials and holding company	100.00%	100.00%	
The Company	SINBON USA L.L.C. (SINBON USA)	Logistic center	100.00%	100.00%	
The Company	Beijing SINBON TongAn Renewable Energy Co., Ltd. (SB TongAn)	Manufacturing and selling a wide variety of connectors, wires and cables	85.53%	85.53%	Note1
The Company	SINBON Europe GmbH (SINBON Europe)	Logistic center	100.00%	100.00%	
The Company	Radbon Avionics Inc. (Radbon)	Selling signal cables and cabin wiring.	55.00%	55.00%	
The Company	T-CONN Precision Co., Ltd.(T-CONN)	Manufacturing and selling a wide variety of connectors, wires and cables	57.45%	61.18%	Note2
The Company	SINBON Hungary Kft (SB Hungary)	Manufacturing and selling a wide variety of connectors, wires and cables	100.00%	100.00%	
The Company	SINTOP Energy Management Co., Ltd. (SINTOP)	Renewable energy investment management consulting business	53.57%	-	Note3
SB BVI	Jiangyin SINBON Electronics Co., Ltd. (JYSB)	Manufacturing and selling a wide variety of connectors, wires and cables	100.00%	100.00%	
SB BVI	Shenzhen SINBON Electronics Co., Ltd. (SZSB)	Selling a wide variety of connectors, wires and cables	100.00%	100.00%	

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Investor	Subsidiary	Main businesses	Percentage of ownership (%)		Note
			31 December 2021	31 December 2020	
SB BVI	Shanghai SINBON Electronics Co., Ltd. (SHSB)	Selling a wide variety of connectors and cables	100.00%	100.00%	
SB BVI	Tong Cheng SINBON Electronics Co., Ltd. (TCSB)	Manufacturing and selling a wide variety of connectors, wires and cables	100.00%	100.00%	
T-CONN	T-CONN Precision (Zhongshan) Co., Ltd. (T-CONN Zhongshan)	Manufacturing and selling a wide variety of connectors, wires and cables	57.45%	61.18%	Note2
T-CONN	Super Progressive Ltd. (SPL)	Logistic center	57.45%	61.18%	Note2
SB TongAn	Beijing SINBON Electronics Co., Ltd. (BJSB)	Manufacturing and selling a wide variety of connectors, wires and cables	85.53%	85.53%	
SB TongAn	ENMAGIC Renewable Energy Co., Ltd. (TWEM)	Manufacturing and selling a wide variety of connectors, wires and cables	85.53%	85.53%	
SB TongAn	Jiangsu ENMAGIC Energy Co., Ltd. (JSEM)	Manufacturing and selling a wide variety of connectors, wires and cables	85.53%	85.53%	
SB TongAn	Xuzhou ENMAGIC Energy Co., Ltd. (XZEM)	New energy technology development	85.53%	-	Note4
JSEM	Kunshan ENMAGIC Energy Co., Ltd. (KSEM)	Manufacturing and selling a wide variety of connectors, wires and cables	85.53%	85.53%	
SINBON USA	Worldwide Wire Harnesse Co., Ltd. (SST)	Holding Company	50.00%	50.00%	
SINBON USA	SINBON Circuits & Cables LLC (C&C)	Manufacturing and selling a wide variety of connectors, wires and cables	51.00%	51.00%	
SST	SINBON Technologies Tennessee L.L.C. (STT)	Logistic Center	50.00%	50.00%	

Note 1: On 24 September 2020, SB TongAn renamed Beijing SINBON TongAn Renewable Energy Co., Ltd.

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Note 2: On 26 January 2021, T-CONN raised capital; however, the Group did not acquire shares according to the shareholding percentage. On 31 May 2021, the Group disposed of 1.41% interest in T-CONN. Therefore, its ownership dropped from 61.18% to 57.45%.

Note 3: On 28 April 2021, the Company newly invested NT\$6,804 thousand to establish SINTOP, and the Group directly holds 53.57% of the voting shares. Accordingly, SINTOP was consolidated.

Note 4: On 30 April 2021, SB TongAn newly invested RMB6,000 thousand to establish XZEM, and the Group indirectly holds 85.53% of the voting shares. Accordingly, XZEM was consolidated.

The subsidiaries included in the consolidated financial statements listed above, some of which financial statements are recorded as the basis of the verification by other accountants. As of 31 December 2021 and 2020, the related assets amounted to NT\$5,846,770 thousand and NT\$4,479,558 thousand. The net sales of these subsidiaries amounted to NT\$7,159,405 thousand and NT\$4,902,880 thousand.

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in New Taiwan Dollars (NT\$), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency rates prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- (a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

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- (b) Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.
- (c) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT\$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

- (a) when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
- (b) when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive

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income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

- (a) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- (b) The Group holds the asset primarily for the purpose of trading
- (c) The Group expects to realize the asset within twelve months after the reporting period
- (d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (a) The Group expects to settle the liability in its normal operating cycle
- (b) The Group holds the liability primarily for the purpose of trading
- (c) The liability is due to be settled within twelve months after the reporting period
- (d) The Group 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

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settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 3 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Financial instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(1) Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- A. the Group's business model for managing the financial assets
- B. the contractual cash flow characteristics of the financial asset

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Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

- A. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- A. purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition
- B. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods

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Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- A. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- (a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- (b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- (c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
 - (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
 - (ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in

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subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

(2) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance

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sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

- (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) the time value of money; and
- (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measured as follows:

- A. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- B. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- C. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
- D. For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

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At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

(3) Derecognition of financial assets

A financial asset is derecognized when:

- i. The rights to receive cash flows from the asset have expired.
- ii. The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred.
- iii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(4) Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

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Compound instruments

The Group evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Group assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 *Financial Instruments*.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

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Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

- i. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term
- ii. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking
- iii. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

- i. it eliminates or significantly reduces a measurement or recognition inconsistency; or
- ii. a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

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Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(5) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

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(9) Derivative instrument

The Group uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as assets or liabilities at fair value through profit or loss except for derivatives that are designated effective hedging instruments which are classified as derivative financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value through profit or loss.

(10) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

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The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(11) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials - Purchase cost under weighted average cost method.

Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

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(12) Investments accounted for under the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Group's percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a pro-rata basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in additional paid-in capital and investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate or joint venture.

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The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Group estimates:

- (a) Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
- (b) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

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(13) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Items	Useful Lives
Buildings	5~50 years
Machinery and equipment	3~15 years
Transportation equipment	5~10 years
Office equipment	3~10 years
Other equipment	2~15 years
Leasehold improvements	Lower of leasehold years or useful lives

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate, and are treated as changes in accounting estimates.

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(14) Leases

The Group assesses whether the 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. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

- (a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
- (b) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximizing the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

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- (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (c) amounts expected to be payable by the lessee under residual value guarantees;
- (d) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date, less any lease incentives received;
- (c) any initial direct costs incurred by the lessee; and
- (d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use

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asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the 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.

The Group applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

For the rent concession arising as a direct consequence of the Covid-19 pandemic, the Group elected not to assess whether it is a lease modification but accounted it as a variable lease payment.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

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(15) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

A summary of the policies applied to the Group's intangible assets is as follows:

	Computer software
Useful lives	1~15 years
Amortization method used	Amortized on a straight- line basis over the estimated useful life
Internally generated or acquired	Acquired

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(16) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

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(17) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for decommissioning, restoration and rehabilitation costs

The provision for decommissioning, restoration and rehabilitation costs arose on construction of a property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Provision for warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

(18) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follows:

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Sale of goods

The Group manufactures and sells machinery. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Group are computer peripherals, connectors, wires and other parts and revenue is recognized based on the consideration stated in the contract.

The Group provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

The credit period of the Group's sale of goods is from 60 to 120 days, while the term for wind energy sales is receiving three-month term acceptance after a period of three-month from delivery due to industry characteristics. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

Rendering of services

The Group provides maintenance services for the sale of construction for solar photovoltaic power generation system. Such services are separately priced or negotiated and provided based on contract periods.

Most of the contractual considerations of the Group are collected evenly throughout the contract periods. When the Group has performed the services to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets.

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However, for some rendering of services contracts, part of the consideration was received from customers upon signing the contract, and the Group has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component has arisen.

(19) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(20) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

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(21) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

- (a) the date of the plan amendment or curtailment, and
- (b) the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

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(22) Share-based payment transactions

The cost of equity-settled transactions between the Group and its subsidiaries is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

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The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The cost of restricted stocks issued is recognized as salary expense based on the fair value of the equity instruments on the grant date, together with a corresponding increase in other capital reserves in equity, over the vesting period. The Group recognized unearned employee salary which is a transitional contra equity account; the balance in the account will be recognized as salary expense over the passage of vesting period

(23) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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Deferred tax liabilities are recognized for all taxable temporary differences, except:

- i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ii. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- i. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each

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reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(24) Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired, and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquire either at fair value or at the non-controlling interest's proportionate share of the acquirer's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquire.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 *Financial Instruments* (before 1 January 2021: IAS 39 "Financial Instruments: Recognition and Measurement" either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

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Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

5. Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgement

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

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De facto control without a majority of the voting rights in investee

The Group does not have more than 50% of the voting rights and is the main shareholder in certain investees. After taking into consideration factors such as absolute size of the Group's holding, relative size of the other shareholdings, how widely spread the remaining shareholders are, contractual arrangements between shareholders, potential voting rights, etc., the Group reached the conclusion that it has material influence but does not have de facto control over these investees. Please refer to Note 6 (7) for further details.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flow model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

(b) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Please refer to Note 6 for more details.

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(c) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

(d) Accounts receivables—estimation of impairment loss

The Group estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material

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impairment loss may arise. Please refer to Note 6 for more details.

(e) Inventories

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of 31 December	
	2021	2020
Cash on hand	\$5,974	\$13,520
Demand deposits	3,846,530	4,251,855
Time deposits	156,311	185,000
Total	<u>\$4,008,815</u>	<u>\$4,450,375</u>

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

	As of 31 December	
	2021	2020
Financial assets mandatorily at fair value through profit or loss:		
Stocks	\$190,378	\$125,084
Bonds	57,168	57,204
Corporate bonds	2,333	-
Forward exchange contracts	403	958
Funds	-	69,372
Total	<u>\$250,282</u>	<u>\$252,618</u>
Current	\$247,949	\$252,618
Non – current	2,333	-
Total	<u>\$250,282</u>	<u>\$252,618</u>

Financial assets at fair value through profit or loss were not pledged.

(3) Notes receivables

	As of 31 December	
	2021	2020
Notes receivables arising from operating activities	\$724,820	\$1,264,482
Notes receivables arising from non-operating activities	-	-
Subtotal (total carrying amount)	724,820	1,264,482
Less: loss allowance	-	-
Total	<u>\$724,820</u>	<u>\$1,264,482</u>

Part of the Group's notes receivable have been signed into with recourse contracts with financial institutions. Please refer to Note 12.

Notes receivables were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(18) for more details on loss allowance and Note 12 for details on credit risk management.

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(4) Trade receivables

	As of 31 December	
	2021	2020
Trade receivables	\$5,970,535	\$6,371,477
Less: loss allowance	(1,166)	(1,166)
Subtotal	5,969,369	6,370,311
Trade receivables from related parties	-	52
Total	<u>\$5,969,369</u>	<u>\$6,370,363</u>

Trade receivables were not pledged.

Trade receivables are generally on 60-120 day terms, while the term for wind energy sales is receiving three-month term acceptance after a period of three-month from delivery due to industry characteristics. The total carrying amount are NT\$5,970,535 thousand and NT\$6,371,529 thousand as of 31 December 2021 and 2020. Please refer to Note 6(18) for more details on loss allowance of trade receivables for the years ended 31 December 2021 and 2020. (Please refer to Note 12 for more details on credit risk management.)

(5) Inventories

	As of 31 December	
	2021	2020
Raw materials	\$3,237,438	\$2,009,697
Supplies & parts	11,296	42,058
Work in progress	755,881	594,959
Finished goods	3,370,211	1,662,189
Merchandise	2,804,299	1,855,796
Total	<u>\$10,179,125</u>	<u>\$6,164,699</u>

The inventory cost recognized as operating costs for the years ended 31 December 2021 and 2020 were NT\$19,121,511 thousand and NT\$16,211,545 thousand, respectively. The price (gain from price recovery) reduction of inventories related to cost of goods sold were NT\$(16,832) thousand and NT\$60,604 thousand.

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Gain from price recovery of inventories was due to the sale of obsolete products and the net realized value recovery for the year ended 31 December of 2021.

No inventories were pledged.

(6) Financial assets at fair value through other comprehensive income

	As of 31 December	
	2021	2020
Equity instrument investments measured at fair value through other comprehensive income – Non-current		
Emerging companies stocks	\$ -	\$23,328
Unlisted companies stocks	388,571	275,737
Total	<u>\$388,571</u>	<u>\$299,065</u>

On 26 January 2021, the Group disposed of the unlisted stocks in Japan SINBON Electronics Co., Ltd., which were reported under equity instrument investments measured at fair value through other comprehensive income during the period. Upon derecognition, the fair value of the investments was NT\$1,510 thousand, and the cumulative disposal loss of NT\$556 thousand was transferred from other components of equity to retained earnings.

On 23 April 2021, the Group invested NT\$75,000 thousand in SINTOP Energy I Corp. which were reported under equity instrument investments measured at fair value through other comprehensive income during the period.

On the second quarter of 2021, the Group disposed NT\$7,530 thousand in Gongwin Biopharm Holdings Co., Ltd., which were reported under equity instrument investments measured at fair value through other comprehensive income during the period. Upon derecognition, the fair value of the investments was NT\$20,832 thousand, and the cumulative disposal gain of NT\$13,302 thousand was transferred from other components of equity to retained earnings.

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The paid-in capital returned from capital reduction of Top Taiwan VII Venture Capital Co., Ltd. amounted to NT\$2,449 thousand and NT\$3,061 thousand on 9 July 2021 and 27 November 2020.

On 29 April 2020, Top Taiwan III Venture Capital Co., Ltd., was liquidated. On 27 September 2021, the paid-in capital returned from the liquidation in the amount of NT\$777 thousand was received and the unrealized disposal loss of NT\$4,914 thousand was transferred from other components of equity to retained earnings.

On 29 April 2020, Top Taiwan II Venture Capital Co., Ltd., was liquidated. On 22 October 2021, the paid-in capital returned from the liquidation in the amount of NT\$471 thousand was received and the unrealized disposal loss of NT\$5,979 thousand was transferred from other components of equity to retained earnings.

On 7 October 2020, the Group invested NT\$913 thousand in Gongwin Biopharm Holdings Co., Ltd. In consideration of the Group's investment strategy, the Group disposed of the emerging stocks of Gongwin Biopharm Holdings Co., Ltd., which were reported under equity instrument investments measured at fair value through other comprehensive income during the period. Upon derecognition, the fair value of the investments was NT\$28,029 thousand, and the cumulative disposal gain of NT\$16,350 thousand was transferred from other components of equity to retained earnings.

On 25 May and 1 August 2020, the Group invested NT\$32,716 thousand and NT\$34,470 thousand in VAN MOOF Global Holding BV. which were reported under equity instrument investments measured at fair value through other comprehensive income during the period.

Financial assets at fair value through other comprehensive income were not pledged.

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(7) Investments accounted for using the equity method

The following table lists the investments accounted for using the equity method of the Group:

Investees	As of 31 December			
	2021		2020	
	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:				
<u>Listed company</u>				
Argocy Research Inc.	\$784,175	20.12%	\$715,375	20.41%
<u>Unlisted companies</u>				
Sardines Wisdom Technology Co., Ltd.	-	26.64%	-	26.64%
Total	<u>\$784,175</u>		<u>\$715,375</u>	

Because Sardines Wisdom Technology Co., Ltd. (Sardines Wisdom) suffered losses and the Group didn't intend to support Sardines Wisdom, the Group reduced the book value of the investment in Sardines Wisdom to zero through recognizing loss.

In 2021, the Group disposed of 0.29% interest in Argocy Research Inc. The cash consideration amounted to NT\$32,196 thousand and the Group recognized gain on disposal of investment in the amount of NT\$22,046 thousand. The cumulative disposal gain of NT\$472 thousand was transferred from other components of equity to retained earnings and paid-in capital and exchange differences on translation of foreign operations in the amount of NT\$2,415 thousand was transferred to the profit and loss according to the disposal ratio.

On 20 May 2020, Top Taiwan IV Venture Capital Co., Ltd., was liquidated. On 27 September 2021, the paid-in capital returned from the liquidation in the amount of NT\$5,886 thousand was received and the Group has recognized gain on disposal of investment in the amount of NT\$315 thousand.

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On 25 August 2020, Argocy Research Inc. raised capital. The Group invested additional NT\$75,395 thousand; however, the Group did not acquire shares according to the shareholding percentage. Therefore, its ownership dropped from 21.40% to 20.41% and recognized capital surplus in the amount of NT\$136,974 thousand.

The Group has 20.12% of the voting rights in Argocy Research Inc. However, the decision-making of Argocy Research Inc. must be resolved by the majority votes of the shareholders' meeting. Under such circumstances, the Group does not have the ability to unilaterally determine related activities of Argocy Research Inc. Therefore, it has material influence but does not have de facto control over Argocy Research Inc.

Fair value of the investment in the associate when there is a quoted market price for the investment: Argocy Research Inc. is a listed entity on the Taiwan Stock Exchange (TWSE). The fair value of the investment in Argocy Research Inc. was NT\$2,446,976 thousand and NT\$2,022,763 thousand as of 31 December 2021 and 31 December 2020, respectively.

The Group's investments in Argocy Research Inc., Top Taiwan IV Venture Capital Co., Ltd.(Note) and Sardines Wisdom Technology Co., Ltd. are not individually material. The aggregate financial information of the Group's share of its associates is as follows:

	For the years ended	
	31 December	
	2021	2020
Profit or loss from continuing operations	\$130,470	\$128,830
Other comprehensive income (post-tax)	53,842	81,485
Total comprehensive income	<u>\$184,312</u>	<u>\$210,315</u>

Note: Top Taiwan IV Venture Capital Co., Ltd. was closed down on 20 May 2020.

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The associates had no contingent liabilities capital commitments and pledged as of 31 December 2021 and 31 December 2020.

Our audit, insofar as it related to the investments accounted for under the equity method amounting to NT\$784,175 thousand and NT\$715,375 thousand as of 31 December 2021 and 2020; the related shares of investment income from the associates and joint ventures amounted to NT\$130,470 thousand and NT\$128,830 thousand for the years ended 31 December 2021 and 2020, respectively; and the related shares of other comprehensive income from the associates and joint ventures amounted to NT\$53,842 thousand and NT\$81,485 thousand for the years ended 31 December 2021 and 2020, respectively; are based solely on the reports of other independent accountants.

(8) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Leasehold improvements	Construction in progress and equipment pending examination	Total
Cost:									
As of 1 January 2021	\$171,952	\$2,207,045	\$1,267,574	\$191,645	\$32,264	\$551,650	\$24,275	\$10,227	\$4,456,632
Additions	43,759	50,598	234,827	28,092	1,399	97,709	17,561	67,408	541,353
Disposals	-	(48,037)	(39,485)	(8,764)	(1,881)	(141,941)	(1,467)	-	(241,575)
Exchange differences	(537)	(18,749)	(14,964)	(3,490)	(174)	(1,666)	(126)	2,990	(36,716)
Other changes	-	17,155	21,044	2,143	30	16,675	83,363	(48,406)	92,004
As of 31 December 2021	<u>\$215,174</u>	<u>\$2,208,012</u>	<u>\$1,468,996</u>	<u>\$209,626</u>	<u>\$31,638</u>	<u>\$522,427</u>	<u>\$123,606</u>	<u>\$32,219</u>	<u>\$4,811,698</u>
As of 1 January 2020	\$155,461	\$1,691,163	\$1,148,782	\$177,345	\$29,302	\$314,996	\$11,813	\$192,624	\$3,721,486
Additions	16,700	121,804	141,634	37,055	3,449	112,628	12,709	212,707	658,686
Disposals	-	(3,764)	(59,596)	(23,347)	(586)	(23,875)	-	-	(111,168)
Exchange differences	(209)	1,856	(5,906)	(1,658)	99	2,153	(247)	1,519	(2,393)
Other changes	-	395,986	42,660	2,250	-	145,748	-	(396,623)	190,021
As of 31 December 2020	<u>\$171,952</u>	<u>\$2,207,045</u>	<u>\$1,267,574</u>	<u>\$191,645</u>	<u>\$32,264</u>	<u>\$551,650</u>	<u>\$24,275</u>	<u>\$10,227</u>	<u>\$4,456,632</u>

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	Land	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Leasehold improvements	Construction in progress and equipment pending examination	Total
Depreciation and impairment:									
As of 1 January 2021	\$ -	\$745,716	\$657,850	\$126,920	\$19,609	\$192,372	\$12,436	\$ -	\$1,754,903
Depreciation	-	133,744	119,289	21,695	3,516	65,765	4,221	-	348,230
Disposals	-	(48,022)	(29,367)	(7,496)	(1,693)	(13,179)	(1,467)	-	(101,224)
Exchange differences	-	(6,615)	(8,062)	(2,547)	(118)	(815)	(125)	-	(18,282)
Other changes	-	-	-	-	-	-	-	-	-
As of 31 December 2021	<u>\$ -</u>	<u>\$824,823</u>	<u>\$739,710</u>	<u>\$138,572</u>	<u>\$21,314</u>	<u>\$244,143</u>	<u>\$15,065</u>	<u>\$ -</u>	<u>\$1,983,627</u>
As of 1 January 2020	\$ -	\$666,266	\$588,006	\$120,165	\$16,704	\$164,422	\$11,106	\$ -	\$1,566,669
Depreciation	-	78,378	98,641	29,861	3,302	47,125	1,573	-	258,880
Disposals	-	(3,681)	(49,576)	(21,844)	(474)	(20,786)	-	-	(96,361)
Exchange differences	-	4,753	(755)	(1,262)	77	1,611	(243)	-	4,181
Other changes	-	-	21,534	-	-	-	-	-	21,534
As of 31 December 2020	<u>\$ -</u>	<u>\$745,716</u>	<u>\$657,850</u>	<u>\$126,920</u>	<u>\$19,609</u>	<u>\$192,372</u>	<u>\$12,436</u>	<u>\$ -</u>	<u>\$1,754,903</u>
Net carrying amount as at:									
31 December 2021	<u>\$215,174</u>	<u>\$1,383,189</u>	<u>\$729,286</u>	<u>\$71,054</u>	<u>\$10,324</u>	<u>\$278,284</u>	<u>\$108,541</u>	<u>\$32,219</u>	<u>\$2,828,071</u>
31 December 2020	<u>\$171,952</u>	<u>\$1,461,329</u>	<u>\$609,724</u>	<u>\$64,725</u>	<u>\$12,655</u>	<u>\$359,278</u>	<u>\$11,839</u>	<u>\$10,227</u>	<u>\$2,701,729</u>

Property, plant and equipment was not pledged.

There is no capitalization of interest due to purchase of property, plant and equipment.

Components of building that have different useful lives are the main building structure and air conditioning, which are depreciated over 50 years and 25 years, respectively.

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(9) Other non-current assets

	As of 31 December	
	2021	2020
Prepayment for equipment	\$273,899	\$160,936
Long-term deferred charges	95,907	65,662
Refundable deposits	50,459	50,398
Other assets	21,440	46,968
Total	<u>\$441,705</u>	<u>\$323,964</u>

No other non-current assets were pledged.

(10) Short-term loans

	As of 31 December	
	2021	2020
Unsecured bank loans	<u>\$3,357,725</u>	<u>\$3,061,501</u>
	2021	2020
	0.53%~3.90%	0.57%~3.85%
Interest rates applied	<u>0.53%~3.90%</u>	<u>0.57%~3.85%</u>

The Group's unused short-term lines of credits amounted to NT\$2,191,082 thousand and NT\$2,462,887 thousand as of 31 December 2021 and 2020, respectively.

(11) Financial liabilities at fair value through profit or loss

	As of 31 December	
	2021	2020
Held for trading:		
Derivatives not designated as hedging Instruments		
Cross currency swaps	\$241	\$22,084
Embedded derivative-bonds	-	2,470
Foreign exchange option contracts	-	28
Total	<u>\$241</u>	<u>\$24,582</u>
Current	\$241	\$22,112
Non-current	-	2,470
Total	<u>\$241</u>	<u>\$24,582</u>

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(12) Other payables

	As of 31 December	
	2021	2020
Salaries payable	\$586,371	\$517,581
Commissions payable	107,436	80,056
Professional service fees payable	38,397	35,091
Dividend payable	20,452	20,527
Other payables-other	741,295	641,323
Total	<u>\$1,493,951</u>	<u>\$1,294,578</u>

(13) Bonds payable

	As of 31 December	
	2021	2020
Liability component		
Principal amount	\$1,014,400	\$1,300,000
Discounts on bonds payable	(20,049)	(43,019)
Subtotal	994,351	1,256,981
Less: current portion	-	-
Net	<u>\$994,351</u>	<u>\$1,256,981</u>
Embedded derivative	<u>\$(2,333)</u>	<u>\$2,470</u>
Equity component	<u>\$112,157</u>	<u>\$143,735</u>

Issuance of convertible bonds:

On 15 December 2020, the Company issued the seventh zero coupon unsecured convertible bonds. The terms of the convertible bonds were evaluated to include a liability component, embedded derivatives (a call option and a put option) and an equity component (an option for conversion into issuer's ordinary shares). The terms of the bonds are as follows:

Issue amount: NT\$1,300,000 thousand

Period: 15 December 2020 ~ 15 December 2023

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Redemption clauses:

- a. The Company may redeem the bonds, in whole or in part, after 3 months of the issuance (16 March 2021) and prior to 40 days before the maturity date (5 November 2023), at the principal amount of the bonds with an interest calculated at the rate of 0% per annum (early redemption conversion price) if the closing price of the Company's ordinary shares on the Taiwan Stock Exchange (TWSE) for a period of 30 consecutive trading days, is at least 130% of the conversion price.
- b. The Company may redeem the bonds, in whole or in part, after 3 months of the issuance (16 March 2021) and prior to 40 days before the maturity date (5 November 2023), at the early redemption conversion price if at least 90% in principal amount of the bonds has already been exchanged, redeemed, purchased or cancelled.
- c. The Company may redeem the bonds in cash, within 5 trading days after the base date of withdrawing the bonds as stated on the "Withdrawal of Convertible Bonds Notice", at the par value if the bondholders do not reply to the share affair agency in writing before the base date.

Reversal clauses:

- a. The bondholders have the right to require the Company to redeem all or any portion of the bonds, 40 days prior to 2 year anniversary (15 December 2022) of the issuance, at the principal amount of the bonds with an interest calculated at the rate of 0.5% per annum.

Terms of Exchange:

- a. Underlying Securities: Common shares of the Company
- b. Exchange Period: The bonds are exchangeable at any time on or after 16 March 2021 and prior to 15 December 2023 into common

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shares of the Company.

- c. Exchange Price and Adjustment: The exchange price was originally NT\$203 per share. The exchange price will be subject to adjustments upon the occurrence of certain events set out in the indenture.

In accordance with IFRS 9, said financial instrument is classified as an embedded derivative so the exercise price of the embedded put option is allocated to the liability component and equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. The difference between the equity component and the book value was recognized in profit or loss. The difference between the liability component and the book value was recognized in "Share premium-warrants". The financial assets (liabilities) of convertible bonds are measured at amortized cost, fair value through profit or loss amounted to NT\$2,333 thousand and NT\$(2,470) thousand as of 31 December 2021 and 31 December 2020, respectively.

The convertible bonds that have already been converted were NT\$285,600 thousand and NT\$0 thousand as at 31 December 2021 and 31 December 2020 respectively

(14) Long-term deferred revenue

	For the years ended 31 December	
	2021	2020
Beginning balance	\$14,378	\$14,612
Amortization	(360)	(355)
Exchange differences	(61)	121
Ending balance	<u>\$13,957</u>	<u>\$14,378</u>
	As of 31 December	
	2021	2020
Deferred revenue - related to assets	<u>\$13,957</u>	<u>\$14,378</u>

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or

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contingencies attached to these grants.

(15) Post-employment benefits

Defined contribution plan

The Company and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company and its domestic subsidiaries will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Subsidiaries located in the People's Republic of China will contribute social welfare benefits based on a certain percentage of employees' salaries or wages to the employees' individual pension accounts.

Pension benefits for employees of overseas subsidiaries and branches are provided in accordance with the local regulations.

Pension expenses under the defined contribution plan for the years ended 31 December 2021 and 2020 were NT\$60,074 thousand and NT\$51,814 thousand, respectively.

Defined benefits plan

The Company and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company and its domestic subsidiaries contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company and its domestic subsidiaries assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company and its domestic subsidiaries will make up the difference in one appropriation before the

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end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under discretionary accounts, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Group expects to contribute NT\$9,600 thousand to its defined benefit plan during the 12 months beginning after 31 December 2021.

The weighted average duration of the defined benefits obligation was 11.5 years as of 31 December 2021.

Pension costs recognized in profit or loss are as follows:

	For the years ended 31 December	
	2021	2020
Current service costs	\$797	\$806
Net interest on the net defined benefit liabilities (assets)	601	813
Total	<u>\$1,398</u>	<u>\$1,619</u>

Reconciliations of liabilities (assets) of the defined benefit obligation and plan assets at fair value are as follows:

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	As of		
	31 Dec. 2021	31 Dec. 2020	1 Jan. 2020
Defined benefit obligation	\$140,221	\$138,096	\$138,518
Plan assets at fair value	(72,660)	(65,131)	(62,086)
Net defined benefit liabilities, noncurrent	<u>\$67,561</u>	<u>\$72,965</u>	<u>\$76,432</u>

Reconciliation of liabilities (assets) of the defined benefit plan are as follows:

	As of		
	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities
As of 1 January 2020	\$138,518	\$(62,086)	\$76,432
Current service cost	806	-	806
Interest expense (income)	1,522	(709)	813
Subtotal	140,846	(62,795)	78,051
Remeasurements of the defined benefit liabilities /assets:			
Actuarial gains and losses arising from changes in demographic assumptions	3,229	-	3,229
Experience adjustments	(1,963)	-	(1,963)
Remeasurements of the defined benefit assets	-	(1,792)	(1,792)
Subtotal	1,266	(1,792)	(526)
Payments of benefit obligation	(4,016)	4,016	-
Contributions by employer	-	(4,560)	(4,560)
As of 31 December 2020	138,096	(65,131)	72,965
Current period service costs	797	-	797
Interest expense (income)	1,174	(573)	601
Subtotal	<u>140,067</u>	<u>(65,704)</u>	<u>74,363</u>

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	As of		
	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities
Remeasurements of the defined benefit liabilities /assets:			
Actuarial gains and losses arising from changes in demographic assumptions	2,372	-	2,372
Experience adjustments	(1,584)	-	(1,584)
Remeasurements of the defined benefit assets	-	(610)	(610)
Subtotal	788	(610)	178
Payments of benefit obligation	(634)	634	-
Contributions by employer	-	(6,980)	(6,980)
As of 31 December 2021	<u>\$140,221</u>	<u>\$(72,660)</u>	<u>\$67,561</u>

The principal assumptions used in determining the Company's defined benefit plan are shown below:

	As of 31 December	
	2021	2020
Discount rate	0.65%	0.85%
Expected rate of salary increases	3.00%	3.00%

Sensitivity analysis for significant assumption are shown below:

	For the years ended 31 December			
	2021		2020	
	Defined benefit obligation increase	Defined benefit obligation decrease	Defined benefit obligation increase	Defined benefit obligation decrease
Discount rate increase by 0.50%	\$ -	\$5,810	\$ -	\$6,339
Discount rate decrease by 0.50%	6,228	-	6,830	-
Future salary increase by 1.00%	12,468	-	13,739	-
Future salary decrease by 1.00%	-	11,098	-	12,101

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The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(16) Equities

(a) Common stock

The Company's authorized capital was NT\$4,500,000 thousand as of 31 December 2021 and 2020. The issued capital was NT\$2,333,770 thousand and NT\$2,327,775 thousand in a total of 233,377 thousand shares and 232,778 thousand shares, respectively. Each share has one voting right and a right to receive dividends.

The investors requested to convert the Company's convertible bonds into common stocks in the amount of NT\$14,285 thousand in a total of 1,428 thousand shares from 1 January 2021 to 31 December 2021, and 599 thousand shares had completed the registration process as of 31 December 2021. As the registration process has not been completed, the accumulated book value of certificates of bond-to-stocks conversion amounted to NT\$8,290 thousand in a total of 829 thousand shares as of 31 December 2021.

As of 1 January 2020, the accumulated book value of certificates of bond - to - stock conversion that had completed the registration process amounted to NT\$1,457 thousand in a total of 146 thousand shares as of 31 March 2021.

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(b) Capital surplus

	As of 31 December	
	2021	2020
Additional paid-in capital	\$1,543,555	\$1,247,563
Treasury share transactions	5,749	5,749
Share of changes in net assets of associates and joint ventures accounted for using the equity method	132,869	135,284
Difference between consideration received and carrying amount of interests in subsidiaries acquired/disposed	22,183	(11,020)
Increase through changes in ownership interests in subsidiaries	373,254	363,080
Premium from merger	705	705
Share options	112,157	143,735
Total	<u>\$2,190,472</u>	<u>\$1,885,096</u>

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

(c) Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- a. Payment of all taxes and dues
- b. Offset prior years' operation losses
- c. Set aside 10% as legal reserve
- d. Set aside or reverse special reserve in accordance with law and regulations
- e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

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As the Company is undergoing a growth stage, the policy of dividend distribution should reflect its long-term financial planning. The Board of Directors shall make the distribution proposal annually and present it at the Shareholder's meeting every year. The distribution of shareholders dividend shall be allocated cash dividends to be distributed may not be less than 10% of total dividends to be distributed.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to "other net deductions from shareholders" equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

The FSC on 31 March 2021 issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it.

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The Company did not reverse any special reserve as a result of use, disposal or reclassification of related assets during the twelve-month periods ended 31 December 2021 and 2020.

Details of the 2021 and 2020 earnings distribution and dividends per share as approved and resolved by the Board of Directors' meeting and shareholders' meeting on 11 March 2022 and 9 July 2021, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT\$)	
	2021	2020	2021	2020
Common stock -cash dividend	\$1,640,858	\$1,467,504	\$7.0	\$6.3
Legal reserve	233,305	213,221		
Special reserve (Reversal)	(17,753)	(81,494)		

Please refer to Note 6(20) for details on employees' compensation and remuneration to directors and supervisors.

(d) Non-controlling interests

	For the years ended 31 December	
	2021	2020
Beginning balance	\$613,345	\$279,806
Gains attributable to non-controlling interests	156,327	69,632
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Exchange differences resulting from translating the financial statements of foreign operations	(2,809)	3,743
Unrealized gains or losses measured at fair value through other comprehensive income	3,458	(12,304)
Disposal of the shares of the subsidiary	8,747	(10,203)
Dividend distribution of the subsidiary	(49,270)	(53,622)
Acquisition of new shares in a subsidiary not in proportionate to ownership interest	28,325	335,619
Changes in ownership interests in subsidiaries	-	674
Acquisition of the shares of the subsidiary	19,511	-
Ending balance	<u>\$777,634</u>	<u>\$613,345</u>

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(17) Operating revenue

	For the years ended	
	31 December	
	2021	2020
Revenue from contracts with customers		
Sale of goods	\$24,971,208	\$21,492,229
Other operating revenue	559,498	305,313
Total	<u>\$25,530,706</u>	<u>\$21,797,542</u>

Analysis of revenue from contracts with customers for the years ended
31 December 2021 and 2020 are as follows:

(1) Disaggregation of revenue

For the year ended 31 December 2021

	Renewable Energy Business Unit	Industrial Business Unit	Medical Business Unit	Automotive Business Unit	iComponent Solution Business Unit	Total
Sale of goods	\$3,784,946	\$8,641,987	\$2,292,451	\$2,815,677	\$7,436,147	\$24,971,208
Other operating revenues	39,085	212,279	56,311	69,164	182,659	559,498
Total	<u>\$3,824,031</u>	<u>\$8,854,266</u>	<u>\$2,348,762</u>	<u>\$2,884,841</u>	<u>\$7,618,806</u>	<u>\$25,530,706</u>
Timing of revenue recognition:						
At a point in time	\$3,824,031	\$8,854,266	\$2,348,762	\$2,884,841	\$7,618,806	\$25,530,706
Over time	-	-	-	-	-	-
Total	<u>\$3,824,031</u>	<u>\$8,854,266</u>	<u>\$2,348,762</u>	<u>\$2,884,841</u>	<u>\$7,618,806</u>	<u>\$25,530,706</u>

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For the year ended 31 December 2020

	Renewable Energy Business Unit	Industrial Business Unit	Medical Business Unit	Automotive Business Unit	iComponent Solution Business Unit	Total
Sale of goods	\$5,699,627	\$6,292,688	\$1,934,681	\$1,993,706	\$5,571,527	\$21,492,229
Other operating revenues	39,208	106,032	32,599	33,594	93,880	305,313
Total	<u>\$5,738,835</u>	<u>\$6,398,720</u>	<u>\$1,967,280</u>	<u>\$2,027,300</u>	<u>\$5,665,407</u>	<u>\$21,797,542</u>
Timing of revenue recognition:						
At a point in time	\$5,738,835	\$6,398,720	\$1,967,280	\$2,027,300	\$5,665,407	\$21,797,542
Over time	-	-	-	-	-	-
Total	<u>\$5,738,835</u>	<u>\$6,398,720</u>	<u>\$1,967,280</u>	<u>\$2,027,300</u>	<u>\$5,665,407</u>	<u>\$21,797,542</u>

(2) Contract balances

Contract liabilities – current

	As of		
	31 Dec. 2021	31 Dec. 2020	1 Jan. 2020
Sales of goods	<u>\$2,825,473</u>	<u>\$1,677,711</u>	<u>\$964,723</u>

For the years ended 31 December 2021 and 2020, contract liabilities increase as the consideration received from customers did not satisfy its performance obligations.

(3) Transaction price allocated to unsatisfied performance obligations

None.

(4) Assets recognized from costs to fulfil a contract

None.

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(18) Expected credit losses

	For the years ended 31 December	
	2021	2020
Operation expense- Expected credit losses		
Trade receivables	<u>\$1,790</u>	<u>\$96</u>

Please refer to Note 12 for more details on credit risk.

The Group measures the loss allowance of its trade receivables (including note receivables and trade receivables) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as at 31 December 2021 and 2020 are as follows:

31 December 2021

	Not yet due	Overdue					Total
	(Note)	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	
Gross carrying amount	\$6,345,759	\$262,610	\$65,833	\$5,212	\$1,202	\$14,739	\$6,695,355
Loss ratio	-%	-%	-%	-%	-%	5%-100%	
Lifetime expected credit losses	-	-	-	-	-	(1,166)	(1,166)
Carrying amount	<u>\$6,345,759</u>	<u>\$262,610</u>	<u>\$65,833</u>	<u>\$5,212</u>	<u>\$1,202</u>	<u>\$13,573</u>	<u>\$6,694,189</u>

31 December 2020

	Not yet due	Overdue					Total
	(Note)	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	
Gross carrying amount	\$7,361,627	\$225,434	\$25,369	\$168	\$1,220	\$22,193	\$7,636,011
Loss ratio	-%	-%	-%	-%	-%	5%-100%	
Lifetime expected credit losses	-	-	-	-	-	(1,166)	(1,166)
Carrying amount	<u>\$7,361,627</u>	<u>\$225,434</u>	<u>\$25,369</u>	<u>\$168</u>	<u>\$1,220</u>	<u>\$21,027</u>	<u>\$7,634,845</u>

Note: The Group's note receivables are not overdue.

The movement in the provision for impairment of note receivables and trade receivables during the 31 December 2021 and 2020 are as follows:

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	Note receivables	Trade receivables
As of 1 January 2021	\$ -	\$1,166
Write off	-	(1,790)
Addition/(reversal) for the current period	-	1,790
Exchange difference	-	-
As of 31 December 2021	<u>\$ -</u>	<u>\$1,166</u>
As of 1 January 2020	\$ -	\$27,176
Write off	-	(25,754)
Addition/(reversal) for the current period	-	96
Exchange difference	-	(352)
As of 31 December 2020	<u>\$ -</u>	<u>\$1,166</u>

(19) Leases

The Group is a lessee

The Group leases various properties, including real estate such as land and buildings, machinery and equipment, transportation equipment and office equipment. The lease terms range from 1 to 16 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follow:

A. Amounts recognized in the balance sheet

(a) Right-of-use asset

The carrying amount of right-of-use assets

	As of 31 December	
	2021	2020
Land	\$58,360	\$34,410
Buildings	357,036	272,378
Machinery and equipment	30,609	25,361
Transportation equipment	15,988	21,450
Total	<u>\$461,993</u>	<u>\$353,599</u>

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During the years ended 31 December 2021 and 2020, the Group's additions to right-of-use assets amounting to NT\$201,829 thousand and NT\$210,007 thousand.

(b) Lease liabilities

	As of 31 December	
	2021	2020
Lease liabilities		
Current	\$93,555	\$77,830
Non-Current	307,261	240,742
Total	<u>\$400,816</u>	<u>\$318,572</u>

Please refer to Note 6(21)(4) for the interest on lease liabilities recognized during the years ended 31 December 2021 and 2020. Refer to Note 12 (5) liquidity risk management for the maturity analysis for lease liabilities as at 31 December 2021 and 2020.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the years ended 31 December	
	2021	2020
Land	\$1,096	\$930
Buildings	79,661	53,351
Machinery and equipment	5,070	3,850
Transportation equipment	10,201	10,562
Total	<u>\$96,028</u>	<u>\$68,693</u>

C. Income and costs relating to leasing activities

	For the years ended 31 December	
	2021	2020
The expenses relating to short-term leases	<u>\$29,212</u>	<u>\$16,684</u>

During the years ended 31 December 2021 and 2020, there is no

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rent concession arising as a direct consequence of the Covid-19 pandemic.

D. Cash outflow related to lessee and lease activity

During the years ended 31 December 2021 and 2020, the Group's total cash outflows for leases amounting to NT\$161,762 thousand and NT\$90,815 thousand.

(20) Summary statement of employee benefits, depreciation and amortization expenses by function for the years ended 31 December 2021 and 2020:

	For the years ended 31 December					
	2021			2020		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	\$1,981,114	\$1,642,666	\$3,623,780	\$1,489,923	\$1,408,267	\$2,898,190
Labor and health insurance	177,994	194,889	372,883	110,047	119,184	229,231
Pension	26,311	35,161	61,472	19,014	34,419	53,433
Other employee benefits expense	136,538	91,636	228,174	82,393	71,035	153,428
Depreciation	248,996	195,262	444,258	195,626	131,947	327,573
Amortization	12,553	27,361	\$39,914	10,499	21,747	32,246

The number of employees for Company and its subsidiaries were 8,254 and 7,293 as of 31 December 2021 and 2020.

According to the Articles of Incorporation, 1% to 15% of profit of the current year is distributable as employees' compensation and no higher than 3% of profit of the current year is distributable as remuneration to directors and supervisors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

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Based on profit of 31 December 2021, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the year ended of 31 December 2021 to be 1.12% and 0.78% of profit, respectively. The employees' compensation and remuneration to directors and supervisors for the year ended of 31 December 2021 amount to NT\$30,000 thousand and NT\$21,000 thousand respectively, recognized as employee benefits expense.

A resolution was passed at the Board of Directors meeting held on 11 March 2022 to distribute NT\$30,000 thousand and NT\$21,000 thousand in cash as employees' compensation and remuneration to directors and supervisors of 2021, respectively. Differences between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended 31 December 2021 are recognized in profit or loss of the subsequent year in 2021.

The employees' compensation and remuneration to directors and supervisors for the year ended of 31 December 2020 amount to NT\$35,000 thousand and NT\$20,000 thousand, respectively. No material differences exist between the estimated amount and the actual distribution of the employee bonuses and remuneration to directors and supervisors for the year ended 31 December 2020.

(21) Non-operating income and expenses

(a) Interest income

	For the years ended 31 December	
	2021	2020
Bank deposit interest	\$12,707	\$12,551

(b) Other income

	For the years ended 31 December	
	2021	2020
Sample income	\$65,037	\$27,894
Dividend income	16,559	20,688
Others	135,354	124,383
Total	\$216,950	\$172,965

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(c) Other gains and losses

	For the years ended 31 December	
	2021	2020
Foreign exchange losses, net	\$(112,029)	\$(162,248)
Gains on disposal of investments	22,361	-
Gains (losses) on disposal of property, plant and equipment	9,767	(5,882)
Gains of financial asset at fair value through profit or loss (Note1)	50,536	26,400
Gains (losses) of financial liabilities at fair value through profit or loss (Note2)	24,897	(13,564)
Other expense	(35,872)	(31,247)
Total	<u>\$(40,340)</u>	<u>\$(186,541)</u>

Note:

1. Balances were arising from financial assets mandatorily measured at fair value through profit or loss, including valuation adjustment, dividend income, interest income and exchange difference etc.
2. Balances were arising from held for trading financial liabilities, including valuation adjustment, interest expense and exchange difference etc.

(d) Finance costs

	For the years ended 31 December	
	2021	2020
Interest on loans from bank	\$53,709	\$42,249
Interest on bonds payable	16,625	969
Interest on lease liabilities	8,612	5,898
Total	<u>\$78,946</u>	<u>\$49,116</u>

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(22) Components of other comprehensive income

For the year ended 31 December 2021:

	Arising during the period	Reclassification adjustments during the period	Other comprehensiv e income, before tax	Income tax relating to components of other comprehensiv e income	Other comprehensiv e income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	\$(178)	\$ -	\$(178)	\$36	\$(142)
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income	28,401	-	28,401	-	28,401
Share of other comprehensive income (loss) of associates and joint ventures which will not be reclassified subsequently to profit or loss	54,053	-	54,053	-	54,053
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	(77,543)	-	(77,543)	15,249	(62,294)
Share of other comprehensive income (loss) of associates and joint ventures which may be reclassified subsequently to profit or loss	(211)	-	(211)	-	(211)
Total of other comprehensive income	<u>\$4,522</u>	<u>\$ -</u>	<u>\$4,522</u>	<u>\$15,285</u>	<u>\$19,807</u>

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For the year ended 31 December 2020

	Arising during the period	Reclassification adjustments during the period	Other comprehensiv e income, before tax	Income tax relating to components of other comprehensiv e income	Other comprehensiv e income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	\$526	\$ -	\$526	\$(104)	\$422
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income	(11,517)	-	(11,517)	-	(11,517)
Share of other comprehensive income (loss) of associates and joint ventures which will not be reclassified subsequently to profit or loss	77,323	-	77,323	-	77,323
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	23,993	-	23,993	(3,107)	20,886
Share of other comprehensive income (loss) of associates and joint ventures which may be reclassified subsequently to profit or loss	4,162	-	4,162	-	4,162
Total of other comprehensive income	<u>\$94,487</u>	<u>\$ -</u>	<u>\$94,487</u>	<u>\$(3,211)</u>	<u>\$91,276</u>

(23)Income tax

Income tax expense recognized in profit or loss

	For the years ended 31 December	
	2021	2020
Current income tax expense:		
Current income tax charge	\$522,290	\$646,690
Adjustments in respect of current income tax of prior periods	(8,982)	(19,333)
Deferred tax expense:		
Deferred tax expense relating to origination and reversal of temporary differences	96,235	(15,398)
Adjustments of prior year's deferred income tax	(68,672)	(70,994)
Reversal of deferred income tax	-	3,401
Total income tax expense	<u>\$540,871</u>	<u>\$544,366</u>

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Income tax relating to components of other comprehensive income

	For the years ended 31 December	
	2021	2020
Deferred tax expense (income):		
Exchange differences on translation of foreign operations	\$(15,249)	\$3,107
Remeasurements of defined benefit plans	(36)	104
Income tax relating to components of other comprehensive income	<u>\$(15,285)</u>	<u>\$3,211</u>

Income tax charged directly to equity

	2021	2020
Current income tax expense (income):		
Realized losses from equity instruments investment measured at fair value through other comprehensive income	<u>\$(111)</u>	<u>\$ -</u>

A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended 31 December	
	2021	2020
Accounting profit before tax from continuing operations	<u>\$3,028,700</u>	<u>\$2,727,866</u>
At the Company's statutory income tax rate	\$612,232	\$545,574
Tax effect of revenues exempt from taxation	(194,165)	(141,391)
Tax effect of expenses not deductible for tax purposes	10,368	949
Tax effect of deferred tax assets/liabilities	267,170	272,801
Corporate income surtax on undistributed retained earnings	19,851	6,829
Tax effect of different tax rates for entities in other tax regions	(24,177)	(46,422)
Adjustments in respect of deferred income tax of prior periods	(68,672)	(70,994)
Adjustments in respect of current income tax of prior periods	(8,982)	(19,333)
Others	<u>(72,754)</u>	<u>(3,647)</u>
Total income tax expense recognized in profit or loss	<u>\$540,871</u>	<u>\$544,366</u>

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Deferred tax assets (liabilities) relate to the following:

For the year ended 31 December 2021

	Balance as of 1 January	Recognized in profit or loss	Recognized in other comprehensive income	Disposal	Exchange differences	Balance as of 31 December
Temporary differences						
Exchange differences on translation of foreign operations	\$79,998	\$ -	\$15,249	\$ -	\$ -	\$95,247
Investments accounted for using the equity method	(208,340)	(3,886)	-	-	1,100	(211,126)
Unrealized intragroup profits and losses	18,434	(10,108)	-	-	-	8,326
Unrealized foreign exchange gains or losses	909	3,601	-	-	-	4,510
Loss from price reduction of inventories	12,195	(3,626)	-	-	(10)	8,559
Revaluations of financial liabilities at fair value through profit or loss	(8,838)	(10,860)	-	-	-	(19,698)
Remeasurements of defined benefit plans	7,464	-	36	-	-	7,500
Non-current liability – Defined benefit liability	8,095	(279)	-	-	-	7,816
Deferred income-government grants	2,157	(54)	-	-	(10)	2,093
Accumulated losses	891	617	-	-	-	1,508
Loss allowance	974	-	-	-	-	974
Allowance for sales discounts	267	(26)	-	-	-	241
Convertible bonds	(1,172)	(1,072)	-	-	-	(2,244)
Depreciation	(7,675)	(1,870)	-	-	34	(9,511)
Deferred tax (income) /expense		<u>\$(27,563)</u>	<u>\$15,285</u>	<u>\$ -</u>	<u>\$1,114</u>	
Net deferred tax assets (liabilities)	<u>\$(94,641)</u>					<u>\$(105,805)</u>
Reflected in balance sheet as follows:						
Deferred tax assets	<u>\$131,384</u>					<u>\$136,774</u>
Deferred tax liabilities	<u>\$226,025</u>					<u>\$242,579</u>

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For the year ended 31 December 2020

	Balance as of 1 January	Recognized in profit or loss	Recognized in other comprehensive income	Disposal	Exchange differences	Balance as of 31 December
Temporary differences						
Exchange differences on translation of foreign operations	\$83,105	\$ -	\$(3,107)	\$ -	\$ -	\$79,998
Investments accounted for using the equity method	(323,864)	91,492	-	20,214	3,818	(208,340)
Unrealized intragroup profits and losses	17,056	1,378	-	-	-	18,434
Unrealized foreign exchange gains or losses	4,792	(3,883)	-	-	-	909
Loss from price recovery (reduction) of inventories	8,123	4,053	-	-	19	12,195
Revaluations of financial liabilities at fair value through profit or loss	(6,529)	(2,309)	-	-	-	(8,838)
Remeasurements of defined benefit plans	7,568	-	(104)	-	-	7,464
Non-current liability – Defined benefit liability	10,638	16	-	(2,559)	-	8,095
Deferred income-government grants	2,192	(53)	-	-	18	2,157
Accumulated losses	3,401	(2,510)	-	-	-	891
Loss allowance	974	-	-	-	-	974
Allowance for sales discounts	189	78	-	-	-	267
Convertible bonds	(1,044)	(128)	-	-	-	(1,172)
Depreciation	(2,425)	(5,143)	-	-	(107)	(7,675)
Deferred tax (income) /expense		<u>\$82,991</u>	<u>\$(3,211)</u>	<u>\$17,655</u>	<u>\$3,748</u>	
Net deferred tax assets (liabilities)	<u>\$(195,824)</u>					<u>\$(94,641)</u>
Reflected in balance sheet as follows:						
Deferred tax assets	<u>\$138,038</u>					<u>\$131,384</u>
Deferred tax liabilities	<u>\$333,862</u>					<u>\$226,025</u>

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Unrecognized deferred tax liabilities relating to the investment in subsidiaries

The Company shall recognize the relevant deferred income tax liabilities for the income tax payable that may arise when the undistributed surplus of a foreign subsidiary is remitted back, in accordance with the undistributed surplus expected to be allocated by the future subsidiary.

The assessment of income tax returns

As of 31 December 2021, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	<u>The assessment of income tax returns</u>
The Company	Assessed and approved up to 2019
Subsidiary- Kwan-Ze Corporation Ltd.	Assessed and approved up to 2019
Subsidiary- T-CONN Precision Co., Ltd.	Assessed and approved up to 2019
Subsidiary- Radbon Avionics Inc.	Assessed and approved up to 2019
Subsidiary- ENMAGIC Renewable Energy Co., Ltd.	Not yet assessed and approved

(24) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

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	For the years ended 31 December	
	2021	2020
(a) Basic earnings per share		
Profit attributable to ordinary equity holders of the Company	<u>\$2,331,502</u>	<u>\$2,113,868</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	<u>233,157</u>	<u>232,766</u>
Basic earnings per share (NT\$)	<u>\$10.00</u>	<u>\$9.08</u>
(b) Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company	\$2,331,502	\$2,113,868
Interest expense from convertible bonds	<u>13,300</u>	<u>8</u>
Profit attributable to ordinary equity holders of the Company after dilution	<u>\$2,344,802</u>	<u>\$2,113,876</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	233,157	232,766
Effect of dilution:		
Employee compensation-stock (in thousands)	106	195
Convertible bonds (in thousands)	<u>6,046</u>	<u>12</u>
Weighted average number of ordinary shares outstanding after dilution (in thousands)	<u>239,309</u>	<u>232,973</u>
Diluted earnings per share (NT\$)	<u>\$9.80</u>	<u>\$9.07</u>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date of completion of the financial statements.

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(25) Change of Ownership of subsidiaries

Acquisition of new shares in a subsidiary not in proportionate to ownership interest

T-CONN Precision Co., Ltd.(T-CONN) issued new shares on 26 January 2021, however the Group did not purchase the new shares according to its shareholding percentage, consequently the ownership interest in T-CONN was reduced to 58.86%. The Group received additional cash from the issuance of new shares in the amount of NT\$38,499 thousand. The following table is a schedule of interest disposed of by T-CONN including changes in non-controlling interests:

	Amount
Additional cash received from the issuance of new shares	\$(38,499)
Increase to non-controlling interests	28,325
Difference recognized in capital surplus or retained earning within equity	<u><u>\$(10,174)</u></u>

Beijing SINBON TongAn Renewable Energy Co., Ltd. (SB TongAn) issued new shares in January and December 2020, however the Group did not purchase the new shares according to its shareholding percentage, consequently the ownership interest in was reduced to 85.53%. The Group received additional cash from the issuance of new shares in the amount of NT\$697,637 thousand. The following table is a schedule of interest disposed of by SB TongAn including changes in non-controlling interests:

	Amount
Cash consideration paid to the non-controlling shareholders	\$(697,637)
Decrease to non-controlling interests	335,619
Difference in additional paid-in capital from investee under equity method	<u><u>\$(362,018)</u></u>

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7. Related party transactions

Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Argosy Research Inc.	Associate
Shanghai Huangze Electronic Co., Ltd.	Substantive related party

Significant transactions with related parties

(a) Sales

	For the years ended	
	31 December	
	2021	2020
Associates		
Others	\$70	\$164,266

The sales price to the above related parties was determined through mutual agreement based on the market rates. The collection periods were month-end 60~120 days, while the term for wind energy sales is receiving three-month term acceptance after a period of three-month from delivery due to industry characteristics. The outstanding balance as of 31 December 2021 and 2020 was unsecured, non-interest bearing and must be settled in cash. The receivables from the related parties were not guaranteed.

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(b) Purchases

	For the years ended 31 December	
	2021	2020
Other related parties		
Others	\$46	30

The purchase price from the above related parties was determined through mutual agreement based on the market rates. The payment terms from the related party suppliers are comparable with third party suppliers and are between one to four months.

(c) Accounts Receivable-Related Parties

	As of 31 December	
	2021	2020
Associates		
Others	\$ -	\$52

(d) Others Payable-Related Parties

	As of 31 December	
	2021	2020
Associates		
Others	\$ -	\$12

(e) Key management personnel compensation

	For the years ended 31 December	
	2021	2020
Short-term employee benefits	\$256,001	\$246,094
Post-employment benefits	61,472	53,433
Total	\$317,473	\$299,527

8. Assets pledged as security

None.

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9. Commitments and contingencies

(a) The Company provided guarantees for subsidiaries' financing to banks for the year ended 31 December 2021. Please refer to Note 13.1(2).

(b) As of 31 December 2021 and 2020, the Group was issued letters of guarantee by banks in the amount of NT\$11,000 thousand and NT\$6,300 thousand for importing goods, respectively.

(c) Amounts available under unused letters of credit are as follows:

Currency	Carrying amount	
	2021.12.31	2020.12.31
USD	\$300	\$300

(d) The Group approached the bank to provide product quality assurance commitments. As of the years ended 31 December 2021 and 2020, the assurance amount was NT\$8,681 thousand and NT\$4,359 thousand.

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Financial instruments

(1) Categories of financial instruments

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Financial assets

	As of 31 December	
	2021	2020
Financial assets at fair value through profit or loss:		
Mandatorily measured at Fair value through profit or loss	\$250,282	\$252,618
Financial assets at fair value through other comprehensive income	388,571	299,065
Financial assets measured at amortized cost (Note1)	10,989,424	12,268,661
Total	<u>\$11,628,277</u>	<u>\$12,820,344</u>

Financial liabilities

	As of 31 December	
	2021	2020
Financial liabilities at amortized cost:		
Short-term loans	\$3,357,725	\$3,061,501
Notes and accounts payable	6,140,647	5,366,226
Bonds payable (including current portion with maturity less than 1 year)	994,351	1,256,981
Long-term loans (including current portion with maturity less than 1 year)	312,000	311,730
Others payables	1,493,951	1,294,578
Lease liability	400,816	318,572
Subtotal	<u>12,699,490</u>	<u>11,609,588</u>
Financial liabilities at fair value through profit or loss:		
Held for trading	241	24,582
Total	<u>\$12,699,731</u>	<u>\$11,634,170</u>

Note:

1. Including cash and cash equivalents, notes receivable, trade receivables and other receivables.

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(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

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The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Group also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD and RMB.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit.

Pre-tax sensitivity analysis of changes in related risk factors for the years ended 31 December 2021 and 2020 are as follows:

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For the year ended 31 December 2021

Main Risk	Fluctuation	Sensitivity of profit/loss	Sensitivity of equity
Foreign currency risk	NTD/USD rate +/- 1%	+/- \$29,702	+/- \$253
	NTD/RMB rate +/- 1%	+/- \$989	-/+ \$3,647
Interest rate risk	Market rate +/- 10 basis points	-/+ \$3,670	-

For the year ended 31 December 2020

Main Risk	Fluctuation	Sensitivity of profit/loss	Sensitivity of equity
Foreign currency risk	NTD/USD rate +/- 1%	+/- \$23,751	+/- \$313
	NTD/RMB rate +/- 1%	+/- \$61	+/- \$21,172
Interest rate risk	Market rate +/- 10 basis points	-/+ \$3,391	-

Equity price risk

The fair value of the Group's listed and unlisted equity securities and conversion rights of the Euro-convertible bonds issued are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income, while conversion rights of the Euro-convertible bonds issued are classified as financial liabilities at fair value through profit or loss as it does not satisfy the definition of an equity component. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, a change of 10% in the price measured at fair value through profit or loss could increase/decrease the Group's profit for the years ended 31 December 2021 and 2020 by NT\$19,038 thousand and

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NT\$12,508 thousand, respectively.

At the reporting date, a change of 10% in the price of the listed companies stocks classified as equity instruments investments measured at fair value through other comprehensive income could have an impact of NT\$0 and NT\$2,333 thousand on the equity attributable to the Group for the years ended 31 December 2021 and 2020, respectively.

Please refer to Note (12)9 for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of 31 December 2021 and 2020, amounts receivables from top ten customers represented 26.7% and 50.0% of the total accounts receivables of the Group, respectively. The credit concentration risk of other accounts receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial

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institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, convertible bonds and finance leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	<u>Less than 1 year</u>	<u>2 to 3 years</u>	<u>4 to 5 years</u>	<u>> 5 years</u>	<u>Total</u>
As of 31 December 2021					
Loans	\$3,678,041	\$7,795	\$3,812	\$ -	\$3,689,648
Account payables	6,140,647	-	-	-	6,140,647
Convertible bonds	-	1,024,569	-	-	1,024,569
Lease liabilities	102,573	158,058	52,676	112,850	426,157
As of 31 December 2020					
Loans	\$3,073,066	\$307,886	\$2,284	\$ -	\$3,383,236
Account payables	5,366,226	-	-	-	5,366,226
Convertible bonds	-	1,313,033	-	-	1,313,033
Lease liabilities	83,324	126,142	62,762	61,748	333,976

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Derivative financial liabilities

	<u>Less than 1 year</u>	<u>2 to 3 years</u>	<u>4 to 5 years</u>	<u>> 5 years</u>	<u>Total</u>
As of 31 December 2021					
Cross Currency swaps					
Net settlement - outflow	<u>\$ (241)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (241)</u>
As of 31 December 2020					
Cross Currency swaps					
Net settlement - outflow	<u>\$ (22,084)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,084)</u>
Foreign exchange option contracts					
Net settlement - outflow	<u>\$ (28)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (28)</u>

The table above contains the undiscounted net cash flows of derivative liabilities instruments.

(6) Reconciliation of liabilities from financing activities

Reconciliation of liabilities for the year ended 31 December 2021:

	Short-term loans	Long-term loan (including maturity within a year)	Lease liabilities	Deposits received	Bonds payable (including maturity within a year)	Total liabilities from financing activities
As of 1 January 2021						
Cash flow	\$3,061,501	\$311,730	\$318,572	\$171	\$1,256,981	\$4,948,955
Non-cash change	296,224	270	(123,938)	(169)	-	172,387
Currency change	-	-	206,182	-	(262,630)	(56,448)
As of 31 December 2021	<u>\$3,357,725</u>	<u>\$312,000</u>	<u>\$400,816</u>	<u>\$2</u>	<u>\$994,351</u>	<u>\$5,064,894</u>

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Reconciliation of liabilities for the year ended 31 December 2020:

	Short-term loans	Long-term loan (including maturity within a year)	Lease liabilities	Deposits received	Bonds payable (including maturity within a year)	Total liabilities from financing activities
As of 1 January 2020	\$2,728,412	\$10,163	\$182,945	\$2	\$7,141	\$2,928,663
Cash flow	333,098	296,191	(74,131)	169	1,402,864	1,958,191
Non-cash change	(9)	5,376	209,758	-	(153,024)	62,101
Acquisition	-	-	-	-	-	-
As of 31 December 2020	<u>\$3,061,501</u>	<u>\$311,730</u>	<u>\$318,572</u>	<u>\$171</u>	<u>\$1,256,981</u>	<u>\$4,948,955</u>

(7) Fair values of financial instruments

(a) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

- a. The carrying amount of cash and cash equivalents, accounts receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- b. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.
- c. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on

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parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

- d. Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)
- e. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

(b) Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and liabilities measured at amortized cost approximate their fair value.

(c) Fair value measurement hierarchy for financial instruments

Please refer to Note 12(9) for fair value measurement hierarchy for financial instruments of the Group.

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(8) Derivative financial instruments

The related information for derivative financial instruments not qualified for hedge accounting and not yet settled as of 31 December 2021 and 2020 are as follows:

Cross currency swaps, forward exchange contracts and foreign exchange option contracts

The Group entered into cross currency swaps, forward exchange contracts and foreign exchange option contracts to manage its exposure to financial risk, but these contracts are not designated as hedging instruments. The table below lists the information related to cross currency swaps, forward exchange contracts and foreign exchange option contracts:

Items	Notional Amount (in thousands)		Contract Period
As of 31 December 2021			
Cross currency swaps	USD	4,000	26 November 2021 – 16 March 2022
Forward exchange contracts	Sell USD	2,780	13 January 2021 – 25 March 2022
As of 31 December 2020			
Cross currency swaps	USD	24,000	3 January 2020–18 March 2021
Foreign exchange option contracts	Buy USD	100	22 October 2020 – 22 January 2021
	Sell USD	200	22 October 2020 – 22 January 2021
Forward exchange contracts	Sell USD	2,950	18 January 2020 – 26 March 2021

Embedded derivatives

The embedded derivatives arising from issuing convertible bonds have been separated from the host contract and carried at fair value through profit or loss. Please refer to Note 6(13) for further information on this transaction.

The counterparties for the derivatives transactions are well known local or overseas banks, as they have sound credit ratings, the credit risk is insignificant.

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With regard to the forward exchange contracts, currency option contracts and cross currency swaps, as they have been entered into to hedge the foreign currency risk of net assets or net liabilities, and there will be corresponding cash inflow or outflows upon maturity and the Group has sufficient operating funds, the cash flow risk is insignificant.

(9) Fair value measurement hierarchy

(a) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

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

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(b) Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

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As of 31 December 2021

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Stocks	\$190,378	\$ -	\$ -	\$190,378
Corporate bonds	57,168	-	-	57,168
Forward exchange contracts	-	403	-	403
Embedded derivative-bonds	-	2,333	-	2,333
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	-	-	388,571	388,571
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Cross currency swaps	\$ -	\$241	\$ -	\$241
Foreign exchange option contracts	-	-	-	-

As at 31 December 2020

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Funds	\$69,372	\$ -	\$ -	\$69,372
Stocks	125,084	-	-	125,084
Corporate bonds	57,204	-	-	57,204
Forward exchange contracts	-	958	-	958
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	23,328	-	275,737	299,065
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Cross currency swaps	\$ -	\$22,084	\$ -	\$22,084
Foreign exchange option contracts	-	28	-	28
Embedded derivative-bonds	-	2,470	-	2,470

Transfers between Level 1 and Level 2 during the period

During the years ended 31 December 2021 and 2020, there were no transfers between Level 1 and Level 2 fair value measurements.

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Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets
	At fair value through other comprehensive income
	Stocks
Beginning balances as of 1 January 2021	\$275,737
Total gains and losses recognized for the year ended 31 December 2021:	
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	41,790
The return of paid-in capital for capital reduction	(2,449)
Acquisition	75,000
The return of paid-in capital following liquidation (Note)	(1,510)
Effect of currency	3
Ending balances as of 31 December 2021	<u>\$388,571</u>
Beginning balances as of 1 January 2020	\$266,959
Total gains and losses recognized for the year ended 31 December 2020:	
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	(43,163)
The return of paid-in capital for capital reduction	(3,061)
Acquirement	67,186
The return of paid-in capital for liquidation (Note)	(12,141)
Effect of currency	(43)
Ending balances as of 31 December 2020	<u>\$275,737</u>

Note: The return of paid-in capital following liquidation were recorded in other receivables.

Information on significant unobservable inputs to valuation

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Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of 31 December 2021

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through profit or loss					
Stocks and others	Market approach	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's profit or loss by NT\$ 36,417 thousand
Stocks and others	Option pricing model	Fluctuation rate	33.09%	The higher the fluctuation rate, the higher the fair value of the stocks	10% increase (decrease) in the fluctuation rate would result in increase (decrease) in the Group's profit or loss by NT\$ 2,440 thousand

As of 31 December 2020

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through profit or loss					
Stocks and others	Market approach	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's profit or loss by NT\$ 27,574 thousand

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Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's Financial Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

- (b) Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed.

As of 31 December 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investments accounted for using the equity method (please refer to Note 6(7))	\$2,446,976	\$ -	\$ -	\$2,446,976

As of 31 December 2020

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investments accounted for using the equity method (please refer to Note 6(7))	\$2,022,763	\$ -	\$ -	\$2,022,763

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

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	As of 31 December 2021			As of 31 December 2020		
	Foreign currencies	Foreign exchange rate	NTD	Foreign currencies	Foreign exchange rate	NTD
<u>Financial assets</u>						
<u>Monetary items:</u>						
USD	\$161,777	27.69	\$4,479,595	\$146,191	28.51	\$4,167,612
RMB	724,607	4.34	3,145,230	1,086,993	4.36	4,738,373
<u>Financial liabilities</u>						
<u>Monetary items:</u>						
USD	53,598	27.69	1,484,118	61,778	28.51	1,761,179
RMB	785,827	4.34	3,410,964	599,886	4.36	2,614,998

The Group has a number of different functional currencies; therefore, we are unable to disclose the exchange loss and gain of monetary financial assets and financial liabilities under each foreign currency that has significant impact. The Group recognized NT\$112,029 thousand and NT\$ 162,248 thousand foreign exchange loss for the years ended 31 December 2020 and 2021, respectively.

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

(11) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders, return capital to shareholders or issue new shares.

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(12) Transfer of financial assets information

Part of the Group's notes receivable have been signed into with recourse contracts with financial institutions. Yet the Group transferred the cash flow rights of such receivables, the company still bear the credit risk that notes receivable cannot be collected, which does not meet the derecognition of financial assets. The transaction related information is as follows:

As of 31 December 2021

Counterparty	Amount to be transferred	Amount have been advanced (Note)
ICBC Anqing Tongcheng Branch	\$164,280	\$164,280
Branch Wuxi Jiangyin China Merchants Bank	52,855	52,855
HSBC Bank (China) Shanghai Company Limited	22,575	22,575
Bank of Ningbo Jiangyin Branch	20,870	20,870

As of 31 December 2020

Counterparty	Amount to be transferred	Amount have been advanced (Note)
BOCOM Beijing Development Zone Branch	\$465,273	\$465,273
ICBC Anqing Tongcheng Branch	95,335	95,335
CMBC Wuxi Jiangyin Branch	51,257	51,257
HSBC Bank (China) Shanghai Company Limited	44,681	44,681
BOCOM Anqing Tongcheng Branch	18,481	18,481
Bank of Ningbo Wuxi Branch	18,112	18,112

Note: Recorded in short-term loans

13. Other disclosure

(1) Information at significant transactions

(a) Financing provided to others for the year ended 31 December 2021:
Please refer to Attachment 1.

(b) Endorsement/Guarantee provided to others for the year ended 31 December 2021: Please refer to Attachment 2.

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- (c) Securities held as of 31 December 2021: Please refer to Attachment 3.
- (d) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended 31 December 2021: None
- (e) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended 31 December 2021: None.
- (f) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended 31 December 2021: None.
- (g) Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the year ended 31 December 2021: Please refer to Attachment 4.
- (h) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock as of 31 December 2021: Please refer to Attachment 5.
- (i) Financial instruments and derivative transactions: Please refer to Note 12 (8).
- (j) The business relationship, significant transactions and amounts between parent company and subsidiaries: Please refer to Attachment 6.

(2) Information on investees:

Names, locations, main businesses and products, original investment amount, investment as of 31 December 2021, net income (loss) of investee company and investment income (loss) recognized as of 31 December 2021: Please refer to Attachment 7.

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(3) Information on investments in mainland China

- (a) Investment in Mainland China: Please refer to Attachment 8.
- (b) Directly or indirectly significant transactions through third regions with the investees in Mainland China: Please refer to Attachment 2,4,5 and 6.

(4) Information of major shareholders

The Company has no shareholders with a shareholding ratio of more than 5% on 31 December 2021.

14. Segment information

- (1) For management purposes, the Group is organized into business units based on their products and services and has three reportable operating segments as follows:
 - (a) New Energy Business Unit: The segment focuses on the development, manufacturing and sales of cable assembly and control modules for green energy industries such as solar photovoltaic, wind power and offshore wind power.
 - (b) Industrial Application Business Unit: The segment focuses on the development, manufacturing and sales of industrial application products such as robot arm control cable assemblies, control cabinet cable assemblies and panel connection cables.
 - (c) Medical Health Business Unit: This segment is responsible for the development, manufacture and sale of medical equipment cables such as electrocardiographs, oximeters and X-ray wiring harnesses.
 - (d) Automotive Business Unit: The segment focuses on the development, manufacturing and sales of electric vehicle charging guns and charging piles, automotive oxygen sensors and parking-related equipment cables.
 - (e) iComponent Solution Business Unit: The segment focuses on the

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development, manufacturing and sales of communication related cables such as smart phones, smart wearable devices and VR /AR HMD devices.

Operating segments have been aggregated to be reported as aforementioned operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements. However, income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segment are on an arm's length basis in a manner similar to transactions with third parties.

Information on profit or loss, assets and liabilities of the reportable segment for the year ended 31 December 2021 and 2020 were as of :

For the year ended 31 December 2021

	Renewable						
	Energy		Medical		iComponent	Reconciliation	
	Business	Industrial	Business	Automotive	Solution Business	and Eliminated	
	Unit	Business Unit	Unit	Business Unit	Unit	(Note)	Total
Revenue							
External customer	\$3,824,031	\$8,854,266	\$2,348,762	\$2,884,841	\$7,618,806	\$ -	\$25,530,706
Inter-segment	50,114	2,615,659	693,853	852,217	2,250,689	(6,462,532)	-
Total revenue	<u>\$3,874,145</u>	<u>\$11,469,925</u>	<u>\$3,042,615</u>	<u>\$3,737,058</u>	<u>\$9,869,495</u>	<u>\$(6,462,532)</u>	<u>\$25,530,706</u>
Segment profit	<u>\$207,285</u>	<u>\$1,434,241</u>	<u>\$400,837</u>	<u>\$342,115</u>	<u>\$644,222</u>	<u>\$ -</u>	<u>\$3,028,700</u>

Note: Inter-segment revenues were eliminated when consolidated.

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For the year ended 31 December 2020

	Renewable		Medical		iComponent	Reconciliation	
	Energy	Industrial	Business	Automotive	Solution Business	and Eliminated	
	Business	Business Unit	Unit	Business Unit	Unit	(Note)	Total
	Unit	Business Unit	Unit	Business Unit	Unit	(Note)	Total
Revenue							
External customer	\$5,738,835	\$6,398,720	\$1,967,280	\$2,027,300	\$5,665,407	\$ -	\$21,797,542
Inter-segment	16,765	1,904,123	585,421	603,281	1,685,904	(4,795,494)	-
Total revenue	<u>\$5,755,600</u>	<u>\$8,302,843</u>	<u>\$2,552,701</u>	<u>\$2,630,581</u>	<u>\$7,351,311</u>	<u>\$(4,795,494)</u>	<u>\$21,797,542</u>
Segment profit	<u>\$736,322</u>	<u>\$1,064,678</u>	<u>\$336,951</u>	<u>\$197,689</u>	<u>\$392,226</u>	<u>\$ -</u>	<u>\$2,727,866</u>

Note: Inter-segment revenues were eliminated when consolidated.

Information on assets and liabilities of the Group's operating segments as of
31 December 2021 and 2020:

Segment assets:

	Renewable		Medical		iComponent	Reconciliation	
	Energy	Industrial	Business	Automotive	Solution	and Eliminated	
	Business	Business Unit	Unit	Business Unit	Business Unit	(Note)	Total
	Unit	Business Unit	Unit	Business Unit	Business Unit	(Note)	Total
31 December 2021	<u>\$4,030,908</u>	<u>\$13,950,273</u>	<u>\$3,700,575</u>	<u>\$4,545,190</u>	<u>\$12,003,750</u>	<u>\$(11,081,976)</u>	<u>\$27,148,720</u>
31 December 2020	<u>\$5,659,129</u>	<u>\$11,544,321</u>	<u>\$3,549,290</u>	<u>\$3,657,574</u>	<u>\$10,221,304</u>	<u>\$(10,948,575)</u>	<u>\$23,683,043</u>

Segment liabilities:

	Renewable		Medical		iComponent	Reconciliation	
	Energy	Industrial	Business	Automotive	Solution	and Eliminated	
	Business	Business Unit	Unit	Business Unit	Business Unit	(Note)	Total
	Unit	Business Unit	Unit	Business Unit	Business Unit	(Note)	Total
31 December 2021	<u>\$1,752,017</u>	<u>\$6,571,879</u>	<u>\$1,743,316</u>	<u>\$2,141,208</u>	<u>\$5,654,886</u>	<u>\$(1,849,966)</u>	<u>\$16,013,340</u>
31 December 2020	<u>\$3,334,093</u>	<u>\$5,288,722</u>	<u>\$1,626,013</u>	<u>\$1,675,620</u>	<u>\$4,682,617</u>	<u>\$(2,692,155)</u>	<u>\$13,914,910</u>

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(2) Geographical information

i. Revenue from external customers:

	For the years ended 31 December	
	2021	2020
Mainland China (Hong Kong)	\$12,504,279	\$12,507,187
United States	5,338,758	3,750,432
Taiwan	1,872,357	1,317,872
Other countries	5,815,312	4,222,051
Total	<u>\$25,530,706</u>	<u>\$21,797,542</u>

The revenue information above is based on the location of the customers.

ii. Non-current assets:

	As of 31 December	
	2021	2020
Mainland China	\$2,507,820	\$2,306,281
Taiwan	2,415,213	2,174,450
United States	81,735	74,400
Other	87,080	40,884
Total	<u>\$5,091,848</u>	<u>\$4,596,015</u>

(3) Information about major customers

There's no sales revenue from a single customer accounting for over 10% of revenue on income statement for the years ended 31 December 2021 and 2020.

Attachment 1: Financing provided to others for the year ended 31 December 2021

No.	Lender (Note 1)	Counterparty	Financial statement account	Related Party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing	Amount of sales to (purchases from) counter-party	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit of financing amount for individual counter-party (Note2)	Limit of total financing amount (Note3)
													Item	Value		
0	The Company	SB Hungary	Other receivables	Y	\$103,165	\$94,014	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$1,035,775	\$4,143,098
1	KSEM	JSEM	Other receivables	Y	\$5,277	\$5,209	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$5,660	\$5,660
2	BJSB	JSEM	Other receivables	Y	\$43,973	\$43,406	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$95,672	\$95,672
2	BJSB	XZEM	Other receivables	Y	\$43,657	\$43,406	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$95,672	\$95,672

Note 1: The above transactions were all made between consolidated entities in the Group and have been reversed.

Note 2: Total financing limit for individual counterparty was set at 10% of the lender's net worth of the financial which were reviewed by independent accountants as of 31 December 2021.

The Company: $\$10,357,746 \times 10\% = \$1,035,775$

Total financing limit for individual counterparty was set at 40% of the lender's net worth of the financial which were reviewed by independent accountants as of 31 December 2021.

BJSB: $\$239,181 \times 40\% = \$95,672$

KSEM : $\$14,149 \times 40\% = \$5,660$

Total financing limit for individual counterparty was set at 40% of the lender's net worth of the financial report which were audited by independent accountants as of 31 December 2021.

Note 3: The Company: $\$10,357,746 \times 40\% = \$4,143,098$

BJSB: $\$239,181 \times 40\% = \$95,672$

KSEM : $\$14,149 \times 40\% = \$5,660$

Note 4: For short-term financing.

Attachment 2: Endorsement/Guarantee provided to others as of 31 December 2021

No. (Note 1)	Endorsor/ Guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party (Note 3)	Maximum balance for the period	Ending balance	Actual amount provided	Amount of collateral guarantee/ endorsement	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee/ endorsement amount (Note 4)	Parent company's guarantee/ endorsement amount to subsidiaries (Note 5)	Subsidiaries' guarantee/ endorsement amount to parent company (Note 5)	Guarantee/ endorsement amount to company in Mainland China (Note 5)
		Company name	Relationship (Note 2)										
0	The Company	SINBON USA	2	\$4,143,098	\$14,265	\$13,845	\$8,307	none	0.13%	\$10,357,746	Y	N	N
0	The Company	SZSB	2	\$4,143,098	\$14,265	\$13,845	\$ -	none	0.13%	\$10,357,746	Y	N	Y
0	The Company	SHSB	2	\$4,143,098	\$42,797	\$41,535	\$ -	none	0.40%	\$10,357,746	Y	N	Y
0	The Company	TCSB	2	\$4,143,098	\$546,391	\$535,465	\$161,470	none	5.17%	\$10,357,746	Y	N	Y
0	The Company	JYSB	2	\$4,143,098	\$918,848	\$899,925	\$468,785	none	8.69%	\$10,357,746	Y	N	Y
0	The Company	Radbon	2	\$3,107,324	\$150,000	\$150,000	\$74,300	none	1.45%	\$10,357,746	Y	N	N
0	The Company	C&C	2	\$4,143,098	\$256,779	\$249,210	\$167,525	none	2.41%	\$10,357,746	Y	N	N
0	The Company	SB Hungary	2	\$4,143,098	\$308,740	\$291,493	\$209,966	none	2.81%	\$10,357,746	Y	N	N
1	T-CONN	T-CONN Zhongshan	2	\$308,641	\$141,808	\$124,605	\$ -	none	16.15%	\$771,603	N	N	Y

Note 1: The Company and its subsidiaries are coded as follows:

1. The Company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: According to the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers" issued by the R.O.C. Securities and Futures Bureau, receiving parties should be disclosed as one of the following:

1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50% of the voting shares.
3. A company that directly and indirectly holds more than 50% of the voting shares in the public company.
4. A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
5. A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
6. A company that all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
7. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: Limit of guarantee/endorsement amount for overseas subsidiary is 40% of the net worth of the financial report audited by the certified public accountants as of 31 December 2021.

\$10,357,746*40%=\$4,143,098

Limit of guarantee/endorsement amount for domestic subsidiaries is 30% of the net worth of the financial report of the company reviewed by the certified public accountants as of 31 December 2021.

\$10,357,746*30%=\$3,107,324

Limit of guarantee/endorsement amount for T-CONN Zhongshan is 40% of the net worth of the financial of T-CONN which were not reviewed by the certified public accountants as of 31 December 2021.

\$771,603*40%=\$308,641

Note 4: Limit of total guarantee/endorsement amount is 100% of the net worth of the financial report audited by the certified public accountants as of 31 December 2021.

Note 5: "Y" for the listed (OTC) parent company guarantees/endorses for subsidiary, subsidiary guarantees/endorses for the listed (OTC) parent company or guarantee/endorse for companies in Mainland China.

Attachment 3: Securities held as of 31 December 2021. (Excluding subsidiaries, associates and joint ventures)

Holding Company	Type and name of securities	Relationship (Note 1)	Financial statement account	As of 31 December 2021				Note
				Shares	Carrying amount	Percentage of ownership (%)	Fair value	
The Company	Chengding Venture Capital Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	15,000,000 shares	\$147,480	11.10%	\$147,480	-
The Company	Top Taiwan Venture Capital Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	6,000,000 shares	53,808	7.50%	53,808	-
The Company	Dynahz Technologies	-	Financial assets measured at fair value through other comprehensive income- noncurrent	2,771,670 shares	41,333	16.67%	41,333	-
Kwan-Ze	Chengding Venture Capital Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	5,000,000 shares	49,116	3.70%	49,116	-
The Company	Top Taiwan VII Venture Capital Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	1,132,653 shares	13,910	2.40%	13,910	-
Kwan-Ze	Actmax Technologies Inc.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	-	4,920	19.00%	4,920	-
The Company	VAN MOOF Global Holding BV	-	Financial assets measured at fair value through other comprehensive income- noncurrent	780,000 shares	12,197	0.50%	12,197	-
T-CONN	VAN MOOF Global Holding BV	-	Financial assets measured at fair value through other comprehensive income- noncurrent	780,000 shares	12,197	0.50%	12,197	-
SINBON USA L.L.C	HOTWIRE Development LLC	-	Financial assets measured at fair value through other comprehensive income- noncurrent	697,500 shares	604	5.00%	604	-
The Company	Bandrich, Inc.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	330,000 shares	199	1.62%	199	-
The Company	SINTOP Energy Management Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	7,500,000 shares	52,807	15.00%	52,807	-
The Company	Nextronics Engineering Corp.	-	Financial asset measured at fair value through profit or loss-current	3,009,000 shares	188,965	9.86%	188,965	-
The Company	Nextronics Engineering Corp. Private placement unsecured conversion bonds	-	Financial asset measured at fair value through profit or loss-current	600,000 shares	57,168	-	57,168	-
The Company	Trutankless, Inc.	-	Financial asset measured at fair value through profit or loss-current	25,000 shares	1,225	0.26%	1,225	-
Kwan-Ze	Nextronics Engineering Corp.	-	Financial asset measured at fair value through profit or loss-current	3,000 shares	188	0.01%	188	-
			Total		\$636,117			

Note 1: Not required if the issuer of securities is not a related party.

Attachment 4: Related party transactions for purchases and sales exceeding the lower of NT\$100 million or 20 percent of the capital stock as of 31 December 2021.

Related-party	Counter-party	Relationship	Intercompany Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total consolidated purchase (Sales)	Terms	Unit price	Terms	Carrying amount	Percentage of total consolidated receivables (payable)	
The Company	JYSB	Subsidiary	Purchase	\$1,975,092	28.56%	Trading condition is the same as other supplier	N/A	N/A	\$(367,108)	-28.12%	
HKS	JYSB	Associates	Purchase	\$2,583,296	47.94%	Trading condition is the same as other supplier	N/A	N/A	\$(148,616)	-15.21%	
JYSB	The Company	Subsidiary	Purchase	\$234,327	2.69%	Trading condition is the same as other supplier	N/A	N/A	\$(49,880)	-1.88%	
SZSB	HKS	Associates	Purchase	\$251,993	74.24%	Trading condition is the same as other supplier	N/A	N/A	\$(63,201)	-85.05%	
T-CONN	T-CONN Zhongshan	Associates	Purchase	\$482,182	35.00%	Trading condition is the same as other supplier	N/A	N/A	\$(101,837)	-28.00%	
SB TongAn	JSEM	Associates	Purchase	\$327,225	18.07%	Trading condition is the same as other supplier	N/A	N/A	\$(46,694)	-7.60%	
JYSB	SINBON USA	Associates	Purchase	\$298,471	3.42%	Trading condition is the same as other supplier	N/A	N/A	\$(22,104)	-0.83%	
JYSB	HKS	Associates	Purchase	\$146,823	1.68%	Trading condition is the same as other supplier	N/A	N/A	\$(40,707)	-1.54%	
JYSB	T-CONN Zhongshan	Associates	Purchase	\$179,785	2.06%	Trading condition is the same as other supplier	N/A	N/A	\$(68,971)	-2.60%	
JYSB	TCSB	Associates	Purchase	\$109,478	1.25%	Trading condition is the same as other supplier	N/A	N/A	\$(47,500)	-1.79%	

Attachment 5: Receivables from related parties with accounts exceeding the lower of NT\$100 million or 20 percent of the capital stock as of 31 December 2021.

Related-party	Counter-party	Relationship	Amount	Average collection turnover	Overdue account receivable-related parties		Collection in subsequent period	Allowance for doubtful debts
					Amount	Processing method		
JYSB	The Company	The Company	\$367,108	9.98	\$ -	-	\$28,415	\$ -
The Company	T-CONN	Associates	\$391,844	0.85	\$ -	-	\$4,754	\$ -

Attachment 6: The business relationship, significant transactions and amounts between parent company and subsidiaries

No. (Note 1)	Related-party	Counterparty	Relationship with the Company (Note 2)	Transactions			
				Account	Amount	Terms	Percentage of consolidated operating revenues or consolidated total assets(Note3)
0	The Company	JYSB	1	Purchase	\$1,975,092	(Note 4)	7.74%
1	JYSB	The Company	2	Sales	\$1,975,092	(Note 4)	7.74%
2	HKSB	JYSB	3	Purchase	\$2,583,296	(Note 4)	10.12%
1	JYSB	HKSB	3	Sales	\$2,583,296	(Note 4)	10.12%
1	JYSB	The Company	2	Purchase	\$234,327	(Note 4)	0.92%
0	The Company	JYSB	1	Sales	\$234,327	(Note 4)	0.92%
3	SZSB	HKSB	3	Purchase	\$251,993	(Note 4)	0.99%
2	HKSB	SZSB	3	Sales	\$251,993	(Note 4)	0.99%
4	T-CONN	T-CONN Zhongshan	3	Purchase	\$482,182	(Note 4)	1.89%
5	T-CONN Zhongshan	T-CONN	3	Sales	\$482,182	(Note 4)	1.89%
6	SB TongAn	JSEM	3	Purchase	\$327,225	(Note 4)	1.28%
7	JSEM	SB TongAn	3	Sales	\$327,225	(Note 4)	1.28%
1	JYSB	SINBON USA	3	Purchase	\$298,471	(Note 4)	1.17%
8	SINBON USA	JYSB	3	Sales	\$298,471	(Note 4)	1.17%
1	JYSB	HKSB	3	Purchase	\$146,823	(Note 4)	0.58%
2	HKSB	JYSB	3	Sales	\$146,823	(Note 4)	0.58%
1	JYSB	T-CONN Zhongshan	3	Purchase	\$179,785	(Note 4)	0.70%
5	T-CONN Zhongshan	JYSB	3	Sales	\$179,785	(Note 4)	0.70%
1	JYSB	TCSB	3	Purchase	\$109,478	(Note 4)	0.43%
5	TCSB	JSEM	3	Sales	\$109,478	(Note 4)	0.43%

Note 1 : The Company is coded "0".The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2 : Transactions are categorized as follows:

1. The holding company to subsidiary.
2. Subsidiary to holding company.
3. Subsidiary to subsidiary.

Note 3 : The percentage with respect to the consolidated asset/liability for transactions of balance sheet items are based on each item's balance at period-end.
For profit or loss items, interim cumulative balances are used as basis.

Note 4 : The sales price to the above related parties was determined through mutual agreement based on the market conditions.

Attachment 7: Names, locations, main businesses and products, original investment amount, investment as of 31 December 2021 net income (loss) of investee company and investment income (loss) recognized for the year ended 31 December 2021: (Excluding investment in Mainland China)

Investor	Investee company (Note1)	Address	Main businesses and products	Initial Investment		Investment as of 31 December 2020			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value			(Note 1)
The Company	HKS B	Hong Kong	Manufacturing and selling a wide variety of connectors, wires and cables.	HKD95,606,000	HKD95,606,000	-	100.00%	\$1,155,609	\$867,722	\$867,722	Subsidiary
				\$401,262	\$401,262						
The Company	Kwan-Ze	New Taipei City, Taiwan	Holding company	\$235,600	\$235,600	25,200,000 shares	100.00%	\$736,103	\$131,869	\$131,869	Subsidiary
The Company	SB BVI	British Virgin Islands	Holding company	USD45,021,000	USD45,021,000	-	100.00%	\$4,736,920	\$769,109	\$769,109	Subsidiary
				\$1,461,158	\$1,461,158						
The Company	SINTOP	New Taipei City, Taiwan	Renewable energy investment management consulting business	\$6,804	\$ -	680,400 shares	53.57%	\$8,199	\$2,603	\$1,395	Subsidiary
The Company	Argosy Technologies Co., Ltd.	Hsinchu City, Taiwan	Produce and sells a variety of electronic components, computers and peripheral equipment	\$51,768	\$51,768	3,174,598 shares	3.52%	\$143,605	\$640,224	\$22,557	Investee under the equity method
The Company	SINBON USA LLC	4265 Gibson Dr., Tipp City , OH 45371, USA	Logistic center.	USD5,679,000	USD5,159,000	-	100.00%	\$39,142	\$(21,595)	\$(21,595)	Subsidiary
				\$176,403	\$161,943						
The Company	SINBON Europe GmbH	Pfarrkirchen, Germany	Logistic center.	EUR5,209,000	EUR5,209,000	-	100.00%	\$3,203	\$2,085	\$2,085	Subsidiary
				\$185,241	\$185,241						
The Company	Radbon Avionics Inc.	Miaoli County, Taiwan	Manufacturing and selling signal cables and cabin wiring.	\$33,000	\$33,000	5,280,000 shares	55.00%	\$107,007	\$93,018	\$51,160	Subsidiary
The Company	T-CONN Precision	New Taipei City, Taiwan	Manufacturing and selling a wide variety of connectors, wires and cables.	\$157,360	\$166,066	20,107,286 shares	57.45%	\$436,436	\$239,991	\$134,480	Subsidiary
The Company	SB Hungary	Hungary	Selling,Producing and Processing a wide variety of connectors and cables.	EUR12,264,000	EUR11,364,000	-	100.00%	\$142,129	\$(41,648)	\$(48,028)	Subsidiary
				\$424,026	\$394,296						
T-CONN Precision	S P L	Mauritius	Logistic center.	\$3,039	\$3,039	100,000 shares	100.00%	\$3,988	USD(184,000)	\$ -	Subsidiary
									\$(4,994)		
SB TongAn	TWEM	1F., No. 15, Ln. 588, Guohua Rd., Miaoli City, Miaoli County 36055, Taiwan (R.O.C.)	Produce and sells a wide variety of connectors and cables.	RMB10,405,000	RMB2,308,000	-	100.00%	RMB9,011,000	RMB(520,000)	\$ -	Subsidiary
				\$45,000	\$10,000			\$39,115	\$(2,559)		
SINBON USA LLC	SINBON Circuits & Cables LLC	815 South Brown School Road Vandalia, OH 45377, USA	Selling a wide variety of connectors and cables.	USD2,704,000	USD2,704,000	-	51.00%	USD832,000	USD(872,000)	\$ -	Subsidiary
								\$23,038	\$(24,426)		
SINBON USA L.L.C	Worldwide Wire Harnesses Co., Ltd.	Samoa	Logistic center.	USD75,000	USD75,000	-	50.00%	USD119,000	USD302,000	\$ -	Subsidiary
								\$3,302	\$8,465		

Attachment 7: Names, locations, main businesses and products, original investment amount, investment as of 31 December 2021 net income (loss) of investee company and investment income (loss) recognized for the year ended 31 December 2021: (Excluding investment in Mainland China)

Investor	Investee company (Note1)	Address	Main businesses and products	Initial Investment		Investment as of 31 December 2020			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value			(Note 1)
Kwan-Ze	Argocy Research Inc.	Hsinchu City, Taiwan	Produce and sells a variety of electronic components, computers and peripheral equipment	\$197,969	\$201,451	14,951,152 shares	16.59%	\$640,570	\$640,224	\$ -	Investee under the equity method
Worldwide Wire Harnesses Co., Ltd.	STT	U.S.A Tennessee	Logistic center.	USD140,000	USD140,000	-	100.00%	USD(11,000)	USD302,000	\$ -	Subsidiary
				\$4,542	\$4,542			\$(321)	\$8,465		
Argocy Research Inc.	Argosy Technology Inc.(USA)	U.S.A	Sell Multimedia related products, ODM and OED	\$30,347	\$30,347	-	100.00%	\$ -	\$ -	\$ -	Investee under the equity method
Argocy Research Inc.	Argosy International B.V.	The Netherlands	Leasing operations and sell ODM and OED	\$22,314	\$22,314	-	100.00%	\$14,652	\$(56)	\$(56)	Investee under the equity method
Argocy Research Inc.	Ari International (Singapore)Pte.,Ltd. (AIS)	Singapore	Holding company	\$32,697	\$32,697	-	100.00%	\$ -	\$(2,541)	\$(2,541)	Investee under the equity method
Argocy Research Inc.	Global Saber Electronics Co., Ltd.	Mauritius	Selling a wide variety of connectors and cables.	\$ -	\$ -	-	100.00%	\$78,533	\$7,070	\$7,070	Investee under the equity method
Argocy Research Inc.	ROTEC LIMITED	British Virgin Islands	Holding company	\$472,647	\$268,479	-	88.04%	\$822,523	\$7,605	\$6,676	Investee under the equity method
Global Saber Electronics Co., Ltd	ROTEC LIMITED	British Virgin Islands	Holding company	\$72,918	\$72,918	-	11.96%	\$111,738	\$7,605	\$ -	Investee under the equity method

- Note
- 1: (1) "Investee company", "Address", "Main businesses and products", "Initial Investment" and "Investment as of 31 December 2020" shall be filled in appropriate fields according to the Company's reinvestment and the re-investment of the subsidiaries the Company directly or indirectly controls and indicate the relationship in the Notes.
- (2) "Net income (loss) of investee company" shall be filled in net income (loss) of investee for the nine-month period ended 31 December 2021.
- (3) "Investment income (loss) recognized" requires only the investment income (loss) from the direct investees of the the Company and the investment income (loss) from investees valued under the equity method, and ensure that when recognizing the subsidiary's investment income (loss), the subsidiaries' re-investment income (loss) is included.

Attachment 8: Investment in Mainland China

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of 1 January 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of 31 December 2021	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized	Carrying Value as of 31 December 2021	Accumulated Inward Remittance of Earnings as of 31 December 2021
					Outflow	Inflow						
BJSB	Manufacturing and selling a wide variety of connectors, wires and cables.	USD 4,450,000	Indirectly investment in Mainland China through remittance from a third region.	USD 1,020,000 \$30,719	\$ -	\$ -	USD 1,020,000 \$30,719	RMB1,504,000 \$6,534	85.53%	RMB1,286,000 \$5,589 Note 1	RMB55,103,000 \$239,181	USD11,030,000 \$351,623
JYSB	Manufacturing and selling a wide variety of connectors, wires and cables.	USD 37,780,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 22,050,000 \$705,108	\$ -	\$ -	USD 22,050,000 \$705,108	USD19,178,000 \$537,437	100%	USD19,178,000 \$537,437 Note 1	USD129,353,000 \$3,581,795	USD39,976,000 \$1,200,889
SHSB	Selling a wide variety of connectors, wires and cables.	USD 3,280,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 1,700,000 \$55,358	\$ -	\$ -	USD 1,700,000 \$55,358	USD1,553,000 \$43,517	100%	USD1,553,000 \$43,517 Note 1	USD7,264,000 \$201,130	USD2,887,000 \$87,821
SZSB	Selling a wide variety of connectors, wires and cables.	USD 2,810,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 2,750,000 \$83,385	\$ -	\$ -	USD 2,750,000 \$83,385	USD1,176,000 \$32,952	100%	USD1,176,000 \$32,952 Note 1	USD9,787,000 \$271,013	RMB32,400,000 \$143,282
TCSB	Selling a wide variety of connectors, wires and cables.	USD14,000,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 8,000,000 \$248,003	\$ -	\$ -	USD 8,000,000 \$248,003	USD3,170,000 \$88,842	100%	USD3,170,000 \$88,842 Note 1	USD25,352,000 \$702,009	USD196,000 \$5,890
China Digital Library Corp.Ltd.	Technology development of computer software, transfer of technology, advisory service	RMB 88,600,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 750,000	\$ -	\$ -	USD 750,000	\$ -	4.85%	\$ -	\$ -	\$ -
Argosy (Beijing) Technologies Co., Ltd.	Selling a wide variety of connectors, wires and cables.	RMB 5,000,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 76,000	\$ -	\$ -	USD 76,000	\$ -	12.00%	\$ -	\$ -	\$ -
Wu Xi S&D	Manufacturing and selling new flat panel displays.	USD 4,000,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 1,900,000 \$61,823	\$ -	\$ -	USD 1,900,000 \$61,823	\$ -	-	\$ -	\$ -	\$ -
Ning Bo Smart and Diligent Co., Ltd.	Manufacturing and selling a new Flat Panel Display.	USD 2,000,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 1,140,000 \$37,025	\$ -	\$ -	USD 1,140,000 \$37,025	\$ -	-	\$ -	\$ -	\$ -

Attachment 8: Investment in Mainland China

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of 1 January 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of 31 December 2021	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized	Carrying Value as of 31 December 2021	Accumulated Inward Remittance of Earnings as of 31 December 2021
					Outflow	Inflow						
JY Sinact	Manufacturing and selling a wide variety of electronic materials.	USD 9,500,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 5,266,000 \$164,599	\$ -	\$ -	USD 5,266,000 \$164,599	\$ -	-	\$ -	\$ -	\$ -
Shang Hai Comtek Electronics Trading Co., Ltd.	Selling a wide variety of electronic materials.	USD 160,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 104,000 \$3,302	\$ -	\$ -	USD 104,000 \$3,302	\$ -	-	\$ -	\$ -	\$ -
Dong Guan CMK	Manufacturing and selling a wide variety of connectors, wires and cables.	USD 1,000,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 645,000 \$20,768	\$ -	\$ -	USD 645,000 \$20,768	\$ -	-	\$ -	\$ -	\$ -
T-CONN Zhongshan	Manufacturing and selling a wide variety of connectors, wires and cables.	USD 9,300,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 3,686,000 \$117,529	\$ -	\$ -	USD 3,686,000 \$117,529	\$99,877	57.45%	\$57,379 Note 2	\$269,851	\$ -
BJSB TongAn	Manufacturing and selling a wide variety of connectors, wires and cables.	RMB152,000,000	Indirectly investment in Mainland China through remittance from a third region.	USD 3,000,000 \$89,134	\$ -	\$ -	USD 3,000,000 \$89,134	\$181,793	85.53%	\$155,481 Note 1	\$1,949,043	\$1,184,728

Accumulated Investment in Mainland China as of 31 December 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
USD 52,087,000	USD 53,420,000	N/A(Note3)

Note 1: Based on the financial statements certificated by the public accountant of the parent company in Taiwan.

Note 2: The financial statements were audited by other independent accountants.

Note 3: According to Order No. Jing-Shen-Zi-09704604680 issued by Ministry of Economic Affairs, R.O.C., the Company's investment in Mainland China is not limited to 60% of net worth or consolidated net worth specified by the Investment Commission.

V. Parent Company Only Financial Statements for the Years Ended December 31, 2021 and 2020 and Independent Auditors' Report (Not including The Contents of Statements Of Major Accounting Items) :

Independent Auditors' Report Translated from Chinese

To SINBON Electronics Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of SINBON Electronics Co., Ltd. (the "Company") as of 31 December 2021 and 2020, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2021 and 2020, and notes to the parent company only financial statements, including the summary of significant accounting policies (together "the parent company only financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other Matter – Making Reference to the Audits of Component Auditors* section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of 31 December 2021 and 2020, and its financial performance and cash flows for the years ended 31 December 2021 and 2020, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China; Our responsibilities under those standards are further described in the *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 Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2021 parent company only financial statements. 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.

1. Valuation for inventories (Including inventories of the subsidiaries under the equity method)

The amount of inventories of the Company and its subsidiaries was significant to the financial statements. As the fluctuation in market demand and the fast-changing technology could cause losses of obsolete and slow-moving inventories, the assessment of the inventory write-downs require significant management judgement. We therefore determined this a key audit matter.

Our audit procedures included, but not limited to, understanding and testing the adequacy of accounting policy around obsolete and slow-moving inventories, evaluating stocktaking plan and selecting important storage locations to observe inventory counts to ensure inventory quantities and status; obtaining inventory aging schedule to test whether inbound and outbound records are accurate; re-calculating the unit cost of inventories; and evaluating and testing net realizable value adopted by management. We also assessed the adequacy of disclosures of financial assets. Please refer to Notes 5 and 6 to the parent company only financial statements.

2. Impairment of accounts receivable

As of 31 December 2021, gross accounts receivable and loss allowance by the Company amounted to NT\$1,520,495 thousand and NT\$1,166 thousand, respectively. Net accounts receivable accounted for 9% of total assets. Since the loss allowance of account receivables is measured by the expected credit loss for the duration of the account receivables, it is necessary to divide account receivables into groups in the process of measurement and analyze the application of related assumptions, including appropriate aging intervals and their respective loss rate. As the measurement of expected credit loss involves making judgment, analysis and estimates, and the result will affect the net account receivable, we therefore determined this a key audit matter.

Our audit procedures included, but not limited to, analyzing the appropriateness of the grouping of account receivables and confirming whether customers with significantly different credit loss types are grouped by similar risk characteristics. The Company is tested by provision matrix, including evaluating the appropriateness of the aging intervals and the accuracy of the basic data by reviewing the original certificates; testing the related statistics information of loss rate based on the rolling rate within one year, including the average loss rate and standard deviation; considering the reasonableness of the forward-looking information which takes into account loss rate, such as economic growth rate and unemployment rate; assessing whether such forward-looking information affected the loss rate. We also assessed the adequacy of disclosures of financial assets. Please refer to Notes 5 and 6 to the parent company only financial statements.

Other Matter– Making Reference to the Audits of Component Auditors

As explained in Note 6(6), we did not audit the financial statements of certain subsidiaries, associates and joint ventures accounted for under the equity method. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the reports of other auditors. These subsidiaries, associates and joint ventures under equity method amounted to NT\$2,399,257 thousand and NT\$1,872,100 thousand, representing 14% and 12% of the total assets as of 31 December 2021 and 2020, respectively. The related shares of profits from the subsidiaries, associates and joint ventures under the equity method amounted to NT\$1,114,335 thousand and NT\$799,383 thousand, representing 41% and 33% of the income before tax for the years ended 31 December 2021 and 2020, respectively, and the related shares of other comprehensive income (loss) from the subsidiaries, associates and joint ventures under the equity method amounted to NT\$59,102 thousand and NT\$63,134 thousand, representing 309% and 63% of the comprehensive income (loss) for the years ended 31 December 2021 and 2020, respectively.

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

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, 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 cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the financial reporting process of the Company.

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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken 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 internal control of the Company.
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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, 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 entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2021 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

Huang, Tzu Ping

Chen, Ming Hung

Ernst & Young, Taiwan

11 March 2022

Notice to Readers

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

Accordingly, the accompanying parent company only financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of 31 December	
		2021	2020
Current assets			
Cash and cash equivalents	4,6(1)	\$1,451,590	\$1,188,125
Financial assets at fair value through profit or loss, current	4,6(2)	247,358	251,537
Notes receivable, net		23,550	8,653
Accounts receivable, net	4,6(3)	1,046,853	959,819
Accounts receivable-related parties, net	4,6(3),7	472,476	634,782
Other receivables	7	227,349	593,893
Inventories	4,6(4)	2,375,294	1,766,177
Other current assets		236,587	105,388
Total current assets		6,081,057	5,508,374
Non-current assets			
Financial assets at fair value through profit or loss, noncurrent	4,6(2)	2,333	-
Financial assets at fair value through other comprehensive income, noncurrent	4,6(5)	321,734	251,245
Investments accounted for under the equity method	4,6(6)	9,454,470	8,413,347
Property, plant and equipment	4,6(7)	704,798	673,018
Right-of-use assets	4,6(16)	255,644	207,289
Deferred tax assets	4,6(20)	129,199	124,315
Other non-current assets	4,6(8)	198,328	99,479
Total non-current assets		11,066,506	9,768,693
Total assets		\$17,147,563	\$15,277,067

(continued)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of 31 December	
		2021	2020
Current liabilities			
Short-term loans	4,6(9)	\$1,952,450	\$1,458,588
Financial liabilities at fair value through profit or loss, current	4,6(10)	241	22,112
Contract liabilities, current	4,6(14)	1,009,680	581,495
Notes payable		568	391
Accounts payable		903,856	965,448
Accounts payable-related parties	7	401,136	455,087
Other payables	7	558,826	459,751
Current tax liabilities	4	108,120	154,380
Lease liabilities, current	4,6(16),7	45,532	38,549
Current portion of long-term loans		300,000	-
Other current liabilities		2,829	23,028
Total current liabilities		5,283,238	4,158,829
Non-current liabilities			
Financial liabilities at fair value through profit or loss, noncurrent	4,6(10)	-	2,470
Bonds payable	4,6(11)	994,351	1,256,981
Long-term loans		-	300,000
Deferred tax liabilities	4,6(20)	233,557	161,976
Lease liabilities, noncurrent	4,6(16),7	211,048	169,056
Net defined benefit obligation, noncurrent	4,6(12)	67,561	72,965
Other non-current liabilities-others		62	2
Total non-current liabilities		1,506,579	1,963,450
Total liabilities		6,789,817	6,122,279
Equity			
Capital			
Common stock	6(13)	2,333,770	2,327,775
Certificates of bond-to-stock conversion		8,290	-
Subtotal		2,342,060	2,327,775
Additional Paid-in Capital	6(13)	2,190,472	1,885,096
Retained earnings			
Legal reserve		1,493,995	1,280,774
Special reserve		399,729	481,223
Unappropriated earnings		4,313,466	3,579,649
Subtotal		6,207,190	5,341,646
Other components of equity			
Exchange differences on translation of foreign operations		(561,279)	(501,613)
Unrealized gains or losses measured at fair value through other comprehensive income		179,303	101,884
Subtotal	4	(381,976)	(399,729)
Total equity		10,357,746	9,154,788
Total liabilities and equity		\$17,147,563	\$15,277,067

(The accompanying notes are an integral part of the parent company only financial statements)

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December 2021 and 2020

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

		For the years ended 31 December	
	Notes	2021	2020
Operating revenues	4,6(14),7	\$6,928,235	\$5,570,753
Operating costs	6(4.18),7	(5,242,802)	(4,220,171)
Gross profit-net		1,685,433	1,350,582
Operating expenses	6(18),7		
Sales and marketing expenses		(466,789)	(405,564)
General and administrative expenses		(445,417)	(412,450)
Research and development expenses		(280,860)	(207,626)
Expected credit loss	6(15)	-	-
Subtotal		(1,193,066)	(1,025,640)
Operating income		492,367	324,942
Non-operating income and expenses	6(18),7		
Interest revenue		853	1,813
Other income		190,263	157,471
Other gains and losses		22,540	(21,966)
Finance costs		(28,940)	(15,351)
Share of profit or loss of subsidiaries, associates and joint ventures	4,6(6)	2,063,726	1,999,372
Subtotal		2,248,442	2,121,339
Income from continuing operations before income tax		2,740,809	2,446,281
Income tax expense	4,6(20)	(409,307)	(332,413)
Net income		2,331,502	2,113,868
Other comprehensive income (loss)	6(19)		
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		(178)	526
Unrealized gains on equity instruments measured at fair value through other comprehensive income		9,387	18,743
Share of other comprehensive income of subsidiaries, associates and joint ventures which will not be reclassified subsequently to profit or loss		69,609	59,367
Income tax related to items that will not be reclassified subsequently		36	(104)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(74,034)	19,213
Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures which may be reclassified subsequently to profit or loss		(911)	5,199
Income tax related to items that may be reclassified subsequently		15,249	(3,107)
Total other comprehensive income, net of tax		19,158	99,837
Total comprehensive income		\$2,350,660	\$2,213,705
Earnings per share (NTD)			
Earnings per share-basic	4,6(21)	\$10.00	\$9.08
Earnings per share-diluted		\$9.80	\$9.07

(The accompanying notes are an integral part of the parent company only financial statements)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the years ended 31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Capital			Retained earnings			Other components of equity		
	Common stock	Certificates of Bond-to-Stock Conversion	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains (Losses) on Equity Instruments Measured at Fair Value Through Other Comprehensive Income	Total Equity
Balance as of 1 January 2020	\$2,325,237	\$1,457	\$1,228,781	\$1,108,150	\$341,933	\$2,993,072	\$(522,918)	\$41,695	\$7,517,407
Appropriation and distribution of 2019 retained earnings									
Legal reserve				172,624		(172,624)			-
Special reserve					139,290	(139,290)			-
Cash dividends						(1,233,720)			(1,233,720)
Other changes in additional paid-in capital									
Embedded conversion options derived from convertible			143,735						143,735
Share of changes in net assets of associates and joint ventures accounted for using the equity method			136,974						136,974
From differences between equity purchase price and carrying amount arising from actual acquisition or disposal of subsidiaries			6,457						6,457
Changes in ownership interests in subsidiaries			363,080						363,080
Net income in 2020						2,113,868			2,113,868
Other comprehensive income, net of tax in 2020						422	21,305	78,110	99,837
Total comprehensive income	-	-	-	-	-	2,114,290	21,305	78,110	2,213,705
Proceeds from disposal of equity instruments at fair value through other comprehensive income of associates and joint ventures						1,571		(1,571)	-
Proceeds from disposal of equity instruments at fair value through other comprehensive income						16,350		(16,350)	-
Bonds converted to stock	2,538	(1,457)	6,069						7,150
Balance as of 31 December 2020	<u>\$2,327,775</u>	<u>\$ -</u>	<u>\$1,885,096</u>	<u>\$1,280,774</u>	<u>\$481,223</u>	<u>\$3,579,649</u>	<u>\$(501,613)</u>	<u>\$101,884</u>	<u>\$9,154,788</u>
Balance as of 1 January 2021	\$2,327,775	\$ -	\$1,885,096	\$1,280,774	\$481,223	\$3,579,649	\$(501,613)	\$101,884	\$9,154,788
Appropriation and distribution of 2020 retained earnings									
Legal reserve				213,221		(213,221)			-
Cash dividends						(1,467,504)			(1,467,504)
Special reserve reversal					(81,494)	81,494			-
Other changes in additional paid-in capital									
Disposal of investments accounted for under the equity method			(2,415)			472	30	(472)	(2,385)
From differences between equity purchase price and carrying amount arising from actual acquisition or disposal of subsidiaries			33,203						33,203
Changes in ownership interests in subsidiaries			10,174						10,174
Net income in 2021						2,331,502			2,331,502
Other comprehensive income (loss), net of tax in 2021						(142)	(59,696)	78,996	19,158
Total comprehensive income (loss)	-	-	-	-	-	2,331,360	(59,696)	78,996	2,350,660
Proceeds from disposal of equity instruments at fair value through other comprehensive income of associates and joint ventures						(748)		748	-
Proceeds from disposal of equity instruments at fair value through other comprehensive income						1,964		(1,853)	111
Bonds converted to stock	5,995	8,290	264,414						278,699
Balance as of 31 December 2021	<u>\$2,333,770</u>	<u>\$8,290</u>	<u>\$2,190,472</u>	<u>\$1,493,995</u>	<u>\$399,729</u>	<u>\$4,313,466</u>	<u>\$(561,279)</u>	<u>\$179,303</u>	<u>\$10,357,746</u>

(The accompanying notes are an integral part of the parent company only financial statements)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the years ended 31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2021	2020
Cash flows from operating activities:		
Net income before tax	\$2,740,809	\$2,446,281
Adjustments to reconcile net income before tax to net cash provided by (used in) operating activities:		
Income and expense adjustments:		
Depreciation	106,264	71,921
Amortization	10,139	5,524
Interest expense	28,940	15,351
Interest income	(853)	(1,813)
Dividend income	(14,643)	(19,171)
Share of profit of subsidiaries, associates and joint ventures	(2,063,726)	(1,999,372)
Gain on disposal of property, plant and equipment	(14,326)	-
Gain on disposal of investments	(315)	-
Gain of financial assets/liabilities at fair value through loss or profit	(75,921)	(12,183)
Changes in operating assets and liabilities:		
(Increase) decrease in notes receivable	(14,897)	1,572
Decrease (increase) in accounts receivable	75,272	(539,471)
Increase in other receivables	(40,508)	(73,495)
Increase in inventories, net	(609,117)	(1,031,472)
Increase in other current assets	(131,199)	(62,981)
Increase (decrease) in notes payable	177	(1,622)
(Decrease) increase in accounts payable	(115,543)	495,897
Increase in other payables	99,363	80,231
Increase in contract liability	428,185	437,377
Decrease in other current liabilities	(20,199)	(7,979)
Decrease in accrued pension liabilities	(5,582)	(2,941)
Cash generated from (used in) operations	382,320	(198,346)
Interest received	853	1,926
Dividends received	14,643	19,171
Interest paid	(12,603)	(13,516)
Income tax paid	(373,474)	(345,342)
Net cash provided by (used in) operating activities	11,739	(536,107)

(Continued)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS(Continued)
For the years ended 31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2021	2020
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(115,800)	(47,123)
Proceeds from disposal of property, plant and equipment	140,048	-
Acquisition of investments accounted for under the equity method	(50,994)	(195,939)
Proceeds from disposal of investments accounted for under the equity method	47,835	-
Acquisition of financial assets at fair value through other comprehensive income	(75,000)	(33,629)
Proceeds from disposal of financial assets at fair value through other comprehensive income	23,590	28,029
Decrease in financial assets at fair value through other comprehensive income	2,449	3,061
Acquisition of financial assets at fair value through profit or loss, current	-	(60,000)
Proceeds from disposal of financial assets at fair value through profit or loss, current	52,870	-
Increase in other noncurrent assets	(209,303)	(112,947)
Dividends received	1,454,433	999,188
Net cash provided by investing activities	1,270,128	580,640
Cash flows from financing activities:		
Cash payments for the principal portion of lease liability	(47,046)	(27,334)
Increase (decrease) in short-term loans	493,862	(282,578)
Proceeds from bonds issued	-	1,402,864
Proceeds from long-term loans	-	300,000
Increase in deposits received	60	-
Cash dividends	(1,467,504)	(1,233,720)
Net cash (used in) provided by financing activities	(1,020,628)	159,232
Effect of exchange rate changes on cash and cash equivalents	2,226	(24)
Net increase in cash and cash equivalents	263,465	203,741
Cash and cash equivalents at beginning of period	1,188,125	984,384
Cash and cash equivalents at end of period	\$1,451,590	\$1,188,125

(The accompanying notes are an integral part of the parent company only financial statements)

SINBON ELECTRONICS CO., LTD.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
For the Years Ended 31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

SINBON Electronics Co., Ltd. (the “Company”) was incorporated in Republic of China (R.O.C) in December 1989. The main activities of the Company include manufacturing and selling computer peripherals, connectors, wires and other parts. The shares of the Company commenced trading on Taiwan’s Over-the-Counter Market in May 2001 and were listed on the Taiwan Stock Exchange in August 2002.

2. Date and procedures of authorization of financial statements for issue

The parent company only financial statements of the Company were authorized for issue in accordance with a resolution of the Board of Directors’ meeting on 11 March 2022.

3. Newly issued or revised standards and interpretations

- (1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after 1 January 2021. Apart from the nature and impact of the new standard and amendment is described below, the remaining new standards and amendments had no material impact on the Company.

- (2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are endorsed by FSC, but not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Narrow-scope amendments of IFRS, including Amendments to IFRS 3, Amendments to IAS 16, Amendments to IAS 37 and the Annual Improvements	1 January 2022

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (a) Narrow-scope amendments of IFRS, including Amendments to IFRS 3, Amendments to IAS 16, Amendments to IAS 37 and the Annual Improvements

- A. Updating a Reference to the Conceptual Framework (Amendments to IFRS 3)

The amendments updated IFRS 3 by replacing a reference to an old version of the Conceptual Framework for Financial Reporting with a reference to the latest version, which was issued in March 2018. The amendments also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential “day 2” gains or losses arising for liabilities and contingent liabilities. Besides, the amendments clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Conceptual Framework.

- B. Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

- C. Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments clarify what costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

- D. Annual Improvements to IFRS Standards 2018 – 2020

- Amendment to IFRS 1*

- The amendment simplifies the application of IFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Amendment to IFRS 9 Financial Instruments

The amendment clarifies the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

Amendment to Illustrative Examples Accompanying IFRS 16 Leases

The amendment to Illustrative Example 13 accompanying IFRS 16 modifies the treatment of lease incentives relating to lessee's leasehold improvements.

Amendment to IAS 41

The amendment removes a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in IAS 41 with those in other IFRS Standards.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC so that they are applicable for annual periods beginning on or after 1 January 2022. The new or amended standards and interpretations have no material impact on the Company.

- (3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 "Insurance Contracts"	1 January 2023
c	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2023
d	Disclosure Initiative - Accounting Policies – Amendments to IAS 1	1 January 2023
e	Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
f	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023

- (a) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

- (b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(c) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

(d) Disclosure Initiative - Accounting Policies – Amendments to IAS 1

The amendments improve accounting policy disclosures that to provide more useful information to investors and other primary users of the financial statements.

(e) Definition of Accounting Estimates – Amendments to IAS 8

The amendments introduce the definition of accounting estimates and included other amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to help companies distinguish changes in accounting estimates from changes in accounting policies.

(f) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, the local effective dates are to be determined by FSC. The new or amended standards and interpretations have no material impact on the Company.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

4. Summary of significant accounting policies

(1) Statement of Compliance

The parent company only financial statements of the Company for the years ended 31 December 2021 and 2020 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations").

(2) Basis of Preparation

The Company prepared the parent company only financial statements in accordance with the Regulations. According to the Article 21 of the Regulation, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The parent company only financial statements are expressed in thousands of New Taiwan Dollars ("NT\$") unless otherwise stated.

(3) Foreign Currency Transactions

The Company's parent company only financial statements are presented in its functional currency, New Taiwan Dollars (NT\$). Items included in the financial statements are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Company at the respective functional currency rates prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Non-monetary items measured at fair value in foreign currencies are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in foreign currencies are translated using the exchange rates as at the dates of the initial transactions.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- (a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- (b) Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.
- (c) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4) Translation of Foreign Currency Financial Statements

The assets and liabilities of foreign operations are translated into NT\$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

- (a) when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
- (b) when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(5) Current and non-current distinction

An asset is classified as current when:

- (a) The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- (b) The Company holds the asset primarily for the purpose of trading
- (c) The Company expects to realize the asset within twelve months after the reporting period
- (d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(6) Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 3 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7) Financial Instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(1) Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- A. the Company's business model for managing the financial assets
- B. the contractual cash flow characteristics of the financial asset

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

- A. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

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- B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- A. purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition
- B. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

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- A. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- (a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- (b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- (c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
 - i. Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
 - ii. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

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In addition, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

(2) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the statement of financial position.

The Company measures expected credit losses of a financial instrument in a way that reflects:

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- (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) the time value of money; and
- (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measured as follows:

- (a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- (b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- (c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.
- (d) For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

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(3) Derecognition of financial assets

A financial asset is derecognized when:

- i. The rights to receive cash flows from the asset have expired
- ii. The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- iii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(4) Financial liabilities and equity

Classification between liabilities or equity

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Company evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Company assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before

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separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 *Financial Instruments*.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

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Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

- i. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term
- ii. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking
- iii. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

- i. it eliminates or significantly reduces a measurement or recognition inconsistency; or
- ii. a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Company is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(5) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) Derivative financial instruments

The Company uses derivative financial instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as assets or liabilities at fair value through profit or loss except for derivatives that are designated effective hedging instruments which are classified as derivative financial assets or liabilities for hedging.

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in equity.

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When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value through profit or loss.

(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

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Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials - Purchase cost under weighted average cost method

Finished goods and work in progress – Cost of direct materials and labor and a

proportion of manufacturing overheads

based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(11) Investments accounted for under the equity method

According to Article 21 of the Regulation, the Company's investment in subsidiaries was presented as "Investments accounted for using equity method" and made necessary adjustments. The profit or loss during the period and other comprehensive income presented in the parent company only financial statements shall be the same as the allocations of profit or loss during the period and of other comprehensive income attributable to shareholders of the parent presented in the financial statements prepared on a consolidated basis, and the shareholders' equity presented in the parent company only financial statements shall be the same as the equity attributable to shareholders of the parent presented in the financial statements prepared on a consolidated basis. The adjustment was considered the difference between investment in subsidiaries in consolidated financial statements according to IFRS 10 "Consolidated financial statements" and application of IFRS to different reporting entities, debit/credit "Investment accounted for using equity method", "Share of profit or loss of subsidiaries, associates and joint ventures" or "Share of other comprehensive profit or loss

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of subsidiaries, associates and joint ventures” etc.

The Company’s investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence. Joint venture means the Company has rights to the net assets of the joint agreement (with joint controller).

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company’s share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the Company’s related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Company’s percentage of ownership interests in the associate or joint venture, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a pro-rata basis.

When the associate or joint venture issues new stock, and the Company’s interest in an associate or a joint venture is reduced or increased as the Company fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in additional paid-in capital and investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned

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capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Company estimates:

- (a) Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
- (b) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate or joint venture, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

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(12) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Items	Useful Lives
Buildings	5~50 years
Machinery and equipment	3~15 years
Transportation equipment	5~10 years
Office equipment	3~10 years
Other equipment	2~15 years
Leasehold improvements	Lower of leasehold years or useful lives

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate, and are treated as changes in accounting estimates.

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(13) Leases

The Company assesses whether the 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. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

- (a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
- (b) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximizing the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

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- (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (c) amounts expected to be payable by the lessee under residual value guarantees;
- (d) the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date, less any lease incentives received;
- (c) any initial direct costs incurred by the lessee; and
- (d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the 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.

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The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

For the rent concession arising as a direct consequence of the Covid-19 pandemic, the Company elected not to assess whether it is a lease modification but accounted it as a variable lease payment.

Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

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(14) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

A summary of the policies applied to the Company's intangible assets is as follows:

	Computer software
Useful lives	1~15 years
Amortization method used	Amortized on a straight- line basis over the estimated useful life
Internally generated or acquired	Acquired

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(15) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

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NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(16) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for decommissioning, restoration and rehabilitation costs

The provision for decommissioning, restoration and rehabilitation costs arose on construction of a property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Provision for warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

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(17) Revenue recognition

The Company's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follows:

Sale of goods

The Company manufactures and sells machinery. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Company are computer peripherals, connectors, wires and other parts and revenue is recognized based on the consideration stated in the contract.

The credit period of the Company's sale of goods is from 60 to 120 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Company usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Company has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Company measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

Rendering of services

The Company provides maintenance services for the sale of construction for solar photovoltaic power generation system. Such services are separately priced or negotiated, and provided based on contract periods.

Most of the contractual considerations of the Company are collected evenly throughout the contract periods. When the Company has performed the services to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. However, for some rendering of services contracts, part of the consideration was received from customers upon signing the contract, and the Company has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

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NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

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The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component has arisen.

(18) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(19) Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore fund assets are not included in the Company's consolidated financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

- (a) the date of the plan amendment or curtailment, and
- (b) the date that the Company recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

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liability (asset) during the period as a result of contribution and benefit payment.

(20) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ii. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the

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NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

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foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- i. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

and the same taxation authority.

5. Significant accounting judgments, estimates and assumptions

The preparation of the parent company only financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(1) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flow model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

(2) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Please refer to Note 6 for more details.

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NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3)Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognized for all carry forward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

(4)Accounts receivables—estimation of impairment loss

The Company estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

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NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(5) Inventories

Estimates of net realisable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of 31 December	
	2021	2020
Cash on hand and petty cash	\$24	\$22
Demand deposits	1,451,566	1,188,103
Total	<u>\$1,451,590</u>	<u>\$1,188,125</u>

(2) Financial assets at fair value through profit or loss – current

	As of 31 December	
	2021	2020
Financial assets mandatorily at fair value through profit or loss:		
Stocks	\$190,190	\$124,961
Corporate bonds	57,168	57,204
Embedded derivatives- Corporate bonds	2,333	-
Funds	-	69,372
Total	<u>\$249,691</u>	<u>\$251,537</u>
Current	\$247,358	\$251,537
Non – current	2,333	-
Total	<u>\$249,691</u>	<u>\$251,537</u>

Financial assets at fair value through profit or loss were not pledged.

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NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Accounts receivables and accounts receivable - related parties

	As of 31 December	
	2021	2020
Accounts receivables	\$1,048,019	\$960,985
Less: loss allowance	(1,166)	(1,166)
subtotal	1,046,853	959,819
Accounts receivable – related parties	472,476	634,782
Total	<u>\$1,519,329</u>	<u>\$1,594,601</u>

Accounts receivables were not pledged.

Accounts receivables are generally on 60-120 day terms. The total carrying amount for the years ended 31 December 2021 and 2020 were NT\$1,520,495 thousand and NT\$1,595,767 thousand, respectively. Please refer to Note 6(15) for more details on loss allowance and Note 12 for details on credit risk management.

(4) Inventories

	As of 31 December	
	2021	2020
Raw materials	\$779,079	\$623,935
Work in progress	187,342	149,270
Finished goods	1,145,930	728,678
Merchandise	262,943	264,294
Total	<u>\$2,375,294</u>	<u>\$1,766,177</u>

The inventory cost recognized as operating costs for the years ended 31 December 2021 and 2020 were NT\$5,242,802 thousand and NT\$4,220,171 thousand, respectively. The price (gain from price recovery) reduction of inventories related to cost of goods sold were NT\$(18,376) thousand and NT\$17,635 thousand.

Gain from price recovery of inventories was due to the sale of obsolete products and the net realized value recovery for the year ended 31 December 2021.

Inventories were not pledged.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(5) Financial assets at fair value through other comprehensive income

	As of 31 December	
	2021	2020
Equity instrument investments measured at fair value through other comprehensive income – Non-current		
Emerging companies stocks	\$ -	\$23,328
Unlisted companies stocks	321,734	227,917
Total	<u>\$321,734</u>	<u>\$251,245</u>

On 26 January 2021, the Company disposed of the unlisted stocks in Japan SINBON Electronics Co., Ltd., which were reported under equity instrument investments measured at fair value through other comprehensive income during the period. Upon derecognition, the fair value of the investments was NT\$1,510 thousand, and the cumulative disposal loss of NT\$556 thousand was transferred from other components of equity to retained earnings.

On 23 April 2021, the Company invested NT\$75,000 thousand in SINTOP Energy I Corp. which were reported under equity instrument investments measured at fair value through other comprehensive income during the period.

On the second quarter of 2021, the Company disposed NT\$7,530 thousand in Gongwin Biopharm Holdings Co., Ltd., which were reported under equity instrument investments measured at fair value through other comprehensive income during the period. Upon derecognition, the fair value of the investments was NT\$20,832 thousand, and the cumulative disposal gain of NT\$13,302 thousand was transferred from other components of equity to retained earnings.

The paid-in capital returned from capital reduction of Top Taiwan VII Venture Capital Co., Ltd. amounted to NT\$2,449 thousand and NT\$3,061 thousand on 9 July 2021 and 27 November 2020.

On 29 April 2020, Top Taiwan III Venture Capital Co., Ltd., was liquidated. On 27 September 2021, the paid-in capital returned from the liquidation in the amount of NT\$777 thousand was received and the unrealized disposal loss of NT\$4,914 thousand was transferred from other components of equity to retained earnings.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

On 29 April 2020, Top Taiwan II Venture Capital Co., Ltd., was liquidated. On 22 October 2021, the paid-in capital returned from the liquidation in the amount of NT\$471 thousand was received and the unrealized disposal loss of NT\$5,979 thousand was transferred from other components of equity to retained earnings.

On 25 May 2020, the Company invested NT\$32,716 thousand in VAN MOOF Global Holding BV. which were reported under equity instrument investments measured at fair value through other comprehensive income during the period.

On 7 October 2020, the Company invested NT\$913 thousand in Gongwin Biopharm Holdings Co., Ltd. In consideration of the Company's investment strategy, the Company disposed of the emerging stocks of Gongwin Biopharm Holdings Co., Ltd., which were reported under equity instrument investments measured at fair value through other comprehensive income during the period. Upon derecognition, the fair value of the investments was NT\$28,029 thousand, and the cumulative disposal gain of NT\$16,350 thousand was transferred from other components of equity to retained earnings.

Financial assets at fair value through other comprehensive income were not pledged.

The Company's dividend income related to equity instrument investments measured at fair value through other comprehensive income for the years ended 31 December 2021 and 2020 are as follow:

	For the years ended 31 December	
	2021	2020
Related to investments held at the end of the reporting period	\$13,144	\$19,171
Related to investments derecognized during the period	-	-
Dividends recognized during the period	<u>\$13,144</u>	<u>\$19,171</u>

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(6) Investments accounted for using the equity method

The following table lists the investments accounted for using the equity method of the Company:

Investees	As of 31 December			
	2021		2020	
	Amount	%	Amount	%
Investments in subsidiaries:				
SINBON International Enterprise Co., Ltd. (SB(BVI))	\$4,736,920	100.00	\$4,256,603	100.00
Beijing SINBON TongAn Energy Co.,Ltd. (SB TongAn)	1,946,117	85.53	1,988,100	85.53
Hong Kong SINBON Electronics Co., Ltd. (HKSB)	1,155,609	100.00	808,212	100.00
Kwan-Ze Corporation Ltd. (Kwan-Ze)	736,103	100.00	642,709	100.00
T-CONN Precision Co., Ltd. (T-CONN)	436,436	57.45	320,970	61.18
SINBON USA L.L.C. (SINBON USA)	39,142	100.00	47,766	100.00
SINBON Europe GmbH (SB Europe)	3,203	100.00	1,379	100.00
Radbon Avionics Inc. (Radbon)	107,007	55.00	55,847	55.00
SINBON Hungary Kft. (SB Hungary)	142,129	100.00	162,747	100.00
SINTOP Energy Management Co., Ltd. (SINTOP)	8,199	53.57	-	-
Subtotal	9,310,865		8,284,333	
Investments in associates:				
Argocy Research Inc.	143,605	3.52	129,014	3.52
Total	\$9,454,470		\$8,413,347	

On 26 January 2021, T-CONN raised capital; however, the Company did not acquire shares according to the shareholding percentage. Therefore, its ownership dropped from 61.18% to 58.86% and recognized capital surplus in the amount of NT\$10,174 thousand.

On 31 May 2021, the Company disposed of 1.41% interest in T-CONN. The cash consideration amounted to NT\$41,949 thousand and the Company recognized capital surplus in the amount of NT\$33,203 thousand.

On 15 April 2021, the Company newly invested NT\$6,804 thousand to establish SINTOP Energy Management Co., Ltd..

On 23 November 2021, the Company invested additional NT\$14,460 thousand in SINBON USA L.L.C..

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

On 20 May 2020, Top Taiwan IV Venture Capital Co., Ltd. was closed down. On 27 September 2021, the return of paid-in capital following liquidation was NT\$5,886 thousand and the Company has recognized gain on disposal of investment in the amount of NT\$315 thousand.

On 26 July 2021, the Company invested additional NT\$29,730 thousand in SINBON Hungary Kft.

On 24 September 2020, BJSB TongAn renamed Beijing SINBON TongAn Renewable Energy Co., Ltd.

In January and December 2020, BJSB TongAn raised capital. However, the Company did not acquire shares according to the shareholding percentage. Therefore, its ownership dropped from 100% to 85.53% and recognized capital surplus in the amount of NT\$362,018 thousand.

On the fourth quarter of 2020, the Company invested additional NT\$174,819 thousand in SINBON Hungary Kft.

The Company disposed of the 51% ownership in SINBON Holding GmbH and SINBON Germany GmbH indirectly held through SINBON Europe GmbH on 1 July 2020, and acquired 49% of SINBON Hungary Kft.. The Company directly held shares of SINBON Hungary Kft. after an organization restructuring. So the Company's shareholding percentage in SINBON Hungary Kft. through SINBON Europe GmbH changed from indirectly holding of 51% to direct holding of 100%.

On 25 August 2020, Argocy Research Inc. raised capital. The Company invested additional NT\$21,120 thousand; however, the Company did not acquire shares according to the shareholding percentage. Therefore, its ownership dropped from 3.59% to 3.52% and recognized capital surplus in the amount of NT\$23,807 thousand.

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NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(1) For the years ended 31 December 2021 and 2020, the Company recognized share of profit or loss of subsidiaries and associates and exchange differences on translation of foreign operations accounted for using equity method, and the details are as follows:

Investees	For the years ended 31 December			
	2021		2020	
	Investment	Exchange	Investment	Exchange
	income	differences	income	differences
	(loss)	on	(loss)	on
		translation		translation
		of Foreign		of Foreign
		operations		operations
Investments in subsidiaries:				
SINBON International Enterprise Co., Ltd. (SB(BVI))	\$769,109	\$(23,145)	\$667,597	\$33,966
Beijing SINBON TongAn Renewable Energy Co., Ltd.(SB TongAn)	152,972	(9,900)	584,687	22,495
Hong Kong SINBON Electronics Co., Ltd. (HKSB)	867,722	(39,415)	584,818	(34,603)
Kwan-Ze Corporation Ltd. (Kwan-Ze)	131,869	(105)	108,131	3,485
SINBON USA L.L.C. (SINBON USA)	(21,595)	(1,204)	(32,716)	(3,320)
Radbon Avionics Inc. (Radbon)	51,160	-	18,629	-
T-CONN Precision Co., Ltd. (T-CONN)	134,480	(700)	107,384	1,037
SINBON Europe GmbH (SB Europe)	2,085	(261)	(35,175)	3,875
SINBON Hungary Kft. (SB Hungary)	(48,028)	(2,320)	(25,813)	(3,180)
SINTOP Energy Management Co., Ltd. (SINTOP)	1,395	-	-	-
Subtotal	2,041,169	(77,050)	1,977,542	23,755
Investments in associates:				
Top Taiwan IV Venture Capital Co., Ltd.	-	-	23	-
Argocy Research Inc.	22,557	(76)	21,807	677
Subtotal	22,557	(76)	21,830	677
Total	\$2,063,726	\$(77,126)	\$1,999,372	\$24,432

(2) Investments in subsidiaries

Investing subsidiaries was expressed as “Investments accounted for under the equity method” in the parent company only financial statements, and was made the adjustment which was necessary.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Investments in associates

The Company's investments in Argocy Research Inc. and Top Taiwan IV Venture Capital Co., Ltd. (Note) are not individually material. The aggregate financial information of the Company's share of its associates is as follows:

	For the years ended 31 December	
	2021	2020
Profit from continuing operations	\$22,557	\$21,830
Other comprehensive income (post-tax)	9,812	13,933
Total comprehensive income	<u>\$32,369</u>	<u>\$35,763</u>

Note: On 20 May 2020, Top Taiwan IV Venture Capital Co., Ltd. was closed down.

The associates had no contingent liabilities or capital commitments as of 31 December 2021 and 2020.

Fair value of the investment in the associate when there is a quoted market price for the investment:

Argocy Research Inc. is a listed entity on the Taiwan Stock Exchange (TWSE). The fair value of the investment in Argocy Research Inc. was NT\$428,571 thousand and NT\$349,206 thousand as of 31 December 2021 and 2020.

On 1 June 2021, T-CONN Precision Co., Ltd. became a listed entity on the Taiwan Stock Exchange (TWSE). The fair value of the investment in T-CONN Precision Co., Ltd. was NT\$2,165,276 thousand as of 31 December 2021.

Our audit, insofar as it related to the investments accounted for under the equity method amounting to NT\$2,399,257 thousand and NT\$1,872,100 thousand as of 31 December 2021 and 2020; the related shares of investment income from the associates and joint ventures amounted to NT\$1,114,335 thousand and NT\$799,383 thousand for the years ended 31 December 2021 and 2020, respectively; and the related shares of other comprehensive income from the associates and joint ventures amounted to NT\$59,102 thousand and NT\$63,134 thousand for the years ended 31 December 2021 and 2020, respectively; are based solely on the reports of other independent accountants.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(7) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Office equipment	Transportati on equipment	Other equipmen t	Leasehold improvements	Total
Cost:								
As of 1 January 2021	\$150,430	\$424,135	\$168,159	\$47,470	\$2,244	\$158,613	\$19,324	\$970,375
Additions	43,759	648	33,980	13,536	-	7,291	16,586	115,800
Disposals	-	-	(1,437)	(92)	-	(129,258)	(1,467)	(132,254)
Other changes	-	-	1,225	2,143	-	13,584	83,363	100,315
As of 31 December 2021	<u>\$194,189</u>	<u>\$424,783</u>	<u>\$201,927</u>	<u>\$63,057</u>	<u>\$2,244</u>	<u>\$50,230</u>	<u>\$117,806</u>	<u>\$1,054,236</u>
As of 1 January 2020	\$150,430	\$422,707	\$145,651	\$39,005	\$2,244	\$19,191	\$7,159	\$786,387
Additions	-	3,567	21,873	7,337	-	2,181	12,165	47,123
Disposals	-	(3,510)	(2,703)	(1,121)	-	(175)	-	(7,509)
Other changes	-	1,371	3,338	2,249	-	137,416	-	144,374
As of 31 December 2020	<u>\$150,430</u>	<u>\$424,135</u>	<u>\$168,159</u>	<u>\$47,470</u>	<u>\$2,244</u>	<u>\$158,613</u>	<u>\$19,324</u>	<u>\$970,375</u>
Depreciation and impairment:								
As of 1 January 2021	\$ -	\$139,578	\$106,736	\$29,476	\$1,475	\$12,099	\$7,993	\$297,357
Depreciation	-	17,491	22,547	7,097	220	7,416	3,842	58,613
Disposals	-	-	(1,437)	(92)	-	(3,536)	(1,467)	(6,532)
As of 31 December 2021	<u>\$ -</u>	<u>\$157,069</u>	<u>\$127,846</u>	<u>\$36,481</u>	<u>\$1,695</u>	<u>\$15,979</u>	<u>\$10,368</u>	<u>\$349,438</u>
As of 1 January 2020	\$ -	\$125,824	\$94,096	\$24,628	\$1,176	\$7,430	\$6,711	\$259,865
Depreciation	-	17,264	15,343	5,969	299	4,844	1,282	45,001
Disposals	-	(3,510)	(2,703)	(1,121)	-	(175)	-	(7,509)
As of 31 December 2020	<u>\$ -</u>	<u>\$139,578</u>	<u>\$106,736</u>	<u>\$29,476</u>	<u>\$1,475</u>	<u>\$12,099</u>	<u>\$7,993</u>	<u>\$297,357</u>
Net carrying amount as at:								
31 December 2021	<u>\$194,189</u>	<u>\$267,714</u>	<u>\$74,081</u>	<u>\$26,576</u>	<u>\$549</u>	<u>\$34,251</u>	<u>\$107,438</u>	<u>\$704,798</u>
31 December 2020	<u>\$150,430</u>	<u>\$284,557</u>	<u>\$61,423</u>	<u>\$17,994</u>	<u>\$769</u>	<u>\$146,514</u>	<u>\$11,331</u>	<u>\$673,018</u>

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Property, plant and equipment was not pledged.

There is no capitalization of interest due to purchase of property, plant and equipment

Components of building that have different useful lives are the main building structure and air conditioning, which are depreciated over 50 years and 25 years, respectively.

(8) Other non-current assets

	As of 31 December	
	2021	2020
Prepayment for equipment	\$167,649	\$72,576
Long-term prepaid rent	16,830	13,292
Refundable deposits	13,095	12,857
Other long-term investment	600	600
Other assets	154	154
Total	<u>\$198,328</u>	<u>\$99,479</u>

No other non-current assets were pledged.

(9) Short-term loans

	As of 31 December	
	2021	2020
Unsecured bank loans	<u>\$1,952,450</u>	<u>\$1,458,588</u>

	As of 31 December	
	2021	2020
Interest rates applied	<u>0.53%~0.58%</u>	<u>0.57%~0.70%</u>

The Company's unused short-term lines of credits amounted to NT\$1,547,400 thousand and NT\$1,766,812 thousand as of 31 December 2021 and 2020, respectively.

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NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

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(10) Financial liabilities at fair value through profit or loss

	As of 31 December	
	2021	2020
Held for trading:		
Derivatives not designated as hedging		
Instruments		
Cross currency swaps	\$241	\$22,084
Embedded derivative-bonds	-	2,470
Foreign exchange option contracts	-	28
Total	<u>\$241</u>	<u>\$24,582</u>
Current	\$241	\$22,112
Non-current	-	2,470
Total	<u>\$241</u>	<u>\$24,582</u>

(11) Bonds payable

	As of 31 December	
	2021	2020
Liability component		
Principal amount	\$1,014,400	\$1,300,000
Discounts on bonds payable	(20,049)	(43,019)
Subtotal	994,351	1,256,981
Less: current portion	-	-
Net	<u>\$994,351</u>	<u>\$1,256,981</u>
Embedded derivative	<u>\$(2,333)</u>	<u>\$2,470</u>
Equity component	<u>\$112,157</u>	<u>\$143,735</u>

A. Issuance of convertible bonds:

On 15 December 2020, the Company issued the seventh zero coupon unsecured convertible bonds. The terms of the convertible bonds were evaluated to include a liability component, embedded derivatives (a call option and a put option) and an equity component (an option for conversion into issuer's ordinary shares). The terms of the bonds are as follows:

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Issue amount: NT\$1,300,000 thousand

Period: 15 December 2020~ 15 December 2023

Redemption clauses:

- a. The Company may redeem the bonds, in whole or in part, after 3 months of the issuance (16 March 2021) and prior to 40 days before the maturity date (5 November 2023), at the principal amount of the bonds with an interest calculated at the rate of 0% per annum (early redemption conversion price) if the closing price of the Company's ordinary shares on the Taiwan Stock Exchange (TWSE) for a period of 30 consecutive trading days, is at least 130% of the conversion price.
- b. The Company may redeem the bonds, in whole or in part, after 3 months of the issuance (16 March 2021) and prior to 40 days before the maturity date (5 November 2023), at the early redemption conversion price if at least 90% in principal amount of the bonds has already been exchanged, redeemed, purchased or cancelled.
- c. The Company may redeem the bonds in cash, within 5 trading days after the base date of withdrawing the bonds as stated on the "Withdrawal of Convertible Bonds Notice", at the par value if the bondholders do not reply to the share affair agency in writing before the base date.

Reversal clauses:

- a. The bondholders have the right to require the Company to redeem all or any portion of the bonds, 40 days prior to 2 year anniversary (15 December 2022) of the issuance, at the principal amount of the bonds with an interest calculated at the rate of 0.5% per annum.

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Terms of Exchange:

- a. Underlying Securities: Common shares of the Company
- b. Exchange Period: The bonds are exchangeable at any time on or after 16 March 2021 and prior to 15 December 2023 into common shares of the Company.
- c. Exchange Price and Adjustment: The exchange price was originally NT\$203 per share. The exchange price will be subject to adjustments upon the occurrence of certain events set out in the indenture.

In accordance with IFRS 9, said financial instrument is classified as an embedded derivative so the exercise price of the embedded put option is allocated to the liability component and equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. The difference between the equity component and the book value was recognized in profit or loss. The difference between the liability component and the book value was recognized in "Share premium-warrants". The financial assets (liabilities) of convertible bonds are measured at amortized cost, fair value through profit or loss amounted to NT\$2,333 thousand and NT\$(2,470) thousand as of 31 December 2021 and 31 December 2020, respectively.

The convertible bonds that have already been converted were NT\$285,600 thousand and NT\$0 thousand as at 31 December 2021 and 31 December 2020 respectively.

(12) Post-employment benefits

Defined contribution plan

The Company adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Pension expenses under the defined contribution plan for the years ended

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31 December 2021 and 2020 were NT\$33,683 thousand and NT\$27,793 thousand, respectively.

Defined benefits plan

The Company adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under discretionary accounts, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT\$9,600 thousand to its defined benefit plan during the 12 months beginning after 31 December 2021.

The weighted average duration of the defined benefits obligation was 11.5 years as of 31 December 2021.

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Pension costs recognized in profit or loss are as follows:

	For the years ended 31 December	
	2021	2020
Current service costs	\$797	\$806
Net interest on the net defined benefit liabilities	601	813
Total	<u>\$1,398</u>	<u>\$1,619</u>

Reconciliations of liabilities of the defined benefit obligation and plan assets at fair value are as follows:

	As of		
	31 Dec. 2021	31 Dec. 2020	1 Jan. 2020
Defined benefit obligation	\$140,221	\$138,096	\$138,518
Plan assets at fair value	(72,660)	(65,131)	(62,086)
Net defined benefit liabilities, noncurrent	<u>\$67,561</u>	<u>\$72,965</u>	<u>\$76,432</u>

Reconciliation of liabilities (assets) of the defined benefit plan are as follows:

	As of		
	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities
As of 1 January 2020	\$138,518	\$(62,086)	\$76,432
Current period service costs	806	-	806
Interest expense (income)	1,522	(709)	813
Subtotal	140,846	(62,795)	78,051
Remeasurements of the defined benefit liabilities /assets:			
Actuarial gains and losses arising from changes in demographic assumptions	3,229	-	3,229
Experience adjustments	(1,963)	-	(1,963)
Remeasurements of the defined benefit assets	-	(1,792)	(1,792)
Subtotal	<u>1,266</u>	<u>(1,792)</u>	<u>(526)</u>

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NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	As of		
	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities
Payments of benefit obligation	(4,016)	4,016	-
Contributions by employer	-	(4,560)	(4,560)
As of 31 December 2020	138,096	(65,131)	72,965
Current period service costs	797	-	797
Interest expense (income)	1,174	(573)	601
Subtotal	140,067	(65,704)	74,363
Remeasurements of the defined benefit liabilities /assets:			
Actuarial gains and losses arising from changes in demographic assumptions	2,372	-	2,372
Experience adjustments	(1,584)	-	(1,584)
Remeasurements of the defined benefit assets	-	(610)	(610)
Subtotal	788	(610)	178
Payments of benefit obligation	(634)	634	-
Contributions by employer	-	(6,980)	(6,980)
As of 31 December 2021	\$140,221	\$(72,660)	\$67,561

The principal assumptions used in determining the Company's defined benefit plan are shown below:

	As of 31 December	
	2021	2020
Discount rate	0.65%	0.85%
Expected rate of salary increases	3.00%	3.00%

Sensitivity analysis for significant assumption are shown below:

	For the years ended 31 December			
	2021		2020	
	Defined benefit obligation increase	Defined benefit obligation decrease	Defined benefit obligation increase	Defined benefit obligation decrease
Discount rate increase by 0.50%	\$ -	\$5,810	\$ -	\$6,339
Discount rate decrease by 0.50%	6,228	-	6,830	-
Future salary increase by 1.00%	12,468	-	13,739	-
Future salary decrease by 1.00%	-	11,098	-	12,101

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

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There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(13)Equity

(a) Common stock

The Company's authorized capital was NT\$4,500,000 thousand as of 31 December 2021 and 2020. The issued capital was NT\$2,333,770 thousand and NT\$2,327,775 thousand in a total of 233,377 thousand shares and 232,778 thousand shares, respectively. Each share has one voting right and a right to receive dividends.

The investors requested to convert the Company's convertible bonds into common stocks in the amount of NT\$14,285 thousand in a total of 1,428 thousand shares from 1 January 2021 to 31 December 2021, and 599 thousand shares had completed the registration process as of 31 December 2021. As the registration process has not been completed, the accumulated book value of certificates of bond-to-stocks conversion amounted to NT\$8,290 thousand in a total of 829 thousand shares as of 31 December 2021.

As of 1 January 2020, the accumulated book value of certificates of bond - to - stock conversion that had completed the registration process amounted to NT\$1,457 thousand in a total of 146 thousand shares as of 31 March 2020.

(b) Capital surplus

	As of 31 December	
	2021	2020
Additional paid-in capital	\$1,543,555	\$1,247,563
Treasury share transactions	5,749	5,749
Share of changes in net assets of associates and joint ventures accounted for using the equity method	132,869	135,284
Difference between consideration received and carrying amount of interests in subsidiaries acquired/disposed of	22,183	(11,020)
Increase (decrease) through changes in ownership interests in subsid	373,254	363,080
Premium from merger	705	705
Stok options	112,157	143,735
Total	<u>\$2,190,472</u>	<u>\$1,885,096</u>

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According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

(c) Retained earnings and dividend policies

According to the Company's original Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- a. Payment of all taxes and dues;
- b. Offset prior years' operation losses;
- c. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
- d. Set aside or reverse special reserve in accordance with law and regulations; and
- e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

As the Company is undergoing a growth stage, the policy of dividend distribution should reflect its long-term financial planning. The Board of Directors shall make the distribution proposal annually and present it at the Shareholder's meeting every year. The distribution of shareholders dividend shall be allocated cash dividends to be distributed may not be less than 10% of total dividends to be distributed.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

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When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to “other net deductions from shareholders” equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed from the special reserve.

The FSC on 31 March 2021 issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it.

The Company did not reverse any special reserve as a result of use, disposal or reclassification of related assets during the twelve-month periods ended 31 December 2021 and 2020.

Details of the 2021 and 2020 earnings distribution and dividends per share as approved and resolved by the Board of Directors’ meeting and shareholders’ meeting on 11 March 2022 and 9 July 2021, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT\$)	
	2021	2020	2021	2020
Common stock -cash dividend	\$1,640,858	\$1,467,504	\$7.0	\$6.3
Legal reserve	233,305	213,221		
Special reserve (reversal)	(17,753)	(81,494)		

Please refer to Note 6(16) for further details on employees’

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compensation and remuneration to directors and supervisors.

(14) Operating revenue

	For the years ended 31 December	
	2021	2020
Revenue from contracts with customers		
Sale of goods	\$6,686,227	\$5,511,325
Other operating revenue	242,008	59,428
Total	<u>\$6,928,235</u>	<u>\$5,570,753</u>

Analysis of revenue from contracts with customers for the years ended
31 December 2021 and 2020 are as follows:

(1) Disaggregation of revenue

For the year ended 31 December 2021

	Industrial Business Unit	Medical Business Unit	Automotive Business Unit	iComponent Solution Business Unit	Total
Sale of goods	\$2,727,347	\$723,481	\$888,607	\$2,346,792	\$6,686,227
Other operating revenues	98,716	26,186	32,163	84,943	242,008
Total	<u>\$2,826,063</u>	<u>\$749,667</u>	<u>\$920,770</u>	<u>\$2,431,735</u>	<u>\$6,928,235</u>
Timing of revenue recognition :					
At a point in time	\$2,826,063	\$749,667	\$920,770	\$2,431,735	\$6,928,235
Over time	-	-	-	-	-
Total	<u>\$2,826,063</u>	<u>\$749,667</u>	<u>\$920,770</u>	<u>\$2,431,735</u>	<u>\$6,928,235</u>

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For the year ended 31 December 2020

	Industrial	Medical	Automotive	iComponent Solution	
	Business Unit	Business Unit	Business Unit	Business Unit	Total
Sale of goods	\$2,196,032	\$675,168	\$695,766	\$1,944,359	\$5,511,325
Other operating revenues	23,680	7,280	7,502	20,966	59,428
Total	<u>\$2,219,712</u>	<u>\$682,448</u>	<u>\$703,268</u>	<u>\$1,965,325</u>	<u>\$5,570,753</u>
Timing of revenue recognition :					
At a point in time	\$2,219,712	\$682,448	\$703,268	\$1,965,325	\$5,570,753
Over time	-	-	-	-	-
Total	<u>\$2,219,712</u>	<u>\$682,448</u>	<u>\$703,268</u>	<u>\$1,965,325</u>	<u>\$5,570,753</u>

(2) Contract balances

Contract liabilities - current

	2021.12.31	2020.12.31	2020.1.1
Sales of goods	<u>\$1,009,680</u>	<u>\$581,495</u>	<u>\$144,118</u>

For the years ended 31 December 2021 and 2020, contract liabilities increased as additional performance obligations are not satisfied.

(3) Transaction price allocated to unsatisfied performance obligations

None

(4) Assets recognized from costs to fulfil a contract

None

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(15) Expected credit losses

The Company had no expected credit losses for the years ended 31 December 2021 and 31 December 2020.

Please refer to Note 12 for more details on credit risk.

The Company measures the loss allowance of its trade receivables (including note receivables and trade receivables) at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as at 31 December 2021 and 2020 are as follows:

31 December 2021

	Not yet due (note)	Overdue					Total
		<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	
Gross carrying amount	\$1,540,712	\$2,167	\$ -	\$ -	\$ -	\$1,166	\$1,544,045
Loss ratio	-%	-%	-%	-%	-%	30-100%	
Lifetime expected credit losses	-	-	-	-	-	(1,166)	(1,166)
Carrying amount	<u>\$1,540,712</u>	<u>\$2,167</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,542,879</u>

31 December 2020

	Not yet due (note)	Overdue					Total
		<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	
Gross carrying amount	\$1,581,490	\$14,035	\$7,729	\$ -	\$ -	\$1,166	\$1,604,420
Loss ratio	-%	-%	-%	-%	-%	30-100%	
Lifetime expected credit losses	-	-	-	-	-	(1,166)	(1,166)
Carrying amount	<u>\$1,581,490</u>	<u>\$14,035</u>	<u>\$7,729</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,603,254</u>

Note: The Company's note receivables are not overdue.

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The movement in the provision for impairment of note receivables and trade receivables during the years ended 31 December 2021 and 2020 are as follows:

	Note receivables	Trade receivables
As of 1 January 2021	\$ -	\$1,166
Write off	-	-
Addition/(reversal) for the current period	-	-
As of 31 December 2021	<u>\$ -</u>	<u>\$1,166</u>
As of 1 January 2020	\$ -	\$1,166
Write off	-	-
Addition/(reversal) for the current period	-	-
As of 31 December 2020	<u>\$ -</u>	<u>\$1,166</u>

(16) Leases

The Company is a lessee

The Company leases various properties, including real estate such as buildings and transportation equipment. The lease terms range from 1 to 16 years.

The Company's leases effect on the financial position, financial performance and cash flows are as follow:

A. Amounts recognized in the balance sheet

(a) Right-of-use asset

The carrying amount of right-of-use assets

	As of 31 December	
	2021	2020
Buildings	\$241,699	\$190,655
Transportation equipment	13,945	16,634
Total	<u>\$255,644</u>	<u>\$207,289</u>

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During the years ended 31 December 2021 and 2020, The Company's additions to right-of-use assets amounting to NT\$96,268 thousand and NT\$172,255 thousand, respectively.

(b) Lease liabilities

	As of 31 December	
	2021	2020
Lease liabilities		
Current	\$45,532	\$38,549
Non-Current	211,048	169,056
Total	<u>\$256,580</u>	<u>\$207,605</u>

Please refer to Note 6(18)(d) for the interest on lease liabilities recognized during the years ended 31 December 2021 and 2020 and refer to Note 12 (5) liquidity risk management for the maturity analysis for lease liabilities as at 31 December 2021 and 2020.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the years ended 31 December	
	2021	2020
Buildings	\$40,126	\$20,144
Transportation equipment	7,525	6,776
Total	<u>\$47,651</u>	<u>\$26,920</u>

C. Income and costs relating to leasing activities

	For the years ended 31 December	
	2021	2020
The expenses relating to short-term leases	<u>\$13,840</u>	<u>\$9,842</u>

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During the years ended 31 December 2021 and 2020, there is no rent concession arising as a direct consequence of the Covid-19 pandemic.

D. Cash outflow related to lessee and lease activity

During the years ended 31 December 2021 and 2020, The Company's total cash outflows for leases amounting to NT\$62,510 thousand and NT\$37,176 thousand.

(17) Summary statement of employee benefits, depreciation and amortization expenses by function for the years ended 31 December 2021 and 2020:

Function Nature	For the years ended 31 December					
	2021			2020		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	\$254,542	\$576,094	\$830,636	\$184,880	\$492,059	\$676,939
Labor and health insurance	29,121	48,941	78,062	20,312	39,427	59,739
Pension	11,578	23,503	35,081	9,444	19,968	29,412
Remuneration to directors and supervisors	-	21,000	21,000	-	20,000	20,000
Other employee benefits expense	22,618	27,732	50,350	18,024	19,246	37,270
Depreciation	54,383	51,881	106,264	34,334	37,587	71,921
Amortization	25	10,114	10,139	149	5,375	5,524

As of 31 December 2021 and 2020, the number of employees of the Company were 1,231 and 1,015; the number of directors who were not concurrently employees were 8 and 9, respectively.

For the years ended 31 December 2021 and 2020, the average of employees benefits expense of the Company were NT\$813 thousand and NT\$799 thousand, respectively.

For the years ended 31 December 2021 and 2020, the average of employees salaries of the Company were NT\$679 thousand and NT\$673 thousand, respectively.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Company's average salary expense adjustment for the year ended 31 December 2021 increased by 0.9%.

The Company has set up an audit committee to replace the supervisor in accordance with the regulations, so the supervisor's remuneration has not been recognized.

The Company's policy for compensation of directors, managers and employees is as follows:

The remuneration standard of the Company's managers shall be determined by the company's human resources unit in accordance with the relevant provisions of personnel performance evaluation, personal performance and contribution to the company's overall operations, and reference to the market level of the industry. After being reviewed by the Salary and Compensation Committee and approved by the Board of Directors, it will be implemented.

The Company's salary and remuneration policy is planned based on individual abilities and performance differentiation, and considering cost-effectiveness and risk control remuneration resources; and in order to attract, retain and motivate talents, relatively reasonable salary standards are formulated. The overall salary and remuneration package mainly include basic salary, bonuses, employee dividends, and benefits. Remuneration standard, basic salary is based on the market competition situation of the position held by the employee and the company's policy; bonus and employee dividend are paid in conjunction with the achievement of the employee's personal and departmental goals or the company's operating performance; the welfare part is in compliance with the law and regulations. The premise is to be revised at any time according to environmental needs, and the actual needs of employees are the main consideration, and welfare measures that employees can share are designed.

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NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

According to the Articles of Incorporation, 1% to 15% of profit of the current year is distributable as employees' compensation and no higher than 3% of profit of the current year is distributable as remuneration to directors and supervisors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on profit of 31 December 2021, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the year ended of 31 December 2021 to be 1.12% and 0.78% of profit, respectively. The employees' compensation and remuneration to directors and supervisors for the year ended of 31 December 2021 amount to NT\$30,000 thousand and NT\$21,000 thousand respectively, recognized as employee benefits expense.

A resolution was passed at the Board of Directors meeting held on 11 March 2022 to distribute NT\$30,000 thousand and NT\$21,000 thousand in cash as employees' compensation and remuneration to directors and supervisors of 2021, respectively. Differences between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended 31 December 2021 are recognized in profit or loss of the subsequent year in 2022.

The employees' compensation and remuneration to directors and supervisors for the year ended of 31 December 2020 amount to NT\$35,000 thousand and NT\$20,000 thousand, respectively. No material differences exist between the estimated amount and the actual distribution of the employee bonuses and remuneration to directors and supervisors for the year ended 31 December 2020.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(18) Non-operating income and expenses

(a) Interest income

	2021	2020
Bank deposit interest	\$853	\$1,813

(b) Other income

	For the years ended 31 December	
	2021	2020
Sample income	\$52,132	\$38,360
Dividend income	14,643	19,171
Rent income	4,908	3,928
Others	118,580	96,012
Total	\$190,263	\$157,471

(c) Other gains and losses

	For the years ended 31 December	
	2021	2020
Foreign exchange losses, net	\$(68,022)	\$(34,149)
Gains on disposal of investments	315	-
Gains on disposal of property, plant and equipment	14,326	-
Gains of financial asset at fair value through profit or loss (Note1)	51,024	25,747
Gains (losses) of financial liabilities at fair value through profit or loss (Note2)	24,897	(13,564)
Total	\$22,540	\$(21,966)

Note:

1. Balances were arising from financial assets mandatorily measured at fair value through profit or loss, including valuation adjustment, dividend income, interest income and exchange difference etc.
2. Balances were arising from held for trading financial liabilities, including valuation adjustment, interest expense and exchange difference etc.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(d) Finance costs

	For the years ended 31 December	
	2021	2020
Interest on loans from bank	\$10,691	\$13,718
Interest on bonds payable	16,625	969
Interest on lease liabilities	1,624	664
Total	<u>\$28,940</u>	<u>\$15,351</u>

(19) Components of other comprehensive income

For the year ended 31 December 2021

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	\$(178)	\$ -	\$(178)	\$36	\$(142)
Unrealized gains on equity instruments measured at fair value through other comprehensive income	9,387	-	9,387	-	9,387
Share of other comprehensive income of subsidiaries, associates and joint ventures which will not be reclassified subsequently to profit or loss	69,609	-	69,609	-	69,609
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(74,034)	-	(74,034)	15,249	(58,785)
Share of other comprehensive loss of subsidiaries, associates and joint ventures which may be reclassified subsequently to profit or loss	(911)	-	(911)	-	(911)
Total of other comprehensive income	<u>\$3,873</u>	<u>\$ -</u>	<u>\$3,873</u>	<u>\$15,285</u>	<u>\$19,158</u>

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the year ended 31 December 2020

			Other	Income tax relating	
		Reclassification	comprehensive	to components of	
	Arising during	adjustments	income, before	other	Other
	the period	during the period	tax	comprehensive	comprehensive
				income	income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	\$526	\$ -	\$526	\$(104)	\$422
Unrealized gains on equity instruments measured at fair value through other comprehensive income	18,743	-	18,743	-	18,743
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures which will not be reclassified subsequently to profit or loss	59,367	-	59,367	-	59,367
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	19,213	-	19,213	(3,107)	16,106
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures which may be reclassified subsequently to profit or loss	5,199	-	5,199	-	5,199
Total of other comprehensive income	<u>\$103,048</u>	<u>\$ -</u>	<u>\$103,048</u>	<u>\$(3,211)</u>	<u>\$99,837</u>

(20)Income tax

The major components of income tax expense are as follows:

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NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Income tax expense recognized in profit or loss

	For the years ended 31 December	
	2021	2020
Current income tax expense :		
Current income tax charge	\$326,330	\$353,068
Adjustments in respect of current income tax of prior periods	995	(289)
Deferred tax expense:		
Deferred tax expense relating to origination and reversal of temporary differences	95,367	(20,366)
Adjustments in respect of current income tax of prior periods	(13,385)	-
Total income tax expense	<u>\$409,307</u>	<u>\$332,413</u>

Income tax relating to components of other comprehensive income

	For the years ended 31 December	
	2021	2020
Deferred tax expense(income) :		
Exchange differences on translation of foreign operations	\$(15,249)	\$3,107
Remeasurements of defined benefit plans	(36)	104
Income tax relating to components of other comprehensive income	<u>\$(15,285)</u>	<u>\$3,211</u>

Income tax charged directly to equity

	2021	2020
Current income tax expense (income):		
Realized losses from equity instruments investment measured at fair value through other comprehensive income	<u>\$(111)</u>	<u>\$ -</u>

A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	For the years ended 31 December	
	2021	2020
Accounting profit before tax from continuing operations	\$2,740,809	\$2,446,281
At the Company's statutory income tax rate	\$548,162	\$489,256
Tax effect of revenues exempt from taxation	(59,237)	(36,540)
Tax effect of expenses not deductible for tax purposes	2,564	219
Tax effect of deferred tax assets/liabilities	(87,023)	(126,047)
Corporate income surtax on undistributed retained earnings	17,231	5,814
Adjustments in respect of deferred income tax of prior periods	(13,385)	(289)
Adjustments in respect of current income tax of prior periods	995	-
Total income tax expense recognized in profit or loss	\$409,307	\$332,413

Deferred tax assets (liabilities) relate to the following:

For the year ended 31 December 2021

	Balance as of 1 January	Recognized in profit or loss	Recognized in other comprehensive income	Balance as of 31 December
Temporary differences				
Exchange differences on translation of foreign operations	\$79,998	\$ -	\$15,249	\$95,247
Unrealized foreign exchange gains or losses	923	3,662	-	4,585
Loss from price recovery (reduction) of inventories	8,427	(3,675)	-	4,752
Revaluations of financial liabilities at fair value through profit or loss	(8,838)	(10,848)	-	(19,686)
Investments accounted for using the equity method	(151,966)	(59,661)	-	(211,627)
Unrealized intragroup profits and losses	18,434	(10,109)	-	8,325
Remeasurements of defined benefit plans	7,464	-	36	7,500
Non-current liability – Defined benefit liability	8,095	(279)	-	7,816
Loss allowance	974	-	-	974
Convertible bonds	(1,172)	(1,072)	-	(2,244)
Deferred tax (income) expense		\$ (81,982)	\$15,285	
Net deferred tax assets (liabilities)	<u>\$ (37,661)</u>			<u>\$ (104,358)</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$124,315</u>			<u>\$129,199</u>
Deferred tax liabilities	<u>\$161,976</u>			<u>\$233,557</u>

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the year ended 31 December 2020

	Balance as of 1 January	Recognized in profit or loss	Recognized in other comprehensive income	Balance as of 31 December
Temporary differences				
Exchange differences on translation of foreign operations	\$83,105	\$ -	\$(3,107)	\$79,998
Unrealized foreign exchange gains or losses	4,359	(3,436)	-	923
Loss from price recovery (reduction) of inventories	4,901	3,526	-	8,427
Revaluations of financial liabilities at fair value through profit or loss	(6,529)	(2,309)	-	(8,838)
Investments accounted for using the equity method	(173,285)	21,319	-	(151,966)
Unrealized intragroup profits and losses	17,056	1,378	-	18,434
Remeasurements of defined benefit plans	7,568	-	(104)	7,464
Non-current liability – Defined benefit liability	8,079	16		8,095
Loss allowance	974	-	-	974
Convertible bonds	(1,044)	(128)	-	(1,172)
Deferred tax expense (income)		\$20,366	\$(3,211)	
Net deferred tax assets (liabilities)	<u>\$(54,816)</u>			<u>\$(37,661)</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$126,042</u>			<u>\$124,315</u>
Deferred tax liabilities	<u>\$180,858</u>			<u>\$161,976</u>

Unrecognized deferred tax liabilities relating to the investment in subsidiaries

The Company shall recognize the relevant deferred income tax liabilities for the income tax payable that may arise when the undistributed surplus of a foreign subsidiary is remitted back, in accordance with the undistributed surplus expected to be allocated by the future subsidiary.

The assessment of income tax returns

As of 31 December 2021, the Company's income tax returns through 2019 have been assessed and approved by the tax authority.

(21) Earnings per share

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended 31 December	
	2021	2020
(a) Basic earnings per share		
Net income	\$2,331,502	\$2,113,868
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	233,157	232,766
Basic earnings per share (NT\$)	\$10.00	\$9.08
(b) Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company	\$2,331,502	\$2,113,868
Interest expense from convertible bonds	13,300	8
Profit attributable to ordinary equity holders of the Company after dilution	\$2,344,802	\$2,113,876
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	233,157	232,766
Effect of dilution:		
Employee compensation-stock (in thousands)	106	195
Convertible bonds (in thousands)	6,046	12
Weighted average number of ordinary shares outstanding after dilution (in thousands)	239,309	232,973
Diluted earnings per share (NT\$)	\$9.80	\$9.07

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date of completion of the financial statements.

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NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

7. Related party transactions

Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

Name and nature of relationship of the related parties

<u>Name of the related parties</u>	<u>Nature of relationship</u>
Argosy Research Inc.	Associate
SINBON Circuits & Cables LLC(Note)	Subsidiary
SINBON Germany GmbH	Subsidiary
Hong Kong SINBON Electronics Co., Ltd.	Subsidiary
Tong Cheng SINBON Electronics Co., Ltd.	Subsidiary
Jiangyin SINBON Electronics Co., Ltd.	Subsidiary
SINBON USA LLC	Subsidiary
Radbon Avionics Inc.	Subsidiary
T-CONN Precision Co., Ltd.	Subsidiary
SINBON Hungary Kft.	Subsidiary
Beijing SINBON TongAn Renewable Energy Co., Ltd.	Subsidiary
Jiangsu ENMAGIC Energy Co., Ltd.	Subsidiary
ENMAGIC Renewable Energy Co., Ltd.	Subsidiary
SINBON Europe GmbH	Subsidiary
Kwan-Ze Corporation Ltd.	Subsidiary
SINTOP Energy Management Co., Ltd.	Subsidiary

Significant transactions with related parties

(a) Sales

	For the years ended 31 December	
	2021	2020
Subsidiaries	\$839,022	\$393,940
Associates	-	164,266
Total	<u>\$839,022</u>	<u>\$558,206</u>

The sales price to the above related parties was determined through mutual agreement based on the market rates. The outstanding balance as of 31 December 2021 and 2020 was unsecured, non-interest bearing and must be settled in cash. The receivables from the related parties were not guaranteed.

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NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(b) Purchases

	For the years ended 31 December	
	2021	2020
Subsidiaries	<u>\$2,162,933</u>	<u>\$1,753,846</u>

The purchase price from the above related parties was determined through mutual agreement based on the market rates. The payment terms from the related party suppliers were comparable with third party suppliers.

(c) Accounts receivable-related parties

	As of 31 December	
	2021	2020
Subsidiaries	<u>\$472,476</u>	<u>\$634,782</u>

(d) Other receivables

	As of 31 December	
	2021	2020
Subsidiaries	<u>\$117,218</u>	<u>\$493,892</u>

(e) Accounts payable-related parties

	As of 31 December	
	2021	2020
Subsidiaries	<u>\$401,136</u>	<u>\$455,087</u>

(f) Other payables

	As of 31 December	
	2021	2020
Subsidiaries	\$13,714	\$11,148
Associates	-	12
Total	<u>\$13,714</u>	<u>\$11,160</u>

(g) Expenses

	For the years ended 31 December	
	2021	2020
Subsidiaries	\$33,267	\$22,240
Associates	-	1,269
Total	<u>\$33,267</u>	<u>\$23,509</u>

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(h) Other income

	For the years ended 31 December	
	2021	2020
Subsidiaries	\$16,558	\$12,398
Associates	-	102
Total	<u>\$16,558</u>	<u>\$12,500</u>

(i) Leases

Right-of-use asset

	For the years ended 31 December	
	2021	2020
Subsidiaries	<u>\$1,410</u>	<u>\$ -</u>

Lease liabilities

	For the years ended 31 December	
	2021	2020
Subsidiaries	<u>\$1,414</u>	<u>\$ -</u>

Depreciation

	For the years ended 31 December	
	2021	2020
Subsidiaries	<u>\$704</u>	<u>\$ -</u>

Interest expense

	For the years ended 31 December	
	2021	2020
Subsidiaries	<u>\$13</u>	<u>\$ -</u>

Rent expense

	For the years ended 31 December	
	2021	2020
Subsidiaries	<u>\$636</u>	<u>\$ -</u>

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NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

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The company leases offices to related parties. The rental price is negotiated with reference to market conditions and paid monthly.

(j) Key management personnel compensation

	For the years ended 31 December	
	2021	2020
Short-term employee benefits	\$132,429	\$100,242
Post-employment benefits	35,081	29,412
Total	<u>\$167,510</u>	<u>\$129,654</u>

8. Assets pledged as security

None.

9. Significant contingencies and unrecognized contract commitments

(a) The Company provided guarantees for subsidiaries' financing to banks for the year ended 31 December 2021. Please refer to Note 13.1(2).

(b) As of 31 December 2021 and 2020, the Company was issued letters of guarantee by banks in the amount of NT\$8,000 thousand and NT\$6,000 thousand for importing goods, respectively.

(c) Amounts available under unused letters of credit are as follows:

Currency	Carrying amount	
	2021.12.31	2020.12.31
USD	\$300	\$300

The amounts that are available under unused letters of credit above are unguaranteed.

10. Significant disaster loss

None.

11. Significant subsequent events

None.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

12. Others

(1) Categories of financial instruments

Financial assets

	As of 31 December	
	2021	2020
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	\$249,691	\$251,537
Financial assets at fair value through other comprehensive income	321,734	251,245
Financial assets measured at amortized cost (Note)	3,221,794	3,385,250
Total	<u>\$3,793,219</u>	<u>\$3,888,032</u>

Financial liabilities

	As of 31 December	
	2021	2020
Financial liabilities at amortized cost:		
Short-term loans	\$1,952,450	\$1,458,588
Notes and accounts payable	1,305,560	1,420,926
Bonds payable (including current portion with maturity less than 1 year)	994,351	1,256,981
Long-term loans (including current portion with maturity less than 1 year)	300,000	300,000
Others payables	558,826	459,751
Lease liabilities	256,580	207,605
Subtotal	<u>5,367,767</u>	<u>5,103,851</u>
Financial liabilities at fair value through profit or loss:		
Held for trading	241	24,582
Total	<u>\$5,368,008</u>	<u>\$5,128,433</u>

Note: Including cash and cash equivalents, notes receivable, trade receivables and other receivables.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Company identifies measures and manages the aforementioned risks based on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there are usually interdependencies between risk variables. However the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

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NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

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The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Company also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for USD.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's loans and receivables at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit.

Pre-tax sensitivity analysis of changes in related risk factors for the years ended 31 December 2021 and 2020 are as follows:

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For the year ended 31 December 2021

Main Risk	Fluctuation	Sensitivity of profit/loss	Sensitivity of equity
Foreign currency risk	NTD/USD rate +/- 1%	+/- \$14,032	-
Interest rate risk	Market rate +/- 10 basis points	-/+ \$2,252	-

For the year ended 31 December 2020

Main Risk	Fluctuation	Sensitivity of profit/loss	Sensitivity of equity
Foreign currency risk	NTD/USD rate +/- 1%	+/- \$9,509	-
Interest rate risk	Market rate +/- 10 basis points	-/+ \$1,776	-

Equity price risk

The fair value of the Company's listed and unlisted equity securities and conversion rights of the Euro-convertible bonds issued are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's listed and unlisted equity securities are classified under financial assets measured at fair value through profit or loss and financial assets measured at fair value, while conversion rights of the Euro-convertible bonds issued are classified as financial liabilities at fair value through profit or loss as it does not satisfy the definition of an equity component. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, a change of 10% in the price measured at fair value through profit or loss could increase/decrease The Company's profit for the years ended 31 December 2021 and 2020 by NT\$19,019 thousand and NT\$12,496 thousand, respectively.

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NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

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At the reporting date, a change of 10% in the price of the listed companies stocks classified as equity instruments investments measured at fair value through other comprehensive income could have an impact of NT\$0 thousand and NT\$2,333 thousand on the equity attributable to The Company for the years ended 31 December 2021 and 2020, respectively.

Please refer to Note 12(9) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of 31 December 2021 and 2020, amounts receivables from top ten customers represented 45% and 50% of the total accounts receivables of the Company. The credit concentration risk of other accounts receivables is insignificant.

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(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

(5) Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, convertible bonds and finance leases. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial instruments

	<u>Less than 1 year</u>	<u>2 to 3 years</u>	<u>4 to 5 years</u>	<u>> 5 years</u>	<u>Total</u>
As of 31 December 2021					
Loans	\$2,256,841	\$ -	\$ -	\$ -	\$2,256,841
Notes and accounts payable	1,305,560	-	-	-	1,305,560
Convertible bonds	-	1,024,569	-	-	1,024,569
Lease liabilities	47,093	75,944	28,850	112,850	264,737
As of 31 December 2020					
Loans	\$1,463,144	\$301,740	\$ -	\$ -	\$1,764,884
Notes and accounts payable	1,420,926	-	-	-	1,420,926
Convertible bonds	-	1,313,033	-	-	1,313,033
Lease liabilities	39,353	67,461	43,673	61,748	212,235

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Derivative financial instruments

			<u>Less than 1 year</u>	<u>2 to 3 years</u>	<u>4 to 5 years</u>	<u>> 5 years</u>	<u>Total</u>
As of 31 December 2021							
Cross currency swaps							
Net settlement	–		<u>\$(241)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$(241)</u>
outflow							
			<u>Less than 1 year</u>	<u>2 to 3 years</u>	<u>4 to 5 years</u>	<u>> 5 years</u>	<u>Total</u>
As of 31 December 2020							
Cross currency swaps							
Net settlement	–		<u>\$(22,084)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$(22,084)</u>
outflow							
Foreign exchange option contracts							
Net settlement - outflow			<u>\$(28)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$(28)</u>

The table above contains the undiscounted net cash flows of derivative financial instruments.

(6) Reconciliation of liabilities from financing activities

Reconciliation of liabilities for the year ended 31 December 2021:

	<u>Short-term loans</u>	<u>Lease liabilities</u>	<u>Long-term loan(including maturity within a year)</u>	<u>Bonds payable (including maturity within a year)</u>	<u>Deposits received</u>	<u>Total liabilities from financing activities</u>
As of 1 January 2021	\$1,458,588	\$207,605	\$300,000	\$1,256,981	\$2	\$3,223,176
Cash flow	493,862	(47,046)	-	-	60	446,876
Non-cash change	-	96,021	-	(262,630)	-	(166,609)
As of 31 December 2021	<u>\$1,952,450</u>	<u>\$256,580</u>	<u>\$300,000</u>	<u>\$994,351</u>	<u>\$62</u>	<u>\$3,503,443</u>

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Reconciliation of liabilities for the year ended 31 December 2020:

	Short-term loans	Lease liabilities	Long-term loan(including maturity within a year)	Bonds payable (including maturity within a year)	Deposits received	Total liabilities from financing activities
As of 1 January 2020	\$1,741,166	\$62,416	\$ -	\$7,141	\$2	\$1,810,725
Cash flow	(282,578)	(27,334)	300,000	1,402,864	-	1,392,952
Non-cash change	-	172,523	-	(153,024)	-	19,499
As of 31 December 2020	<u>\$1,458,588</u>	<u>\$207,605</u>	<u>\$300,000</u>	<u>\$1,256,981</u>	<u>\$2</u>	<u>\$3,223,176</u>

(7) Fair values of financial instruments

- (a) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

- The carrying amount of cash and cash equivalents, accounts receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

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- c. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- d. Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)
- e. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

(b) Fair value of financial instruments measured at amortized cost

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

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(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(c) Fair value measurement hierarchy for financial instruments

Please refer to Note 12.(9) for fair value measurement hierarchy for financial instruments of the Company.

(8) Derivative financial instruments

The Company's derivative financial instruments include forward currency contracts, cross currency swap and embedded derivatives. The related information for derivative financial instruments not qualified for hedge accounting and not yet settled as of 31 December 2021 and 2020 are as follows:

Cross currency swaps and foreign exchange option contracts

The Company entered into cross currency swaps and foreign exchange option contracts to manage its exposure to financial risk, but these contracts are not designated as hedging instruments. The table below lists the information related to cross currency swaps and foreign exchange option contracts:

Items			Amount (in thousands)		Contract Period
As of 31 December 2021					
Cross currency swaps			USD	4,000	26 November 2021 – 16 March2022
As of 31 December 2020					
Cross currency swaps			USD	24,000	3 January 2020 – 18 March 2021
Foreign	exchange	option	Buy USD	100	22 October 2020 – 22 January 2021
contacts					
Foreign exchange option			Sell USD	200	22 October 2020 – 22 January 2021
contacts					

Embedded derivatives

The embedded derivatives arising from issuing convertible bonds have been

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separated from the host contract and were carried at fair value through profit or loss. Please refer to Note 6(11) for further information on this transaction.

The counterparties for the aforementioned derivatives transactions are well known local or overseas banks, as they have sound credit ratings, the credit risk is insignificant.

The cross currency swaps and foreign exchange option contracts have been entered into to hedge the foreign currency risk of net assets or net liabilities, and there will be corresponding cash inflow or outflows upon maturity and the Company has sufficient operating funds, the cash flow risk is insignificant.

(9) Fair value measurement hierarchy

(a) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

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

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

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(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(b) Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

As of 31 December 2021

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Stocks	\$190,190	\$ -	\$ -	\$190,190
Bonds	57,168	-	-	57,168
Embedded derivatives- Corporate bonds	-	2,333	-	2,333
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	-	-	321,734	321,734
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Cross currency swaps	\$ -	\$241	\$ -	\$241

As at 31 December 2020

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Stocks	\$124,961	\$ -	\$ -	\$124,961
Funds	69,372	-	-	69,372
Bonds	57,204	-	-	57,204
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	23,328	-	227,917	251,245
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Cross currency swaps	\$ -	\$22,084	\$ -	\$22,084
Foreign exchange option contracts	-	28	-	28
Embedded derivative-bonds	-	2,470	-	2,470

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Transfers between Level 1 and Level 2 during the period

During the years ended 31 December 2021 and 2020, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets
	At fair value through other comprehensive income
	Stocks
Beginning balances as of 1 January 2021	\$227,917
Total gains and losses recognized for the year ended 31 December 2021:	
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	22,776
The return of paid-in capital for capital reduction	(2,449)
Disposal	(1,510)
Acquisition	75,000
Ending balances as of 31 December 2021	<u>\$321,734</u>
Beginning balances as of 1 January 2020	\$223,307
Total gains and losses recognized for the year ended 31 December 2020:	
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	(12,904)
The return of paid-in capital for capital reduction	(3,061)
Acquisition	32,716
The return of paid-in capital for liquidation	(12,141)
Ending balances as of 31 December 2020	<u>\$227,917</u>

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Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of 31 December 2021

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through profit or loss					
Stocks and others	Market approach	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Company's profit or loss by NT\$30,953 thousand
Stocks and others	Option pricing model	Fluctuation rate	33.09%	The higher the fluctuation rate, the higher the fair value of the stocks	10% increase (decrease) in the fluctuation rate would result in increase (decrease) in the Company's profit or loss by NT\$ 1,220 thousand

As of 31 December 2020

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through profit or loss					
Stocks and others	Market approach	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Company's profit or loss by NT\$22,792 thousand

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Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company's Financial Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies at each reporting date.

- (c) Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed

As at 31 December 2021

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investments accounted for using the equity method(please refer to Note 6(6))	\$2,593,847	\$ -	\$ -	\$2,593,847

As at 31 December 2020

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investments accounted for using the equity method(please refer to Note 6(6))	\$349,206	\$ -	\$ -	\$349,206

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	As of 31 December 2021			As of 31 December 2020		
	Foreign currencies	Foreign exchange rate	NTD	Foreign currencies	Foreign exchange rate	NTD
Financial assets						
Monetary items:						
USD	\$81,512	27.69	\$2,257,070	\$80,823	28.51	\$2,304,091

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(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	As of 31 December 2021			As of 31 December 2020		
	Foreign currencies	Foreign exchange rate	NTD	Foreign currencies	Foreign exchange rate	NTD
Financial liabilities						
Monetary items:						
USD	\$30,836	27.69	\$853,855	\$47,467	28.51	\$1,353,179

The Company has a number of different functional currencies; therefore, we are unable to disclose the exchange loss and gain of monetary financial assets and financial liabilities under each foreign currency that has significant impact. The Company recognized NT\$68,022 thousand and NT\$34,149 thousand foreign exchange losses for the years ended 31 December 2021 and 2020, respectively.

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

(11) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payments to shareholders, return capital to shareholders or issue new shares.

13. Other disclosure

(1) Information at significant transactions and information on investees:

- (a) Financing provided to others for the year ended 31 December 2021: Please refer to Attachment 1.
- (b) Endorsement/Guarantee provided to others for the year ended 31 December 2021: Please refer to Attachment 2.
- (c) Securities held as of 31 December 2021: Please refer to Attachment 3.

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- (d) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the paid-in capital for the year ended 31 December 2021: None.
- (e) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the paid-in capital for the year ended 31 December 2021: None.
- (f) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended 31 December 2021: None.
- (g) Related party transactions for purchases and sales exceeding the lower of NT\$100 million or 20 percent of the capital stock for the year ended 31 December 2021: Please refer to Attachment 4.
- (h) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of year ended 31 December 2021: Please refer to Attachment 5.
- (i) Names, locations, main businesses and products, original investment amount, investment as of 31 December 2021, net income (loss) of investee company and investment income (loss) recognized as of 31 December 2021: Please refer to Attachment 7.
- (j) Financial instruments and derivative transactions: Please refer to Note 12. (8).
- (k) The business relationship, significant transactions and amounts between parent company and subsidiaries: Please refer to Attachment 6.

(2) Information on investments in mainland China

- (a) Investment in Mainland China: Please refer to Attachment 8.
- (b) Significant transactions through third regions with the investees in Mainland China: Please refer to Attachment 2,4,5 and 6.

(3) Information of major shareholders

The Company has no shareholders with a shareholding ratio of more than 5% on 31 December 2021.

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14. Segment information

The Company fully disclosed segment information in consolidated financial statements.

Attachment 1: Financing provided to others for the year ended 31 December 2021

No.	Lender (Note 1)	Counterparty	Financial statement account	Related Party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing	Amount of sales to (purchases from) counter-party	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit of financing amount for individual counter-party (Note2)	Limit of total financing amount (Note3)
													Item	Value		
0	The Company	SB Hungary	Other receivables	Y	\$103,165	\$94,014	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$1,035,775	\$4,143,098
1	KSEM	JSEM	Other receivables	Y	\$5,277	\$5,209	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$5,660	\$5,660
2	BJSB	JSEM	Other receivables	Y	\$43,973	\$43,406	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$95,672	\$95,672
2	BJSB	XZEM	Other receivables	Y	\$43,657	\$43,406	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$95,672	\$95,672

Note 1: The above transactions were all made between consolidated entities in the Group and have been reversed.

Note 2: Total financing limit for individual counterparty was set at 10% of the lender's net worth of the financial which were reviewed by independent accountants as of 31 December 2021.

The Company: $\$10,357,746 \times 10\% = \$1,035,775$

Total financing limit for individual counterparty was set at 40% of the lender's net worth of the financial which were reviewed by independent accountants as of 31 December 2021.

BJSB: $\$239,181 \times 40\% = \$95,672$

KSEM : $\$14,149 \times 40\% = \$5,660$

Total financing limit for individual counterparty was set at 40% of the lender's net worth of the financial report which were audited by independent accountants as of 31 December 2021.

Note 3: The Company: $\$10,357,746 \times 40\% = \$4,143,098$

BJSB: $\$239,181 \times 40\% = \$95,672$

KSEM : $\$14,149 \times 40\% = \$5,660$

Note 4: For short-term financing.

Attachment 2: Endorsement/Guarantee provided to others as of 31 December 2021

No. (Note 1)	Endorsor/ Guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party (Note 3)	Maximum balance for the period	Ending balance	Actual amount provided	Amount of collateral guarantee/ endorsement	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee/ endorsement amount (Note 4)	Parent company's guarantee/ endorsement amount to subsidiaries (Note 5)	Subsidiaries' guarantee/ endorsement amount to parent company (Note 5)	Guarantee/ endorsement amount to company in Mainland China (Note 5)
		Company name	Relationship (Note 2)										
0	The Company	SINBON USA	2	\$4,143,098	\$14,265	\$13,845	\$8,307	none	0.13%	\$10,357,746	Y	N	N
0	The Company	SZSB	2	\$4,143,098	\$14,265	\$13,845	\$ -	none	0.13%	\$10,357,746	Y	N	Y
0	The Company	SHSB	2	\$4,143,098	\$42,797	\$41,535	\$ -	none	0.40%	\$10,357,746	Y	N	Y
0	The Company	TCSB	2	\$4,143,098	\$546,391	\$535,465	\$161,470	none	5.17%	\$10,357,746	Y	N	Y
0	The Company	JYSB	2	\$4,143,098	\$918,848	\$899,925	\$468,785	none	8.69%	\$10,357,746	Y	N	Y
0	The Company	Radbon	2	\$3,107,324	\$150,000	\$150,000	\$74,300	none	1.45%	\$10,357,746	Y	N	N
0	The Company	C&C	2	\$4,143,098	\$256,779	\$249,210	\$167,525	none	2.41%	\$10,357,746	Y	N	N
0	The Company	SB Hungary	2	\$4,143,098	\$308,740	\$291,493	\$209,966	none	2.81%	\$10,357,746	Y	N	N
1	T-CONN	T-CONN Zhongshan	2	\$308,641	\$141,808	\$124,605	\$ -	none	16.15%	\$771,603	N	N	Y

Note 1: The Company and its subsidiaries are coded as follows:

1. The Company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: According to the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers" issued by the R.O.C. Securities and Futures Bureau, receiving parties should be disclosed as one of the following:

1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50% of the voting shares.
3. A company that directly and indirectly holds more than 50% of the voting shares in the public company.
4. A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
5. A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
6. A company that all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
7. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: Limit of guarantee/endorsement amount for overseas subsidiary is 40% of the net worth of the financial report audited by the certified public accountants as of 31 December 2021.

\$10,357,746*40%=\$4,143,098

Limit of guarantee/endorsement amount for domestic subsidiaries is 30% of the net worth of the financial report of the company reviewed by the certified public accountants as of 31 December 2021.

\$10,357,746*30%=\$3,107,324

Limit of guarantee/endorsement amount for T-CONN Zhongshan is 40% of the net worth of the financial of T-CONN which were not reviewed by the certified public accountants as of 31 December 2021.

\$771,603*40%=\$308,641

Note 4: Limit of total guarantee/ endorsement amount is 100% of the net worth of the financial report audited by the certified public accountants as of 31 December 2021.

Note 5: "Y" for the listed (OTC) parent company guarantees/endorsees for subsidiary, subsidiary guarantees/endorsees for the listed (OTC) parent company or guarantee/endorse for companies in Mainland China.

Attachment 3: Securities held as of 31 December 2021. (Excluding subsidiaries, associates and joint ventures)

Holding Company	Type and name of securities	Relationship (Note 1)	Financial statement account	As of 31 December 2021				Note
				Shares	Carrying amount	Percentage of ownership (%)	Fair value	
The Company	Chengding Venture Capital Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	15,000,000 shares	\$147,480	11.10%	\$147,480	-
The Company	Top Taiwan Venture Capital Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	6,000,000 shares	53,808	7.50%	53,808	-
The Company	Dynahz Technologies	-	Financial assets measured at fair value through other comprehensive income- noncurrent	2,771,670 shares	41,333	16.67%	41,333	-
Kwan-Ze	Chengding Venture Capital Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	5,000,000 shares	49,116	3.70%	49,116	-
The Company	Top Taiwan VII Venture Capital Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	1,132,653 shares	13,910	2.40%	13,910	-
Kwan-Ze	Actmax Technologies Inc.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	-	4,920	19.00%	4,920	-
The Company	VAN MOOF Global Holding BV	-	Financial assets measured at fair value through other comprehensive income- noncurrent	780,000 shares	12,197	0.50%	12,197	-
T-CONN	VAN MOOF Global Holding BV	-	Financial assets measured at fair value through other comprehensive income- noncurrent	780,000 shares	12,197	0.50%	12,197	-
SINBON USA L.L.C	HOTWIRE Development LLC	-	Financial assets measured at fair value through other comprehensive income- noncurrent	697,500 shares	604	5.00%	604	-
The Company	Bandrich, Inc.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	330,000 shares	199	1.62%	199	-
The Company	SINTOP Energy Management Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	7,500,000 shares	52,807	15.00%	52,807	-
The Company	Nextronics Engineering Corp.	-	Financial asset measured at fair value through profit or loss-current	3,009,000 shares	188,965	9.86%	188,965	-
The Company	Nextronics Engineering Corp. Private placement unsecured conversion bonds	-	Financial asset measured at fair value through profit or loss-current	600,000 shares	57,168	-	57,168	-
The Company	Trutankless, Inc.	-	Financial asset measured at fair value through profit or loss-current	25,000 shares	1,225	0.26%	1,225	-
Kwan-Ze	Nextronics Engineering Corp.	-	Financial asset measured at fair value through profit or loss-current	3,000 shares	188	0.01%	188	-
			Total		\$636,117			

Note 1: Not required if the issuer of securities is not a related party.

Attachment 4: Related party transactions for purchases and sales exceeding the lower of NT\$100 million or 20 percent of the capital stock as of 31 December 2021.

Related-party	Counter-party	Relationship	Intercompany Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total consolidated purchase (Sales)	Terms	Unit price	Terms	Carrying amount	Percentage of total consolidated receivables (payable)	
The Company	JYSB	Subsidiary	Purchase	\$1,975,092	28.56%	Trading condition is the same as other supplier	N/A	N/A	\$(367,108)	-28.12%	
HKSB	JYSB	Associates	Purchase	\$2,583,296	47.94%	Trading condition is the same as other supplier	N/A	N/A	\$(148,616)	-15.21%	
JYSB	The Company	Subsidiary	Purchase	\$234,327	2.69%	Trading condition is the same as other supplier	N/A	N/A	\$(49,880)	-1.88%	
SZSB	HKSB	Associates	Purchase	\$251,993	74.24%	Trading condition is the same as other supplier	N/A	N/A	\$(63,201)	-85.05%	
T-CONN	T-CONN Zhongshan	Associates	Purchase	\$482,182	35.00%	Trading condition is the same as other supplier	N/A	N/A	\$(101,837)	-28.00%	
SB TongAn	JSEM	Associates	Purchase	\$327,225	18.07%	Trading condition is the same as other supplier	N/A	N/A	\$(46,694)	-7.60%	
JYSB	SINBON USA	Associates	Purchase	\$298,471	3.42%	Trading condition is the same as other supplier	N/A	N/A	\$(22,104)	-0.83%	
JYSB	HKSB	Associates	Purchase	\$146,823	1.68%	Trading condition is the same as other supplier	N/A	N/A	\$(40,707)	-1.54%	
JYSB	T-CONN Zhongshan	Associates	Purchase	\$179,785	2.06%	Trading condition is the same as other supplier	N/A	N/A	\$(68,971)	-2.60%	
JYSB	TCSB	Associates	Purchase	\$109,478	1.25%	Trading condition is the same as other supplier	N/A	N/A	\$(47,500)	-1.79%	

Attachment 5: Receivables from related parties with accounts exceeding the lower of NT\$100 million or 20 percent of the capital stock as of 31 December 2021.

Related-party	Counter-party	Relationship	Amount	Average collection turnover	Overdue account receivable-related parties		Collection in subsequent period	Allowance for doubtful debts
					Amount	Processing method		
JYSB	The Company	The Company	\$367,108	9.98	\$ -	-	\$28,415	\$ -
The Company	T-CONN	Associates	\$391,844	0.85	\$ -	-	\$4,754	\$ -

Attachment 6: The business relationship, significant transactions and amounts between parent company and subsidiaries

No. (Note 1)	Related-party	Counterparty	Relationship with the Company (Note 2)	Transactions			
				Account	Amount	Terms	Percentage of consolidated operating revenues or consolidated total assets(Note3)
0	The Company	JYSB	1	Purchase	\$1,975,092	(Note 4)	7.74%
1	JYSB	The Company	2	Sales	\$1,975,092	(Note 4)	7.74%
2	HKSB	JYSB	3	Purchase	\$2,583,296	(Note 4)	10.12%
1	JYSB	HKSB	3	Sales	\$2,583,296	(Note 4)	10.12%
1	JYSB	The Company	2	Purchase	\$234,327	(Note 4)	0.92%
0	The Company	JYSB	1	Sales	\$234,327	(Note 4)	0.92%
3	SZSB	HKSB	3	Purchase	\$251,993	(Note 4)	0.99%
2	HKSB	SZSB	3	Sales	\$251,993	(Note 4)	0.99%
4	T-CONN	T-CONN Zhongshan	3	Purchase	\$482,182	(Note 4)	1.89%
5	T-CONN Zhongshan	T-CONN	3	Sales	\$482,182	(Note 4)	1.89%
6	SB TongAn	JSEM	3	Purchase	\$327,225	(Note 4)	1.28%
7	JSEM	SB TongAn	3	Sales	\$327,225	(Note 4)	1.28%
1	JYSB	SINBON USA	3	Purchase	\$298,471	(Note 4)	1.17%
8	SINBON USA	JYSB	3	Sales	\$298,471	(Note 4)	1.17%
1	JYSB	HKSB	3	Purchase	\$146,823	(Note 4)	0.58%
2	HKSB	JYSB	3	Sales	\$146,823	(Note 4)	0.58%
1	JYSB	T-CONN Zhongshan	3	Purchase	\$179,785	(Note 4)	0.70%
5	T-CONN Zhongshan	JYSB	3	Sales	\$179,785	(Note 4)	0.70%
1	JYSB	TCSB	3	Purchase	\$109,478	(Note 4)	0.43%
5	TCSB	JSEM	3	Sales	\$109,478	(Note 4)	0.43%

Note 1 : The Company is coded "0".The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2 : Transactions are categorized as follows:

1. The holding company to subsidiary.
2. Subsidiary to holding company.
3. Subsidiary to subsidiary.

Note 3 : The percentage with respect to the consolidated asset/liability for transactions of balance sheet items are based on each item's balance at period-end.
For profit or loss items, interim cumulative balances are used as basis.

Note 4 : The sales price to the above related parties was determined through mutual agreement based on the market conditions.

Attachment 7: Names, locations, main businesses and products, original investment amount, investment as of 31 December 2021 net income (loss) of investee company and investment income (loss) recognized for the year ended 31 December 2021: (Excluding investment in Mainland China)

Investor	Investee company (Note1)	Address	Main businesses and products	Initial Investment		Investment as of 31 December 2020			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value			(Note 1)
The Company	HKS B	Hong Kong	Manufacturing and selling a wide variety of connectors, wires and cables.	HKD95,606,000	HKD95,606,000	-	100.00%	\$1,155,609	\$867,722	\$867,722	Subsidiary
				\$401,262	\$401,262						
The Company	Kwan-Ze	New Taipei City, Taiwan	Holding company	\$235,600	\$235,600	25,200,000 shares	100.00%	\$736,103	\$131,869	\$131,869	Subsidiary
The Company	SB BVI	British Virgin Islands	Holding company	USD45,021,000	USD45,021,000	-	100.00%	\$4,736,920	\$769,109	\$769,109	Subsidiary
				\$1,461,158	\$1,461,158						
The Company	SINTOP	New Taipei City, Taiwan	Renewable energy investment management consulting business	\$6,804	\$ -	680,400 shares	53.57%	\$8,199	\$2,603	\$1,395	Subsidiary
The Company	Argosy Technologies Co., Ltd.	Hsinchu City, Taiwan	Produce and sells a variety of electronic components, computers and peripheral equipment	\$51,768	\$51,768	3,174,598 shares	3.52%	\$143,605	\$640,224	\$22,557	Investee under the equity method
The Company	SINBON USA LLC	4265 Gibson Dr., Tipp City , OH 45371, USA	Logistic center.	USD5,679,000	USD5,159,000	-	100.00%	\$39,142	\$(21,595)	\$(21,595)	Subsidiary
				\$176,403	\$161,943						
The Company	SINBON Europe GmbH	Pfarrkirchen, Germany	Logistic center.	EUR5,209,000	EUR5,209,000	-	100.00%	\$3,203	\$2,085	\$2,085	Subsidiary
				\$185,241	\$185,241						
The Company	Radbon Avionics Inc.	Miaoli County, Taiwan	Manufacturing and selling signal cables and cabin wiring.	\$33,000	\$33,000	5,280,000 shares	55.00%	\$107,007	\$93,018	\$51,160	Subsidiary
The Company	T-CONN Precision	New Taipei City, Taiwan	Manufacturing and selling a wide variety of connectors, wires and cables.	\$157,360	\$166,066	20,107,286 shares	57.45%	\$436,436	\$239,991	\$134,480	Subsidiary
The Company	SB Hungary	Hungary	Selling,Producing and Processing a wide variety of connectors and cables.	EUR12,264,000	EUR11,364,000	-	100.00%	\$142,129	\$(41,648)	\$(48,028)	Subsidiary
				\$424,026	\$394,296						
T-CONN Precision	S P L	Mauritius	Logistic center.	\$3,039	\$3,039	100,000 shares	100.00%	\$3,988	USD(184,000)	\$ -	Subsidiary
									\$(4,994)		
SB TongAn	TWEM	1F., No. 15, Ln. 588, Guohua Rd., Miaoli City, Miaoli County 36055, Taiwan (R.O.C.)	Produce and sells a wide variety of connectors and cables.	RMB10,405,000	RMB2,308,000	-	100.00%	RMB9,011,000	RMB(520,000)	\$ -	Subsidiary
				\$45,000	\$10,000			\$39,115	\$(2,559)		
SINBON USA LLC	SINBON Circuits & Cables LLC	815 South Brown School Road Vandalia, OH 45377, USA	Selling a wide variety of connectors and cables.	USD2,704,000	USD2,704,000	-	51.00%	USD832,000	USD(872,000)	\$ -	Subsidiary
								\$23,038	\$(24,426)		
SINBON USA L.L.C	Worldwide Wire Harnesses Co., Ltd.	Samoa	Logistic center.	USD75,000	USD75,000	-	50.00%	USD119,000	USD302,000	\$ -	Subsidiary
								\$3,302	\$8,465		

Attachment 7: Names, locations, main businesses and products, original investment amount, investment as of 31 December 2021 net income (loss) of investee company and investment income (loss) recognized for the year ended 31 December 2021: (Excluding investment in Mainland China)

Investor	Investee company (Note1)	Address	Main businesses and products	Initial Investment		Investment as of 31 December 2020			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value			(Note 1)
Kwan-Ze	Argocy Research Inc.	Hsinchu City, Taiwan	Produce and sells a variety of electronic components, computers and peripheral equipment	\$197,969	\$201,451	14,951,152 shares	16.59%	\$640,570	\$640,224	\$ -	Investee under the equity method
Worldwide Wire Harnesses Co., Ltd.	STT	U.S.A Tennessee	Logistic center.	USD140,000	USD140,000	-	100.00%	USD(11,000)	USD302,000	\$ -	Subsidiary
				\$4,542	\$4,542			\$(321)	\$8,465		
Argocy Research Inc.	Argosy Technology Inc.(USA)	U.S.A	Sell Multimedia related products, ODM and OED	\$30,347	\$30,347	-	100.00%	\$ -	\$ -	\$ -	Investee under the equity method
Argocy Research Inc.	Argosy International B.V.	The Netherlands	Leasing operations and sell ODM and OED	\$22,314	\$22,314	-	100.00%	\$14,652	\$(56)	\$(56)	Investee under the equity method
Argocy Research Inc.	Ari International (Singapore)Pte.,Ltd. (AIS)	Singapore	Holding company	\$32,697	\$32,697	-	100.00%	\$ -	\$(2,541)	\$(2,541)	Investee under the equity method
Argocy Research Inc.	Global Saber Electronics Co., Ltd.	Mauritius	Selling a wide variety of connectors and cables.	\$ -	\$ -	-	100.00%	\$78,533	\$7,070	\$7,070	Investee under the equity method
Argocy Research Inc.	ROTEC LIMITED	British Virgin Islands	Holding company	\$472,647	\$268,479	-	88.04%	\$822,523	\$7,605	\$6,676	Investee under the equity method
Global Saber Electronics Co., Ltd	ROTEC LIMITED	British Virgin Islands	Holding company	\$72,918	\$72,918	-	11.96%	\$111,738	\$7,605	\$ -	Investee under the equity method

- Note
- (1) "Investee company", "Address", "Main businesses and products", "Initial Investment" and "Investment as of 31 December 2020" shall be filled in appropriate fields according to the Company's reinvestment and the re-investment of the subsidiaries the Company directly or indirectly controls and indicate the relationship in the Notes.
 - (2) "Net income (loss) of investee company" shall be filled in net income (loss) of investee for the nine-month period ended 31 December 2021.
 - (3) "Investment income (loss) recognized" requires only the investment income (loss) from the direct investees of the the Company and the investment income (loss) from investees valued under the equity method, and ensure that when recognizing the subsidiary's investment income (loss), the subsidiaries' re-investment income (loss) is included.

Attachment 8: Investment in Mainland China

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of 1 January 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of 31 December 2021	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized	Carrying Value as of 31 December 2021	Accumulated Inward Remittance of Earnings as of 31 December 2021
					Outflow	Inflow						
BJSB	Manufacturing and selling a wide variety of connectors, wires and cables.	USD 4,450,000	Indirectly investment in Mainland China through remittance from a third region.	USD 1,020,000 \$30,719	\$ -	\$ -	USD 1,020,000 \$30,719	RMB1,504,000 \$6,534	85.53%	RMB1,286,000 \$5,589 Note 1	RMB55,103,000 \$239,181	USD11,030,000 \$351,623
JYSB	Manufacturing and selling a wide variety of connectors, wires and cables.	USD 37,780,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 22,050,000 \$705,108	\$ -	\$ -	USD 22,050,000 \$705,108	USD19,178,000 \$537,437	100%	USD19,178,000 \$537,437 Note 1	USD129,353,000 \$3,581,795	USD39,976,000 \$1,200,889
SHSB	Selling a wide variety of connectors, wires and cables.	USD 3,280,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 1,700,000 \$55,358	\$ -	\$ -	USD 1,700,000 \$55,358	USD1,553,000 \$43,517	100%	USD1,553,000 \$43,517 Note 1	USD7,264,000 \$201,130	USD2,887,000 \$87,821
SZSB	Selling a wide variety of connectors, wires and cables.	USD 2,810,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 2,750,000 \$83,385	\$ -	\$ -	USD 2,750,000 \$83,385	USD1,176,000 \$32,952	100%	USD1,176,000 \$32,952 Note 1	USD9,787,000 \$271,013	RMB32,400,000 \$143,282
TCSB	Selling a wide variety of connectors, wires and cables.	USD14,000,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 8,000,000 \$248,003	\$ -	\$ -	USD 8,000,000 \$248,003	USD3,170,000 \$88,842	100%	USD3,170,000 \$88,842 Note 1	USD25,352,000 \$702,009	USD196,000 \$5,890
China Digital Library Corp.Ltd.	Technology development of computer software, transfer of technology, advisory service	RMB 88,600,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 750,000	\$ -	\$ -	USD 750,000	\$ -	4.85%	\$ -	\$ -	\$ -
Argosy (Beijing) Technologies Co., Ltd.	Selling a wide variety of connectors, wires and cables.	RMB 5,000,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 76,000	\$ -	\$ -	USD 76,000	\$ -	12.00%	\$ -	\$ -	\$ -
Wu Xi S&D	Manufacturing and selling new flat panel displays.	USD 4,000,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 1,900,000 \$61,823	\$ -	\$ -	USD 1,900,000 \$61,823	\$ -	-	\$ -	\$ -	\$ -
Ning Bo Smart and Diligent Co., Ltd.	Manufacturing and selling a new Flat Panel Display.	USD 2,000,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 1,140,000 \$37,025	\$ -	\$ -	USD 1,140,000 \$37,025	\$ -	-	\$ -	\$ -	\$ -

Attachment 8: Investment in Mainland China

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of 1 January 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of 31 December 2021	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized	Carrying Value as of 31 December 2021	Accumulated Inward Remittance of Earnings as of 31 December 2021
					Outflow	Inflow						
JY Sinact	Manufacturing and selling a wide variety of electronic materials.	USD 9,500,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 5,266,000 \$164,599	\$ -	\$ -	USD 5,266,000 \$164,599	\$ -	-	\$ -	\$ -	\$ -
Shang Hai Comtek Electronics Trading Co., Ltd.	Selling a wide variety of electronic materials.	USD 160,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 104,000 \$3,302	\$ -	\$ -	USD 104,000 \$3,302	\$ -	-	\$ -	\$ -	\$ -
Dong Guan CMK	Manufacturing and selling a wide variety of connectors, wires and cables.	USD 1,000,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 645,000 \$20,768	\$ -	\$ -	USD 645,000 \$20,768	\$ -	-	\$ -	\$ -	\$ -
T-CONN Zhongshan	Manufacturing and selling a wide variety of connectors, wires and cables.	USD 9,300,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 3,686,000 \$117,529	\$ -	\$ -	USD 3,686,000 \$117,529	\$99,877	57.45%	\$57,379 Note 2	\$269,851	\$ -
BJSB TongAn	Manufacturing and selling a wide variety of connectors, wires and cables.	RMB152,000,000	Indirectly investment in Mainland China through remittance from a third region.	USD 3,000,000 \$89,134	\$ -	\$ -	USD 3,000,000 \$89,134	\$181,793	85.53%	\$155,481 Note 1	\$1,949,043	\$1,184,728

Accumulated Investment in Mainland China as of 31 December 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
USD 52,087,000	USD 53,420,000	N/A(Note3)

Note 1: Based on the financial statements certificated by the public accountant of the parent company in Taiwan.

Note 2: The financial statements were audited by other independent accountants.

Note 3: According to Order No. Jing-Shen-Zi-09704604680 issued by Ministry of Economic Affairs, R.O.C., the Company's investment in Mainland China is not limited to 60% of net worth or consolidated net worth specified by the Investment Commission.

VI. Any insolvency to the Company and its subsidiaries in the previous period to the date this report was printed, and the influence on the financial position of the Company: None.

Chapter VII. Review and analysis of financial position and performance, and risks

- I. Financial position: the principal cause and the influence of significant change in assets, liability and shareholder equity in the last 2 years, and the plan in response to the changes in the future:

Unit: NT\$1,000

Item \ Year	2020	2021	Variation	
			Amount	%
Current assets	19,087,028	22,056,872	2,969,844	15.56
Fixed assets	2,701,729	2,828,071	126,342	4.68
Other assets	323,964	441,705	117,741	36.34
Total assets	23,683,043	27,148,720	3,465,677	14.63
Current liabilities	11,793,084	14,376,646	2,583,562	21.91
Long-term liabilities	1,567,545	1,005,334	(562,211)	(35.87)
Total liabilities	13,914,910	16,013,340	2,098,430	15.08
Capital stock	2,327,775	2,342,060	14,285	0.61
Additional paid-in capital	1,885,096	2,190,472	305,376	16.20
Retained earnings	5,341,646	6,207,190	865,544	16.20
Total shareholders equity	9,768,133	11,135,380	1,367,247	14.00
Note : I. The increase of other assets was caused by the increase of prepayment for equipment purchase. II. The increase of current liabilities was caused by the increase of account payable. III. The decrease of long-term liabilities was caused by the decrease of long-term bank loans.				

- II. Financial performance: The principal cause to the revenue, operating income, and earnings before taxation in the last 2 years, the quantity of projected sale and the reference, and the plan in response to the changes in the future:

Unit: NT\$1,000

	2020		2021		Amount change	Ratio of change %
	Subtotal	Total	Subtotal	Total		
Total revenue		21,854,376		25,611,396	3,757,020	17.19
Less: sales return and discount	(56,834)	(56,834)	(80,690)	(80,690)	(23,856)	41.97
Sales revenue		21,797,542		25,530,706	3,733,164	17.13
Other sales revenue		-		-		
Net sales		21,797,542		25,530,706	3,733,164	17.13
Operating costs		(16,211,545)		(19,121,511)	(2,909,966)	17.95
Gross profit		5,585,997		6,409,195	823,198	14.74
Less: unrealized gross profit at the end of the period						
Add: realized gross profit at the beginning of the period						

	2020		2021		Amount change	Ratio of change %
	Subtotal	Total	Subtotal	Total		
Net gross margin		5,585,997		6,409,195	823,198	14.74
Operating expense		(2,936,820)		(3,621,336)	(684,516)	23.31
Operating income		2,649,177		2,787,859	138,682	5.23
Non-operating incomes and expenses		78,689		240,841	162,152	206.07
EBT of continued operations		2,727,866		3,028,700	300,834	11.03
Income tax expense		(544,366)		(540,871)	3,495	(0.64)
Net income of continued operations		<u>2,183,500</u>		<u>2,487,829</u>	<u>304,329</u>	<u>13.94</u>
Note to analysis of the ratios of the changes: The increase of non-operating income and expenses was caused by the decrease of exchange loss under the exchange rate in USD.						

III. Cash flows:

(I) Liquidity analysis of the last 2 years:

Item \ Year	2020	2021	Ratio of change
Cash flow ratio	4.64%	9.35%	4.72%
Cash flow adequacy ratio	44.86%	30.72%	-14.20%
Cash reinvestment ratio	-5.19%	-0.82%	4.33%
I. Note: The change in cash flow adequacy ratio was caused by the increase in inventory.			

(II) Liquidity analysis in the year ahead:

Unit: NT\$1,000

Cash balance at the beginning of the period (1)	Projected net cash flow from operation in the period (2)	Projected cash outflow in the period (3)	Projected amount of cash surplus (deficit) (1)+(2)-(3)	Remedy for projected cash deficit	
				Investment plan	Wealth management plan
4,008,815	828,456	2,262,092	2,575,179	-	-

IV. The influence of significant capital spending in the previous year on the financial position of the Company:

(I) The utilization of significant capital spending and the source of capital: None.

(II) Expected result: None.

V. The direct investment policy of the previous period, the principal cause of profit or loss, corrective action plan, and the investment plan in the year ahead:

Unit: NT\$1,000

Item \ Description	Capital investment to December 31 2021	Policy	Principal cause of profit or loss	Corrective action plan	Other investment plans in the future
Hong Kong SINBON Electronics Co., Ltd.	401,262	Cargo and capital center of Mainland China, and international trade	The operation of this company yields result.	—	—
SINBON International Enterprise Co., Ltd.	1,461,158	Consideration of the framework of direct investment of the group and international trade.	The operation of the subsidiary of this company yields result.	—	—
Kwan Ze Corporation Ltd.	235,600	Specialized in investment in Taiwan	The operation of the subsidiary of this company yields result.	—	—
Beijing SINBON TongAn Renewable Energy Co., Ltd.	89,134	Development and service to the customers in north China	The operation of this company yields result.	-	—
SINBON USA LLC.	176,403	Development of new accounts in the USA	This company is at the stage of development in operation	Continue to development new accounts in the USA	—
Radbon Avionics Inc.	33,000	Development of aviation products	The operation of this company yields result.	-	—
SINBON Europe GmbH	185,241	Development of new accounts in Europe	This company is at the stage of development in operation	Continue to develop business in Europe	—
T-CONN Precision Corporation	157,360	Production and trading of connectors	The operation of this company yields result.	-	—
SINBON Hungary Kft	424,026	Development of new accounts in Europe	This company is at the stage of development in operation	Continue to develop business in Europe	—
SINTOP Energy Management Co., Ltd.	6,804	Regenerated resources investment and management consulting service.	The operation of this company yields result.	-	—

VI. Risks:

- (I) The influence of interest rate and exchange rate fluctuation, and inflation on the income of the Company in the previous period, and the policy in response to the influence in the future:

1. The influence of the changes in interest rate in the previous period on the income of Company and the policy in response to the changes in the future:

The Company will continue to observe any change in the market and avoid any

possible risks at the right moment so as to reduce the risk possibly caused by interest rate change.

2. The influence of the changes in exchange rate on the income of the Company in the previous period and the policy in response to the changes in the future:

The Company recognized net exchange loss amounting to NT\$112,029 thousand in 2021, and has proceeded to hedge off the exchange risk to avoid negative effect on the income due to exchange rate fluctuation.

3. The influence of inflation on the income of the Company in the previous period and the policy in response to inflation in the future:

No unfavorable effect.

- (II) The policy of engagement in high risk and high leveraged investment, loaning of funds to third parties, endorsement and guarantee, and derivative trade, the principal cause of profit or loss, and the policy in response in the future:

1. The Company did not engage in high risk and high leveraged investment in 2021

2. The Company undertook endorsement and guarantee in 2021 mainly for the surety of the subsidiaries in borrowing from banks and proceeded in accordance with the "Regulations Governing Endorsement and Guarantee". The upper limit of endorsement and guarantee by the Company is NT\$10,357,746 thousand. As of the 2021.12.31, the balance of endorsement and guarantee undertaken by the Company amounted to NT\$2,319,923 thousand.

- (III) The R&D Plan in the future and the projected investment in R&D:

The R&D spending of the Company and group in 2021 amounted to NT\$849,022 thousand, which was an increase of 24% from the same period of the previous year. This involved the proactive development of electronic parts and components for IoT, warehouse automation equipment, smart cars, green industries, robotic application, and smart home, and the continued improvement of factory equipment efficiency. It is expected that the group will invest at least NT\$300 million or 3% of its revenue in R&D every year in the future.

- (IV) The influence of the changes in important policies and the regulatory environment at home and overseas on the financial position and operation of the Company, and the policy in response to the changes: None.

- (V) The influence of technological changes (including the risk of information security) and industrial changes on the financial position and operation of the Company, and the policy in response to the changes:

The Company responds to the rapid changes in technology and industry with a professional R&D team that can develop products to the needs of the customers for strengthening our competitive power.

- (VI) The influence of the change in corporate image on crisis management, and the policy in response to the change:

The Company listed its stock at TWSE on August 26 2002 for trading. This could help to improve the corporate image. In the wake of the internationalization of its scale of operation, the increasing sophistication of impact and challenges of the changes in the global economic environment, the Company identifies the risks that may affect the sustainability from the routine operation, and map out related management strategy and action plans to reduce the possible risk of interruption in operation. SINBON Electronics is a stakeholder to the customers, shareholders, employees, and the community, and will continue its effort in creating value for economic, environmental and social sustainability. In the course of pursuing its goal, SINBON Electronics seeks to identify, control the risks deserving the attention of enterprises in corporate management with a viable risk management organizational structure and through stepwise pursuit, and minimize possible risk through risk transfer, dissipation and aversion, and turn the risk into opportunity in operation.

- (VII) The expected result, possible risks from mergers & acquisitions, and the policy in response to the situation: Not applicable.
- (VIII) The expected result and possible risk from capacity expansion, and the policy in response to the situation:
- (IX) The capacity expansion of Miaoli Plant of the Company is expected to bring in higher revenue in Taiwan, mitigate the influence of the burden of tariff deriving from China-US trade, and create more local jobs. The possible risks will be the amount of revenue and profit falling below the expected level in which case idle capacity and declined capacity utilization will be resulted. Accordingly, the cost of product will rise. Under such circumstance, the group may switch orders or develop other business as relief.
- (X) The risks deriving for concentration of purchase or sale, and the policy in response to the situation: Not applicable.
- (XI) The influence and risk of massive transfer or swap of equity shares by Directors, Supervisors, or the Shareholders holding more than 10% of company shares, and the policy in response to the situation: None.
- (XII) The influence and risk of the change in the ownership of the Company, and the policy in response to the change: Not applicable.

(XIII) In litigation or non-contentious cases, specify major cases of litigation, voluntary jurisdiction or administrative appeal involving the Company, the Directors, Supervisors, General Manager, the actual person in charge, shareholders holding more than 10% of the company shares, with ruling or in proceeding, and the result of which may cause significant influence on shareholders equity or stock price. Disclose the facts of the contentions, the targeted amount, the date of the commencement of the proceedings, major litigants, and the status of the proceedings to the date this report was printed: Not applicable.

(XIV) Other risks and policies in response to the risks:

Information security risk assessment and analysis and the policy in response to the risk:

For additional information, refer to page 117, on information security management.

Additional information: None.

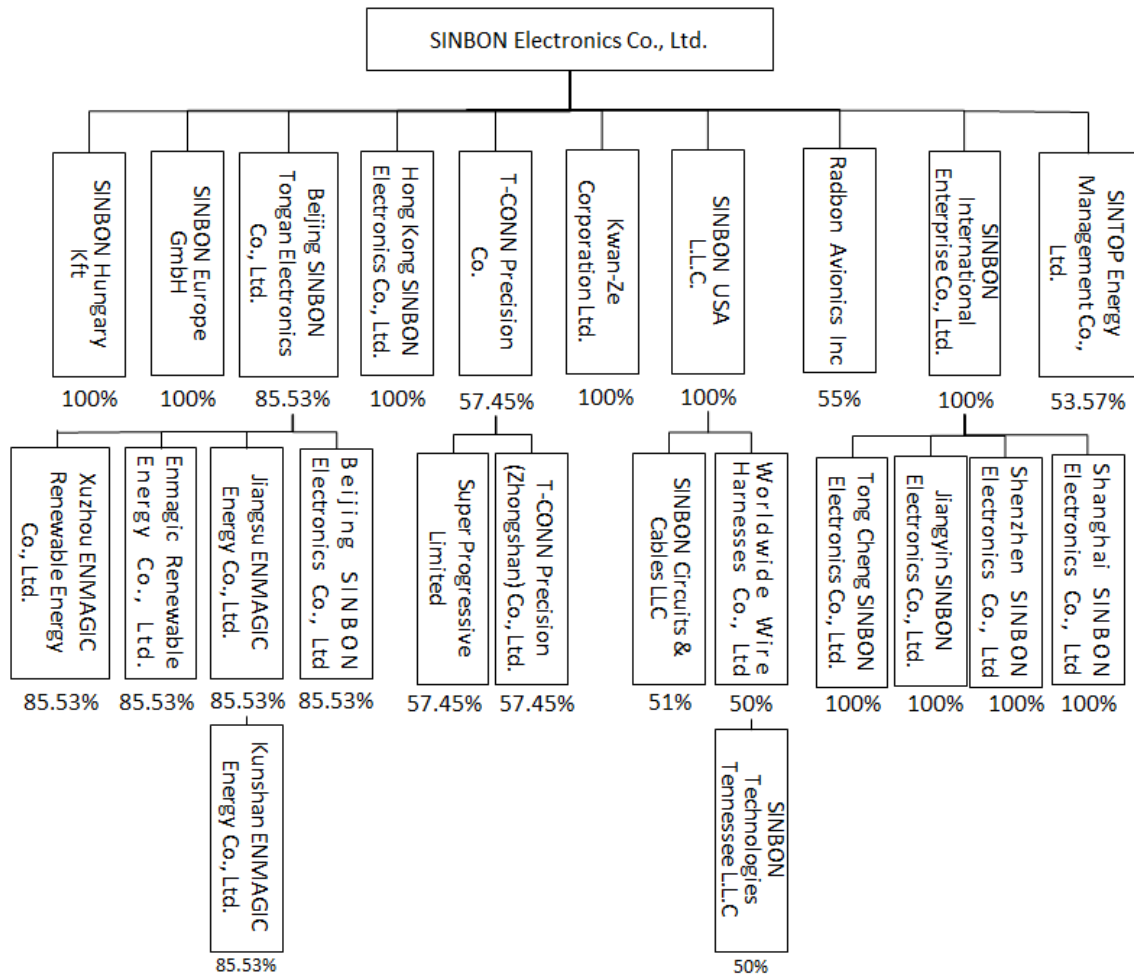
Chapter VIII. Additional information:

I. Profiles of the affiliates:

(I) Consolidated Business Report on Affiliates

1. Organizational chart of affiliates:

December 31 2021



2. Profiles of the affiliates

Name of Enterprise	Date of establishment	Paid-in capital	Address	Principal business or products
Beijing SINBON Electronics Co., Ltd.	1993.12.20	USD4.45 million	No. 26, Lain Dong U Gu, No. 15, Jingshengnansi Street, Maquqiao, Tongzhou District, Beijing	Production and sale of various types of connectors
Hong Kong SINBON Electronics Co., Ltd.	1995.6.20	HK\$95.61 million	Room 1805, No. 50, Lemmi Centre, Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong	Production and sale of various types of connectors and electronic parts and components
Shanghai SINBON Electronics Co., Ltd.	1996.3.21	USD3.28 million	3rd Floor, Tower 60, No. 461, Hongcao Road, Shanghai	Production and sale of various types of connectors and electronic parts and components
SINBON International Enterprise Co., Ltd.	2000.10.24	USD52.78 million	P.O. Box 3340, ROAD TOWN, TORTOLA, BRITISH VIRGIN ISLAND	General investment
Jiangyin SINBON Electronics Co., Ltd.	2000.12.20	USD37.78 million	No. 288, Chengjiangzhong Road, Jiangyin City, Suzhou Province.	Production and sale of connection cords, electronic components, electrical and electronic components, and computer peripherals, and the research, development, production and sale of GPS module.
Shenzhen SINBON Electronics Co., Ltd.	2001.5.9	USD2.8 million	518040 1605-1608, Xisongde Garden Office Building, Xiameiliner Street, Futian District, Shenzhen	Production and sale of various types of connectors and electronic parts and components
Kwan-Ze Corporation Ltd.	2003.01.22	NT\$235.6 million	4F.-1, No. 79, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City	Trading of electronic materials and general investment
Tong Cheng SINBON Electronics Co., Ltd.	2007.07.13	USD14 million	No. 168, Xinlong Road, Tongcheng Economic Development Zone	Production and sale of various types of electronic connectors and connection cords

Name of Enterprise	Date of establishment	Paid-in capital	Address	Principal business or products
Beijing SINBON TongAn Renewable Energy Co., Ltd.	2012.02.16	CNY152 million	No. 26, Lain Dong U Gu, No. 15, Jingshengnansi Street, Maquqiao, Tongzhou District, Beijing	Production and sale of various types of electronic connectors and connection cords
Worldwide Wire Harnesses Co., Ltd.	2007.04.24	USD0.15 million	Samoa	Overseas sale center
SINBON Technologies Tennessee Co., LLC.	2007.08.16	USD0.15 million	211 Industrial Park Drive Cumberland City, TN 37050	Overseas sale center
SINBON USA LLC.	2014.05.29	USD5.678 million	4265 Gibson Dr., Tipp City , Ohio 45371	Overseas sale center
SINBON Circuits & Cables LLC	1993.12.30	USD2.737 million	815 South Brown School Road Vandalia, OH 45377, USA	Sale of various types of electronic connectors and connection cords
Radbon Avionics Inc.	2015.12.28	NT\$96 million	No. 582, Kuohua Rd., Miaoli City, Miaoli County	Production and sale of various types of connectors
T-CONN Precision Co., Ltd.	2002.1.18	NT\$350 million	4F.-3, No. 79, Sec. 3, Xintai 5th Rd., Xizhi Dist., New Taipei City	Sale of connectors and other electronic parts and components
T-CONN Precision (Zhongshan) Co., Ltd.	2001.12.21	CNY69.2 million	No. 46, Zhongshan Huoju Frontier Technology Development Zone, Zhongshan City, Guangdong Province, China	Sale and production of connectors and other electronic parts and components
Super Progressive Limited	2003.01.30	USD0.1 million	2nd Floor, Felix House, 24 Dr. Joseph Riviere Street, Port Louis, Republic of Mauritius	Offshore trade center
SINBON Europe GmbH	2015.9	EUR 5.21 million	Passauer Str. 99 84347 Pfarrkirchen	General investment
SINBON Hungary Kft	1996.12.16	HUF 21 million	Tatabánya, Tarjáni út 1, 2800	Trading and processing of electronic connectors, and wire harness
Jiangsu ENMAGIC Energy Co., Ltd.	2017.07.21	CNY30 million	No. 6, Dongshengxi Road, Chengdong Sub-District, Jiangyin Frontier Technology and Industrial Development Zone, Jiangyin, Wuxi City	Trading of electronic connectors and wire harness

Name of Enterprise	Date of establishment	Paid-in capital	Address	Principal business or products
Kunshan ENMAGIC Energy Co., Ltd.	2018.09.30	CNY3 million	No. 150, Bowei Road, Zhangpu Town, Kunshan City	Dispersed PV power generation: PV power station project design, construction, operation, and maintenance; consulting service of PV power station related know-how
Enmagic Renewable Energy Co., Ltd.	2020.02.26	NT\$10 million	1F., No. 15, Ln. 588, Guohua Rd., Miaoli City, Miaoli County	Production and sale of various types of electronic connectors and connection cord
Xuzhou ENMAGIC Energy Co., Ltd.	2021.03.23	CNY10 million	South side of Beixinxin Road, North of Yangshan Road at East side of Gaoxin Road, Xuzhou Economic and Technology Development Zone.	Development of new energy technology
SINTOP Energy Management Co., Ltd.	2021.04.28	NT\$12.7 million	4F.-1, No. 79, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City	Regenerated resources investment and management consulting service

3. Information on presumed control and in dominant-subordination relation: none.

4. Directors, Supervisors and General Manager of affiliate

Name of Enterprise	Occupation title	Name or representative	Shares in holding	
			Quantity of shares	Proportion of shareholding
Beijing SINBON Electronics Co., Ltd.	Chairman Directors Supervisors	Shao-Hsin, Wang Chun-Chiang, Wang; Wei-Ming, Liarn Chi-Chou, Chang	-	85.53%
Hong Kong SINBON Electronics Co., Ltd.	Directors	Shao-Hsin, Wang; Wei-Ming, Liarn; Wen-Sen, Huang; Chi-Chou, Chang	-	100.00%
Shanghai SINBON Electronics Co., Ltd.	Chairman Directors Supervisors	Shao-Hsin, Wang Wei-Ming, Liarn; Hsiu-Sui, Lin Chi-Chou, Chang	-	100.00%

Name of Enterprise	Occupation title	Name or representative	Shares in holding	
			Quantity of shares	Proportion of shareholding
SINBON International Enterprise Co., Ltd.	Chairman	Shao-Hsin, Wang	-	100.00%
Jiangyin SINBON Electronics Co., Ltd.	Chairman Directors Supervisors	Shao-Hsin, Wang Wei-Ming, Liang; Chi-Chou, Chang; Yen-Hua, Wang; Hsing-Chun, Wu Wen-Sen, Huang	-	100.00%
Shenzhen SINBON Electronics Co., Ltd.	Chairman Directors Supervisors	Shao-Hsin, Wang Wei-Ming, Liang; Hsiu-Sui, Lin Chi-Chou, Chang	-	100.00%
Kwan-Ze Corporation Ltd.	Chairman Directors Supervisors	Shao-Hsin, Wang Hsin-Chih, Yeh; Chi-Chou, Chang Chun-Chiang, Wang (The above persons are representatives of SINBON Electronics Co., Ltd.)	23,560,000 shares	100.00%
Tong Cheng SINBON Electronics Co., Ltd.	Chairman Directors Supervisors	Wei-Ming, Liang Chi-Chou, Chang; Kuo-Tsai, Sung Wen-Sen, Huang	-	100.00%
Beijing SINBON TongAn Renewable Energy Co., Ltd.	Chairman Directors Supervisors	Shao-Hsin, Wang Chun-Chiang, Wang; Wei-Ming, Liang; Hsiao-Hung, Chiang; Mei, Tung Chi-Chou, Chang; Pao-Lin, Ma; Yung, Tsui	130,000,000 shares	85.53%
Worldwide Wire Harnesses Co., Ltd.	Directors Directors Directors	Wei-Ming, Liang Tzu-Wei, Lin LESLIE ROY WELCH	-	50.00%
SINBON Technologies Tennessee Co., LLC.	Directors Directors Directors	Wei-Ming, Liang Tzu-Wei, Lin LESLIE ROY WELCH	-	50.00%
SINBON USA LLC	Chairman	John Chrupcala	-	100.00%
SINBON Circuits & Cables LLC	Chairman Directors Directors	John Chrupcala Michael J. Seibert; Cynthia J. Seibert Jia Wei; Winnie Chen	-	51.00%

Name of Enterprise	Occupation title	Name or representative	Shares in holding	
			Quantity of shares	Proportion of shareholding
Radbon Avionics Inc.	Chairman Directors Supervisors	Chi-Chung, Chen Kuo-Hung, Wang; Te-Cheng, Chiu, (the above persons are representatives of SINBON Electronics Co., Ltd.) Hsiu-Chen, Hsu; Chien-Heng, Liu (Representatives of NCSIST) Shu-Hui, Chen; Min-Cheng, Lin	5,280,000 shares	55.00%
T-CONN Precision Co., Ltd.	Chairman Directors Directors Independent Director	Hsin-Chih, Yeh Shao-Hsin, Wang (The above 2 persons are the representatives of SINBON Electronics Co., Ltd.) Kao-Ling, Chiu (representative of Wistron) Te-Cheng, Chiu Feng-Chih, Huang; Hung-Wen, Lin; Yung-Sheng, Chang	20,107,286 shares	57.45%
T-CONN Precision (Zhongshan) Co., Ltd.	Chairman Directors Directors Supervisors	Hsin-Chih, Yeh Shao-Hsin, Wang Shih-Chieh, Chen Chi-Chou, Chang	-	57.45%
Super Progressive Limited	Chairman	Hsin-Chih, Yeh	-	57.45%
SINBON Europe GmbH	Chairman	Wen-Sen, Huang	-	100%
SINBON Hungary Kft	Chairman	Barrie Ryan	-	100%
Jiangsu ENMAGIC Energy Co., Ltd.	Chairman Directors Supervisors	Wei-Ming, Liang Chi-Chou, Chang; Chun-Chiang, Wang Yeh, Liu	-	85.53%
Kunshan ENMAGIC Energy Co., Ltd.	Directors Supervisors	Chun-Chiang, Wang Chi-Chou, Chang	-	85.53%
Enmagic Renewable Energy Co., Ltd.	Chairman Directors Supervisors	Shao-Hsin, Wang Wei-Ming, Liang; Chun-Chiang, Wang (The above persons are representatives of Beijing SINBON TongAn Renewable Energy Co., Ltd.) Chi-Chou, Chang	1,000,000 shares	85.53%
Xuzhou ENMAGIC Energy Co., Ltd.	Chairman Directors Supervisors	Chun-Chiang, Wang Ching, Chin; Yung, Tsui Yang-Yi, Lin	-	85.53%

Name of Enterprise	Occupation title	Name or representative	Shares in holding	
			Quantity of shares	Proportion of shareholding
SINTOP Energy Management Co., Ltd.	Chairman	Wei-Ming, Liang Yi-Hsien, Lin (The above 2 persons are the representatives of SINBON Electronics Co., Ltd.) Ching-Fu, Chang (representative of TOP Taiwan Investment Co, Ltd.)	680,400 shares	53.57%
	Directors			
	Supervisors	Chi-Chou, Chang; Chien-Jung, Chen		

5. Operation of the affiliates (2021):

Name of Enterprise	Stated capital	Total assets	Total liabilities	Net worth	Revenue	Operating income	Income in current period (after taxation)	Earnings per share (after taxation)
Beijing SINBON Electronics Co., Ltd. (Unit: CNY)	32,828,851.80	55,343,413.99	240,338.40	55,103,075.59	-	(1,817,926.65)	1,503,750.91	-
Hong Kong SINBON Electronics Co., Ltd. (Unit: HKD)	95,606,400	1,162,712,857	837,258,635	325,454,222	1,529,649,677	227,994,892	240,691,473	-
Shanghai SINBON Electronics Co., Ltd. (Unit: CNY)	25,401,762.00	66,651,745.61	20,121,992.99	46,529,752.62	122,359,864.82	12,560,341.10	10,014,594.77	-
SINBON International Enterprise Company Limited (Unit: USD)	52,281,715	172,311,838	-	172,311,838	-	-	25,077,341	-
Jiangyin SINBON Electronics Co., Ltd. (Unit: CNY)	286,025,460	1,668,751,548.27	843,567,530.30	825,184,017.97	2,392,510,593.21	145,384,619.43	123,681,616.78	-
Shenzhen SINBON Electronics Co., Ltd. (Unit: CNY)	17,924,154.88	84,374,879.79	21,938,011.30	62,436,868.49	97,343,311.76	10,147,911.72	7,583,395.87	-

Name of Enterprise	Stated capital	Total assets	Total liabilities	Net worth	Revenue	Operating income	Income in current period (after taxation)	Earnings per share (after taxation)
Kwan-Ze Corporation Ltd. (Unit: NTD)	252,000,000	737,257,505	1,154,788	736,102,717	-	(72,620)	131,869,313	-
Tong Cheng SINBON Electronics Co., Ltd. (Unit: CNY)	95,050,300	320,785,531.00	159,054,813.30	161,730,717.70	261,217,667.88	22,954,656.82	20,445,492.27	-
Beijing SINBON TongAn Renewable Energy Co., Ltd. (Unit: CNY)	152,000,000	698,343,622.03	173,326,368.39	525,017,253.64	570,738,713.96	42,123,749.77	41,836,554.06	-
SINBON USA LLC. (Unit: USD)	5,678,741	3,800,859.63	2,262,092.12	1,538,767.51	17,022,196.93	(842,006.43)	(694,659.46)	-
Radbon Avionics Inc. (Unit: NTD)	96,000,000	347,400,923	152,843,435	194,557,488	379,168,243	117,110,287	93,017,895	-
T-CONN Precision Co., Ltd. (Unit: NT\$1,000)	350,000	1,558,586	786,983	771,603	1,119,583	168,269	239,990	-
T-CONN Precision (Zhongshan) Co., Ltd. (Unit: CNY)	69,199,908	141,560,318	77,890,219	63,670,099	196,608,767	24,107,187	22,704,562	-
Super Progressive Limited (Unit: USD)	100,000	157,623	12,185	145,438	2,453	(183,371)	(184,397)	-
Worldwide Wire Harnesses Co., Ltd. (Unit: USD)	150,000	238,540	65	238,475	-	-	302,084	-
SINBON Technologies Tennessee Co., LLC. (Unit: USD)	139,980	925,280	936,885	(11,605)	901,160	311,037	302,084	-
SINBON Europe GmbH (Unit: EUR)	5,208,773	296,284	194,064	102,220	372,000	63,878	62,888	-

Name of Enterprise	Stated capital	Total assets	Total liabilities	Net worth	Revenue	Operating income	Income in current period (after taxation)	Earnings per share (after taxation)
SINBON Hungary Kft (Unit: HUF 1,000)	21,000	3,420,346	3,240,689	179,657	4,206,611	(412,862)	(453,466)	-
Jiangsu ENMAGIC Energy Co., Ltd. (Unit: CNY)	30,000,000	270,863,469.42	193,315,917.45	77,547,551.97	279,049,392.63	8,052,241.92	5,316,525.59	-
Kunshan ENMAGIC Energy Co., Ltd. (Unit: CNY)	3,000,000	3,142,028	(117,618)	3,259,646	151,514	83,224	81,632	-
SINBON CIRCUITS & CABLES, LLC (Unit: USD)	2,737,070	8,552,528	9,811,233	(1,258,705)	15,343,664	(1,631,112)	(871,628)	-
Enmagic Renewable Energy Co., Ltd. (Unit: NTD)	45,000,000	168,051,408	128,936,722	39,114,686	178,147,696	(11,127,056)	(2,259,083)	-
Xuzhou ENMAGIC Energy Co., Ltd. (Unit: CNY)	10,000,000	16,621,930.43	7,164,788.82	9,457,141.61	629,535	(500,127.39)	(542,858.39)	-
SINTOP Energy Management Co., Ltd. (Unit: NTD)	12,700,000	16,930,971	1,627,772	15,303,199	4,235,371	3,253,469	2,603,199	-

(II) Consolidated Financial Statements

Declaration

In 2021 (from January 1, 2021 to December 31, 2021), the related entities that are required to be included in the preparation of the consolidated financial statements of the Company, under the "Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those defined in International Financial Reporting Standards (IFRS) No. 10 "Consolidated Financial Statements." In addition, the information which shall be disclosed in the combined financial statements of affiliated companies is included in the consolidated financial statements of the parent company. Consequently, there will be no separate preparation of combined financial statements of affiliated companies.

Your kind attention will be appreciated

SINBON Electronics Co., Ltd.

Legal Representative: Shao-Hsin, Wang

March 11 2022, Friday

- II. Offering of securities through private placement in the previous period to the date this report was printed: None.
- III. The holding or disposal of the shares issued by the Company by subsidiaries in the previous period to the date this report was printed.: none.
- IV. Supplementary information: None.

Chapter IX. The occurrence of the incidents as stated in subparagraph 2 of Paragraph 3 under Article 36 of this law that caused significant influence on shareholders equipment or stock price in the previous period to the date this report was printed

Not applicable