Shihlin Electric & Engineering Corp. and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2022 and 2021 and Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Shihlin Electric & Engineering Corp.

Introduction

We have reviewed the accompanying consolidated balance sheets of Shihlin Electric & Engineering Corp. and its subsidiaries (collectively, the "Group") as of June 30, 2022 and 2021, the related consolidated statements of comprehensive income for the three months ended June 30, 2022 and 2021 and for the six months ended June 30, 2022 and 2021, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 11 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of June 30, 2022 and 2021, the combined total assets of these non-significant subsidiaries were NT$8,171,410 thousand and NT$7,742,010 thousand, respectively, which represented 17% and 18%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT$3,906,397 thousand and NT$3,662,704 thousand, respectively, which represented 20% and 23%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2022 and 2021 and for the six months ended June 30, 2022 and 2021, the amounts of combined comprehensive income of these subsidiaries were NT$77,052 thousand, NT$180,226 thousand, NT$439,897 thousand and NT$317,200 thousand, respectively, representing 16%, 25%, 28% and 24%, respectively, of the consolidated total comprehensive income. Also, as stated in Note 12 to the consolidated financial statements, the investments accounted for using the equity method were NT$4,600,340 thousand and NT$4,072,714 thousand as of June 30, 2022 and 2021, respectively. The share of profit of associates amounted to NT$39,165 thousand, NT$38,106 thousand, NT$115,385 thousand and NT$109,998 thousand of the Group's consolidated net income for the three months ended June 30, 2022 and 2021 and for the six months ended June 30, 2022 and 2021, respectively. The amounts of comprehensive income from associates were NT$129,244 thousand, NT$53,561 thousand, NT$243,769 thousand and NT$78,782 thousand of the Group's consolidated comprehensive income for the three months ended June 30, 2022 and 2021 and for the six months ended June 30, 2022 and 2021, respectively, and these investment amounts as well as additional disclosures in Note 35 "Information on Investees" were based on the investees' unreviewed financial statements for the same reporting periods as those of the Group.

Qualified Conclusion

Based on our reviews and the reports of other auditors (refer to the other matter paragraph), except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investees accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of June 30, 2022 and 2021, its consolidated financial performance for the three months ended June 30, 2022 and 2021 and for the six months ended June 30, 2022 and 2021, and its consolidated cash flows for the six months ended June 30, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

We did not review the financial statements of certain associates of the Group as of and for the six months ended June 30, 2022 and 2021, which were accounted for using the equity method in the accompanying consolidated financial statements. Such financial statements were reviewed by other auditors whose reports have been furnished to us. Our conclusion, insofar as it relates to the amounts included in the Group's consolidated financial statements for such associates, is based solely on the reports of other auditors. The aforementioned equity-method investments amounted to NT$4,327,554 thousand and NT$4,072,870 thousand as of June 30, 2022 and 2021, respectively, which both represented 9% of the Group's consolidated total assets. The share of profit (loss) of such associates amounted to NT$4,346 thousand, NT$(22,608) thousand, NT$4,454 thousand and NT$(22,326) thousand for the three months ended June 30, 2022 and 2021 and for the six months ended June 30, 2022 and 2021, respectively, which represented 1%, (4%), 0% and (1%), respectively, of the Group's consolidated profit before income tax. The share of comprehensive income (loss) of such associates amounted to NT$90,779 thousand, NT$61,400 thousand, NT$139,046 thousand and NT$53,741 thousand for the three months ended June 30, 2022 and 2021 and for the six months ended June 30, 2022 and 2021, respectively, which represented 18%, 8%, 9% and 4%, respectively, of the Group's consolidated total comprehensive income.

The engagement partners on the reviews resulting in this independent auditors' review report are Chih-Yuan Chen and Ching-Cheng Yang.

Chih-Yuan Chen Ching Cheng Yang

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 5, 2022

<u>*Notice to Readers*</u>

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance 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 review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2022 (Reviewed) Amount	%	December 31, 2021 (Audited) Amount	%	June 30, 2021 (Reviewed) Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 3,063,408	6	$ 3,525,350	8	$ 3,666,815	9
Contract assets (Note 23)	2,356,966	5	2,058,739	4	2,167,113	5
Notes receivable (Notes 9 and 23)	1,247,856	3	1,254,166	3	1,216,547	3
Trade receivables (Notes 9 and 23)	6,012,526	13	5,371,773	12	5,256,823	12
Trade receivables from related parties (Notes 23 and 31)	138,880	-	262,178	1	197,657	-
Other receivables (Note 9)	14,487	-	11,695	-	50,536	-
Other receivables from related parties (Note 31)	2,589	-	3,837	-	1,547	-
Inventories (Note 10)	6,899,113	15	6,395,345	14	4,814,211	11
Other current assets (Notes 16, 31 and 32)	1,277,715	3	1,020,978	2	835,409	2
Total current assets	21,013,540	45	19,904,061	44	18,206,658	42
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	713,379	2	709,212	2	753,002	2
Financial assets at fair value through other comprehensive income - non-current (Note 8)	1,199,851	3	1,099,771	2	1,200,053	3
Investments accounted for using the equity method (Notes 12 and 32)	8,927,894	19	8,467,025	19	8,145,584	19
Property, plant and equipment (Notes 13 and 32)	7,004,468	15	6,957,533	15	6,920,236	16
Right-of-use assets (Note 14)	195,277	-	190,990	-	194,948	-
Investment properties (Notes 15 and 32)	7,232,749	15	7,283,822	16	7,334,786	17
Deferred tax assets (Note 25)	342,409	1	373,870	1	392,214	1
Net defined benefit liability - non-current (Note 21)	2,052	-	2,052	-	1,989	-
Other non-current assets (Notes 16 and 32)	123,716	-	206,954	1	142,144	-
Total non-current assets	25,741,795	55	25,291,229	56	25,084,956	58
TOTAL	$ 46,755,335	100	$ 45,195,290	100	$ 43,291,614	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 17 and 32)	$ 2,144,018	4	$ 1,910,699	4	$ 2,063,092	5
Financial liabilities at fair value through profit or loss - current (Note 7)	3,086	-	172	-	-	-
Contract liabilities - current (Notes 23 and 31)	3,203,591	7	3,027,022	7	1,504,193	3
Notes payable (Note 18)	296,844	1	360,268	1	300,930	1
Trade payables (Note 18)	6,140,848	13	6,115,853	14	5,739,090	13
Trade payables to related parties (Note 31)	12,354	-	21,834	-	19,001	-
Other payables (Note 19)	2,149,105	5	1,587,530	3	1,249,349	3
Other payables to related parties (Note 31)	18,314	-	41,276	-	29,445	-
Current tax liabilities (Note 25)	305,404	1	193,665	-	278,813	1
Provisions - current (Note 20)	1,166,360	2	1,038,700	2	1,044,606	2
Lease liabilities - current (Note 14)	5,485	-	4,808	-	5,979	-
Other current liabilities (Note 19)	292,372	1	329,394	1	301,323	1
Total current liabilities	15,737,781	34	14,631,221	32	12,535,821	29
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 17 and 32)	452,083	1	654,583	2	850,000	2
Provisions - non-current (Note 20)	22,471	-	22,896	-	22,843	-
Deferred tax liabilities (Note 25)	2,350,616	5	2,288,341	5	2,302,579	6
Lease liabilities - non-current (Note 14)	4,698	-	2,970	-	3,938	-
Deferred revenue - non-current	48,859	-	48,198	-	48,687	-
Net defined benefit liability - non-current (Note 21)	380,771	1	406,547	1	391,064	1
Other non-current liabilities (Note 19)	81,104	-	102,821	-	106,649	-
Total non-current liabilities	3,340,602	7	3,526,356	8	3,725,760	9
Total liabilities	19,078,383	41	18,157,577	40	16,261,581	38
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 22)						
Ordinary shares	5,209,722	11	5,209,722	12	5,209,722	12
Capital surplus	2,653,539	6	2,639,057	6	2,638,112	6
Retained earnings						
Legal reserve	3,061,580	6	2,881,934	7	2,730,986	6
Special reserve	5,136,954	11	5,136,954	11	5,136,954	12
Unappropriated earnings	9,756,026	21	9,562,841	21	9,861,767	23
Total retained earnings	17,954,560	38	17,581,729	39	17,729,707	41
Other equity	1,232,855	3	1,019,528	2	899,930	2
Total equity attributable to owners of the Corporation	27,050,676	58	26,450,036	59	26,477,471	61
NON-CONTROLLING INTERESTS (Note 22)	626,276	1	587,677	1	552,562	1
Total equity	27,676,952	59	27,037,713	60	27,030,033	62
TOTAL	$ 46,755,335	100	$ 45,195,290	100	$ 43,291,614	100

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

(With Deloitte & Touche review report dated August 5, 2022)

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 31)								
Sales	$ 6,697,141	88	$ 6,185,887	88	$ 13,759,909	90	$ 12,691,311	90
Rental revenue	116,324	2	116,543	2	232,806	1	234,458	2
Construction revenue	795,143	10	716,260	10	1,353,343	9	1,206,969	8
Other operating revenue	2,750	-	1,250	-	5,500	-	2,000	-
Total operating revenue	7,611,358	100	7,019,940	100	15,351,558	100	14,134,738	100
OPERATING COSTS (Notes 10, 24 and 31)								
Cost of goods sold	5,549,684	73	5,047,360	72	11,247,113	73	10,233,249	72
Rental cost	49,147	-	53,366	1	96,816	1	105,587	1
Construction cost	740,689	10	668,354	9	1,253,511	8	1,121,198	8
Other operating cost	2,445	-	1,305	-	4,650	-	2,329	-
Total operating costs	6,341,965	83	5,770,385	82	12,602,090	82	11,462,363	81
GROSS PROFIT	1,269,393	17	1,249,555	18	2,749,468	18	2,672,375	19
OPERATING EXPENSES (Notes 24 and 31)								
Selling and marketing expenses	295,773	4	276,154	4	565,311	4	527,868	4
General and administrative expenses	267,911	3	302,713	4	556,956	3	597,512	4
Research and development expenses	139,862	2	134,154	2	267,934	2	249,878	2
Expected credit loss (gain)	(14,277)	-	(1,729)	-	(27,224)	-	17,000	-
Total operating expenses	689,269	9	711,292	10	1,362,977	9	1,392,258	10
PROFIT FROM OPERATIONS	580,124	8	538,263	8	1,386,491	9	1,280,117	9
NON-OPERATING INCOME AND EXPENSES								
Interest income (Note 24)	3,645	-	4,249	-	7,173	-	9,334	-
Other income (Notes 24 and 31)	6,513	-	739	-	8,396	-	2,640	-
Other gains and losses (Notes 24 and 31)	16,592	-	50,547	1	111,756	1	152,489	1
Finance costs (Note 24)	(4,986)	-	(5,767)	-	(9,203)	-	(11,920)	-
Share of profit or loss of associates accounted for using the equity method	43,511	1	15,498	-	119,839	1	87,672	1
Total non-operating income	65,275	1	65,266	1	237,961	2	240,215	2
PROFIT BEFORE INCOME TAX	645,399	9	603,529	9	1,624,452	11	1,520,332	11
INCOME TAX EXPENSE (Note 25)	165,805	2	110,871	2	396,685	3	350,483	2
NET PROFIT FOR THE YEAR	479,594	7	492,658	7	1,227,767	8	1,169,849	9

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SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	$ (97,791)	(1)	$ 140,063	2	$ (29,046)	-	$ 159,949	1
Share of other comprehensive income (loss) of associates accounted for using the equity method	176,512	2	99,479	1	262,976	1	44,867	-
	78,721	1	239,542	3	233,930	1	204,816	1
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	(77,435)	(1)	(3,179)	-	146,682	1	(36,912)	-
Income tax relating to items that may be reclassified subsequently to profit or (loss) (Note 25)	15,019	-	3,061	-	(25,148)	-	9,905	-
	(62,416)	(1)	(118)	-	121,534	1	(27,007)	-
Other comprehensive income for the year, net of income tax	16,305	-	239,424	3	355,464	2	177,809	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 495,899	7	$ 732,082	10	$ 1,583,231	10	$ 1,347,658	10
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Corporation	$ 458,251	6	$ 467,749	7	$ 1,177,924	8	$ 1,123,664	8
Non-controlling interests	21,343	-	24,909	-	49,843	-	46,185	-
	$ 479,594	6	$ 492,658	7	$ 1,227,767	8	$ 1,169,849	8
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Corporation	$ 479,416	7	$ 709,671	10	$ 1,524,122	10	$ 1,306,055	9
Non-controlling interests	16,483	-	22,411	-	59,109	-	41,603	1
	$ 495,899	7	$ 732,082	10	$ 1,583,231	10	$ 1,347,658	10
EARNINGS PER SHARE (Note 26)								
Basic	$ 0.88		$ 0.90		$ 2.26		$ 2.16	
Diluted	$ 0.88		$ 0.90		$ 2.26		$ 2.15	

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

(With Deloitte & Touche review report dated August 5, 2022) (Concluded)

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Corporation											
			Retained Earnings				Other Equity					
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total	Non-controlling Interests	Total Equity
BALANCE, JANUARY 1, 2021	$ 5,209,722	$ 2,626,221	$ 2,730,986	$ 5,136,954	$ 8,750,888	$ 16,618,828	$ (360,186)	$ 1,077,718	$ 717,532	$ 25,172,303	$ 528,042	$ 25,700,345
Changes in equity from investments in associates accounted for using the equity method	-	12,157	-	-	(12,785)	(12,785)	-	-	-	(628)	(830)	(1,458)
Adjustments to share of changes in equity of subsidiaries	-	(266)	-	-	-	-	-	7	7	(259)	259	-
Net profit for the six months ended June 30, 2021	-	-	-	-	1,123,664	1,123,664	-	-	-	1,123,664	46,185	1,169,849
Other comprehensive income (loss) for the six months ended June 30, 2021, net of income tax	-	-	-	-	-	-	(24,878)	207,269	182,391	182,391	(4,582)	177,809
Total comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	1,123,664	1,123,664	(24,878)	207,269	182,391	1,306,055	41,603	1,347,658
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(16,512)	(16,512)
BALANCE, JUNE 30, 2021	$ 5,209,722	$ 2,638,112	$ 2,730,986	$ 5,136,954	$ 9,861,767	$ 17,729,707	$ (385,064)	$ 1,284,994	$ 899,930	$ 26,477,471	$ 552,562	$ 27,030,033
BALANCE, JANUARY 1, 2022	5,209,722	2,639,057	2,881,934	5,136,954	9,562,841	17,581,729	(349,758)	1,369,286	1,019,528	26,450,036	587,677	27,037,713
Appropriation of the 2021 earnings												
Legal reserve	-	-	179,646	-	(179,646)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(937,750)	(937,750)	-	-	-	(937,750)	(20,603)	(958,353)
Changes in equity from investments in associates accounted for using the equity method	-	14,560	-	-	(240)	(240)	-	-	-	14,320	41	14,361
Adjustments to share of changes in equity of subsidiaries	-	(78)	-	-	-	-	-	26	26	(52)	52	-
Net profit for the six months ended June 30, 2022	-	-	-	-	1,177,924	1,177,924	-	-	-	1,177,924	49,843	1,227,767
Other comprehensive income (loss) for the six months ended June 30, 2022, net of income tax	-	-	-	-	-	-	114,540	231,658	346,198	346,198	9,266	355,464
Total comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	1,177,924	1,177,924	114,540	231,658	346,198	1,524,122	59,109	1,583,231
Disposal of investments in equity instruments designated as at fair value through other comprehensive profit or loss	-	-	-	-	132,897	132,897	-	(132,897)	(132,897)	-	-	-
BALANCE, JUNE 30, 2022	$ 5,209,722	$ 2,653,539	$ 3,061,580	$ 5,136,954	$ 9,756,026	$ 17,954,560	$ (235,218)	$ 1,468,073	$ 1,232,855	$ 27,050,676	$ 626,276	$ 27,676,952

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

(With Deloitte & Touche review report dated August 5, 2022)

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2022	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 1,624,452	$ 1,520,332
Adjustments for:		
Depreciation expenses	357,593	357,389
Amortization expenses	9,810	12,890
Expected credit loss (reversal)/recognized on trade receivables	(27,224)	17,000
Net loss/(gain) on fair value change of financial assets and liabilities at fair value through profit or loss	6,022	(40,846)
Finance costs	9,203	11,920
Interest income	(7,173)	(9,334)
Dividend income	(4,800)	-
Share of profit of associates accounted for using the equity method	(119,839)	(87,672)
Loss on disposal of property, plant and equipment	186	1,599
Loss/(gain) on disposal of subsidiary	1,542	(96,933)
Changes in operating assets and liabilities		
Contract assets	(298,227)	667,447
Notes receivable	6,310	(335,767)
Trade receivables	(615,094)	90,445
Trade receivables from related parties	123,298	36,309
Other receivables	(2,792)	47,496
Other receivables from related parties	1,248	4,256
Inventories	(506,933)	(510,181)
Other current assets	(248,262)	(291,968)
Financial liabilities held for trading	1,807	(10,785)
Contract liabilities	176,569	(159,761)
Notes payable	(63,424)	44,297
Trade payables	24,995	172,507
Trade payables to related parties	(9,480)	(6,418)
Other payables	(383,526)	(177,583)
Other payables to related parties	(22,962)	3,986
Provisions	125,836	72,532
Other current liabilities	(57,144)	6,464
Net defined benefit liabilities	(25,776)	(18,305)
Deferred revenue	(604)	(593)
Other non-current liabilities	-	2,995
Cash generated from operations	75,611	1,323,718
Interest received	7,302	8,882
Interest paid	(9,015)	(13,618)
Income tax paid	(216,358)	(313,753)
Net cash (used in) generated from operating activities	(142,460)	1,005,229

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SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2022	**2021**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	$ (156,000)	$ (70,000)
Disposal of financial assets at fair value through other comprehensive profit or loss	26,874	-
Acquisition of investments accounted for using the equity method	(140,274)	(80,000)
Proceeds from disposal of subsidiary	-	148,198
Payments for property, plant and equipment	(308,590)	(374,874)
Proceeds from disposal of property, plant and equipment	7,438	9,771
Decrease in other financial assets	14,063	21,783
Increase in other non-current assets	51,717	51,589
Dividends received from associates	109,057	33,816
Other dividends received	4,800	-
Net cash used in investing activities	(390,915)	(259,717)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	221,699	(88,044)
Repayment of long-term loans	(202,500)	-
Proceeds from guarantee deposits received	(1,857)	(1,278)
Repayment of the principal portion of lease liabilities	(3,266)	(3,696)
Changes in non-controlling interest	(13,440)	(13,440)
Net cash generated from (used in) financing activities	636	(106,458)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	70,797	(1,503)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(461,942)	637,551
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3,525,350	3,029,264
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 3,063,408	$ 3,666,815

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

(With Deloitte & Touche review report dated August 5, 2022) (Concluded)

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)
(Reviewed, Not Audited)

1. GENERAL INFORMATION

Shihlin Electric & Engineering Corp. (the "Corporation") was established in November 1955, and engaged in the manufacture of heavy electrical equipment, electrical machinery, electrical automotive equipment and related parts, and the sale and lease of commercial buildings.

The Corporation's shares have been listed and traded on the Taiwan Stock Exchange since December 1969.

The consolidated financial statements are presented in the Corporation's functional currency, the New Taiwan dollar.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation's board of directors and authorized for issue on August 5, 2022.

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

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRIC (IFRIC), and Interpretations of SIC (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the accounting policies of the Corporation and entities controlled by the Corporation (collectively referred to as the "Group").

b. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023

Note: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of presentation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities that are determined by deducting the fair value of plan assets from the present value of the defined benefit obligation.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e. its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective dates of acquisitions up to the effective dates of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment.

See Note 11, Tables 6 and 7 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2021.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Refer to the consolidated financial statements for the year ended December 31, 2021 for information on the critical accounting judgments and key sources of estimation uncertainty.

6. CASH AND CASH EQUIVALENTS

	June 30, 2022	December 31, 2021	June 30, 2021
Cash on hand	$ 2,601	$ 3,231	$ 5,455
Checking accounts and demand deposits	2,891,871	3,366,269	3,326,995
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	168,936	155,850	334,365
	$ 3,063,408	$ 3,525,350	$ 3,666,815

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2022	December 31, 2021	June 30, 2021
Financial assets - non-current			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Unlisted shares	$ 9,190	$ 10,251	$ 10,956
Mutual funds	704,189	698,961	742,046
	$ 713,379	$ 709,212	$ 753,002
Financial liabilities - current			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts (a)			
Cross-currency swap contracts (b)	$ 3,086	$ 172	$ -

At the end of the reporting period, forward foreign exchange contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
June 30, 2022			
Buy	USD/RMB	2022.12	RMB24,700/USD3,800
December 31, 2021			
Buy	USD/RMB	2022.12	RMB24,700/USD3,800

June 30, 2021: None.

The Group entered into cross-currency swap contracts mainly to manage exposures to exchange rate and interest rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	June 30, 2022	December 31, 2021	June 30, 2021
Non-current			
Domestic investments			
Listed shares	$ 85,391	$ 101,636	$ 93,960
Unlisted shares	1,114,460	998,135	1,106,093
	$ 1,199,851	$ 1,099,771	$ 1,200,053

These investments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	June 30, 2022	December 31, 2021	June 30, 2021
Notes receivable			
At amortized cost			
Gross carrying amount	$ 1,247,856	$ 1,254,166	$ 1,216,547
Trade receivables			
At amortized cost			
Gross carrying amount	$ 6,163,809	$ 5,548,859	$ 5,429,280
Less: Allowance for impairment loss	(151,283)	(177,086)	(172,457)
	$ 6,012,526	$ 5,371,773	$ 5,256,823
Other receivables			
Dividends	$ -	$ -	$ 41,358
Management expense	419	356	-
Molds	2,573	201	-
Others	11,495	11,138	9,178
	$ 14,487	$ 11,695	$ 50,536

The average credit period of sales of goods was 90 days. In order to minimize credit risk, the Group authorized a department to be responsible for determining credit limits, credit approvals, credit management and to manage other unusual risk to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of the current direction of economic conditions at the reporting date.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

June 30, 2022

	Not Past Due	Past Due Less than 3 Months	Past Due 3 to 6 Months	Past Due 6 Months to 1 Year	Past Due 1+ Year	Total
Expected credit loss rate	0.19%	7.99%	20.57%	42.87%	100.00%	
Gross carrying amount	$ 6,590,071	$ 603,636	$ 133,326	$ 37,594	$ 47,038	$ 7,411,665
Loss allowance (Lifetime ECLs)	(12,496)	(48,206)	(27,425)	(16,118)	(47,038)	(151,283)
Amortized cost	$ 6,577,575	$ 555,430	$ 105,901	$ 21,476	$ -	$ 7,260,382

December 31, 2021

	Not Past Due	Past Due Less than 3 Months	Past Due 3 to 6 Months	Past Due 6 Months to 1 Year	Past Due 1+ Year	Total
Expected credit loss rate	0.25%	7.88%	37.88%	64.18%	99.90%	
Gross carrying amount	$ 6,069,661	$ 529,729	$ 96,626	$ 65,327	$ 41,682	$ 6,803,025
Loss allowance (Lifetime ECLs)	(15,160)	(41,758)	(36,602)	(41,925)	(41,641)	(177,086)
Amortized cost	$ 6,054,501	$ 487,971	$ 60,024	$ 23,402	$ 41	$ 6,625,939

June 30, 2021

	Not Past Due	Past Due Less than 3 Months	Past Due 3 to 6 Months	Past Due 6 Months to 1 Year	Past Due 1+ Year	Total
Expected credit loss rate	0.16%	6.85%	34.38%	68.10%	92.26%	
Gross carrying amount	$ 5,653,410	$ 793,578	$ 101,447	$ 64,287	$ 33,105	$ 6,645,827
Loss allowance (Lifetime ECLs)	(8,918)	(54,343)	(34,876)	(43,778)	(30,542)	(172,457)
Amortized cost	$ 5,644,492	$ 739,235	$ 66,571	$ 20,509	$ 2,563	$ 6,473,370

The movements of the loss allowance of trade receivables were as follows:

	For the Six Months Ended June 30	
	2022	2021
Balance at January 1	$ 177,086	$ 167,064
Add: Net remeasurement of loss allowance	-	17,000
Less: Amounts written off	(144)	(12,323)
Less: Net remeasurement of loss allowance	(27,224)	-
Foreign exchange gains and losses	1,565	716
Balance at June 30	$ 151,283	$ 172,457

10. INVENTORIES

	June 30, 2022	December 31, 2021	June 30, 2021
Finished goods	$ 1,927,082	$ 2,118,242	$ 1,729,219
Work in progress	2,883,398	2,110,857	1,624,994
Raw materials	2,088,633	2,166,246	1,459,998
	$ 6,899,113	$ 6,395,345	$ 4,814,211

The cost of goods sold included inventory write-downs of $1,112 thousand, inventory write-downs of $3,383 thousand, reversals of inventory write-downs of $(13,377) thousand and reversals of inventory write-downs of $(4,888) thousand for the three months ended June 30, 2022 and 2021 and for the six months ended June 30, 2022 and 2021, respectively. The reversals of previous write-downs resulted from reducing of estimated cost for some products to be completed.

11. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

			Proportion of Ownership			
Investor	Investee	Nature of Activities	June 30, 2022	December 31, 2021	June 30, 2021	Remark
The Corporation	SEEC International Holdings Ltd. of the British Virgin Islands ("SEEC International Holdings")	Investment and trade business	100.0%	100.0%	100.0%	-
The Corporation	SEEC International Trading Ltd. of the British Virgin Islands ("SEEC International Trading")	Investment	-	100.0%	100.0%	a, f
The Corporation	Shihlin Electrical Engineering Ltd. of Vietnam ("Shihlin Electric Vietnam")	Electrical goods production	100.0%	100.0%	100.0%	a
The Corporation	Shihlin Electric USA Company Limited ("Shihlin Electric USA")	Heavy electrical equipment product marketing promotion services	100.0%	100.0%	100.0%	a
The Corporation	Shihlin Electric (Australia) Pty. Ltd. ("Shihlin Electric Australia")	Heavy power equipment production and distribution and marketing services	-	-	-	a, c
The Corporation	Hsin Lin Electric Machinery Co., Ltd. ("Hsin Lin")	Power transmission, distribution and machinery equipment manufacturing and sales	60.0%	60.0%	60.0%	a
The Corporation	Ting Lin Enterprise Co., Ltd. ("Ting Lin")	Mechanical and electrical appliances various components manufacturing and processing and installation business	96.7%	96.7%	96.7%	a
The Corporation and Hsin Lin	Hwo Lin Investment Co., Ltd. ("Hwo Lin")	Investment	99.9%	99.9%	99.9%	a
The Corporation	Cheng Lin Investments Co., Ltd. ("Cheng Lin")	Investment	99.5%	99.4%	99.4%	a, d
The Corporation	Shang Lin Investment Co., Ltd. ("Shang Lin")	Investment	99.6%	99.6%	99.6%	a
The Corporation	Ji Lin Investment, Co., Ltd. ("Ji Lin")	Investment	99.9%	99.9%	99.9%	a
The Corporation and Hsin Lin	Yuh Lin Investment Co., Ltd. ("Yuh Lin")	Investment	99.9%	99.9%	99.9%	a
The Corporation and Hsin Lin	Jeng Lin Investment Co., Ltd. ("Jeng Lin")	Investment	99.9%	99.9%	99.9%	a
The Corporation and Cheng Lin	Chuan Lin Technology Group ("Chuan Lin")	Operating and sale and maintenance service of vending machines, heavy electrical machinery and mechanical appliances and automation equipment	73.0%	73.0%	73.0%	a
The Corporation, Cheng Lin and Chuan Lin	Rueylin Electric & Engineering Corp. ("Rueilin")	Manufacturing and trading of mechanical appliances and vehicle components	90.0%	90.0%	90.0%	a
The Corporation	Jeen-Lin Industrial Co., Ltd. ("Jeen-Lin")	Manufacturing and sale of aluminum alloy die-casting, lathe, cutting and molding	78.4%	78.4%	78.4%	a
Hsin Lin and Rueylin	Wuling Electric Co., Ltd. ("Wuling")	Manufacturing, processing and sales of mechanical and electrical parts, power distribution equipment and switch products	60.0%	60.0%	60.0%	a
SEEC International Trading	Kingdom Trading Shanghai Co., Ltd. ("Shanghai Kingdom")	All kinds of switches, relays, circuit breakers and other product sales operations	-	-	100.0%	a, e
Hsin Lin	Hsinlin International Investment Corp. of Samoa ("Hsinlin International Investment")	Investment	100.0%	100.0%	100.0%	a

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership June 30, 2022	December 31, 2021	June 30, 2021	Remark
SEEC International Holdings	Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd. ("Changzhou Shihlin Mitsuba")	Manufacturing and sale of motorcycle starter motors, magneto, starter switch	55.0%	55.0%	55.0%	a
SEEC International Holdings	Xiamen Shihlin Electric & Engineering Co., Ltd. ("Xiamen SEEC")	Manufacturing and sale of capacitors, relays, circuit breakers and other components	100.0%	100.0%	100.0%	a
SEEC International Holdings	Suzhou Shihlin Electric & Engineering Co., Ltd. ("Suzhou SEEC")	Manufacturing and sale of capacitors, transformers, DC electric motors and other electronic components	100.0%	100.0%	100.0%	a
SEEC International Holdings	Wuxi Shihlin Electric & Electric & Engineering Co., Ltd. ("Wuxi SEEC")	Manufacturing and sale of magneto and starter motor in locomotive transmission facilities, power generators	100.0%	100.0%	100.0%	a
SEEC International Holdings	Fuzhou Shihlin Electric & Engineering Co., Ltd. ("Fuzhou SEEC")	Manufacturing and sale of DC motor, rotary pumps for liquids and motor vehicle fuel pumps and other electrical or power equipment	-	-	-	a, b
SEEC International Holdings	Shihlin Technology (Shenzhen) Co., Ltd. ("Shenzhen Shihlin")	Manufacturing and sale of industrial automation equipment and related products	100.0%	100.0%	100.0%	a
SEEC International Holdings and Hsinlin International Investment	Shihlin Electric (Suzhou) Power Equipment Co., Ltd. ("Suzhou Power Equipment")	Manufacturing and sale of high and low pressure switch and related products	70.5%	70.5%	70.5%	a
SEEC International Holdings	Xiamen Chen-Ieu Transportation Implements Co., Ltd. ("Xiamen Chen-Ieu")	Manufacturing motorcycle metal materials, electronic parts, all kinds of punch products parts, machine tools, etc.	100.0%	100.0%	100.0%	a
SEEC International Holdings	Changzhou Shihlin Auto Parts Co., Ltd. ("Changzhou Shihlin Parts")	Manufacturing and sale of motorcycle starter motors, magneto, starter switch	100.0%	100.0%	100.0%	a
Rueylin	Shihlin Electric Engineering Equipment Vietnam Company Limited ("Vietnam Electric Engineering)	Manufacturing and sale of mechanical equipment, power transmission, distribution and machinery equipment, automotive and motorcycle components	100.0%	100.0%	100.0%	a
Hwo Lin and Ji Lin	Yeangder Entertainment Co., Ltd. ("Yeangder Entertainment")	Engaged in competitive and recreational sports industry	99.9%	99.9%	99.9%	a

(Concluded)

Remarks:

a. The company is not a major subsidiary; its financial statements have not been reviewed.

b. Fuzhou SEEC had been sold in March 2021 (Note 27).

c. Shihlin Electric Australia was liquidated in June 2021.

d. In April 2021, the Group did not subscribe additional new shares of Cheng Lin at existing ownership percentage; the amount was $80,000 thousand, which increased the ownership percentage from 99.3% to 99.4%. In April 2022, the Group did not subscribe additional new shares of Cheng Lin at existing ownership percentage; the amount was $80,000 thousand, which increased the ownership percentage from 99.4% to 99.5%.

e. Shanghai Kingdom Trading was liquidated in November 2021.

f. Shihlin International Trading was liquidated in March 2022, and the loss on disposal of subsidiary was $1,542 thousand.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	June 30, 2022	December 31, 2021	June 30, 2021
Investments in associates			
Material associate			
The Ambassador Hotel, Ltd. ("Ambassador Hotel")	$ 4,327,554	$ 4,188,513	$ 4,072,870
Associates that are not individually material	4,600,340	4,278,512	4,072,714
	$ 8,927,894	$ 8,467,025	$ 8,145,584

a. Material associate

	Proportion of Ownership and Voting Rights		
Name of Associate	**June 30, 2022**	**December 31, 2021**	**June 30, 2021**
Ambassador Hotel	21.34%	21.34%	21.34%

Refer to Table 6 "Information on Investees" for the nature of activities, principal place of business and country of incorporation of the associate.

Fair value (Level 1) of investment in associate with available published price quotation is as follows:

Name of Associate	June 30, 2022	December 31, 2021	June 30, 2021
Ambassador Hotel	$ 2,541,407	$ 2,435,678	$ 2,192,893

The investment in associate is accounted for using the equity method.

Summarized financial information of the Group's material associate set out below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs adjusted by the Group for equity accounting purposes.

Ambassador Hotel

	June 30, 2022	December 31, 2021	June 30, 2021
Current assets	$ 11,417,524	$ 7,652,098	$ 6,058,732
Non-current assets	17,376,982	17,887,014	16,881,968
Current liabilities	(3,831,941)	(4,067,270)	(2,837,568)
Non-current liabilities	(4,683,383)	(1,843,718)	(1,017,860)
Equity	20,279,182	19,628,124	19,085,272
Non-controlling interests	(4,274)	(4,622)	(4,233)
	$ 20,274,908	$ 19,623,502	$ 19,081,039

(Continued)

	June 30, 2022	December 31, 2021	June 30, 2021
Proportion of the Group's ownership	21.34%	21.34%	21.34%
Equity attributable to the Group	$ 4,327,554	$ 4,188,513	$ 4,072,870
Other adjustments	-	-	-
Carrying amount	$ 4,327,554	$ 4,188,513	$ 4,072,870

(Concluded)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Operating revenue	$ 247,360	$ 277,042	$ 690,153	$ 826,436
Net profit (loss) for the year	$ 20,425	$ (106,500)	$ 20,898	$ (105,212)
Other comprehensive income	404,947	393,585	630,575	356,381
Total comprehensive income for the year	$ 425,372	$ 287,085	$ 651,473	$ 251,169

b. Aggregate information of associates that are not individually material

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
The Group's share of:				
Net profit for the year	$ 39,165	$ 38,106	$ 115,385	$ 109,998
Other comprehensive income (loss)	90,079	15,455	128,384	(31,216)
Total comprehensive income for the year	$ 129,244	$ 53,561	$ 243,769	$ 78,782

The amounts of investments in associates pledged as collateral for bank borrowings are disclosed in Note 32.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and Equipment	Other Equipment	Construction in Progress and Equipment Under Installation	Total
Cost						
Balance at January 1, 2022	$ 2,556,659	$ 4,430,061	$ 5,655,648	$ 2,931,974	$ 155,899	$ 15,730,241
Additions	-	2,045	100,164	52,752	153,629	308,590
Disposals	-	-	(53,544)	(18,596)	-	(72,140)
Transferred from inventories	-	-	-	-	687	687
Reclassification	-	8,871	8,088	13,720	(30,679)	-
Effect of foreign currency exchange differences	1,414	25,922	38,451	14,706	3,172	83,665
Balance at June 30, 2022	$ 2,558,073	$ 4,466,899	$ 5,748,807	$ 2,994,556	$ 282,708	$ 16,051,043
Accumulated depreciation and impairment						
Balance at January 1, 2022	$ -	$ 2,527,534	$ 3,913,295	$ 2,331,879	$ -	$ 8,772,708
Disposals	-	-	(49,891)	(14,625)	-	(64,516)
Depreciation expense	-	54,979	152,995	91,634	-	299,608
Effect of foreign currency exchange differences	-	8,957	19,241	10,577	-	38,775
Balance at June 30, 2022	$ -	$ 2,591,470	$ 4,035,640	$ 2,419,465	$ -	$ 9,046,575
Carrying amounts at June 30, 2022	$ 2,558,073	$ 1,875,429	$ 1,713,167	$ 575,091	$ 282,708	$ 7,004,468
Carrying amounts at December 31, 2022 and January 1, 2022	$ 2,556,659	$ 1,902,527	$ 1,742,353	$ 600,095	$ 155,899	$ 6,957,533
Cost						
Balance at January 1, 2021	$ 2,514,711	$ 4,353,372	$ 5,324,308	$ 2,893,332	$ 32,887	$ 15,118,610
Additions	42,503	32,484	126,582	58,405	114,900	374,874
Disposals	-	-	(12,224)	(22,268)	-	(34,492)
Transferred from inventories	-	-	-	8,481	2,360	10,841
Transferred from prepayments for equipment	-	-	-	-	134,662	134,662
Disposal of subsidiary	-	(54,172)	(35,716)	(54,713)	-	(144,601)
Reclassification	-	69,354	93,587	30,842	(193,783)	-
Effect of foreign currency exchange differences	(430)	(234)	13,544	(5,220)	(588)	7,072
Balance at June 30, 2021	$ 2,556,784	$ 4,400,804	$ 5,510,081	$ 2,908,859	$ 90,438	$ 15,466,966
Accumulated depreciation and impairment						
Balance at January 1, 2021	$ -	$ 2,436,798	$ 3,691,231	$ 2,255,963	$ -	$ 8,383,992
Disposals	-	-	(7,834)	(15,288)	-	(23,122)
Depreciation expense	-	66,388	141,083	92,259	-	299,730
Disposal of subsidiary	-	(42,085)	(27,023)	(45,805)	-	(114,913)
Effect of foreign currency exchange differences	-	(1,342)	6,333	(3,948)	-	1,043
Balance at June 30, 2021	$ -	$ 2,459,759	$ 3,803,790	$ 2,283,181	$ -	$ 8,546,730
Carrying amounts at June 30, 2021	$ 2,556,784	$ 1,941,045	$ 1,706,291	$ 625,678	$ 90,438	$ 6,920,236

The Corporation's depreciation depends on when properties are both. The Corporation's depreciation cost is calculated by using the straight line method for properties bought in the period from January 1, 1988 to January 1, 1999. The Corporation's depreciation cost is calculated by using the fixed-percentage-of-declining-balance method for properties bought in the period from January 1, 1988 to January 1, 1998. The remaining subsidiaries calculate depreciation cost by using the straight-line method.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives of the assets as follows:

Building	
Main buildings	40-60 years
Building improvements	20-35 years
Electrical power equipment and engineering system	8-35 years
Others	2-15 years
Machinery and equipment	2-15 years
Other equipment	2-15 years

Refer to Note 32 for the carrying amount of property, plant and equipment pledged to secure general banking facilities granted to the Group.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2022	December 31, 2021	June 30, 2021
Carrying amounts			
Land	$ 185,220	$ 183,298	$ 184,639
Buildings	9,207	6,899	9,059
Equipment	850	793	1,250
	$ 195,277	$ 190,990	$ 194,948

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Additions to right-of-use assets			$ 5,031	$ 3,707
Depreciation charge for right-of-use assets				
Land	$ 1,323	$ 1,245	$ 3,606	$ 2,536
Buildings	1,418	1,975	2,853	3,927
Equipment	225	229	453	457
	$ 2,966	$ 3,449	$ 6,912	$ 6,920

b. Lease liabilities

	June 30, 2022	December 31, 2021	June 30, 2021
Carrying amounts			
Current	$ 5,485	$ 4,808	$ 5,979
Non-current	$ 4,698	$ 2,970	$ 3,938

Range of discount rate for lease liabilities was as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Buildings	0.61%-4.79%	0.61%-4.79%	0.67%-4.79%
Equipment	0.67%-1.99%	0.67%-1.99%	0.67%-1.99%

c. Other lease information

Lease arrangements under operating leases of the Group as lessor of investment properties are set out in Note 15.

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Expenses relating to short-term leases	$ 10,068	$ 8,676	$ 20,427	$ 19,279
Total cash outflow for leases	$ (11,768)	$ (10,555)	$ (23,842)	$ (23,104)

As lessee, the Group leases certain office equipment and transportation equipment which qualify as short-term leases. The Group has elected to apply the recognition exemption, and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. INVESTMENT PROPERTIES

	Completed Investment Property
Cost	
Balance at January 1, 2022	$ 10,469,471
Additions	-
Balance at June 30, 2022	$ 10,469,471
Accumulated depreciation and impairment	
Balance at January 1, 2022	$ 3,185,649
Depreciation expense	51,073
Balance at June 30, 2022	$ 3,236,722
Carrying amount at June 30, 2022	$ 7,232,749
Carrying amount at December 31, 2021 and January 1, 2022	$ 7,283,822

(Continued)

	Completed Investment Property
Cost	
Balance at January 1, 2021	$ 10,469,311
Additions	-
Balance at June 30, 2021	$ 10,469,311
Accumulated depreciation and impairment	
Balance at January 1, 2021	$ 3,083,786
Depreciation expense	50,739
Balance at June 30, 2021	$ 3,134,525
Carrying amount at June 30, 2021	$ 7,334,786

(Concluded)

As lessor, the Group leased the abovementioned investment properties for 1 to 20 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties at June 30, 2020 was as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Not later than 1 year	$ 451,343	$ 475,578	$ 414,879
Later than 1 year and not later than 5 years	1,384,351	1,433,628	1,282,008
Later than 5 years	567,500	717,500	867,500
	$ 2,403,194	$ 2,626,706	$ 2,564,387

In addition to the minimum lease payments receivable, the contract for the Corporation's lease of mall building and parking spaces to Pacific Sogo Department Store Company Limited included contingent rentals clause, which provides that the Corporation shall receive shopping mall's monthly minimum guaranteed rent (minimum guaranteed rent at 6% of revenue) and car parking spaces rent, and at each year end, an extra operating lease payment will be charged if the actual revenue exceeds the minimum revenue base of the guaranteed 6% of revenue.

Due to the new coronavirus pneumonia seriously affecting the market economy, considering the long-term cooperation with Pacific Sogo Department Store Company Limited, the minimum guaranteed rent would be reduced by 15% from July 1, 2020

Investment properties are depreciated by applying straight-line method (before January 1, 1988 and on or after January 1, 1999) or fixed-percentage-of-declining-balance method (in the period from January 1, 1988 to December 31, 1998) over the estimated useful lives of the assets:

Main buildings	50-60 years
Engineering system	5-15 years
Air-conditioning system	8-10 years
Others	5-15 years

The fair value of the Group's investment properties as of June 30, 2022, December 31, 2021 and June 30, 2021 was $20,975,126 thousand, $20,843,414 thousand and $21,271,386 thousand, respectively. The fair value was based on the valuations carried out on June 30, 2022, January 12, 2022 and July 1, 2021 by independent qualified professional valuers. The valuation was carried out by reference to sales comparison approach and income approach.

Refer to Note 32 for the carrying amount of investment properties pledged to secure general banking facilities granted to the Group.

16. OTHER ASSETS

	June 30, 2022	December 31, 2021	June 30, 2021
Current			
Prepaid expenses	$ 153,730	$ 99,623	$ 91,286
Prepayments for purchases	1,022,710	843,423	657,058
Refundable deposits	8,976	3,238	6,823
Other financial assets	40,231	37,339	39,689
Others	52,068	37,355	40,553
	$ 1,277,715	$ 1,020,978	$ 835,409
Non-current			
Refundable deposits	$ 4,706	$ 26,003	$ 10,651
Prepayments for equipment	10,368	55,061	11,487
Other financial assets	27,096	28,492	24,633
Others	81,546	97,398	95,373
	$ 123,716	$ 206,954	$ 142,144

17. BORROWINGS

a. Short-term borrowings

	June 30, 2022	December 31, 2021	June 30, 2021
Secured borrowings (Note 32)			
Bank loans (NTD)	$ 82,100	$ 82,100	$ 77,183
Unsecured borrowings			
Bank loans (NTD)	1,700,000	1,400,000	1,550,000
Bank loans (RMB)	22,141	52,166	47,439
Bank loans (USD)	222,848	263,176	264,619
Bank loans (VND)	116,929	113,257	123,851
	2,061,918	1,828,599	1,985,909
	$ 2,144,018	$ 1,910,699	$ 2,063,092

The range of weighted average effective interest rate on bank loans was 0.75%-3.70%, 0.52%-5.50% and 0.36%-5.50% per annum as of June 30, 2022, December 31, 2021 and June 30, 2021, respectively.

b. Long-term borrowings

	June 30, 2022	December 31, 2021	June 30, 2021
Secured borrowings (Note 32)			
Bank loans (NTD) (1)	$ 2,083	$ 4,583	$ -
Unsecured borrowings			
Bank loans (NTD) (2)	450,000	650,000	850,000
	$ 452,083	$ 654,583	$ 850,000

1) June 30, 2022: Revolving before November 2023, interest at 1.45%; December 31, 2021: Revolving before January 2022, interest at 1.20%.

2) June 30, 2022: Revolving before June 2022, interest at 0.80%; December 31, 2021: Revolving before January 2022, interest at 0.64%; June 30, 2021: Revolving before July 2022, interest at 0.66%.

18. NOTES PAYABLE AND TRADE PAYABLES

	June 30, 2022	December 31, 2021	June 30, 2021
Notes payable			
Operating	$ 296,844	$ 360,268	$ 300,930
Trade payables			
Trade payables	$ 6,140,848	$ 6,115,853	$ 5,739,090

The average credit period of purchases of certain goods was 90-120 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

19. OTHER LIABILITIES

	June 30, 2022	December 31, 2021	June 30, 2021
Current			
Other payables			
Payable for salaries and bonus	$ 366,164	$ 568,979	$ 396,096
Payable for annual leave	75,282	93,547	82,878
Payable for dividends	1,036,688	99,325	110,969
Payable for employees' compensation	68,190	118,207	68,407
Payable for remuneration of directors	74,700	49,800	74,700
Others	528,081	657,672	516,299
	$ 2,149,105	$ 1,587,530	$ 1,249,349
Other liabilities			
Temporary receipts	$ 79,765	$ 172,499	$ 88,188
Deposits received	24,065	4,191	5,403
Refund liability	149,606	85,394	173,314
Others	38,936	67,310	34,418
	$ 292,372	$ 329,394	$ 301,323
Non-current			
Other liabilities			
Deposits received	$ 81,104	$ 102,821	$ 103,654
Others	-	-	2,995
	$ 81,104	$ 102,821	$ 106,649

20. PROVISIONS

	June 30, 2022	December 31, 2021	June 30, 2021
Current			
Warranties	$ 1,166,360	$ 1,038,700	$ 1,044,606
Non-current			
Warranties	$ 22,471	$ 22,896	$ 22,843

	Warranties
Balance at January 1, 2022	$ 1,061,596
Additional provisions recognized	125,836
Effect of foreign currency exchange differences	1,399
Balance at June 30, 2022	$ 1,188,831

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under local sale of goods legislation. The estimate had been made on the basis of historical warranty trends and may vary as a result of other events affecting product quality.

21. RETIREMENT BENEFIT PLANS

For the three months ended June 30, 2022 and 2021 and for the six months ended June 30, 2022 and 2021, the pension expenses of defined benefit plans were $3,388 thousand, $3,972, $6,777 thousand and $7,942 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2021 and 2020, respectively.

22. EQUITY

a. Share capital - ordinary shares

	June 30, 2022	**December 31, 2021**	**June 30, 2021**
Number of authorized shares (in thousands)	580,000	580,000	580,000
Amount of authorized shares	$ 5,800,000	$ 5,800,000	$ 5,800,000
Number of issued and fully paid shares (in thousands)	520,972	520,972	520,972
Amounted of issued and fully paid shares	$ 5,209,722	$ 5,209,722	$ 5,209,722

b. Capital surplus

	June 30, 2022	**December 31, 2021**	**June 30, 2021**
May be used to offset a deficit, distributed, as cash dividends, or transferred to share capital (1)			
Arising from issuance of common share	$ 1,441,424	$ 1,441,424	$ 1,441,424
Arising from conversion of bonds	970,457	970,457	970,457
Arising from treasury share transactions	68,529	68,529	68,529
Arising from the difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	75,096	75,096	75,096
May only be used to offset a deficit			
Arising from changes in percentage of ownership interest in subsidiaries (2)	12,271	12,349	12,349
Arising from changes in equity from investments in associates accounted for using the equity method	84,232	69,672	68,727
Arising from treasury share transactions	1,530	1,530	1,530
	$ 2,653,539	$ 2,639,057	$ 2,638,112

1) Such capital surplus may be used to offset a deficit; in addition, when the Group has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of Group's capital surplus and once a year).

2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary that resulted from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividend policy in the Corporation's Articles, where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside 10% of the remaining profit as a legal reserve, setting aside amounts to a special reserve in accordance with the laws and regulations, and then allowing for other special reserves and a distribution of dividends to be recommended by the board of directors. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to "employees' compensation and remuneration of directors" in Note 24, i.

The Corporation's Articles also prescribe that 1) not less than 5% of the sum of the remaining annual net income and the previous year's accumulated undistributed earnings shall be appropriated as dividends and 2) of the total dividends, not less than 20% shall be paid in cash. The actual distribution ratio or method of dividend distribution is subjected to the operating situation as determined by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends to shareholders.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Group's paid-in capital. The legal reserve may be used to offset any deficits. If the Group has no deficit and the legal reserve has exceeded 25% of the Group's paid-in capital, the excess may be transferred to capital or distributed in cash.

The Group shall appropriate to or reverse from a special reserve amount for items referred to under Rule No. 1010012865 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs."

The appropriations of earnings for 2021 and 2020 had been approved in the shareholders' meetings on June 24, 2022 and August 27, 2021, respectively, as follows:

	For the Year Ended December 31	
	2021	**2020**
Legal reserve	$ 179,646	$ 150,948
Cash dividends	$ 937,750	$ 833,556
Cash dividends per share (NT$)	$ 1.8	$1.6

d. Special reserves

	For the Six Months Ended June 30	
	2022	**2021**
Balance at January 1 and balance at June 30	$ 5,136,954	$ 5,136,954

The special reserve appropriated on the first-time adoption of IFRSs relating to land may be reversed on the disposal or reclassification of the related assets. An additional special reserve should be appropriated for the amount equal to the difference between the reversed net debit balance and the appropriated special reserve on the first-time adoption of IFRSs. Any appropriated special reserve may be reversed to the extent that the net debit balance has reversed and, thereafter, is distributed.

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Six Months Ended June 30	
	2022	**2021**
Balance at January 1	$ (349,758)	$ (360,186)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	114,540	(24,878)
Other comprehensive income recognized for the year	114,540	(24,878)
Balance at June 30	$ (235,218)	$ (385,064)

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Six Months Ended June 30	
	2022	**2021**
Balance at January 1	$ 1,369,286	$ 1,077,718
Recognized for the year		
Unrealized loss - equity instruments	(28,906)	160,334
Share from associates accounted for using the equity method	260,564	46,935
Other comprehensive income recognized for the year	231,658	207,269
Reclassification adjustment		
Transfer of accumulated gain or loss on disposal of equity instruments to retained earnings	(132,897)	-
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	26	7
Balance at June 30	$ 1,468,073	$ 1,284,994

f. Non-controlling interests

	For the Six Months Ended June 30	
	2022	2021
Balance at January 1	$ 587,677	$ 528,042
Share of profit for the year	49,843	46,185
Other comprehensive income/(loss) during the period		
Exchange difference on translating the financial statements of foreign entities	6,994	(2,129)
Unrealized loss on financial assets at FVTOCI	(140)	(385)
Share from other comprehensive income of associates accounted for using the equity method	2,412	(2,068)
Adjustment to changes in equity of associates accounted for using the equity method	41	(830)
Adjustment to changes in equity of subsidiaries (Note 28)	52	259
Subsidiaries' cash dividends to non-controlling interests	(20,603)	(16,512)
Balance at June 30	$ 626,276	$ 552,562

23. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Revenue from contracts with customers				
Revenue from sale of goods	$ 6,697,141	$ 6,185,887	$ 13,759,909	$ 12,691,311
Construction contracts	795,143	716,260	1,353,343	1,206,969
Others	2,750	1,250	5,500	2,000
	7,495,034	6,903,397	15,118,752	13,900,280
Rental income				
Rental income from property	116,324	116,543	232,806	234,458
	$ 7,611,358	$ 7,019,940	$ 15,351,558	$ 14,134,738

a. Contract balances

	June 30, 2022	December 31, 2021	June 30, 2021	January 1, 2021
Notes receivable (Note 9)	$ 1,247,856	$ 1,254,166	$ 1,216,547	$ 880,780
Trade receivables (Note 9)	$ 6,012,526	$ 5,371,773	$ 5,256,823	$ 5,364,984
Trade receivables from related parties (Note 31)	$ 138,880	$ 262,178	$ 197,657	$ 233,966
Contract assets				
Sale of goods	$ 689,729	$ 488,219	$ 607,384	$ 343,783
Construction contracts	1,667,237	1,570,520	1,559,729	2,490,777
Contract assets - current	$ 2,356,966	$ 2,058,739	$ 2,167,113	$ 2,834,560

(Continued)

	June 30, 2022	December 31, 2021	June 30, 2021	January 1, 2021
Contract liabilities				
Sale of goods	$ 2,657,635	$ 2,694,774	$ 1,187,539	$ 1,349,818
Construction contracts	545,956	332,248	316,654	314,136
Contract liabilities - current	$ 3,203,591	$ 3,027,022	$ 1,504,193	$ 1,663,954

(Concluded)

The credit risk management of contract assets and trade receivables are the same, refer to Note 9.

b. Disaggregation of revenue

For the six months ended June 30, 2022

	Electric Distribution Segment	Automobile Parts Segment	Automation Equipment and Parts Segment	Other Segment	Total
Type of goods or services					
Sale of goods	$ 8,082,423	$ 3,127,629	$ 2,293,320	$ 256,537	$ 13,759,909
Construction contracts	931,992	-	421,351	-	1,353,343
Others	-	-	-	5,500	5,500
	$ 9,014,415	$ 3,127,629	$ 2,714,671	$ 262,037	$ 15,118,752

For the six months ended June 30, 2021

	Electric Distribution Segment	Automobile Parts Segment	Automation Equipment and Parts Segment	Other Segment	Total
Type of goods or services					
Sale of goods	$ 6,906,800	$ 3,147,079	$ 2,388,999	$ 248,433	$ 12,691,311
Construction contracts	731,183	-	475,786	-	1,206,969
Others	-	-	-	2,000	2,000
	$ 7,637,983	$ 3,147,079	$ 2,864,785	$ 250,433	$ 13,900,280

24. NET PROFIT AND OTHER COMPREHENSIVE INCOME (LOSS)

Net Profit

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Bank deposits	$ 3,645	$ 4,217	$ 7,173	$ 9,272
Financial assets at amortized cost	-	32	-	62
	$ 3,645	$ 4,249	$ 7,173	$ 9,334

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Dividend income	$ 4,800	$ -	$ 4,800	$ -
Rental income	670	659	1,332	1,317
Others	1,043	80	2,264	1,323
	$ 6,513	$ 739	$ 8,396	$ 2,640

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Fair value changes of financial assets and financial liabilities				
Financial assets mandatorily classified as at FVTPL	$ (22,214)	$ 56,383	$ (6,022)	$ 45,327
Financial liabilities held for trading	-	-	-	(4,481)
Gain/(loss) on disposal of property, plant and equipment	(170)	4,130	(186)	(1,599)
Gain/(loss) on disposal of subsidiary (Note 27)	-	1,973	(1,542)	96,933
Net foreign exchange gains (losses)	406	(41,506)	46,289	(44,737)
Others	38,570	29,567	73,217	61,046
	$ 16,592	$ 50,547	$ 111,756	$ 152,489

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Interest on bank loans	$ 4,897	$ 5,690	$ 9,054	$ 11,791
Interest on finance leases	89	77	149	129
	$ 4,986	$ 5,767	$ 9,203	$ 11,920

e. Impairment losses recognized (reversed)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Trade receivables	$ (14,277)	$ (1,729)	$ (27,224)	$ 17,000
Inventories (included in operating costs)	$ 1,112	$ 3,383	$ (13,377)	$ (4,888)

f. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
An analysis of depreciation by function				
Operating costs	$ 144,599	$ 146,911	$ 293,715	$ 292,250
Operating expenses	31,345	31,939	63,878	65,139
	$ 175,944	$ 178,850	$ 357,593	$ 357,389
An analysis of amortization by function				
Operating costs	$ 1,614	$ 3,181	$ 3,249	$ 5,701
Operating expenses	3,323	3,446	6,561	7,189
	$ 4,937	$ 6,627	$ 9,810	$ 12,890

g. Operating expenses directly related to investment properties

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Generated rental income	$ 9,668	$ 10,809	$ 18,030	$ 20,428

h. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Post-employment benefits				
Defined contribution plans	$ 36,649	$ 31,358	$ 72,927	$ 62,875
Defined benefit plans (Note 21)	3,388	3,972	6,777	7,942
	40,037	35,330	79,704	70,817
Other employee benefits	897,066	900,390	1,794,015	1,783,301
Total employee benefits expense	$ 937,103	$ 935,720	$ 1,873,719	$ 1,854,118
An analysis of employee benefits expense by function				
Operating costs	$ 525,571	$ 494,842	$ 1,034,863	$ 1,001,583
Operating expenses	411,532	440,878	838,856	852,535
	$ 937,103	$ 935,720	$ 1,873,719	$ 1,854,118

i. Employees' compensation and remuneration of directors

The Corporation accrues employees' compensation and remuneration of directors at rates of no less than 1%-8% and no higher than 4%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the three months ended June 30, 2022 and 2021 and for the six months ended June 30, 2022 and 2021, were as follows:

Accrual rate

	For the Six Months Ended June 30	
	2022	2021
Employees' compensation	3.17%	3.44%
Remuneration of directors	1.58%	1.72%

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
	Cash	Cash	Cash	Cash
Employees' compensation	$ 24,900	$ 24,900	$ 49,800	$ 49,800
Remuneration of directors	12,450	12,450	24,900	24,900

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The appropriations of employees' compensation and remuneration of directors and supervisors for 2021 and 2020 that were resolved by the board of directors on March 10, 2022 and March 12, 2021, respectively, are as shown below:

	For the Year Ended December 31	
	2021	2020
	Cash	Cash
Employees' compensation	$ 99,600	$ 99,600
Remuneration of directors and supervisors	49,800	49,800

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

Information on the employees' compensation and remuneration of directors resolved by the Corporation's board of directors in 2022 and 2021 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

j. Gains or losses on foreign currency exchange

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Foreign exchange gains	$ 110,950	$ 29,820	$ 190,271	$ 104,420
Foreign exchange losses	(110,544)	(71,326)	(143,982)	(149,157)
	$ 406	$ (41,506)	$ 46,289	$ (44,737)

25. INCOME TAXES

a. Major components of tax expense recognized in profit or loss

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Current tax				
In respect of the current year	$ 150,209	$ 124,719	$ 327,999	$ 356,878
Adjustments for prior years	98	(28,367)	98	(28,367)
	150,307	96,352	328,097	328,511
Deferred tax				
In respect of the current year	16,229	20,094	69,319	27,547
Adjustments for prior years	(731)	(5,575)	(731)	(5,575)
	15,498	14,519	68,588	21,972
Income tax expense recognized in profit or loss	$ 165,805	$ 110,871	$ 396,685	$ 350,483

b. Income tax recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Deferred tax				
In respect of the current year				
Translation of the financial statements of foreign operations	$ (15,019)	$ (3,061)	$ 25,148	$ (9,905)

c. Income tax assessments

The income tax returns of Hwo Lin, Cheng Lin, Shang Lin, Ji Lin, Yuh Lin and Jeng Lin, Chuan Lin, Ting Lin, Yeangder Entertainment, Ruei Lin, Wu Ling, and Jeen-Lin through 2020 have been assessed by the tax authority.

The income tax returns of the Corporation and Hsin Lin through 2019 have been assessed by the tax authority.

26. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Earnings used in the computation of basic and diluted earnings per share	$ 458,251	$ 467,749	$ 1,177,924	$ 1,123,664

Weighted Average Number of Ordinary Shares Outstanding

(In Thousands of Shares)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Weighted average number of ordinary shares outstanding in computation of basic earnings per share	520,972	520,972	520,972	520,972
Effect of potentially dilutive ordinary shares				
Employees' compensation	806	938	1,343	1,784
Weighted average number of ordinary shares outstanding in computation of diluted earnings per share	521,778	521,910	522,315	522,756

If the Corporation offered to settle compensation paid to employees in cash or shares, the Group shall assume that the entire amount of the compensation will be settled in shares, and the resulting potentially dilutive shares shall be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share. Such dilutive effect of the potential shares shall be included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. DISPOSAL OF SUBSIDIARIES

On December 25, 2020, the Group entered into a sale agreement to dispose of Fuzhou SEEC, which carried out its entire manufacturing operations. The disposal was completed on March 1, 2021, on which dates control of Fuzhou SEEC passed to the acquirer.

a. Consideration received from disposals

	Fuzhou SEEC
Total consideration received	$ 203,112

b. Analysis of assets and liabilities on the date control was lost

	Fuzhou SEEC
Current assets	
Cash and cash equivalents	$ 54,914
Other receivables	11,546
Inventories	19,500
Other current assets	510
Non-current assets	
Property, plant and equipment	29,688
Right-of-use assets	4,234
Deferred tax assets	5,122
Other current liabilities	(1,254)
Net assets disposed of	$ 124,260

c. Gain on disposal of subsidiaries

	Fuzhou SEEC
Consideration received	$ 203,112
Exchange differences on translating the financial statements of foreign operations	15,459
Net assets disposed of	(124,260)
Gain on disposals	$ 94,311

d. Net cash outflow on disposals of subsidiaries

	Fuzhou SEEC
Consideration received in cash and cash equivalents	$ 203,112
Less: Cash and cash equivalent balances disposed of	(54,914)
	$ 148,198

28. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On April 13, 2022, the Group subscribed for additional new shares of Cheng Lin at a percentage different from its existing ownership percentage, and increased its continuing interest from 99.4% to 99.5%.

On April 11, 2021, the Group subscribed for additional new shares of Cheng Lin at a percentage different from its existing ownership percentage, and increased its continuing interest from 99.3% to 99.4%.

The above transactions were accounted for as equity transactions since the Group did not cease to have control over the subsidiaries.

For the six months ended June 30, 2022

	Cheng Lin
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	$ (52)
Reattribution of other equity to (from) non-controlling interests	
Unrealized gain (loss) on financial assets at FVTOCI	(26)
Differences recognized from equity transactions	$ (78)

	Cheng Lin
Line items adjusted for equity transactions	
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries’ net assets during actual disposal or acquisition	$ (78)

For the six months ended June 30, 2021

	Cheng Lin
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	$ (259)
Reattribution of other equity to (from) non-controlling interests	
Unrealized gain (loss) on financial assets at FVTOCI	(7)
Differences recognized from equity transactions	$ (266)

	Cheng Lin
Line items adjusted for equity transactions	
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries’ net assets during actual disposal or acquisition	$ (266)

29. CAPITAL MANAGEMENT

In order to maintain the Group's competitiveness in the market and to continually generate profits and grow as well as to reward shareholders, it makes decision based on industry features and current operations and future development plans, and after considering factors such as changes in the external environment, plan for future working capital requirements, research and development expenses, dividend payments and other needs.

Management regularly reviews the capital structure and considers various structures that may involve different considerations of cost and risk. According to scale in the industry, industry growth and future product roadmaps, the Group plans for an appropriate market share. In addition, the Group plans the required funding that corresponds to capital expenditure needs, as well as calculates the working capital based on the characteristics of the industry and provides an overall plan for the Group's long-term development. Lastly, the Group estimates the needed contribution margin and ratio, ratio of profit from operations and cash flows to support the competitiveness of its products; as well as it considers the industry business cycle fluctuations and risk factors such as product life cycle to determine an appropriate capital structure for the Group.

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The Corporation's management believes that the carrying amount of financial assets not measured at fair value approximates their fair value.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

June 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Unlisted shares	$ -	$ -	$ 9,190	$ 9,190
Mutual funds	704,189	-	-	704,189
	$ 704,189	$ -	$ 9,190	$ 713,379
Financial assets at FVTOCI				
Listed shares	$ 85,391	$ -	$ -	$ 85,391
Unlisted shares	-	-	1,114,460	1,114,460
	$ 85,391	$ -	$ 1,114,460	$ 1,199,851
Financial liabilities at FVTPL				
Derivatives	$	$ 3,086	$ -	$ 3,086

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Unlisted shares	$ -	$ -	$ 10,251	$ 10,251
Mutual funds	698,961	-	-	698,961
	$ 698,961	$ -	$ 10,251	$ 709,212
Financial assets at FVTOCI				
Listed shares	$ 101,636	$ -	$ -	$ 101,636
Unlisted shares	-	-	998,135	998,135
	$ 101,636	$ -	$ 998,135	$ 1,099,771
Financial liabilities at FVTPL				
Derivatives	$ -	$ 172	$ -	$ 172

June 30, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Unlisted shares	$ -	$ -	$ 10,956	$ 10,956
Mutual funds	742,046	-	-	742,046
	$ 742,046	$ -	$ 10,956	$ 753,002
Financial assets at FVTOCI				
Listed shares	$ 93,960	$ -	$ -	$ 93,960
Unlisted shares	-	-	1,106,093	1,106,093
	$ 93,960	$ -	$ 1,106,093	$ 1,200,053

There were no transfers between Levels 1 and 2 in the current and prior period.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the six months ended June 30, 2022

Equity Instruments	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1, 2022	$ 10,251	$ 998,135	$ 1,008,386
Recognized in profit or loss (included in other gains and losses)	(1,061)	-	(1,061)
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	-	116,325	116,325
Balance at June 30, 2022	$ 9,190	$ 1,114,460	$ 1,123,650
Recognized in other gains and losses - unrealized	$ (1,061)		$ (1,061)

For the six months ended June 30, 2021

Equity Instruments	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1, 2021	$ 9,372	$ 876,829	$ 886,201
Recognized in profit or loss (included in other gains and losses)	1,584	-	1,584
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	-	229,264	229,264
Balance at June 30, 2021	$ 10,956	$ 1,106,093	$ 1,117,049
Recognized in other gains and losses - unrealized	$ 1,584		$ 1,584

3) Valuation techniques and inputs applied for the purpose of Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts and cross-currency swap contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

4) Valuation techniques and inputs applied in Level 3 fair value measurement

The fair values of unlisted equity securities were determined using the market approach, income approach, and asset approach.

The market approach refers to the comparable market transaction price and related information to estimate the fair value of the investment target; the income approach based on discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees; the asset approach evaluates the fair value by assessing the total value of individual assets and individual liabilities of the investment target.

c. Categories of financial instruments

	June 30, 2022	December 31, 2021	June 30, 2021
Financial assets			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	$ 713,379	$ 709,212	$ 753,002
Financial assets at amortized cost (1)	10,560,755	10,524,071	10,471,721
Financial assets at FVTOCI	1,199,851	1,099,771	1,200,053
Financial liabilities			
Financial liabilities at FVTPL			
Held for trading	3,086	172	-
Financial liabilities at amortized cost (2)	9,152,525	9,171,270	9,082,424

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, trade receivables, other receivables and other financial assets.

2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, notes payable, trade payables, long-term borrowings and other financial liabilities.

d. Financial risk management objectives and policies

The Group's major financial instruments included cash and cash equivalents, equity and debt investments, mutual funds, notes receivable, trade receivables, trade payables and borrowings. The Group's Finance division provides services to the business, coordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Group through the analysis of exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the board of directors.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price risk (see (c) below).

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 34.

Sensitivity analysis

The Group was mainly exposed to the USD, RMB and JPY.

The following table details the Group's sensitivity to a 1% increase and a 1% decrease in the functional currency against the relevant foreign currencies. The sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items at the end of the reporting period under the assumption of a 1% change in foreign currency rates. On the table below, if the amount is positive (negative), it indicates a decrease (increase) in pre-tax profit when functional currencies of the Group entities weakened (strengthened) by 1% against the relevant currency.

	USD Impact	
	For the Six Months Ended June 30	
	2022	**2021**
Profit or loss	$ (12,567) (i)	$ (10,607) (i)

	RMB Impact			
	For the Six Months Ended June 30			
	2022		2021	
Profit or loss	$ (2,431)	(ii)	$ (4,077)	(ii)

	JPY Impact			
	For the Six Months Ended June 30			
	2022		2021	
Profit or loss	$ (3,803)	(iii)	$ (4,575)	(iii)

i. This was mainly attributable to the exposure on outstanding USD bank deposits, receivables, borrowings and payables which were not hedged at the end of the reporting period.

ii. This was mainly attributable to the exposure on outstanding RMB bank deposits, receivables and payables which were not hedged at the end of the reporting period.

iii. This was mainly attributable to the exposure on outstanding JPY bank deposits, receivables and payables which were not hedged at the end of the reporting period.

The Group's sensitivity to the USD, RMB and JPY during the year has not changed significantly from the previous period.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The Group pays attention to changes in market interest rates in order to make plans to manage interest rate risk.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Fair value interest rate risk			
Financial assets	$ 210,564	$ 195,982	$ 372,988
Financial liabilities	833,598	906,886	1,018,749
Cash flow interest rate risk			
Financial liabilities	1,762,503	1,658,396	1,894,343

<u>Sensitivity analysis</u>

The sensitivity analyses below were determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A sensitivity rate of 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the six months ended June 30, 2022 and 2021 would decrease/increase by $8,813 thousand and $9,472 thousand, respectively.

The Group's sensitivity to interest rates decreased during the current year mainly due to the decrease in variable rate borrowings.

c) Other price risk

The Group was exposed to price risk through its investments in listed equity securities and mutual funds. The Group has appointed a special team to monitor the price risk and make plans to manage the price risk.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to the price risks of the aforementioned investments at the end of the reporting period.

If equity prices had been 1% higher/lower, pre-tax profit for the six months ended June 30, 2022 and 2021 would have increased/decreased by $7,134 thousand and $7,530 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the six months ended June 30, 2022 and 2021 would have increased/decreased by $11,999 thousand and $12,001 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Group's sensitivity to prices has not changed significantly from the prior year.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from:

a) The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets; and

b) The amount of contingent liabilities in relation to financial guarantees issued by the Group.

The credit risk on liquid funds and derivatives was limited because the counterparties are reputable banks.

The table below analyzes the collaterals held as security and other credit enhancements, and their financial effect in respect of the financial assets recognized in the Group's consolidated balance sheets:

June 30, 2022

		Maximum Exposure to Credit Risk Mitigated by		
	Carrying Amount	**Collateral**	**Other Credit Enhancements**	**Total**
Credit-impaired financial instruments according to impairment criteria in IFRS 9				
Receivables and contract assets	$ 9,756,228	$ 388,066	$ 344,991	$ 733,057

December 31, 2021

	Carrying Amount	Maximum Exposure to Credit Risk Mitigated by		
		Collateral	Other Credit Enhancements	Total
Credit-impaired financial instruments according to impairment criteria in IFRS 9				
Receivables and contract assets	$ 8,946,856	$ 278,266	$ 268,087	$ 546,353

June 30, 2021

	Carrying Amount	Maximum Exposure to Credit Risk Mitigated by		
		Collateral	Other Credit Enhancements	Total
Credit-impaired financial instruments according to impairment criteria in IFRS 9				
Receivables and contract assets	$ 8,838,140	$ 329,477	$ 297,576	$ 627,053

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group’s operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of June 30, 2022, December 31, 2021 and June 30, 2021, the Group had available unutilized short-term bank loan facilities of $10,517,298 thousand, $10,406,619 thousand and $9,675,868 thousand, respectively.

a) Liquidity and interest risk rate table for non-derivative financial liabilities

The following table details the Group’s remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

June 30, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	$ 1,717,030	$ 4,246,337	$ 1,484,650	$ 66,840	$ 79,716
Lease liabilities	629	1,263	4,668	5,095	-
Variable interest rate liabilities	5,826	109,493	906,444	756,399	-
Fixed interest rate liabilities	650,000	-	183,891	-	-
Refund liability	24,934	49,868	74,804	-	-
	$ 2,398,419	$ 4,406,961	$ 2,654,457	$ 828,334	$ 79,716

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 6,560	$ 5,095	$ -	$ -	$ -	$ -

December 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	$ 1,568,703	$ 3,140,579	$ 1,717,978	$ 196,606	$ 80,426
Lease liabilities	549	1,242	3,453	3,076	-
Variable interest rate liabilities	5,596	919,401	4,803	816,786	-
Fixed interest rate liabilities	341,803	326,650	154,493	4,583	-
Refund liability	14,232	28,464	42,698	-	-
	$ 1,930,883	$ 4,416,336	$ 1,923,425	$ 1,021,051	$ 80,426

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 5,244	$ 3,076	$ -	$ -	$ -	$ -

June 30, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	$ 1,703,708	$ 2,841,923	$ 1,510,079	$ 216,020	$ 7,318
Lease liabilities	615	1,518	4,351	4,089	-
Variable interest rate liabilities	228,847	708,723	102,539	850,489	-
Fixed interest rate liabilities	749,556	321,246	149,931	12,083	-
Refund liability	28,886	57,772	86,656	-	-
	$ 2,711,612	$ 3,931,182	$ 1,853,556	$ 1,082,681	$ 7,318

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 6,484	$ 4,089	$ -	$ -	$ -	$ -

The amounts included above for variable interest rate instruments for non-derivative financial liabilities were subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Liquidity and interest rate risk table for derivative financial liabilities

The following table detailed the Group's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

June 30, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Cross-currency swap contracts					
Outflows	$ -	$ -	$(3,086)	$ -	$ -

December 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Cross-currency swap contracts					
Outflows	$ -	$ -	$ (172)	$ -	$ -

June 30, 2021: None

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related parties and relationships:

Name of Related Party	Relationship with the Group
Mitsubishi Electric Group of Japan (Mitsubishi Electric)	Investor that has significant influence over the Group
Changzhou Mitsubishi Shihlin	Associate
Mitsuba Shihlin Electric (Wuhan) Co., Ltd. (Wuhan Mitsuba Shihlin)	Associate
Mitsubishi Electric Low Voltage Equipment (Xiamen) Co., Ltd. (Xiamen Mitsubishi)	Associate
Ambassador Hotel	Associate
Mitsubishi Electric Taiwan Co., Ltd. (Mitsubishi Taiwan)	Subsidiary of investor that has significant influence over the Group
Mitsubishi Electric Automotive (China) Ltd. (Mitsubishi China Automotive)	Subsidiary of investor that has significant influence over the Group
Mitsubishi Electric Automation (China) Co., Ltd. (Mitsubishi Automation)	Subsidiary of investor that has significant influence over the Group
HCT Logistics Co., Ltd. (HCT Logistics)	Related party in substance

b. Operating revenue

Line Item	Related Party Category/Name	For the Three Months Ended June 30 2022	For the Three Months Ended June 30 2021	For the Six Months Ended June 30 2022	For the Six Months Ended June 30 2021
Sales	Associates	$ 131,939	$ 172,429	$ 316,033	$ 400,817
	Subsidiaries of investors that have significant influence over the Group	49,251	74,429	110,805	171,212
	Related parties in substance	52	114	207	117
		$ 181,242	$ 246,972	$ 427,045	$ 572,146
Rental revenue	Subsidiaries of investors that have significant influence over the Group	$ 6,215	$ 6,198	$ 12,454	$ 12,356
	Related parties in substance	7,414	6,144	14,828	12,288
		$ 13,629	$ 12,342	$ 27,282	$ 24,644
Other operating revenue	Related parties in substance				
	HCT Logistics	$ 2,750	$ 1,250	$ 5,500	$ 2,000

c. Purchases of goods

Related Party Category/Name	For the Three Months Ended June 30 2022	For the Three Months Ended June 30 2021	For the Six Months Ended June 30 2022	For the Six Months Ended June 30 2021
Investors that have significant influence over the Group	$ 85,146	$ 197,258	$ 230,382	$ 283,274
Associates	2,598	6,893	11,626	19,988
Subsidiaries of investors that have significant influence over the Group	27,462	19,793	55,705	43,139
	$ 115,206	$ 223,944	$ 297,713	$ 346,401

d. Contract liabilities

Related Party Category/Name	June 30, 2022	December 31, 2021	June 30, 2021
Associates	$ 3,179	$ 7,858	$ 13,511
Subsidiaries of investors that have significant influence over the Group	2,476	8,955	3,683
	$ 5,655	$ 16,813	$ 17,194

e. Receivables from related parties

Line Item	Related Party Category/Name	June 30, 2022	December 31, 2021	June 30, 2021
Trade receivables from related parties	Associates			
	Changzhou Mitsubishi Shihlin	$ 75,701	$ 163,027	$ 107,981
	Others	5,880	11,958	7,552
	Subsidiaries of investors that have significant influence over the Group			
	Mitsubishi Automotive China	53,792	85,729	81,708
	Others	757	131	266
	Related parties in substance	2,750	1,333	150
Other receivables from related parties	Associates			
	Wuhan Mitsuba Shihlin	2,229	3,510	1,170
	Xiamen Mitsubishi	360	327	377
		$ 141,469	$ 266,015	$ 199,204

f. Payables to related parties

Line Item	Related Party Category/Name	June 30, 2022	December 31, 2021	June 30, 2021
Trade payable to related parties	Associates			
	Changzhou Mitsubishi Shihlin	$ 3,572	$ 12,149	$ 9,929
	Subsidiaries of investors that have significant influence over the Group			
	Mitsubishi Taiwan	8,782	9,685	9,072
Other payables to related parties	Investors that have significant influence over the Group			
	Mitsubishi Electric	15,310	37,130	25,363
	Associates			
	Ambassador Hotel	2,213	3,050	3,162
	Related parties in substance			
	HCT Logistics	791	1,096	920
		$ 30,668	$ 63,110	$ 48,446

g. Prepayments (included in other current assets)

Related Party Category/Name	June 30, 2022	December 31, 2021	June 30, 2021
Investors that have significant influence over the Group			
Mitsubishi Electric	$ 343,749	$ 436,109	$ 412,775

h. Other transactions with related parties

Line Item	Related Party Category/Name	For the Three Months Ended June 30 2022	For the Three Months Ended June 30 2021	For the Six Months Ended June 30 2022	For the Six Months Ended June 30 2021
Royalty expenses	Investors that have significant influence over the Group				
	Mitsubishi Electric	$ 4,143	$ 5,806	$ 4,840	$ 19,100
Freight expenses	Related parties in substance	$ 1,347	$ 1,438	$ 2,674	$ 2,653
Rental expenses	Related parties in substance	$ 252	$ 865	$ 505	$ 1,117
Rental revenue (included in other income)	Associates				
	Xiamen Mitsubishi	$ 670	$ 651	$ 1,332	$ 1,309
Management service revenue (included in other gains and losses)	Associates				
	Wuhan Mitsuba Shihlin	$ 1,162	$ 1,170	$ 2,281	$ 2,189
Miscellaneous revenue (included in other gain and loss)	Subsidiaries of investors that have significant influence over the Group				
	HCT Logistics	$ 1,572	$ 1,884	$ 3,670	$ 3,767
	Related parties in substance				
	Mitsubishi Taiwan	4,225	6,134	4,227	6,168
		$ 5,797	$ 8,018	$ 7,897	$ 9,935

The transactions with related parties were made at prices and terms comparable to those that would be obtained in similar transactions with non-related parties.

The aforementioned rentals collected or paid monthly were based on those prevailing in the market.

The outstanding receivables from related parties are unsecured. For the six months ended June 30, 2022 and 2021, no impairment loss was recognized on receivables from related parties.

The outstanding payables to related parties are unsecured.

i. Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	**2021**	**2022**	**2021**
Short-term employee benefits	$ 36,383	$ 36,961	$ 78,043	$ 79,685
Post-employment benefits	386	464	794	846
	$ 36,769	$ 37,425	$ 78,837	$ 80,531

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been mortgaged as collateral for bank credit lines, performance guaranty, and a deposit for management and maintenance of public open space:

	June 30, 2022	December 31, 2021	June 30, 2021
Demand deposits (included in other current assets)	$ 25,699	$ 25,699	$ 25,699
Time deposits (included in other current assets and other non-current assets)	41,628	40,132	38,623
Investments accounted for using the equity method	279,653	270,668	263,195
Land (included in property, plant and equipment and investment properties)	6,683,514	6,680,105	6,690,031
Buildings, net (included in property, plant and equipment)	191,730	198,244	204,781
	$ 7,222,224	$ 7,214,848	$ 7,222,329

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments and contingencies of the Group as of June 30, 2022 were as follows:

a. Under technical cooperation agreements with several foreign companies expiring on various dates between July 2022 and October 2023, the Group, aside from paying upfront royalties, shall pay running royalties at specified percentages of sales (as defined). For the three months ended June 30, 2022 and 2021, and for the six months ended June 30, 2022 and 2021, royalties were $4,593 thousand, $8,252 thousand, $11,346 thousand and $21,950 thousand, respectively.

b. As of June 30, 2022, December 31, 2021 and June 30, 2021, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately $317,214 thousand, $97,097 thousand and $178,664 thousand, respectively.

c. Unrecognized commitments were as follows:

	June 30, 2022	December 30, 2021	June 30, 2021
Acquisition of property, plant and equipment	$ 40,708	$ 36,139	$ 27,005

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group entities' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

June 30, 2022

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 38,269	29.72 (USD:NTD)	$ 1,137,354
USD	12,638	6.50-6.71 (USD:RMB)	345,367
USD	2,823	24,072.01 (USD:VND)	92,773
RMB	36,727	4.44 (RMB:NTD)	163,032
RMB	29,456	0.1536 (RMB:USD)	134,474
JPY	1,718,801	0.2182 (JPY:NTD)	375,042
JPY	44,303	0.0494 (JPY:RMB)	9,698
AUD	57	20.45 (AUD:NTD)	1,166
EUR	1,558	31.05 (EUR:NTD)	48,365
EUR	38	7.23 (EUR:RMB)	1,211
CAD	577	23.02 (CAD:NTD)	13,280
CHF	94	31.115 (CHF:NTD)	2,915
Non-monetary items			
Investments accounted for using the equity method			
RMB	401,206	0.1536 (RMB:USD)	1,776,650
Others			
USD	19,621	29.72 (USD:NTD)	583,125
Financial liabilities			
Monetary items			
USD	709	29.72 (USD:NTD)	21,058
USD	7,890	6.5-6.71 (USD:RMB)	234,329
USD	2,214	24,072.01 (USD:VND)	63,399
RMB	12,247	4.44 (RMB:NTD)	54,365
JPY	15,179	0.2182 (JPY:NTD)	3,312
JPY	4,975	0.0494 (JPY:RMB)	1,089
PHP	2,230	0.5336 (PHP:NTD)	1,190

December 31, 2021

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 42,424	27.68 (USD:NTD)	$ 1,174,308
USD	4,974	6.37-6.40 (USD:RMB)	137,979
USD	2,758	21,759.59 (USD:VND)	62,986
RMB	14,157	0.1449 (RMB:USD)	56,768
RMB	116,323	4.34 (RMB:NTD)	505,305
JPY	1,890,672	0.2405 (JPY:NTD)	454,707
JPY	50,410	0.06 (JPY:RMB)	7,157
EUR	1,487	31.12 (EUR:NTD)	46,575
EUR	39	7.22 (EUR:RMB)	1,219
CAD	9,042	21.62 (CAD:NTD)	195,496
CHF	83	30.175 (CHF:NTD)	2,496
AUD	206	20.08 (AUD:NTD)	4,141
Non-monetary items			
Investments accounted for using the equity method			
RMB	399,213	0.1449 (RMB:USD)	1,735,435
Others			
USD	20,257	27.68 (USD:NTD)	560,707
Financial liabilities			
Monetary items			
USD	1,063	27.68 (USD:NTD)	29,418
USD	10,570	6.37-6.40 (USD:RMB)	223,671
USD	3,688	21,759.59 (USD:VND)	100,382
RMB	15,161	4.34 (RMB:NTD)	65,860
PHP	2,230	0.5353 (PHP:NTD)	1,194
JPY	17,009	0.2405 (JPY:NTD)	4,091
EUR	49	31.32 (EUR:NTD)	1,542

June 30, 2021

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 38,310	27.86 (USD:NTD)	$ 1,067,325
USD	11,930	6.12-6.59 (USD:RMB)	281,047
USD	3,126	22,985.40 (USD:VND)	85,570
RMB	78,735	4.31 (RMB:NTD)	339,271
RMB	24,257	0.1449 (RMB:USD)	97,897
JPY	1,931,421	0.2521 (JPY:NTD)	486,911
AUD	209	20.94 (AUD:NTD)	4,378

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
EUR	$ 926	33.15 (EUR:NTD)	$ 30,713
EUR	41	8.03 (EUR:RMB)	1,404
CAD	1,073	22.48 (CAD:NTD)	24,132
CHF	43	30.195 (CHF:NTD)	1,294
Non-monetary items			
Investments accounted for using the equity method			
RMB	385,327	0.1449 (RMB:USD)	1,661,766
Others			
USD	22,030	27.86 (USD:NTD)	613,756
Financial liabilities			
Monetary items			
USD	4,030	27.86 (USD:NTD)	112,288
USD	12,531	6.12-6.59 (USD:RMB)	204,367
USD	2,053	22,985.40 (USD:VND)	56,578
RMB	13,632	4.31 (RMB:NTD)	58,741
JPY	116,856	0.2521 (JPY:NTD)	29,460
EUR	730	33.15 (EUR:NTD)	24,197

(Concluded)

Please refer to the consolidated statements of income for the aggregate of realized and unrealized foreign currency exchange gains and losses from January 1, 2021 and June 30, 2022. Due to various kinds of foreign currency transactions and functional currencies of the Corporation's subsidiaries, it is not possible to disclose exchange gains and losses separately for material impacts of foreign currency.

35. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others: None.

2) Endorsements/guarantees provided: Table 1.

3) Marketable securities held (excluding investments in subsidiaries and associates): Table 2.

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None.

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

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None.

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 3.

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4.

9) Trading in derivative instruments: Refer to Note 7.

10) Intercompany relationships and significant intercompany transactions: Table 5.

b. Information on investees (excluding investees in mainland China): Table 6.

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 7.

2) Any of significant transactions with investee companies in mainland China, either directly or indirectly through a company in third area, and their prices, payment terms, and unrealized gains or losses: Table 8.

c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 9.

36. OPERATING SEGMENT INFORMATION

a. Operating segment:

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The reportable segments are as follows:

- Electric distribution segment - manufacture and sale of heavy electric equipment.

- Automobile parts segment - manufacture and sale of automotive equipment and related parts.

- Automation equipment and parts segment - manufacture and sale of industrial automation control products.

- Other segment - leasing of commercial building and sale of digital products.

b. Segment revenues and results:

The information of the Group's revenues and results by segment is as follows:

	Electric Distribution Segment	Automobile Parts Segment	Automation Equipment and Parts Segment	Other Segment	Adjustments and Eliminations	Consolidated
For the six months ended June 30, 2022						
Revenue from external customers	$ 9,014,415	$ 3,127,629	$ 2,714,671	$ 494,843	$ -	$ 15,351,558
Inter-segment revenue	324	-	3,140	-	(3,464)	-
Total revenue	$ 9,014,739	$ 3,127,629	$ 2,717,811	$ 494,843	$ (3,464)	$ 15,351,558
Finance costs	$ 2,840	$ 3,053	$ 2,723	$ 587	$ -	$ 9,203
Depreciation expense	$ 140,467	$ 121,004	$ 23,255	$ 72,867	$ -	$ 357,593
Amortization expense	$ 6,264	$ 3,276	$ 270	$ -	$ -	$ 9,810
Share of profit or loss of associates accounted for using the equity method	$ 1,331	$ 116,197	$ -	$ 2,311	$ -	$ 119,839
Segment income	$ 948,182	$ 356,737	$ 271,077	$ 136,874	$ -	$ 1,712,870
Unallocated amount						(88,418)
Profit before income tax						$ 1,624,452
For the six months ended June 30, 2021						
Revenue from external customers	$ 7,637,983	$ 3,147,079	$ 2,864,785	$ 484,891	$ -	$ 14,134,738
Inter-segment revenue	19,221	721	302	29	(20,273)	-
Total revenue	$ 7,657,204	$ 3,147,800	$ 2,865,087	$ 484,920	$ (20,273)	$ 14,134,738
Finance costs	$ 4,507	$ 3,162	$ 3,655	$ 596	$ -	$ 11,920
Depreciation expense	$ 150,085	$ 115,342	$ 21,103	$ 70,859	$ -	$ 357,389
Amortization expense	$ 6,894	$ 5,637	$ 359	$ -	$ -	$ 12,890
Share of profit or loss of associates accounted for using the equity method	$ 799	$ 107,866	$ -	$ (20,993)	$ -	$ 87,672
Segment income	$ 807,704	$ 453,786	$ 275,696	$ 95,104	$ -	$ 1,632,290
Unallocated amount						(111,958)
Profit before income tax						$ 1,520,332

TABLE 1

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 5)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 5)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 5)	Note
		Name	Relationship (Note 2)											
0	Shihlin Electric & Engineering Corp.	Shihlin Electric Engineering Equipment Vietnam Company Limited	a and b	$ 5,410,135 (Note 3)	$ 208,040	$ 208,040	$ -	$ -	0.77	$ 13,525,338 (Note 4)	Y	-	-	
		Changzhou Shihlin Auto Parts Co., Ltd.	b	5,410,135 (Note 3)	326,920	326,920	200,461	-	1.21	13,525,338 (Note 4)	Y	-	Y	
		Shihlin Technology (Shenzhen) Co., Ltd.	a and b	5,410,135 (Note 3)	45,092	44,283	-	-	0.16	13,525,338 (Note 4)	Y	-	Y	
		Vietnam Shihlin Electric & Engineering Co., Ltd.	a and b	5,410,135 (Note 3)	148,600	148,160	115,908	-	0.55	13,525,338 (Note 4)	Y	-	-	
		Wuxi Shihlin Electric & Engineering Co., Ltd.	a and b	5,410,135 (Note 3)	148,600	148,160	-	-	0.55	13,525,338 (Note 4)	Y	-	Y	
		Suzhou Shihlin Electric & Engineering Corp.	a and b	5,410,135 (Note 3)	208,040	208,040	44,580	-	0.77	13,525,338 (Note 4)	Y	-	Y	
		Xiamen Shihlin Electric & Engineering Corp.	a and b	5,410,135 (Note 3)	222,603	222,603	-	-	0.82	13,525,338 (Note 4)	Y	-	Y	
		Shihlin Electric (Suzhou) Power Equipment Co., Ltd.	a and b	5,410,135 (Note 3)	89,160	89,160	38,057	-	0.33	13,525,338 (Note 4)	Y	-	Y	

Note 1: The Corporation is numbered “0”, while invested companies are numbered “1” onward.

Note 2: Relationships between the endorser/guarantor and the party being endorsed/guaranteed are as follows:

a. A company that the Corporation has business relationship with.
b. The Corporation owns directly or indirectly over 50% ownership of the investee company.
c. The company that owns directly or indirectly over 50% ownership of the Corporation.
d. Investments between companies with over 90% of voting shares held directly or indirectly by an entity.
e. The Corporation is required to provide guarantees or endorsements for the construction project based on the construction contract.
f. Shareholder of the investee provides endorsements/guarantees to the company in proportion to their shareholding percentages.
g. According to Consumer Protection Act, companies in the same industry enter into collateral performance guarantees for pre-construction home sales agreements.

Note 3: Parent company that held more than 50% of subsidiary’s shares used the financial statements as of June 30, 2022; the limit of guarantee is 20% of the parent company’s net value. The parent company’s equity amount was $5,410,135 thousand. (net value of $27,050,676 thousand as of June 30, 2022 × 20% = $5,410,135 thousand).

Note 4: The Corporation’s financial statements as of June 30, 2022 had equity of $13,525,338 thousand; limit is 50% of net asset value (net value of $27,050,676 thousand as of June 30, 2022 × 50% = $13,525,338 thousand).

Note 5: Parent company as subsidiary’s guarantor, subsidiary as parent company’s guarantor and guarantee companies from China are marked Y.

TABLE 2

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)
JUNE 30, 2022
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2022			
				Shares	Carrying Amount	Percentage of Ownership	Fair Value
Shihlin Electric & Engineering Corp.	Shares						
	AmTrust Capital I Corp.	The Corporation is a director	Financial assets at FVTOCI	7,500,000	$ 67,725	7.8	$ 67,725
	Arch Meter Corp.	The Corporation is a director	Financial assets at FVTOCI	5,636,050	109,452	14.5	109,452
	Jine De Sheng Co., Ltd.	The Corporation is a supervisor	Financial assets at FVTOCI	4,133,333	132,267	7.7	132,267
	Charter Leisure Co., Ltd.	The Corporation is a supervisor	Financial assets at FVTOCI	950,000	9,177	19.0	9,177
	Guangxin Venture Capital Co., Ltd.	The Corporation is a director	Financial assets at FVTOCI	15,000,000	150,000	15.0	150,000
	Power World Capital Management Inc.	-	Financial assets at FVTPL	697,819	9,190	6.0	9,190
	HCT Logistics Co., Ltd.	Same chairman	Financial assets at FVTOCI	4,757,721	352,024	1.9	352,024
	Innocom Telecom Corp.	-	Financial assets at FVTPL	250,000	-	0.6	-
	Formosa Capital Holdings Corporation	-	Financial assets at FVTPL	363,636	-	9.1	-
	TSC Finance.Com	The Corporation is a director	Financial assets at FVTOCI	409,087	7,134	5.6	7,134
	Chinese Products Promotion Center	-	Financial assets at FVTOCI	500	42	0.1	42
	Normpacific Automation Corp.	-	Financial assets at FVTOCI	672,188	13,766	2.4	13,766
	eTreego Co., Ltd.	-	Financial assets at FVTOCI	8,571,420	41,229	9.3	41,229
	Windance Co., Ltd.	-	Financial assets at FVTPL	6,500,000	-	0.9	-
	Asia Technology 3 Limited	-	Financial assets at FVTPL	636,500	-	1.2	-
	Hsin Chu Golf Country Club Co., Ltd.	The Corporation is a director	Financial assets at FVTOCI	24	106,863	2.8	106,863
	The Orient Linko Golf & Country Club	-	Financial assets at FVTOCI	10	98,488	1.0	98,488
	Taichung International Country Club	-	Financial assets at FVTOCI	1	3,925	-	3,925
	O-Bank Co., Ltd. (Industrial Bank of Taiwan Co., Ltd.)	-	Financial assets at FVTOCI	6,157,769	53,573	0.2	53,573
	The Great Taipei Corporation	-	Financial assets at FVTOCI	691,901	22,902	0.1	22,902
	Taiwan Cogeneration Corporation	-	Financial assets at FVTOCI	151,844	5,702	-	5,702
	Mutual funds						
	Sycamore Venture Capital, L.P.	-	Financial assets at FVTPL	1,000,000	-	-	-
	KGI EM Trend ETF Fund of Funds	-	Financial assets at FVTPL	1,500,000	11,220	-	11,220
	Pacific Royal Fund - Core Asia Region Fund	-	Financial assets at FVTPL	287,825	68,878	-	68,878
	Pacific Royal Fund - High Yield Capital Fund	-	Financial assets at FVTPL	295,000	75,715	-	75,715
	Global Alliance - Asia Keystone Fund	-	Financial assets at FVTPL	213,083	131,565	-	137,704
	Global Alliance - Ocean Elite Fund	-	Financial assets at FVTPL	213,145	131,605	-	137,744
	Global Alliance - Hidden Power Fund	-	Financial assets at FVTPL	213,128	131,594	-	137,735
	Global Alliance - Titan Investment Fund	-	Financial assets at FVTPL	45,320	24,057	-	25,348
Shihlin Electric & Engineering Corp. International Holdings Ltd.	Mutual funds						
	Pacific Royal Fund - Strategic Growth Income Fund	-	Financial assets at FVTPL	260,000	62,071	-	62,073
	Pacific Royal Fund - Aslan Eagle Opportunity Fund	-	Financial assets at FVTPL	260,000	67,484	-	67,484

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2022			
				Shares	Carrying Amount	Percentage of Ownership	Fair Value
Chuan Lin Technology Corporation	<u>Shares</u> Mirle Automation Corporation	-	Financial assets at FVTOCI	82,096	$ 3,214	-	$ 3,214
Hsin Lin Electric Machinery Co., Ltd.	<u>Shares</u> Digi-Triumph Technology Co., Ltd.	-	Financial assets at FVTOCI	82,735	494	2.7	494
Rueylin Electric & Engineering Corp.	<u>Shares</u> Digi-Triumph Technology Co., Ltd.	-	Financial assets at FVTOCI	82,734	494	2.7	494
Ji Lin Investment, Co., Ltd.	<u>Shares</u> Tai Yi Fong Co., Ltd.	-	Financial assets at FVTOCI	1,000,000	10,690	2.0	10,690
Cheng Lin Investments Co., Ltd.	<u>Shares</u> Tai Yi Fong Co., Ltd.	-	Financial assets at FVTOCI	1,000,000	10,690	2.0	10,690

(Concluded)

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction (Note 1)		Notes/Accounts Receivable (Payable)		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Shihlin Electric & Engineering Corp.	Hsin Lin Electric Machinery Co., Ltd.	Subsidiary	Purchase	$ 755,137	9.1	Payment in 60 days after acceptance	$ -	-	$ (427,903)	(9.8)	Note
	Chuan Lin Technology Corporation	Subsidiary	Purchase	194,521	2.3	Payment in 90 days after acceptance	-	-	(85,231)	(1.9)	Note
	Rueilin Electric & Engineering Corp.	Subsidiary	Purchase	113,477	1.4	Payment in 30 days after acceptance	-	-	(42,218)	(1.0)	Note
	Mitsubishi Electric Corporation	Director of the Corporation	Purchase	230,382	2.8	Documents against payment	-	-	-	-	
	Vietnam Shilin Power Equipment Co., Ltd.	Subsidiary	Purchase	108,131	1.3	Payment in 30 days after acceptance	-	-	(11,304)	0.3	Note
Hsin Lin Electric Machinery Co., Ltd.	Shihlin Electric & Engineering Corp.	Parent company	Sale	(755,137)	(100.0)	Collect receivables in 60 days after confirming	-	-	427,903	100.0	Note
Chuan Lin Technology Corporation	Shihlin Electric & Engineering Corp.	Parent company	Sale	(194,521)	(93.2)	Collect receivables in 90 days after acceptance	-	-	85,231	98.4	Note
Rueilin Electric & Engineering Corp.	Shihlin Electric & Engineering Corp.	Parent company	Sale	(113,477)	(75.2)	Collect receivables in 30 days after acceptance	-	-	42,218	80.2	Note
Vietnam Shilin Power Equipment Co., Ltd.	Shihlin Electric & Engineering Corp.	Subsidiary	Sale	(108,131)	(31.9)	Payment in 30 days after acceptance	-	-	11,304	10.1	Note
Wuxi Shihlin Electric & Engineering Co., Ltd.	Mitsubishi Electric Shihlin Automotive Changzhou Co., Ltd.	Associate of ultimate parent company	Sale	(124,052)	(64.7)	Collect receivables in 60 days after acceptance	-	-	29,335	41.3	
Changzhou Shihlin Auto Parts Co., Ltd.	Mitsubishi Electric Shihlin Automotive Changzhou Co., Ltd.	Associate of ultimate parent company	Sale	(162,446)	(50.7)	Collect receivables in 60 days after acceptance	-	-	46,313	26.2	
	Mitsubishi Electric Automotive (China) Co., Ltd.	Associate of ultimate parent company	Sale	(109,161)	(34.1)	Collect receivables in 60 days after acceptance	-	-	53,792	30.4	

Note: The amount was eliminated upon consolidation.

TABLE 4

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2022
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance		Turnover Rate	Overdue		Amounts Received in Subsequent Year	Allowance for Impairment Loss	Note
						Amount	Actions Taken			
Hsin Lin Electric Machinery Co., Ltd.	Shihlin Electric & Engineering Corp.	Parent company	Accounts receivable	$ 427,903	3.2 times for a year	$ -	-	$ 178,395 (Note 1)	$ -	Note 2

Note 1: Amounts received before August 5, 2022.

Note 2: The amount was eliminated upon consolidation.

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			% to Total Sales or Assets (Note 3)
				Financial Statement Account	Amount (Note 4)	Payment Terms	
0	Shihlin Electric & Engineering Corp.	Rueylin Electric & Engineering Corp.	a	Purchases	$ 113,477	According to the general conditions	0.7
		Rueylin Electric & Engineering Corp.	a	Trade payables to related parties	42,218	According to the general conditions	0.1
		Rueylin Electric & Engineering Corp.	a	Other receivable from related parties	35,959	According to the general conditions	0.1
		Hsin Lin Electric Machinery Co., Ltd.	a	Purchases	755,137	According to the general conditions	4.9
		Hsin Lin Electric Machinery Co., Ltd.	a	Trade payables to related parties	427,903	According to the general conditions	0.9
		Chuan Lin Technology Corporation	a	Purchases	194,521	According to the general conditions	1.3
		Chuan Lin Technology Corporation	a	Trade payables to related parties	85,231	According to the general conditions	0.2
		Jeen-Lin Industrial Co., Ltd.	a	Purchases	42,353	According to the general conditions	0.3
		Jeen-Lin Industrial Co., Ltd.	a	Trade payables to related parties	19,472	According to the general conditions	-
		Suzhou Shihlin Electric & Engineering Corp.	a	Sales	11,082	According to the general conditions	0.1
		Suzhou Shihlin Electric & Engineering Corp.	a	Purchases	96,641	According to the general conditions	0.6
		Suzhou Shihlin Electric & Engineering Corp.	a	Trade receivables from related parties	10,476	According to the general conditions	-
		Suzhou Shihlin Electric & Engineering Corp.	a	Trade payables to related parties	10,183	According to the general conditions	-
		Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd.	a	Sales	29,184	According to the general conditions	0.2
		Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd.	a	Trade receivables from related parties	14,293	According to the general conditions	-
		Wuxi Shihlin Electric & Engineering Co., Ltd.	a	Purchases	16,415	According to the general conditions	0.1
		Shihlin Electric USA	a	Prepaid expenses	11,982	According to the general conditions	-
		Shihlin Electric USA	a	Other expenses	16,763	According to the general conditions	0.1
		Shihlin Electric Engineering Equipment Vietnam Company Limited	a	Sales	18,690	According to the general conditions	0.1
		Shihlin Electric Engineering Equipment Vietnam Company Limited	a	Purchases	108,131	According to the general conditions	0.7
		Shihlin Electric Engineering Equipment Vietnam Company Limited	a	Trade receivables from related parties	13,118	According to the general conditions	-
		Shihlin Electric Engineering Equipment Vietnam Company Limited	a	Trade payables to related parties	11,304	According to the general conditions	-
		Xiamen Shihlin Electric & Engineering Corp.	a	Sales	53,314	According to the general conditions	0.3
		Xiamen Shihlin Electric & Engineering Corp.	a	Purchases	62,586	According to the general conditions	0.4
		Xiamen Shihlin Electric & Engineering Corp.	a	Trade receivables from related parties	26,070	According to the general conditions	0.1

Note 1: The parent company and its subsidiaries do business with each other. Information shall be stated separately and numbered are as follows:

a. The parent company is 0.
b. Subsidiaries, sequentially numbered by Arabic numerals from 1.

(Continued)

Note 2: The related parties have the following three relationships:

a. Parent company to its subsidiaries.
b. Subsidiaries to its parent company.
c. Subsidiaries to subsidiaries.

Note 3: Amounts of balance sheet accounts are calculated as percentage of consolidated total assets; amounts of income statement accounts are calculated as percentage of consolidated total revenues.

Note 4: The amount was eliminated upon consolidation.

(Concluded)

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

INFORMATION ON INVESTEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				June 30, 2022	December 31, 2021	Shares	%	Carrying Amount			
Shihlin Electric & Engineering Corp.	SEEC International Holdings Ltd. of the British Virgin Islands	British Virgin Islands	Investment and trade business	$ 1,583,877	$ 1,583,877	51,828,287	100.0	$ 5,245,925	$ 295,225	$ 300,456 (Note 1)	Subsidiary (Note 6)
	SEEC International Trading Ltd. of the British Virgin Islands	British Virgin Islands	Investment	-	124,447	(Note7)	-	-	-	- (Note 4)	Subsidiary (Note 6)
	Shihlin Electrical Engineering Ltd. of Vietnam	Vietnam DongNai	Electrical goods production	57,521	57,521	(Note5)	100.0	469,282	22,195	23,601	Subsidiary (Note 6)
	Shihlin Electric USA Company Limited	California	The heavy electrical equipment product marketing promotion services	79,879	79,879	2,500,000	100.0	38,618	8,332	8,332 (Note 1)	Subsidiary (Note 6)
	Yuh Lin Investment Co., Ltd.	Taipei	Investment	429,896	429,896	42,990,000	94.3	638,831	(830)	(783)	Subsidiary (Note 6)
	Hwo Lin Investment Co., Ltd.	Taipei	Investment	499,885	499,885	49,990,000	94.8	569,703	2,388	2,263	Subsidiary (Note 6)
	Ji Lin Investment, Co., Ltd.	Taipei	Investment	299,882	299,882	29,990,000	99.9	317,858	1,449	1,448	Subsidiary (Note 6)
	Jeng Lin Investment Co., Ltd.	Taipei	Investment	229,896	229,896	22,990,000	89.4	353,658	(509)	(455)	Subsidiary (Note 6)
	Cheng Lin Investments Co., Ltd.	Taipei	Investment	458,038	378,038	45,807,000	99.5	450,060	1,757	1,747	Subsidiary (Note 6)
	Shang Lin Investment Co., Ltd.	Taipei	Investment	598,032	598,032	59,807,000	99.6	591,845	(502)	(500)	Subsidiary (Note 6)
	Hsin Lin Electric Machinery Co., Ltd.	Taipei	A variety of power transmission and distribution, data storage and processing equipment, machinery and communications equipment, electronic components and telecommunications equipment manufacturing, electronic materials and retail business	24,000	24,000	2,880,000	60.0	228,878	26,649	15,473 (Note 2)	Subsidiary (Note 6)
	Rueylin Electric & Engineering Corp.	Taipei	Mechanical appliances and electrical manufacturing various components of the processing of trading business	163,487	163,487	10,274,053	90.0	356,659	30,235	28,380 (Note 3)	Subsidiary (Note 6)
	Jeen-Lin Industrial Co., Ltd.	Hsinchu County	Manufacture of various metal machinery, purchase and sale of various metal materials, manufacture, purchase, sale, import and export of the products from aforementioned activities of which the first mold is managed by the Corporation	47,978	47,978	5,346,364	78.4	104,559	4,977	3,914	Subsidiary (Note 6)
	Chuan Lin Technology Corporation	Hsinchu County	Operating a variety of vending machines and the sale of the maintenance service, vending machines set of management consultancy services, mechanical refrigeration and air conditioning equipment and affairs of the sale and installation of mechanical equipment business, the sale of a variety of heavy electrical machinery and mechanical appliances of automation equipment maintenance holds business, import and export business before the products, trading and export business of the switch	4,100	4,100	410,000	31.5	24,787	4,961	1,564	Subsidiary (Note 6)
	Chan Der Investment Corp.	Taipei	Investment	51,030	51,030	2,438,783	8.1	54,736	(288)	(20)	Associate
	Cheng Der Investment Corp.	Taipei	Investment	18,950	18,950	1,149,177	3.6	19,942	(319)	(11)	Associate
	Yu Der Investment Corp.	Taipei	Investment	26,180	26,180	2,618,000	4.8	28,378	(356)	(17)	Associate

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				June 30, 2022	December 31, 2021	Shares	%	Carrying Amount			
	Ting Lin Enterprise Co., Ltd.	Taipei	Mechanical parking equipment manufacture of lifting equipment and toll system sale maintenance and automated warehousing equipment manufacturing business maintenance and agents at home and abroad before the manufacturers product pricing and distribution operations as well as the import and export business	$ 123,760	$ 123,760	12,188,000	96.7	$ 165,332	$ (31)	$ (30)	Subsidiary (Note 6)
	Chailease Shihlin Energy Co., Ltd	Taipei	Investment consulting, management consulting, other consulting services, international trade, leasing, real estate leasing, information software services, data processing services, electronic information supply services, general advertising services, power generation, transmission and distribution machinery manufacturing, renewable energy self-powered equipment, energy technology services	60,274	-	6,027,375	20.0	60,235	(72)	(15)	Associate
	The Ambassador Hotel, Ltd.	Taipei	International hotels business, with a restaurant, coffee shop, bar and club business	1,912,495	1,912,495	66,918,617	18.2	3,697,685	5,033	3,804	Associate
Rueylin Electric & Engineering Corp.	Shihlin Electric Engineering Vietnam Equipment Company Limited	Vietnam DongNai	Manufacture of mechanical equipment, mechanical appliances and their components; transmission and distribution and sales; and installation engineering; wired and wireless telecommunications wiring project; and related products import and export trade business	83,770	83,770	(Note 5)	100.0	288,406	9,672	-	Sub-subsidiary (Note 6)
	Wuling Electric Co., Ltd.	Taipei	Manufacturing, processing and sales of mechanical and electrical parts, power distribution equipment and switch products	25,197	25,197	1,500,000	30.0	37,690	16,468	-	Sub-subsidiary (Note 6)
	De Hong Investment Corp.	Taipei	Investment	40,000	40,000	4,000,000	2.6	57,107	(1,897)	-	Associate
Ji Lin Investment, Co., Ltd.	Chang Hong Investment Corp.	Taipei	Investment	50,017	50,017	5,002,000	8.8	65,865	(387)	-	Associate
	Yu Hong Investment Corp.	Taipei	Investment	50,000	50,000	5,000,000	2.6	67,138	(2,641)	-	Associate
	Yu Der Investment Corp.	Taipei	Investment	60,017	60,017	6,002,000	11.1	65,848	(356)	-	Associate
	Yeangder Entertainment Co., Ltd.	Taipei	Engaged in competitive and recreational sports industry	15,000	15,000	1,500,000	37.5	12,706	4,385	-	Sub-subsidiary (Note 6)
	The Ambassador Hotel, Ltd.	Taipei	International hotels business, with a restaurant, coffee shop, bar and club business	52,160	52,160	1,631,000	0.4	90,123	5,033	-	Associate
Shang Lin Investment Co., Ltd.	Chan Der Investment Corp.	Taipei	Investment	16,680	16,680	1,668,000	5.6	37,721	(288)	-	Associate
	Cheng Der Investment Corp.	Taipei	Investment	20,000	20,000	2,000,000	6.4	35,606	(319)	-	Associate
	Yu Hong Investment Corp.	Taipei	Investment	120,000	120,000	12,000,000	6.3	160,977	(2,641)	-	Associate
	Chang Hong Investment Corp.	Taipei	Investment	20,000	20,000	2,000,000	3.5	26,326	(387)	-	Associate
	The Ambassador Hotel, Ltd.	Taipei	International hotels business, with a restaurant, coffee shop, bar and club business	54,799	54,799	1,506,000	0.4	83,216	5,033	-	Associate
	Xin He Investment Corp.	Taipei	Investment	40,000	40,000	4,000,000	4.4	50,190	(1,070)	-	Associate
	De Hong Investment Corp.	Taipei	Investment	130,000	130,000	13,000,000	8.3	197,334	(1,897)	-	Associate
Jeng Lin Investment Co., Ltd.	Cheng Der Investment Corp.	Taipei	Investment	77,012	77,012	5,733,342	18.4	102,132	(319)	-	Associate
	Xin He Investment Corp.	Taipei	Investment	59,970	59,970	5,997,000	6.6	75,206	(1,070)	-	Associate
	The Ambassador Hotel, Ltd.	Taipei	International hotels business, with a restaurant, coffee shop, bar and club business	67,855	67,855	2,421,000	0.7	133,776	5,033	-	Associate
	De Hong Investment Corp.	Taipei	Investment	70,000	70,000	7,000,000	4.5	106,401	(1,897)	-	Associate
Hwo Lin Investment Co., Ltd.	Xin He Investment Corp.	Taipei	Investment	30,000	30,000	3,000,000	3.3	37,615	(1,070)	-	Associate
	Yu Hong Investment Corp.	Taipei	Investment	100,019	100,019	10,002,000	5.3	134,178	(2,641)	-	Associate
	Chan Der Investment Corp.	Taipei	Investment	49,011	49,011	4,700,956	15.7	106,220	(288)	-	Associate
	De Hong Investment Corp.	Taipei	Investment	86,019	86,019	8,002,000	5.1	121,511	(1,897)	-	Associate
	Chang Hong Investment Corp.	Taipei	Investment	20,000	20,000	2,000,000	3.5	26,326	(387)	-	Associate
	Yeangder Entertainment Co., Ltd.	Taipei	Engaged in competitive and recreational sports industry	25,000	25,000	2,500,000	62.5	21,176	4,385	-	Sub-subsidiary (Note 6)
	The Ambassador Hotel, Ltd.	Taipei	International Hotels business, with a restaurant, coffee shop, bar and club business	85,585	85,585	2,633,000	0.7	145,491	5,033	-	Associate

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount June 30, 2022	Original Investment Amount December 31, 2021	As of June 30, 2022 Shares	As of June 30, 2022 %	As of June 30, 2022 Carrying Amount	Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
Yuh Lin Investment Co., Ltd.	Chan Der Investment Corp.	Taipei	Investment	$ 40,000	$ 40,000	1,389,558	4.6	$ 31,391	$ (288)	$ -	Associate
	Chang Hong Investment Corp.	Taipei	Investment	70,000	70,000	7,000,000	12.3	92,118	(387)	-	Associate
	Xin He Investment Corp.	Taipei	Investment	140,009	140,009	14,001,000	15.4	175,453	(1,070)	-	Associate
	De Hong Investment Corp. (“De Hong”)	Taipei	Investment	90,000	90,000	9,000,000	5.8	136,620	(1,897)	-	Associate
	Yu Der Investment Corp.	Taipei	Investment	26,000	26,000	2,600,000	4.8	28,491	(356)	-	Associate
	The Ambassador Hotel, Ltd.	Taipei	International Hotels business, with a restaurant, coffee shop, bar and club business	83,369	83,369	2,640,000	0.7	145,877	5,033	-	Associate
	Yu Hong Investment Corp.	Taipei	Investment	70,000	70,000	7,000,000	3.7	93,840	(2,641)	-	Associate
Cheng Lin Investments Co., Ltd.	Chuan Lin Technology Corporation	Taipei	Various sale and service maintenance of vending machines, vending machine business management consultant business, refrigerated air conditioning machinery and mechanical appliances of installation and other businesses, a variety of electro-mechanical equipment sale for automated machinery and equipment repair and installation services, import and export of various products, the switch before sale and import and export business	9,747	9,747	540,000	41.5	32,687	4,961	-	Subsidiary (Note 6)
	Rueylin Electric & Engineering Corp.	Hsinchu County	All kinds of electrical machinery equipment and components of manufacturing and processing transactions	1,000	1,000	100,000	0.9	3,498	30,235	-	Subsidiary (Note 6)
	Xin He Investment Corp.	Taipei	Investment	20,000	20,000	10,000,000	11.0	121,071	(1,070)	-	Associate
	Yu Hong Investment Corp.	Taipei	Investment	120,000	120,000	12,000,000	6.3	157,929	(2,641)	-	Associate
	Yu Der Investment Corp.	Taipei	Investment	20,000	20,000	2,000,000	3.7	21,930	(356)	-	Associate
	De Hong Investment Corp.	Taipei	Investment	40,000	40,000	4,000,000	2.6	60,832	(1,897)	-	Associate
	The Ambassador Hotel, Ltd.	Taipei	International hotels business, with a restaurant, coffee shop, bar and club business	19,337	19,337	558,000	0.2	30,833	5,033	-	Associate
Chuan Lin Technology Corporation	Rueylin Electric & Engineering Corp.	Hsinchu County	All kinds of electrical machinery equipment and components of manufacturing and processing transactions	687	687	42,626	0.4	1,445	30,235	-	Subsidiary (Note 6)
	De Hong Investment Corp.	Taipei	Investment	40,000	40,000	4,000,000	2.6	57,255	(1,897)	-	Associate
Ting Lin Enterprise Co., Ltd.	De Hong Investment Corp.	Taipei	Investment	40,000	40,000	4,000,000	2.6	57,433	(1,897)	-	Associate
	Yu Hong Investment Corp.	Taipei	Investment	80,000	80,000	8,000,000	4.2	101,589	(2,641)	-	Associate
	The Ambassador Hotel, Ltd.	Taipei	International hotels business, with a restaurant, coffee shop, bar and club business	266	266	10,000	-	553	5,033	-	Associate
Hsin Lin Electric Machinery Co., Ltd.	Hsinlin International Investment Corp. of Samoa (Note 4)	Samoa (Note 4)	Investment	57,693	57,693	1,130,000	100.0	52,576	3,852	-	Sub-subsidiary (Note 6)
	Yuh Lin Investment Co., Ltd.	Taipei	Investment	26,000	26,000	2,600,000	5.7	38,614	(830)	-	Subsidiary (Note 6)
	Hwo Lin Investment Co., Ltd.	Taipei	Investment	27,000	27,000	2,700,000	5.1	30,649	2,388	-	Subsidiary (Note 6)
	Jeng Lin Investment Co., Ltd.	Taipei	Investment	27,000	27,000	2,700,000	10.5	41,537	(509)	-	Subsidiary (Note 6)
	Wuling Electric Co., Ltd.	Taipei	Manufacturing, processing and sales of mechanical and electrical parts, power distribution equipment and switch products	25,197	25,197	1,500,000	30.0	37,690	16,468	-	Sub-subsidiary (Note 6)
Jee-Lin Industrial Co., Ltd.	Yu Hong Investment Corp.	Taipei	Investment	40,000	40,000	4,000,000	2.1	50,746	(2,641)	-	Associate

Note 1: The adjusted unrealized gross profit and realized gross profit consists of upstream, downstream and sidestream transactions.

Note 2: The adjusted unrealized gross profit and realized gross profit consists of upstream transactions.

Note 3: The adjusted unrealized gross profit of downtream transactions.

Note 4: The adjusted unrealized gross profit o sidetream transactions.

Note 5 Limited companies that do not have shares.

Note 6: The amount was eliminated upon consolidation.

Note 7: SEEC International Trading Ltd. of the British Virgin Islands had been liquidated in March 2022.

(Concluded)

TABLE 7

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars)

Investee Company in Mainland China	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Amount as of June 30, 2022	Accumulated Repatriation of Investment Income as of June 30, 2022	Note
					Outward	Inward							
Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd.	Motorcycle starter motors, magneto, starter switch manufacturing and sales business.	$ 192,835	b (Note 3)	$ 41,316 (Note 6)	$ -	$ -	$ 41,316 (Note 6)	$ 48,908	55.0	$ 27,728 (Note 7)	$ 303,379	$ 229,904	Note 5
Xiamen Shihlin Electric & Engineering Corp.	All kinds of switches, relays, circuit breakers and other products and components of the production, trafficking, technical advice and after sales service.	391,115	b (Note 3)	325,403	-	-	325,403	21,034	100.0	22,304 (Note 7)	927,208	523,515	Note 5
Suzhou Shihlin Electric & Engineering Corp.	Capacitors, transformers, electric motors and other electronic components manufacturing and sales business.	401,584	b (Note 3)	247,193	-	-	247,193	109,013	100.0	110,710 (Note 7)	875,954	110,102	Note 5
Wuxi Shihlin Electric & Engineering Co., Ltd.	Magneto and starter motor in locomotive transmission facilities, mobile and starter motors, power generators, and DC motor manufacturing and sales business.	312,552	b (Note 3)	283,033	-	-	283,033	4,891	100.0	6,306 (Note 7)	327,337	12,134	Note 5
Mitsubishi Electric Shihlin Automotive Changzhou Co., Ltd.	Motorcycle starter motors, magneto, ignition coils and other control or distribution equipment manufacturing and sales business.	167,512	b (Note 3)	37,021	-	-	37,021	172,889	49.0	84,716 (Note 7)	1,379,249	354,894	-
Shihlin Electric (Suzhou) Power Equipment Co., Ltd.	High and low pressure switch, switchgear, digital meters, transformers, capacitors, reactors, bridge and related products manufacturing and sales business.	174,614	b (Note 3)	56,439	-	-	56,439	19,259	50.5	9,726 (Note 7)	131,617	141,109	Note 5
Mitsuba Shihlin Electric (Wuhan) Co., Ltd.	Automotive cooling fans, wiper systems, starter, fuel pump, electronic control systems and other automotive electrical parts and accessory collar manufacturing sales and service business.	230,811	b (Note 3)	103,865	-	-	103,865	69,960	45.0	31,482 (Note 7)	321,430	314,649	-
Shihlin Technology (Shenzhen) Co., Ltd.	Electronic products, machinery, mechanical and electrical equipment, industrial electric equipment, plastic products technology development, design, technical advice, technology transfers, wholesale, commission agent, import/export and related business.	32,000	b (Note 3)	32,000	-	-	32,000	(525)	100.0	(508) (Note 7)	44,991	8,706	Note 5
Xiamen Chen-Ieu Transportation Implements Co., Ltd.	Manufacturing and motorcycle metal materials, electronic parts, all kinds of punch products parts, machine tools, machine tools, etc.	72,679	b (Note 3)	- (Note 8)	-	-	- (Note 8)	2,395	100.0	2,111 (Note 7)	72,062	-	Note 5
Mitsubishi Electric Low Voltage Equipment (Xiamen) Co., Ltd.	Low-voltage circuit breakers, magnetic switches of low voltage electrical apparatus and its components, such as research and development, manufacturing and after-sales service and technical advisory services.	194,805	b (Note 3)	58,441	-	-	58,441	5,330	30.0	1,599 (Note 7)	75,971	-	-

(Continued)

Investee Company in Mainland China	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Amount as of June 30, 2022	Accumulated Repatriation of Investment Income as of June 30, 2022	Note
					Outward	Inward							
Changzhou Shihlin Auto Parts Co., Ltd.	Motorcycle starter motors, magneto, starter switch manufacturing and sales business.	$ 303,173	b (Note 3)	$ 183,948 (Note 9)	$ -	$ -	$ 183,948 (Note 9)	$ 12,668	100.0	$ 12,671 (Note 7)	$ 479,833	$ 125,560	Note 5
Shihlin Electric (Suzhou) Power Equipment Co., Ltd.	High and low pressure switch, switchgear, digital meters, transformers, capacitors, reactors, bridge and related products manufacturing and sales business.	174,614	b (Note 4)	22,173 (Note 10)	-	-	22,173 (Note 10)	19,259	20.0 (Note 10)	3,852 (Note 7)	52,125	50,200	Note 5

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$1,368,659 (Note 11)	$1,368,659 (Note 11)	No upper limit on the amount of investment (Note 12)

Note 1: Three investing methods:

a. Direct investment in mainland China.
b. Investment made in mainland China through company in third area.
c. Other methods.

Note 2: Recognized gain or loss in investment:

a. Gain or loss not recognized during operating period.

b. Three bases to recognize gain or loss.

1) Financial statements are audited through the cooperation between international accounting firm and accounting firm in the ROC.
2) Financial statements are audited by licensed CPA of the parent company.
3) Others.

Note 3: SEEC International Holdings Ltd. of the British Virgin Islands is the investor in third area.

Note 4: Hsinlin International Investment Corp. of Samoa, originally established in Brunei and then registered and incorporated in Samoa in December 2017, is the investor in third area.

Note 5: The amounts were eliminated upon consolidation.

Note 6: It has been deducted with the accumulated outward remittances for investment from Taiwan in the amount of $38,567 thousand for establishment of Changzhou Shihlin Auto Parts Co., Ltd. since spin-off in May 2013.

Note 7 Recognized gain and loss is based on Note 2. b. 3).

Note 8: The accumulated outward remittance for investment from Taiwan at the beginning and end of the year did not include $86,768 thousand of dividends received from investee company in mainland China.

Note 9: Changzhou Shihlin Mitsuba Electric has spun-off to Changzhou Shihlin Auto Parts Co., Ltd. in May 2013, which has accumulated outward remittance for investment from Taiwan in the amount of $38,567 thousand.

Note 10: The accumulated outward remittance for investment from Taiwan and the ownership of investment is the investment of Hsin Lin Electric Machinery Co., Ltd. through Hsinlin International Investment Corp. of Samoa.

Note 11. It excludes the investment of Hsin Lin Electric Machinery Co., Ltd. in mainland China.

Note 12: According to an issued operational headquarters' document from the Industrial Development Bureau, MOEA, which is still valid within the period, there is no upper limit on the Corporation’s amount of investment.

(Concluded)

TABLE 8

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars)

1. Purchases

Company Name	Investee Company in Mainland China	Company in the Third Area	Transaction Details		Purchases		Notes/Accounts Payable		Note
			Price	Payment Term	Amount	%	Ending Balance	%	
Shihlin Electric & Engineering Corp.	Xiamen Shihlin Electric & Engineering Corp.	-	Trading fairly general	Paid in 75 days	$ 62,586	0.8	$ 9,580	0.2	Note 2
	Suzhou Shihlin Electric & Engineering Corp.	-	Trading fairly general	Paid in 105 days	96,641	1.2	10,183	0.2	Note 2
	Wuxi Shihlin Electric & Engineering Co.	-	Trading fairly general	Paid in 30 days	16,415	0.2	2,896	0.1	Note 2

2. Sales

Company Name	Investee Company in Mainland China	Company in the Third Area	Transaction Details		Sales		Gross Profit	Unrealized Gross Profit	Notes/Accounts Receivable		Note
			Price	Payment Term	Amount	%			Ending Balance	%	
Shihlin Electric & Engineering Corp.	Xiamen Shihlin Electric & Engineering Corp.	-	Trading fairly general	Received in 90 days	$ 53,314	0.5	$ 1,606	$ 1,845 (Note 1)	$ 26,070	0.5	Note 2
	Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd.	-	Trading fairly general	Received in 90 days	29,184	0.3	8,219	-	14,293	0.3	Note 2
	Suzhou Shihlin Electric & Engineering Corp.	-	Trading fairly general	Received in 90 days	11,082	0.1	1,320	648 (Note 1)	10,476	0.2	Note 2

3. Endorsements/guarantees provided are reported in Table 1.

Note 1: It was unrealized before June 30, 2022.

Note 2: The amounts were eliminated upon consolidation.

SHIHLIN ELECTRIC & ENGINEERING CORP. AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
JUNE 30, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Mitsubishi Electric	110,242,966	21.16
Ambassador Hotel	44,285,175	8.50
CTBC Trust Property Account	37,051,284	7.11
Citibank (Taiwan) Entrusted with the Custody of the First Gold Hesheng Securities Co., Ltd. Investment Account	32,944,000	6.33
Taipei Fubon Bank Trust Property Account	27,899,658	5.35
Yangde Investment Co., Ltd.	27,556,494	5.28

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Corporation as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual truster who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.