CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

REPORT OF INDEPENDENT ACCOUNTANTS

DECEMBER 31, 2021 AND 2020

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of CHICONY ELECTRONICS CO., LTD.

Opinion

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

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matters for the Group's 2021 consolidated financial statements are stated as follows:

Appropriateness of warehouse operating revenue cut-off

Description

Refer to Notes 4(32) and 6(23) for policies on revenue recognition and details of revenue.

The Group's revenue arises from sales of goods, consisting mainly of factory direct shipment and warehouse sales revenue. Warehouse sales revenue is recognised when the goods are dispatched from the warehouses (transfer of control of products) and it is based on the reports and other relevant information provided by the warehouse custodians. The Group's warehouses are located in multiple countries, and the revenue recognition process involves several manual operations. Thus, we considered the warehouse sales revenue cut off as one of the key areas of focus for this fiscal year's audit.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Evaluated the internal controls for regular reconciliation between the Group and its warehouse custodians.
2. Performed the revenue recognition cut-off tests, including obtaining sufficient appropriate audit evidences from the warehouse custodians and reviewing the reconciliations of the Group's accounting records.
3. Conducted warehouse inventory audit by using confirmation letters to validate inventory balances with the warehouse custodians.

Valuation of inventory

Description

Refer to Notes 4(12), 5(2) and 6(6) for the description of accounting policy, critical accounting estimates, uncertainty of assumptions and details of accounts.

The Group's main inventories are keyboard, power supplies, camera modules and other electronic products. The prices of such inventories are affected by market demand and the rapid technological changes. Therefore, there is higher risk of market decline. As the assessment of net realisable value of inventories is subject to management judgement, we considered the valuation of inventory as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed whether the Group's accounting policies comply with the relevant standards and the reasonableness of management's evaluation process, including the determination of net realisable value of inventories, the sales expenses and the judgement of obsolete inventories. Checked whether the provision policies were consistently adopted in the reporting periods.
2. Obtained net realisable value statement of inventories to confirm whether the calculation logic was adopted consistently, and tested the data sources of selected samples which includes inventory price or purchase price to verify whether the net realisable value used by the management was in compliance with its policies, and recalculated the accuracy of allowance for inventory valuation losses.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain subsidiaries and investments accounted for using equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors. Total assets of these subsidiaries and the balances of these investments accounted for using equity method amounted to NT$6,585,368 thousand and NT$4,731,772 thousand, constituting 7.86% and 6.27% of the consolidated total assets as at December 31, 2021 and 2020, respectively, and the net operating revenue amounted to NT$884,748 thousand and NT$2,149,318 thousand, constituting 0.82% and 2.26% of the consolidated total operating revenue for the years then ended, respectively.

Other matter - Parent company only financial reports

We have audited and expressed an unqualified opinion with an *Other matter* section on the parent company only financial statements of Chicony Electronics Co., Ltd. as at and for the years ended December 31, 2021 and 2020.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group’s financial reporting process.

Auditors’ responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in the

Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Chen, Chin-Chang Weng, Shih-Jung
For and on behalf of PricewaterhouseCoopers, Taiwan
March 9, 2022

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2021	December 31, 2020
	Current assets			
1100	Cash and cash equivalents	6(1)	$ 1,725,636	$ 3,751,351
1110	Financial assets at fair value through profit or loss - current	6(2)	2,155,172	3,415,825
1120	Financial assets at fair value through other comprehensive income - current	6(3)	2,881,458	2,612,532
1150	Notes receivable, net	6(5) and 8	163,196	155,605
1170	Accounts receivable, net	6(5)	28,514,140	23,304,935
1180	Accounts receivable - related parties	7	352,102	253,227
1200	Other receivables		241,537	283,945
130X	Inventories, net	6(6)	21,796,221	15,691,852
1410	Prepayments		1,886,040	1,908,985
1470	Other current assets		15,244	1,739
11XX	**Total current assets**		59,730,746	51,379,996
	Non-current assets			
1510	Financial assets at fair value through profit or loss - non-current	6(2)	1,999,300	1,712,704
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	381,581	425,161
1535	Financial assets at amortised cost - non-current	6(4)	445,025	454,030
1550	Investments accounted for using equity method	6(7)	218,383	192,368
1600	Property, plant and equipment, net	6(8) and 8	14,961,727	14,281,482
1755	Right-of-use assets	6(9)	782,664	855,634
1760	Investment property - net	6(10) and 8	3,771,591	3,972,974
1780	Intangible assets	6(11)	116,017	101,094
1840	Deferred income tax assets	6(30)	223,929	232,271
1900	Other non-current assets	6(13) and 8	1,095,424	1,834,282
15XX	**Total non-current assets**		23,995,641	24,062,000
1XXX	**Total assets**		$ 83,726,387	$ 75,441,996

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CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2021	December 31, 2020
	Current liabilities			
2100	Short-term borrowings	6(14) and 8	$ 1,624,355	$ 88,168
2120	Financial liabilities at fair value through profit or loss - current	6(2)	59,354	390,711
2130	Contract liabilities - current	6(23)	271,893	185,731
2150	Notes payable		22,686	21,392
2170	Accounts payable		27,078,593	25,139,279
2180	Accounts payable - related parties	7	475,434	485,964
2200	Other payables	6(15)	14,106,451	12,817,050
2230	Income tax liabilities		2,884,344	2,060,162
2280	Lease liabilities - current		138,721	136,230
2300	Other current liabilities	6(16)	93,263	300,863
21XX	**Total current liabilities**		46,755,094	41,625,550
	Non-current liabilities			
2570	Deferred income tax liabilities	6(30)	397,258	512,215
2580	Lease liabilities - non-current		273,312	339,007
2600	Other non-current liabilities	6(17)	266,927	293,542
25XX	**Total non-current liabilities**		937,497	1,144,764
2XXX	**Total liabilities**		47,692,591	42,770,314
	Equity attributable to owners of parent			
	Share capital	6(19)		
3110	Common stock		7,452,927	7,394,603
	Capital surplus	6(20)		
3200	Capital surplus		7,182,465	6,412,535
	Retained earnings	6(21)		
3310	Legal reserve		6,102,860	5,560,152
3320	Special reserve		4,252,574	3,290,829
3350	Unappropriated retained earnings		9,974,608	9,665,615
	Other equity interest	6(22)		
3400	Other equity interest		(4,200,468)	(4,241,214)
3500	**Treasury stocks**	6(19) and 8	(311,277)	(311,277)
31XX	**Equity attributable to owners of the parent**		30,453,689	27,771,243
36XX	**Non-controlling interest**	4(3)	5,580,107	4,900,439
3XXX	**Total equity**		36,033,796	32,671,682
	Significant contingent liabilities and unrecognised contract commitments	9		
	Significant events after the balance sheet date	11		
3X2X	**Total liabilities and equity**		$ 83,726,387	$ 75,441,996

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

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

	Items	Notes	Years ended December 31 2021	2020
4000	**Sales revenue**	6(23) and 7	$ 107,474,079	$ 95,082,227
5000	**Operating costs**	6(6)(28)(29) and 7	(88,571,844)	(77,306,598)
5900	**Net operating margin**		18,902,235	17,775,629
	Operating expenses	6(28)(29)		
6100	Selling expenses		(3,731,723)	(3,862,736)
6200	General and administrative expenses		(3,034,579)	(2,729,786)
6300	Research and development expenses		(3,481,205)	(3,515,726)
6450	Impairment loss determined in accordance with IFRS 9	12(2)	(41,710)	(4,681)
6000	**Total operating expenses**		(10,289,217)	(10,112,929)
6900	**Operating profit**		8,613,018	7,662,700
	Non-operating income and expenses			
7100	Interest income	6(24)	97,647	142,360
7010	Other income	6(25)	877,662	748,728
7020	Other gains and losses	6(26)	(103,181)	(256,878)
7050	Finance costs	6(27)	(59,671)	(67,643)
7060	Share of profit or loss of associates and joint ventures accounted for using equity method	6(7)	26,146	(11,077)
7000	**Total non-operating income and expenses**		838,603	555,490
7900	**Profit before income tax**		9,451,621	8,218,190
7950	Income tax expense	6(30)	(1,879,325)	(1,650,419)
8200	**Profit for the year**		$ 7,572,296	$ 6,567,771

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CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

	Items	Notes	Years ended December 31 2021	2020
	Other comprehensive income			
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss			
8311	Actuarial gain (loss) on defined benefit plan	6(17)	$ 9,418	($ 635)
8316	Unrealized gain or loss on equity instruments at fair value through other comprehensive income	6(3)	402,372	(266,733)
8310	**Other comprehensive income (loss) that will not be reclassified to profit or loss**		411,790	(267,368)
	Components of other comprehensive loss that will be reclassified to profit or loss			
8361	Financial statements translation differences of foreign operations		(370,851)	(695,057)
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(7)	(131)	(2,078)
8360	**Other comprehensive loss that will be reclassified to profit or loss**		(370,982)	(697,135)
8300	**Total other comprehensive income (loss) for the year**		$ 40,808	($ 964,503)
8500	**Total comprehensive income for the year**		$ 7,613,104	$ 5,603,268
	Profit attributable to:			
8610	Owners of the parent		$ 6,154,426	$ 5,466,764
8620	Non-controlling interest		$ 1,417,870	$ 1,101,007
	Comprehensive income attributable to:			
8710	Owners of the parent		$ 6,196,952	$ 4,517,525
8720	Non-controlling interest		$ 1,416,152	$ 1,085,743
	Earnings per share (in NTD dollars)			
9750	**Basic earnings per share**	6(31)	$ 8.71	$ 7.80
9850	**Diluted earnings per share**	6(31)	$ 8.56	$ 7.68

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

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent											
				Retained Earnings			Other Equity Interest						
	Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Asset revaluation increment	Treasury stocks	Total	Non-controlling interest	Total equity
2020													
Balance at January 1, 2020		$ 7,344,975	$ 6,114,005	$ 4,976,270	$ 3,105,405	$ 9,370,658	($ 2,115,391)	($ 2,597,937)	$ 1,381,667	($ 311,277)	$ 27,268,375	$ 4,625,652	$ 31,894,027
Profit for 2020		-	-	-	-	5,466,764	-	-	-	-	5,466,764	1,101,007	6,567,771
Other comprehensive loss for 2020	6(22)	-	-	-	-	(298)	(687,358)	(261,583)	-	-	(949,239)	(15,264)	(964,503)
Total comprehensive income (loss)		-	-	-	-	5,466,466	(687,358)	(261,583)	-	-	4,517,525	1,085,743	5,603,268
Appropriations of 2019 earnings	6(21)												
Legal reserve		-	-	583,882	-	(583,882)	-	-	-	-	-	-	-
Special reserve		-	-	-	185,424	(185,424)	-	-	-	-	-	-	-
Cash dividends		-	-	-	-	(4,362,815)	-	-	-	-	(4,362,815)	-	(4,362,815)
Employees' stock dividends	6(19)	49,628	350,372	-	-	-	-	-	-	-	400,000	-	400,000
Cash dividends paid to the subsidiaries		-	220,443	-	-	-	-	-	-	-	220,443	-	220,443
Adjustments to share of changes in equity of associates and joint ventures	6(32)	-	105,827	-	-	-	-	-	-	-	105,827	218,507	324,334
Difference between proceeds from addition and disposal of subsidiary and book value	6(32)	-	(378,112)	-	-	-	-	-	-	-	(378,112)	378,112	-
Cash dividends distributed by subsidiaries		-	-	-	-	-	-	-	-	-	-	(606,428)	(606,428)
Disposal of investments in equity instruments at fair value through other comprehensive income	6(3)	-	-	-	-	(44,132)	-	44,132	-	-	-	-	-
Disposals of investment property		-	-	-	-	4,744	-	-	(4,744)	-	-	-	-
Non-controlling interest adjustment	6(32)	-	-	-	-	-	-	-	-	-	-	(801,147)	(801,147)
Balance at December 31, 2020		$ 7,394,603	$ 6,412,535	$ 5,560,152	$ 3,290,829	$ 9,665,615	($ 2,802,749)	($ 2,815,388)	$ 1,376,923	($ 311,277)	$ 27,771,243	$ 4,900,439	$ 32,671,682
2021													
Balance at January 1, 2021		$ 7,394,603	$ 6,412,535	$ 5,560,152	$ 3,290,829	$ 9,665,615	($ 2,802,749)	($ 2,815,388)	$ 1,376,923	($ 311,277)	$ 27,771,243	$ 4,900,439	$ 32,671,682
Profit for 2021		-	-	-	-	6,154,426	-	-	-	-	6,154,426	1,417,870	7,572,296
Other comprehensive income (loss) for 2021	6(22)	-	-	-	-	9,597	(356,416)	389,345	-	-	42,526	(1,718)	40,808
Total comprehensive income (loss)		-	-	-	-	6,164,023	(356,416)	389,345	-	-	6,196,952	1,416,152	7,613,104
Appropriations of 2020 earnings	6(21)												
Legal reserve		-	-	542,708	-	(542,708)	-	-	-	-	-	-	-
Special reserve		-	-	-	961,745	(961,745)	-	-	-	-	-	-	-
Cash dividends		-	-	-	-	(4,099,110)	-	-	-	-	(4,099,110)	-	(4,099,110)
Employees' stock dividends	6(19)	58,324	491,676	-	-	-	-	-	-	-	550,000	-	550,000
Cash dividends paid to the subsidiaries		-	205,497	-	-	-	-	-	-	-	205,497	-	205,497
Adjustments to share of changes in equity of associates and joint ventures	6(32)	-	116,633	-	-	-	-	-	-	-	116,633	221,738	338,371
Difference between proceeds from addition and disposal of subsidiary and book value	6(32)	-	(43,876)	-	-	(243,650)	-	-	-	-	(287,526)	287,526	-
Cash dividends distributed by subsidiaries		-	-	-	-	-	-	-	-	-	-	(797,890)	(797,890)
Disposal of investments in equity instruments at fair value through other comprehensive income	6(3)	-	-	-	-	(8,218)	-	8,218	-	-	-	-	-
Disposals of investment property		-	-	-	-	401	-	-	(401)	-	-	-	-
Non-controlling interest adjustment	6(32)	-	-	-	-	-	-	-	-	-	-	(447,858)	(447,858)
Balance at December 31, 2021		$ 7,452,927	$ 7,182,465	$ 6,102,860	$ 4,252,574	$ 9,974,608	($ 3,159,165)	($ 2,417,825)	$ 1,376,522	($ 311,277)	$ 30,453,689	$ 5,580,107	$ 36,033,796

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

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 9,451,621	$ 8,218,190
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(9)(28)	2,879,979	2,437,434
Intangible assets amortization	6(11)(28)	79,775	73,033
Other non-current assets recognized as expenses	6(28)	27,685	61,028
Impairment loss determined in accordance with IFRS 9	12(2)	41,710	4,681
Share-based payments	6(18)	35,796	17,813
Interest income	6(24)	(97,647)	(142,360)
Dividend income	6(25)	(117,568)	(243,213)
Interest expense	6(27)	59,671	67,643
Net gain on financial assets and liabilities at fair value - derivative	6(2)(26)	(913,249)	(325,691)
Net loss on financial assets and liabilities at fair value - others	6(26)	23,326	578,743
Share of profit or loss of associates accounted for using equity method	6(7)	(26,146)	11,077
Gain arising from lease modifications	6(9)	(1,092)	(225)
Loss on disposal of property, plant and equipment	6(26)	115,420	34,439
Gain on disposals of investment property	6(26)	(51,933)	(222,225)
Loss on disposal of intangible assets	6(11)	2,533	-
Impairment loss of non-financial assets	6(11)(12)(26)	33,000	54,819
Gain on fair value adjustment of investment property	6(10)(26)	(11,800)	(51,943)
Accounts payable past due over two years transferred to other income	6(25)	(211,538)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets and liabilities at fair value through profit or loss - current		1,072,236	(515,076)
Notes receivable		(7,591)	(1,869)
Accounts receivable		(5,250,915)	(3,125,578)
Accounts receivable - related parties		(98,875)	79,123
Other receivables		75,269	7,196
Inventories		(6,104,369)	(1,844,506)
Prepayments		22,945	(455,625)
Other current assets		(13,505)	5,235
Changes in operating liabilities			
Contract liabilities - current		86,163	37,915
Notes payable		1,294	(4,950)
Accounts payable		2,150,852	1,402,889
Accounts payable - related parties		(10,530)	70,387
Other payables		2,172,034	2,431,781
Other current liabilities		7,138	166,247
Other non-current liabilities		(26,615)	35,086
Cash inflow generated from operations		5,395,074	8,861,498
Interest received		64,861	61,131
Dividends received		117,493	242,463
Interest paid		(54,632)	(69,107)
Income tax paid		(1,134,267)	(665,793)
Net cash flows from operating activities		4,388,529	8,430,192

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CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31 2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets and liabilities at fair value through profit or loss - others		($ 1,625,485)	($ 1,378,757)
Disposal of financial assets and liabilities at fair value through profit or loss - others		2,073,647	1,869,590
Disposal of financial assets at fair value through other comprehensive income	6(3)	156,971	135,108
Acquisition of property, plant and equipment	6(33)	(3,213,286)	(3,406,962)
Proceeds from disposal of property, plant and equipment		223,808	171,625
Acquisition of investment property	6(10)	(1,714)	-
Proceeds from disposal of investment property		145,869	2,394,737
Acquisition of intangible assets	6(11)	(96,591)	(82,432)
Increase in other non-current assets		(35,229)	(1,359,233)
(Increase) decrease in refundable deposits		(97,162)	27,600
Net cash flows used in investing activities		(2,469,172)	(1,628,724)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term borrowings	6(34)	1,536,154	(806,832)
Increase in long-term borrowings		-	200,000
Decrease in long-term borrowings	6(34)	(100,000)	(200,000)
Repayment of lease liabilities		(145,391)	(130,178)
Payments to acquire treasury shares		(3,893,613)	(4,142,372)
Treasury stock transferred to employees		36,996	38,487
Change in non-controlling interests	6(32)	(447,858)	(801,147)
Cash dividend distributed by subsidiaries		(797,890)	(606,428)
Net cash flows used in financing activities		(3,811,602)	(6,448,470)
Effect of exchange rate changes		(133,470)	(738,169)
Net decrease in cash and cash equivalents		(2,025,715)	(385,171)
Cash and cash equivalents at beginning of year	6(1)	3,751,351	4,136,522
Cash and cash equivalents at end of year	6(1)	$ 1,725,636	$ 3,751,351

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

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars,
except as otherwise indicated)

1. HISTORY AND ORGANISATION

Chicony Electronics Co., Ltd. (the “Company”) was incorporated in 1983 as a company limited by shares under the provisions of the Company Law of the Republic of China. The Company has been a listed company since 1999. The Company and its subsidiaries (collectively referred herein as the “Group”) are engaged in the manufacturing and sales of keyboards and other computer peripheral components.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on March 9, 2022.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform— Phase 2’	January 1, 2021
Amendment to IFRS 16, ‘Covid-19-related rent concessions beyond 30 June 2021’	April 1, 2021 (Note)

Note: Earlier application from January 1, 2021 is allowed by the FSC.

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
Amendments to IAS 16, ‘Property, plant and equipment:proceeds before intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts—cost of fulfilling a contract’	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standards Board
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2023
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:
   (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
   (b) Financial assets at fair value through other comprehensive income.
   (c) Investment property measured subsequently using the fair value model.
   (d) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:
   (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
   (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)		
Name of investor	Name of subsidiary	Main business activities	December 31, 2021	December 31, 2020	Description
Chicony Electronics Co., Ltd. (CEC)	Chicony Overseas Inc. (COI)	Sales of computer peripherals and management of overseas acquisitions and investments	100%	100%	
"	Unikey Electronics Co., Ltd. (UNIKEY)	Manufacturing and sales of computers and computer peripherals	100%	100%	
"	Hipro Overseas (BVI) Inc. (HOI)	Sales of switching power supplies and other electronic parts and management of overseas acquisitions and investments	100%	100%	
"	Hipro Electronics Ltd. (HEC)	Sales of switching power supplies and other electronic parts	100%	100%	

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2021	Ownership (%) December 31, 2020	Description
CEC	XAVi Technology Corp. (XAVi)	Researching, manufacturing and sales of DSL bridges and routers	45.34%	46.63%	Note A Note C
"	Chicony Electronics (Thailand) Co., Ltd. (CET)	Manufacturing and sales of computer peripherals	100%	100%	
"	Chicony Global Inc. (CGI)	Sales of computer peripherals	100%	100%	
"	Chicony Power Technology Co., Ltd. (CP)	Manufacturing and sales of plastic goods	53.02%	52.00%	
COI	Chicony America Inc. (CAI)	Sales of computer peripherals	100%	100%	
"	Chicony Electronics (Dong Guan) Co., Ltd. (CEM2)	Manufacturing and sales of computers and computer peripherals	100%	100%	
"	Mao-Feng International Inc. (Mao-Feng)	Sales of computer peripherals and management of overseas acquisitions and investments	100%	100%	
"	Chicony Electronics (Suzhou) Co., Ltd. (CEM3)	Manufacturing and sales of computers and computer peripherals	100%	100%	
"	Global Faith Inc. (GFI)	Sales of computer peripherals and management of overseas acquisitions and investments	60%	60%	
"	Real Young Electronics Co., Ltd. (Real Young)	Design and sales of computer peripherals and management of overseas acquisitions and investments	100%	100%	
"	Mao-Ray Electronics (DongGuan) Co., Ltd. (Mao-Ray)	Manufacturing of electronic parts, keyboards and plastic products	100%	100%	
"	Suzhou Mao-Qun Electronics Co., Ltd. (Mao-Qun)	Manufacturing of electronic parts, keyboards and plastic products	60%	60%	
"	Chicony Electronics CEZ s.r.o. (CEZ)	Sales of computer peripherals	100%	100%	

			Ownership (%)		
Name of investor	Name of subsidiary	Main business activities	December 31, 2021	December 31, 2020	Description
COI	Suzhou Qun-Yang Electronics Co., Ltd. (Qun-Yang)	Manufacturing and sales of electronic parts, keyboard and plastic products	60%	60%	
"	Chicony Electronics Japan Co., Ltd. (CEJ)	Sales of computer peripherals	100%	100%	
"	Kuang Mao International Inc. (Kuang Mao)	Sales of computer peripherals and management of overseas acquisitions and investments	100%	100%	
"	Chicony America Group Inc. (CAGI)	Internet solution for E-Commerce solution	100%	100%	
"	Chicony Electronics (Chong-Qing) Co., Ltd. (CEM5)	Manufacturing and sales of computer peripherals	100%	100%	
HEC	Quansun Investment Corp. Ltd. (Quansun)	Investment holdings	100%	100%	
"	Qun-Jing Power Co., Ltd. (Qun-Jing)	Sales of computer peripherals and consumer equipment	100%	100%	
CP	Chicony Power Holdings Inc. (CPH)	Investment holdings	100%	100%	
"	Chicony Power Technology (Thailand) Co., Ltd. (CPTH)	Manufacturing and sales of switching power supplies and other electronic parts	100%	100%	
"	Chicony Power International Inc. (CPI)	Investment holdings	100%	100%	

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2021	Ownership (%) December 31, 2020	Description
CP	Chicony Power USA Inc. (CPUS)	Manufacturing and sales of switching power supplies and other electronic parts	100%	100%	
"	Chicony Power Technology HongKong Limited (CPHK)	Research and development centre and investment holdings	100%	100%	
"	WitsLight Technology Co., Ltd. (WTS)	Design, researching and developing LED lighting modules and investment holdings	100%	83.68%	Note B
WTS	WitsLight Technology (Kunshan) Co., Ltd. (WTK)	International trade sales of LED lighting modules	100%	100%	
"	Zhuzhou Torch Auto Lamp CO., Ltd. (Zhuzhou Torch)	Production and sales of automotive and motorcycle components, electric machine and device, lamps and plastic products	100%	100%	
"	Carlight Technology Co., Ltd. (CT)	Design, researching and developing and sales of automotive and motorcycle lamps and other components	100%	100%	
CPHK	Chicony Power Technology (DongGuan) Co., Ltd. (CPDG) (Formerly Hipro Electronics (Dong Guan) Co., Ltd.)(HDG)	Manufacturing and sales of switching power supplies and other electronic parts	100%	100%	

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2021	Ownership (%) December 31, 2020	Description
CPHK	Chicony Power Technology (Suzhou) Co., Ltd. (CPSZ)	Production and sales of electronic equipment (high-performance power supply, power module and voltage transformer) and LED lighting equipment	100%	100%	
"	Quang Sheng Electronics (Nanchang) Co., Ltd. (GSE)	Production and sales of electronic equipment (magnetic element, circuit board and keyboard) and voltage transformer	100%	100%	
"	Chicony Power Technology (Chong-Qing) Co., Ltd. (CPCQ)	Production and sales of electronic equipment (high-performance power supply, power module and voltage transformer) and LED lighting equipment	100%	100%	
"	Chicony Energy Saving Technology (Shanghai) Co., Ltd. (CPSH)	Consultation, development, transfer and service of energy-saving technology, energy management and sales and installation of energy-saving lighting equipment	100%	100%	
"	Chicony Power Technology Trading (Dong Guan) Co., Ltd. (CPDGT)	Importing and exporting of switching power supplies, LED lighting equipment, and other electronics	100%	100%	
	Chicony Power Technology (Taizhou) Co., Ltd. (CPTZ)	Researching and developing, manufacturing, sales, installation, after-sale, and technology advisory services of electric machinery, electric frequency device and industry automation equipment; manufacturing and sales of electrical machinery and components; import and export of goods and technology	100%	100%	

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2021	Ownership (%) December 31, 2020	Description
XAVi	Directmax International Ltd. (Directmax)	Management of overseas acquisitions and investments	100%	100%	Note D
"	XAVi Technologies (Thailand) Co., Ltd. (XAVi Thailand)	Manufacturing, processing and sales of communication products	100%	100%	Note E
"	XAVi Overseas Ltd. (XAVi Overseas)	Management of overseas acquisitions and investments	100%	100%	Note D
"	Systemax Development Ltd. (Systemax)	Sales of DSL bridges and routers	100%	100%	
"	XAVi Technologies (Suzhou) Co., Ltd.	Manufacturing and sales of DSL bridges and routers	100%	100%	Note D

Note A: Although the Company holds less than 50% of the voting shares directly or indirectly, the remaining shares of these companies are extremely dispersed. The participation of other shareholders in the previous shareholders' meeting indicates that the Company has the current ability to direct the relevant activities of these companies and there is no sign that there is a collective decision-making agreement made among other shareholders. Under the assessment, the Company has control over the entity which was included in the consolidated financial statements.

Note B: CP purchased shares from the original shareholder, WTS, on July 15, 2021 and July 31, 2020 and held 100% and 83.68% equity interest in WTS after the purchase, respectively.

Note C: XAVi decreased its capital on November 10, 2020. The ratio of capital reduction was approximately 30%.

Note D: XAVi Technologies (Suzou) Co., Ltd. has completed the reorganisation in the second quarter of 2021 and all of its shares originally held by XAVi Overseas are now held by Directmax.

Note E: XAVi had completed the new establishment of Xavi Thailand in the amount of THB 50,000 thousand in the first quarter of 2020 and made an additional investment of THB 5,000 thousand in the second quarter of 2021.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2021 and 2020, the non-controlling interest amounted to $5,580,107 and $4,900,439, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest December 31, 2021 Amount	Ownership (%)	December 31, 2020 Amount	Ownership (%)
Chicony Power Technology Co., Ltd.	Taiwan	$ 5,221,104	46.98%	$ 4,566,626	48.00%

Summarised financial information of the subsidiaries:

Balance sheets

	Chicony Power Technology Co., Ltd. December 31, 2021	December 31, 2020
Current assets	$ 23,111,816	$ 18,701,568
Non-current assets	6,900,732	6,469,523
Current liabilities	(18,638,214)	(15,347,884)
Non-current liabilities	(260,874)	(292,576)
Total net assets	$ 11,113,460	$ 9,530,631

Statements of comprehensive income

	Chicony Power Technology Co., Ltd. Years ended December 31, 2021	2020
Revenue	$ 40,363,978	$ 34,863,027
Profit before income tax	3,579,665	2,721,457
Income tax expense	(751,190)	(594,237)
Profit for the year	2,828,475	2,127,220
Other comprehensive income, net of tax	14,310	10,693
Total comprehensive income for the year	$ 2,842,785	$ 2,137,913
Comprehensive income attributable to non-controlling interest	$ 1,335,905	$ 1,021,550
Dividends paid to non-controlling interest	$ 760,771	$ 606,428

Statements of cash flows

	Chicony Power Technology Co., Ltd.	
	Years ended December 31,	
	2021	2020
Net cash provided by operating activities	$ 1,412,478	$ 3,086,269
Net cash used in investing activities	(1,485,098)	(1,980,943)
Net cash used in financing activities	(238,130)	(1,472,823)
Effect of exchange rates	6,285	(6,532)
Decrease in cash and cash equivalents	(304,465)	(374,029)
Cash and cash equivalents, beginning of year	1,013,512	1,387,541
Cash and cash equivalents, end of year	$ 709,047	$ 1,013,512

(4) Foreign currency translation

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in New Taiwan dollars, which is the Company’s functional and the Group’s presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are measured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within other gains and losses.

B. Translation of foreign operations

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

(i) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

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

(iii) All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is an associate or joint arrangements, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group still retains partial interest in the former foreign associate or joint arrangements after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangements, such transactions should be accounted for as disposal of all interest in these foreign operations.

(c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
   (a) Liabilities that are expected to be settled within the normal operating cycle;
   (b) Liabilities arising mainly from trading activities;
   (c) Liabilities that are to be settled within twelve months from the balance sheet date;
   (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value.

(9) Accounts receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

C. The Group’s operating pattern of accounts receivable that are expected to be factored is for the purpose of selling, and the accounts receivable are subsequently measured at fair value, with any changes in fair value recognised in profit or loss.

(10) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income including accounts receivable that have a significant financing component, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

The Group derecognises a financial asset when one of the following conditions is met:

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; and the Group has not retained control of the financial asset.

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(13) Leasing arrangements (lessor) - lease receivables / operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14) Investments accounted for using equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.

G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(15) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives are 20~55 years for buildings and structures, 1~10 years for machinery and testing equipment, 1~5 years for molding equipment and 1~20 years for other equipment.

(16) Leasing arrangements (lessee) - right-of-use assets / lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
   (a) The amount of the initial measurement of lease liability; and
   (b) Any lease payments made at or before the commencement date.
   The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the fair value model. A gain or loss arising from a change in the fair value of investment property is recognised in profit or loss.

(18) Intangible assets

A. Trademarks and licenses
   Separately acquired trademarks and licenses are stated at historical cost. Trademarks and licenses acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licenses have a finite useful life and are amortised on a straight-line basis over their estimated useful lives of 1~10 years.
B. Computer software
   Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1~10 years.
C. Goodwill
   Goodwill arises in a business combination accounted for by applying the acquisition method.
D. Other intangible assets are mainly technical skill and amortised on a straight-line basis over its estimated useful life of 2~14 years.

(19) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(20) Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell, except for an investment property is measured subsequently using the fair value model.

(21) Borrowings

A. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.
B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(22) Notes and accounts payable

Notes and accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. However, short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as effect of discounting is immaterial.

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

A. Financial liabilities at fair value through profit or loss are financial liabilities held for trading. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.

B. Financial liabilities at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial liabilities are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial liabilities are recognised in profit or loss.

(24) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(25) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(26) Non-hedging and embedded derivatives

Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

(27) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognised immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognises expense as it can no longer withdraw an offer of termination benefits or it recognises related restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(28) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. And ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

B. Restricted stocks:

(a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period.

(b) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognises the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.

(c) For restricted stocks where employees do not need to pay to acquire those stocks, if employees resign during the vesting period, the Company will redeem at no consideration and retire those stocks.

(29) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures, employees' training costs and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(30) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(31) Dividends

Cash dividends are recorded as liabilities in the Company's financial statements in the period in which they are resolved by the Company's shareholders or when the Board of Directors with attendance of at least two thirds of total directors and approval by a majority of the directors present. Stock dividends are recorded as stock dividends to be distributed in the Company's financial statements in the period in which they are resolved by the Company's shareholders and are reclassified to ordinary shares on the effective date of new shares issuance..

(32) Revenue recognition

A. Sales of goods

(a) Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(b) According to the contracts with customers, as the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

(c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Incremental costs of obtaining a contract

Given that the contractual period lasts less than one year, the Group recognises the incremental costs of obtaining a contract as an expense when incurred although the Group expects to recover those costs.

(33) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant and equipment are presented by deducting the grants from the asset's carrying amount and are amortised to profit or loss over the estimated useful lives of the related assets as reduced depreciation expense.

(34) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical accounting judgements - Evaluation of investment property

The Group follows the guidance of IAS 40 ''Investment property'' to determine the assets to be measured at fair value. Unless in extreme circumstances that there is a definite evidence that the fair value of investment property cannot be reliably measured on an ongoing basis, the investment property of the Group is measured at fair value after the initial recognition.

(2) Critical accounting estimates and assumptions

A. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

B. Evaluation of investment property

The Group's investment properties are measured at fair value. The fair value is evaluated using the income approach by an external appraiser. It involves critical assumptions including occupancy rate, rent growth rate, discount rate, etc.. Those assumptions may be affected by the economic conditions, market needs, etc. that may change.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand and revolving funds	$ 11,130	$ 11,628
Checking accounts and demand deposits	1,626,303	3,454,907
Time deposits	88,203	284,816
	$ 1,725,636	$ 3,751,351

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Details of cash and cash equivalents pledged as collateral are provided in Note 8.

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

Items	December 31, 2021	December 31, 2020
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$ 2,702,452	$ 3,078,914
Unlisted stocks	20,809	20,809
Corporate bonds	22,770	22,770
Non-hedging derivatives		
Forward exchange contracts	246,225	732,449
Exchange rate swaps	5,402	53
	2,997,658	3,854,995
Valuation adjustment	(842,486)	(439,170)
	$ 2,155,172	$ 3,415,825
Financial liabilities mandatorily measured at fair value through profit or loss		
Non-hedging derivatives		
Forward exchange contracts	$ 59,354	$ 387,581
Exchange rate swaps	-	3,130
	$ 59,354	$ 390,711
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted stocks	$ 725,534	$ 747,663
Beneficiary certificates	1,208,949	1,089,083
	1,934,483	1,836,746
Valuation adjustment	64,817	(124,042)
	$ 1,999,300	$ 1,712,704

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	December 31, 2021	December 31, 2020
Equity instruments	($ 59,388)	($ 613,468)
Debt instruments	1,347	8,560
Beneficiary certificates	34,715	26,165
Derivatives	913,249	325,691
	$ 889,923	($ 253,052)

B. The Group entered into contracts relating to derivative financial assets and liabilities which were not accounted for under hedge accounting. The information is listed below:

Derivative instruments	December 31, 2021 Contract amount (Notional Principal) (In thousands)		Due Date
Forward foreign exchange contracts			
-SELL NTD/BUY USD	USD	580,000	2022.01.03~2022.02.25
-SELL USD/BUY RMB	USD	384,000	2022.01.04~2022.12.21
-SELL THB/BUY USD	USD	134,000	2022.01.18~2022.07.11
-SELL RMB/BUY USD	USD	28,109	2022.01.04~2022.03.10
-SELL USD/BUY NTD	USD	75,000	2022.01.03~2022.03.22
-SELL USD/BUY THB	USD	2,996	2022.01.08
Exchange rate swaps			
-SELL USD/BUY NTD	USD	50,500	2022.02.22~2022.03.29

Derivative instruments	December 31, 2020 Contract amount (Notional Principal) (In thousands)		Due Date
Forward foreign exchange contracts			
-SELL NTD/BUY USD	USD	415,000	2021.01.07~2021.02.26
-SELL RMB/BUY USD	USD	78,567	2021.01.04~2021.04.07
-SELL USD/BUY RMB	USD	437,500	2021.01.04~2021.12.01
-SELL USD/BUY NTD	USD	60,000	2021.01.15~2021.02.23
-SELL THB/BUY USD	USD	75,000	2021.01.15~2021.02.10
Exchange rate swaps			
-SELL USD/BUY NTD	USD	21,600	2021.02.22~2021.03.18

Forward foreign exchange contracts / Foreign exchange swap contracts

The Group entered into forward foreign exchange contracts and foreign exchange swap contracts to buy (sell) foreign exchange swap and interest rate swap to hedge exchange rate risk of import and export proceeds. However, these forward foreign exchange contracts and foreign exchange swap contracts are not accounted for under hedge accounting.

C. The Group has no financial assets and liabilities at fair value through profit or loss pledged to others.

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

Items	December 31, 2021	December 31, 2020
Current items:		
Listed stocks	$ 4,182,378	$ 4,275,431
Unlisted stocks	73,127	74,607
	4,255,505	4,350,038
Valuation adjustment	(1,374,047)	(1,737,506)
	$ 2,881,458	$ 2,612,532
Non-current items:		
Listed stocks	$ 1,281,850	$ 1,281,850
Unlisted stocks	484,444	589,881
	1,766,294	1,871,731
Valuation adjustment	(1,384,713)	(1,446,570)
	$ 381,581	$ 425,161

A. The Group has elected to classify equity investments that are considered to be strategic investments or steady dividend income as financial assets at fair value through other comprehensive income - current and financial assets at fair value through other comprehensive income - non-current. The fair value of such investments as of December 31, 2021 and 2020 was equivalent to their carrying amount.

B. The Group sold $156,971 and $135,108 equity investments at fair value which resulted in cumulative losses on disposal of $22,944 and $74,571 and were transferred as a deduction item to unappropriated retained earnings during the years ended December 31, 2021 and 2020, respectively.

C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	2021	2020
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 402,372	($ 266,733)
Cumulative losses reclassified to retained earnings due to derecognition	$ 22,944	$ 74,571
Dividend income recognised in profit or loss held at end of year	$ 57,890	$ 45,360

D. The Group has no financial assets at fair value through other comprehensive income pledged to others.

E. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(4) Financial assets at amortised cost

Items	December 31, 2021	December 31, 2020
Non-current items:		
Corporate bonds	$ 445,025	$ 454,030

A. Interest income from financial assets measured at amortised cost for the years ended December 31, 2021 and 2020 amounted to $40,435 and $85,279, respectively.

B. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(5) Accounts receivable

	December 31, 2021	December 31, 2020
Notes receivable	$ 163,196	$ 155,605
Accounts receivable	$ 28,653,616	$ 23,484,278
Less: Allowance for uncollectible accounts	(139,476)	(179,343)
	$ 28,514,140	$ 23,304,935

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	December 31, 2021		December 31, 2020	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 28,362,192	$ 163,196	$ 22,809,755	$ 155,605
1 to 30 days	138,458	-	321,327	-
31 to 120 days	33,237	-	162,567	-
121 to 215 days	45,245	-	46,337	-
Over 365 days	74,484	-	144,292	-
	$ 28,653,616	$ 163,196	$ 23,484,278	$ 155,605

The above ageing analysis was based on past due date.

B. As of December 31, 2021 and 2020, the balances of accounts and notes receivable were all from contracts with customers. As of January 1, 2020, the balance of receivables from contracts with customers amounted to $20,514,551.

C. The Group has no notes or accounts receivable pledged to others as collateral.

D. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents notes and accounts receivable held by the Group was equal to carrying amount.

E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(6) Inventories

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 10,642,738	($ 747,245)	$ 9,895,493
Work in progress	3,724,508	(188,797)	3,535,711
Finished goods	8,966,479	(601,462)	8,365,017
	$ 23,333,725	($ 1,537,504)	$ 21,796,221

	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 6,140,087	($ 431,482)	$ 5,708,605
Work in progress	2,771,644	(204,534)	2,567,110
Finished goods	8,107,536	(691,399)	7,416,137
	$ 17,019,267	($ 1,327,415)	$ 15,691,852

The cost of inventories recognised as expense for the year:

	Years ended December 31,	
	2021	2020
Cost of goods sold	$ 87,976,877	$ 76,833,341
Loss on decline in market value	473,766	436,870
Others	121,201	36,387
	$ 88,571,844	$ 77,306,598

The other losses (gains) represent the loss (gain) on physical count and income from sale of scraps and wastes.

(7) Investments accounted for using equity method

A. Investments accounted for using the equity method were as follows:

	December 31, 2021	December 31, 2020
Associate:		
Sky-Fine Investment Limited (Sky-Fine)	$ 18,455	$ 7,708
Swift Success Holdings Limited (Swift Success)	199,928	184,660
	$ 218,383	$ 192,368

B. The share of profit (loss) of associates accounted for using equity method for the years ended December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Associate:		
Sky-Fine Investment Limited (Sky-Fine)	$ 11,495	($ 10,816)
Swift Success Holdings Limited (Swift Success)	14,651	(261)
	$ 26,146	($ 11,077)

The amount of profit or loss of associates and other comprehensive income or loss of Sky-Fine Investment Limited is evaluated based on its audited financial statements for the same reporting period.

C. Associates

As of December 31, 2021 and 2020, the carrying amount of the Group's individually immaterial associates amounted to $218,383 and $192,368, respectively. The Group's share of the operating results are summarised below:

	Years ended December 31,	
	2021	2020
Profit (loss) for the year from continuing operations	$ 26,146	($ 11,077)
Other comprehensive loss, net of tax	(131)	(2,078)
Total comprehensive income (loss)	$ 26,015	($ 13,155)

(8) Property, plant and equipment

	Land	Buildings	Machinery	Tooling equipment	Testing equipment	Construction in progress	Others	Total
At January 1, 2021								
Cost	$ 757,088	$ 8,749,116	$ 7,543,061	$ 5,554,341	$ 3,214,319	$ 796,824	$ 4,072,471	$ 30,687,220
Accumulated depreciation and impairment	-	(2,450,369)	(4,311,509)	(4,528,239)	(2,101,073)	-	(3,014,548)	(16,405,738)
	$ 757,088	$ 6,298,747	$ 3,231,552	$ 1,026,102	$ 1,113,246	$ 796,824	$ 1,057,923	$ 14,281,482
2021								
Opening net book amount	$ 757,088	$ 6,298,747	$ 3,231,552	$ 1,026,102	$ 1,113,246	$ 796,824	$ 1,057,923	$ 14,281,482
Additions	89,230	520,135	781,164	437,541	624,672	244,423	400,188	3,097,353
Disposals	-	-	(129,272)	(63,356)	(22,699)	-	(123,901)	(339,228)
Reclassifications	19,315	865,082	284,133	269,647	104,884	(870,486)	168,919	841,494
Depreciation	-	(361,479)	(741,812)	(679,714)	(483,176)	-	(454,201)	(2,720,382)
Impairment loss	-	-	(133)	-	-	-	(7,850)	(7,983)
Net exchange differences	(22,684)	(52,180)	(33,794)	2,737	(14,387)	(51,045)	(19,656)	(191,009)
Closing net book amount	$ 842,949	$ 7,270,305	$ 3,391,838	$ 992,957	$ 1,322,540	$ 119,716	$ 1,021,422	$ 14,961,727
At December 31, 2021								
Cost	$ 842,949	$ 10,086,025	$ 8,130,805	$ 5,629,898	$ 3,720,964	$ 119,716	$ 4,266,155	$ 32,796,512
Accumulated depreciation and impairment	-	(2,815,720)	(4,738,967)	(4,636,941)	(2,398,424)	-	(3,244,733)	(17,834,785)
	$ 842,949	$ 7,270,305	$ 3,391,838	$ 992,957	$ 1,322,540	$ 119,716	$ 1,021,422	$ 14,961,727

	Land	Buildings	Machinery	Tooling equipment	Testing equipment	Construction in progress	Others	Total
At January 1, 2020								
Cost	$ 621,313	$ 6,946,841	$ 7,499,023	$ 5,174,391	$ 2,512,656	$ 1,105,959	$ 3,875,891	$ 27,736,074
Accumulated depreciation and impairment	-	(2,163,052)	(4,134,800)	(4,036,277)	(1,793,002)	-	(2,787,263)	(14,914,394)
	$ 621,313	$ 4,783,789	$ 3,364,223	$ 1,138,114	$ 719,654	$ 1,105,959	$ 1,088,628	$ 12,821,680
2020								
Opening net book amount	$ 621,313	$ 4,783,789	$ 3,364,223	$ 1,138,114	$ 719,654	$ 1,105,959	$ 1,088,628	$ 12,821,680
Additions	100,029	87,567	592,311	312,159	642,814	1,441,730	346,041	3,522,651
Disposals	-	(154)	(139,152)	(1,002)	(28,796)	-	(36,960)	(206,064)
Reclassifications	38,180	1,663,892	111,613	106,621	109,942	(1,735,411)	76,071	370,908
Depreciation	-	(273,603)	(705,870)	(537,888)	(339,391)	-	(416,157)	(2,272,909)
Net exchange differences	(2,434)	37,256	8,427	8,098	9,023	(15,454)	300	45,216
Closing net book amount	$ 757,088	$ 6,298,747	$ 3,231,552	$ 1,026,102	$ 1,113,246	$ 796,824	$ 1,057,923	$ 14,281,482
At December 31, 2020								
Cost	$ 757,088	$ 8,749,116	$ 7,543,061	$ 5,554,341	$ 3,214,319	$ 796,824	$ 4,072,471	$ 30,687,220
Accumulated depreciation and impairment	-	(2,450,369)	(4,311,509)	(4,528,239)	(2,101,073)	-	(3,014,548)	(16,405,738)
	$ 757,088	$ 6,298,747	$ 3,231,552	$ 1,026,102	$ 1,113,246	$ 796,824	$ 1,057,923	$ 14,281,482

A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows: None.

B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(9) Leasing arrangements - lessee

A. The Group leases various assets including land use right, buildings, machinery and equipment, business vehicles, multifunction printers. Rental contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants.

B. Short-term leases with a lease term of 12 months or less comprise multifunction printers, low-value assets comprise warehouses, offices and business vehicles. Those were not included in right-of-use assets.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	Years ended December 31,			
	2021		2020	
	Book value		Book value	
Buildings and structures	$	383,086	$	446,237
Land use right		399,578		409,397
	$	782,664	$	855,634

	Years ended December 31,			
	2021		2020	
	Depreciation expense		Depreciation expense	
Buildings and structures	$	149,195	$	154,269
Land use right		10,402		10,256
	$	159,597	$	164,525

D. As of December 31, 2021, the Group signed a land use right contract with the Bureau of Land Resources for use of the land in the municipality of Chongqing, WuJiang City of Jiangsu Province and Dongguan City of Guangdong Province with a term of 50 years. All rentals had been paid on the contract date, shown as ‘Long-term prepaid rents - Land use right’. The grants received from the local government, as a reward for the local investment, were deducted from the cost of land use right.

E. For the years ended December 31, 2021 and 2020, the additions to right-of-use assets (including changes in foreign exchange rate) were $113,713 and $127,049, respectively.

F. The information on profit and loss accounts relating to lease contracts is as follows:

	Years ended December 31,	
	2021	2020
Items affecting profit or loss		
Interest expense on lease liabilities	$ 19,463	$ 23,610
Expense on short-term lease contracts	118,100	90,613
Expense on leases of low-value assets	2,222	2,255
Gain on lease modification	1,092	225

G. For the years ended December 31, 2021 and 2020, the Group's total cash outflow for leases were $285,176 and $246,656, respectively.

H. The Group has no right-of-use assets pledged to others.

(10) Investment property

	Years ended December 31,	
	2021	2020
At January 1	$ 3,972,974	$ 6,447,876
Additions－from subsequent expenditures	1,714	-
Disposal	(214,897)	(2,479,067)
Reclassifications－transfer out	-	(47,778)
Gain on fair value adjustment	11,800	51,943
At December 31	$ 3,771,591	$ 3,972,974

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Years ended December 31,	
	2021	2020
Rental income from investment property	$ 70,551	$ 66,293
Direct operating expenses arising from the investment property that generated rental income during the year	$ 17,589	$ 13,863
Direct operating expenses arising from the investment property that did not generate rental income during the year	$ 17,033	$ 19,264

B. Basis of investment property at fair value:

The Group's investment properties are land and buildings of office building. Office buildings are located in Sanchong District and Wugu District in New Taipei City. They mainly earn from rental revenue with rental periods ranging from 1 to 10 years. The assumptions used for the years ended December 31, 2021 and 2020 are as follows:

(a) Details of the Group's investment property are as follows:

	December 31, 2021	
The subject	CEC Headquarter	Wugu Building
Location	Sanchong District, New Taipei City	Wugu District, New Taipei City
Valuation method	Income approach	Income approach
Valuation firm	Colliers	Colliers
Valuer	Chien Hui, Ku	Feng Ju, Ke
Evaluation basis date	December 31, 2021	December 31, 2021

	December 31, 2020		
The subject	CEC Headquarter	Wugu Building	Residential Compound Building
Location	Sanchong District, New Taipei City	Wugu District, New Taipei City	Sanchong District, New Taipei City
Valuation method	Income approach	Income approach	Income approach
Valuation firm	Panasia	Panasia	Panasia
Valuer	Min An, Yang	Shao You, Chung	Min An, Yang
Evaluation basis date	December 15, 2020 (Note)	December 15, 2020 (Note)	December 31, 2020

Note: We obtained appraisal reports as of December 31 2020 from the appraiser.

(b) The fair value of the Company's properties (including buildings and car parks) was evaluated using the discounted cash flow analysis of income approach.

The estimation process of the valuation method involves differentiating between rented and not yet rented. The former is calculated by contract rent and the latter is calculated by market price. It also considers comparative rent information of similar properties to determine annual growth range of rent; including idle loss, decoration offset loss, and the closing balance of disposal value of that property to calculate future cash inflow, then discounted by an appropriated discount rate accumulated until the valuation date. Future cash outflow which consists of expenses directly related to operations, i.e. land tax, house tax, insurance fee, management fee, maintenance fee, replacement allocation, amortization of agent fee, etc., is estimated based on the actual expenses incurred in the current year, considering the Company's current operating results and changes which may occur in the future.

(c) The rent, occupancy rate and income of past year of the Group's properties (including buildings and car parks) and comparative rent information of similar properties are as follows:

	Estimated rent ($/3.3m²/month)	Similar comparative local or market	Occupancy rate	Income of past year
Year ended December 31, 2021				
CEC Headquarter	\$909~\$972	Equivalent to estimated rent	50.35%	\$ 48,511
Wugu Building	\$580~\$680	Equivalent to estimated rent	100%	22,040
Year ended December 31, 2020				
CEC Headquarter	\$898~\$968	Equivalent to estimated rent	38.32%	\$ 44,253
Wugu Building	\$282~\$737	Equivalent to estimated rent	100%	22,040
Residential Compound Building	\$840~\$962	Equivalent to estimated rent	-	-

(d) Rent growth rate is evaluated by considering the lease contract and actual market situation. Discount rate is evaluated by risk premium approach which takes the return rate on investment of the most general goods as standard, adopted the floating interest rate on a 2-year time deposits of a small amount, as posted by the Chunghwa Post Co., Ltd. plus 0.75 percentage points; and explore the liquidity, risk level, value-added level and the ease of management of the subject. The rent growth rates and discount rates are as follows:

	December 31, 2021	
	CEC Headquarter	Wugu Building
Rent growth rate	1.00%	1.00%
Discount rate	2.845%	2.995%

	December 31, 2020		
	CEC Headquarter	Wugu Building	Residential Compound Building
Rent growth rate	1.00%	1.00%	1.00%
Discount rate	2.23%	2.90%	2.12%

C. The fair value information about the investment property is provided in Note 12(3).

D. Impairment of investment property: None.

E. Information about the investment property that was pledged to others as collateral is provided in Note 8.

F. The maturity analysis of the lease payments receivables under the operating leases is as follows:

	December 31, 2021	December 31, 2020
2021	$ -	$ 52,080
2022	62,779	43,086
2023	56,612	34,898
2024	48,311	34,211
2025	42,404	33,348
After 2026	55,518	43,260
	$ 265,624	$ 240,883

(11) Intangible assets

	Trademarks and patents	Software	Goodwill	Others	Total
At January 1, 2021					
Cost	$ 92,040	$ 386,769	$ 8,879	$ 34,668	$ 522,356
Accumulated amortisation and impairment	(71,240)	(318,038)	-	(31,984)	(421,262)
	$ 20,800	$ 68,731	$ 8,879	$ 2,684	$ 101,094
2021					
Opening net book amount	$ 20,800	$ 68,731	$ 8,879	$ 2,684	$ 101,094
Additions	17,874	78,717	-	-	96,591
Disposals	-	(2,533)	-	-	(2,533)
Reclassifications	-	2,070	-	-	2,070
Amortisation	(18,923)	(60,091)	-	(761)	(79,775)
Impairment loss	(394)	(615)	-	-	(1,009)
Net exchange differences	-	(246)	(177)	2	(421)
Closing net book amount	$ 19,357	$ 86,033	$ 8,702	$ 1,925	$ 116,017
At December 31, 2021					
Cost	$ 109,914	$ 465,673	$ 8,702	$ 34,117	$ 618,406
Accumulated amortisation and impairment	(90,557)	(379,640)	-	(32,192)	(502,389)
	$ 19,357	$ 86,033	$ 8,702	$ 1,925	$ 116,017

	Trademarks and patents	Software	Goodwill	Others	Total
At January 1, 2020					
Cost	$ 72,616	$ 320,372	$ 132,795	$ 31,634	$ 557,417
Accumulated amortisation and impairment	(53,032)	(264,786)	(69,085)	(28,173)	(415,076)
	$ 19,584	$ 55,586	$ 63,710	$ 3,461	$ 142,341
2020					
Opening net book amount	$ 19,584	$ 55,586	$ 63,710	$ 3,461	$ 142,341
Additions	19,424	63,008	-	-	82,432
Reclassifications	-	3,788	-	-	3,788
Amortisation	(18,208)	(54,035)	-	(790)	(73,033)
Impairment loss	-	-	(54,819)	-	(54,819)
Net exchange differences	-	384	(12)	13	385
Closing net book amount	$ 20,800	$ 68,731	$ 8,879	$ 2,684	$ 101,094
At December 31, 2020					
Cost	$ 92,040	$ 386,769	$ 129,529	$ 29,896	$ 638,234
Accumulated amortisation and impairment	(71,240)	(318,038)	(120,650)	(27,212)	(537,140)
	$ 20,800	$ 68,731	$ 8,879	$ 2,684	$ 101,094

A. Details of amortisation on intangible assets are as follows:

	Years ended December 31,	
	2021	2020
Operating costs	$ 7,264	$ 3,641
Selling expenses	1,913	1,432
Administrative expenses	22,220	14,809
Research and development expenses	48,378	53,151
	$ 79,775	$ 73,033

B. Goodwill is allocated to the Group's cash-generating units identified according to operating segment as follows:

	December 31, 2021	December 31, 2020
America	$ 8,702	$ 8,879

C. Goodwill of the Group's Asia segment is allocated to the cash-generating units identified by Zhuzhou Torch Auto Lamp Co., Ltd. (TORCH). The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. The key assumptions used for value-in-use calculations are as follows: The value-in-use was discounted at the weighted average cost of capital's discount rate of 3.84% for the year ended December 31, 2020, to reflect the specific risks relating to the relevant cash-generating units. For the year ended December 31, 2020, based on TORCH's assessment that its future operating profit will not be as expected, an impairment loss of $54,819 (listed under 'other gains and losses' in the statement of comprehensive income) was recognised for the goodwill of Asia segment due to the recoverable amount was less than the carrying amount.

D. The Group shut down certain production lines due to operational considerations for the year ended December 31, 2021 which resulted to an impairment of intangible assets amounting to $1,009. Please refer to Note 6(12) for details.

(12) Impairment of non-financial assets

A. The Group recognised impairment loss for the years ended December 31, 2021 and 2020 amounting to $33,000 and $54,819, respectively. Details of such loss are as follows:

	Year ended December 31, 2021 Recognised in profit or loss	Year ended December 31, 2020 Recognised in profit or loss
Impairment loss - property, plant and equipment	$ 7,983	$ -
Impairment loss - intangible assets	1,009	54,819
Impairment loss - others	24,008	-
	$ 33,000	$ 54,819

B. The impairment loss reported by operating segments is as follows:

	Year ended December 31, 2021 Recognised in profit or loss	Year ended December 31, 2020 Recognised in profit or loss
Taiwan	$ 8,992	$ -
Impairment loss - others	24,008	54,819
	$ 33,000	$ 54,819

C. The Group shut down certain production lines due to operational considerations for the year ended December 31, 2021 which resulted to an impairment in property, plant and equipment, intangible assets and other assets. The Group wrote down the carrying amount of the asset based on the recoverable amount and recognised an impairment loss of $33,000 accordingly. The recoverable amount of the cash-generating units is the asset's fair value less costs of disposal or value-in-use. The fair value is classified as a level 3 fair value.

(13) Other non-current assets

		December 31, 2021		December 31, 2020
Guarantee deposits paid	$	210,095	$	87,778
Prepayments for business facilities		717,040		1,577,231
Others		168,289		169,273
	$	1,095,424	$	1,834,282

Information on other non-current assets that were pledged to others as collateral is provided in Note 8.

(14) Short-term borrowings

Type of borrowings		December 31, 2021	Interest rate range	Collateral
Bank unsecured borrowings	$	1,535,279	0.68%~1%	None
Secured borrowings		89,076	2.32%~2.6%	Notes receivable
	$	1,624,355		

Type of borrowings		December 31, 2020	Interest rate range	Collateral
Bank unsecured borrowings	$	50,000	0.89%~0.90%	None
Secured borrowings		38,168	2.80%~3.07%	Notes receivable
	$	88,168		

A. As of December 31, 2021, the Group had issued promissory notes as guarantee for the short-term-loans. Please see Note 9(1).
B. Information about the collateral that the Company provided for the short-term borrowings is provided in Note 8.
C. The Group has signed an agreement to offset financial assets and liabilities with financial institutions. The agreement meets the offsetting criteria of IAS 32, the financial assets and liabilities are offset and reported in the net amount in the balance sheet. Details of the offset as of December 31, 2021 and 2020 are as follows:

December 31, 2021

Description	Gross amounts of recognised financial assets/liabilities	Gross amounts of recognised financial assets/liabilities set off in the balance sheet	Net amounts presented in the balance sheet
Bank deposit/ Bank borrowings	TWD12,702,028 (In thousands)	TWD12,702,028 (In thousands)	$ -

December 31, 2020

Description	Gross amounts of recognised financial assets/liabilities	Gross amounts of recognised financial assets/liabilities set off in the balance sheet	Net amounts presented in the balance sheet
Bank deposit/ Bank borrowings	TWD 3,279,488 (In thousands)	TWD 3,279,488 (In thousands)	$ -

(15) Other payables

	December 31, 2021	December 31, 2020
Marketing allowance payable	$ 4,368,444	$ 3,798,421
Salary payable and annual bonus	2,803,633	2,742,115
Employees' dividends and directors' and supervisors' remuneration payable	1,525,940	1,280,963
Processing expense payable	1,054,390	685,100
Construction and equipment expense payable	556,374	750,717
Miscellaneous purchase payable	538,661	705,411
Others	3,259,009	2,854,323
	$ 14,106,451	$ 12,817,050

(16) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2020
Long-term bank borrowings				
TCB	Borrowing period is from November 4, 2020 to January 20, 2021; interest is repayable upon maturity of the principal	1.797%	None	$ 100,000
Less: Current portion (shown as other current liabilities)				(100,000)
				$ -

Note: Revolving credit for five years starting from the first drawdown (January, 2016), each credit period is limited to 90 to 180 days.

A. As of December 31, 2021 and 2020, the Group’s Chairman had issued promissory notes to guarantee the long-term loans. Please see Note 9(1).

B. Information about the long-term borrowings that were pledged to others as collateral is provided in Note 8.

C. In the fourth quarter of 2018, the Group had signed individual credit contracts with E. Sun Commercial Bank, Land Bank of Taiwan and Hua Nan Commercial Bank for long-term operating use. The contract period is five years, and the loan facilities are $2,000,000, $1,000,000 and $1,000,000, respectively. For the loan facility mentioned above, the Group had pledged partial floors of the headquarters building. For the information on pledged assets, please refer to Note 8.

D. A long-term syndicated loan for five years was signed by CP with Taiwan Cooperative Bank as the lead bank in October 2015. It is to be used for the operations. The loan has expired as of January 2021.

The main contents of the contract are as follows:

(a) CP's annual consolidated financial statements should maintain financial ratios as follows:
   i. Current ratio is above 100%,
   ii. Financial liabilities divided by net tangible assets after subtracting cash and cash equivalents is under 250%,
   iii. Time interest earned is above 300%, and
   iv. Net tangible assets are above $4,000,000.

   The above financial ratios are based on the annual financial statements. If the Company does not conform to the contract, the Company should increase capital by cash or by other means. From the next day of the managing bank's notification until the next interest payment date after the Company conforms to the contract, the lending rates will be increase by 0.125% of the used but unsettled amount of this contract, and it will not be considered a breach of contract. If CP could not adjust the financial ratios by next inspection day (subjected to the consolidated financial statements audited by auditors), the borrower is considered to have violated the contract.

(b) CP should maintain appropriate accounts receivable ratio, which means the total of qualified accounts receivable balance and the compensation accounts balance divided by the remainder of undrawn balance should be above 50%. The remainder of undrawn balance is CP's expected drawdown amounts plus the remainder of undrawn amounts. If the ratio cannot be maintained appropriately, CP should choose any of the following actions to make the accounts receivable ratio comply with the contract within seven days after the managing bank's notification:
   i. Provide other qualified accounts receivable which was certified by the managing bank, or,
   ii. Repay the loan before maturity, or,
   iii. Repay or deposit in compensation accounts to maintain appropriate accounts receivable ratio above (or equal to) 50%.

(c) As part of the contract, the commitment fee should be calculated every three months, which begins six months after CP drawdowns the credit for the first time. During the commitment fee calculation period, if the average drawdown amounts are less than 60% of the total loan facility, the commitment fee should be calculated quarterly, using the difference of actual drawdown amounts and 50% of the total loan facility, multiplied by 0.1%, the annual fee rate, and then pay the managing bank every three months.

(17) Pensions

A. Defined benefit plans: Employee contributions

(a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contribution to cover the deficit by next March.

(b) The amounts recognised in the balance sheet are determined as follows:

	December 31, 2021	December 31, 2020
Present value of defined benefit obligations	($ 394,052)	($ 407,542)
Fair value of plan assets	192,348	190,503
Net defined benefit liability	($ 201,704)	($ 217,039)

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2021			
Balance at January 1	($ 407,542)	$ 190,503	($ 217,039)
Current service cost	(1,476)	-	(1,476)
Interest (expense) income	(1,642)	784	(858)
	(410,660)	191,287	(219,373)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	2,593	2,593
Change in demographic assumptions	(8,222)	-	(8,222)
Change in financial assumptions	7,232	-	7,232
Experience adjustments	7,815	-	7,815
	6,825	2,593	9,418
Pension fund contribution	-	8,251	8,251
Paid pension	9,783	(9,783)	-
Balance at December 31	($ 394,052)	$ 192,348	($ 201,704)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2020			
Balance at January 1	($ 398,989)	$ 176,945	($ 222,044)
Current service cost	(2,065)	-	(2,065)
Interest (expense) income	(2,983)	1,353	(1,630)
	(404,037)	178,298	(225,739)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	6,206	6,206
Change in demographic assumptions	(1,199)	-	(1,199)
Change in financial assumptions	(12,130)	-	(12,130)
Experience adjustments	6,488	-	6,488
	(6,841)	6,206	(635)
Pension fund contribution	-	9,242	9,242
Paid pension	3,336	(3,243)	93
Balance at December 31	($ 407,542)	$ 190,503	($ 217,039)

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company and domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets As of December 31, 2021 and 2020 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2021	2020
Discount rate	0.625%~0.700%	0.300%~0.500%
Future salary increases	2.500%~3.000%	2.500%~3.000%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2021				
Effect on present value of defined benefit obligation	($ 8,150)	$ 8,434	$ 8,112	($ 7,811)
December 31, 2020				
Effect on present value of defined benefit obligation	($ 8,979)	$ 9,303	$ 8,930	($ 8,667)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The method and assumptions used for the preparation of sensitivity analysis during 2021 and 2020 are the same.

(f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2022 amount to $17,080.

(g) As of December 31, 2021, the weighted average duration of the retirement plan is 7.9~9.8 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$ 28,203
1-2 year(s)	16,052
2-5 years	122,312
Over 5 years	91,987
	$ 258,554

B. Defined contribution plans

(a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The overseas subsidiaries of the Company have defined contribution plans.

(c) The Company's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(d) The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2021 and 2020 were $959,208 and $665,606, respectively.

(18) Share-based payment

A. For the years ended December 31, 2021 and 2020, CP's and XAVi's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Treasury stock transferred to employees	March 3, 2021	916 thousand shares	-	Vested immediately
Treasury stock transferred to employees	March 2, 2020	948 thousand shares	-	〃
1st employee stock options	August 31, 2021	894 thousand shares	4 years	2 years' service

B. (a) Details of CP's treasury stock transferred to employees are as follows:

	2021		2020	
	No. of options	Weighted-average exercise price (in dollars)	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	-	$ -	-	$ -
Options granted	916	40.51	948	40.72
Options exercised	(916)	40.51	(948)	40.72
Options outstanding at December 31	-	-	-	-
Options exercisable at December 31	-	-	-	-

(b) Details of XAVi's 1st employee stock options are as follows:

	2021	
	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	-	$ -
Options granted	894	15.00
Options outstanding at December 31	894	15.00
Options exercisable at December 31	-	-

C. (a) For the years ended December 31, 2021 and 2020, the weighted average stock prices of options on the exercise date were NT$79.08 and NT$55.55 (in dollars), respectively.

(b) For the year ended December 31, 2021, XAVi's exercise prices of stock options outstanding was $15 (in dollars) and the weighted-average remaining contractual period was 3.25 years.

D. (a) CP's and XAVi's fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Treasury stock transferred to employees	March 3, 2021	$79.00	$40.51	28.07% (Note)	15 days	-	0.14%	$38.49
〃	March 2, 2020	59.50	40.72	27.34% (Note)	〃	-	0.45%	18.79
1st employee stock options	August 31, 2021	42.15	15.00	34.49% (Note)	3.25 years	-	0.27%	4.3229

Note: Expected price volatility rate is estimated based on the average annualised standard deviation by using the daily rates of returns from the grant date back to 6 months ago as the hypothesised value.

E. Expenses incurred on share-based payment transactions are shown below:

	Years ended December 31,	
	2021	2020
Equity-settled	$ 35,796	$ 17,813

(19) Share capital

A. As of December 31, 2021, the Company's authorised capital was $8,000,000, and the paid-in capital was $7,452,927 with a par value of $10 (in dollars) per share, and the outstanding common stock was 800 million shares.

Movements in the number of the Company's ordinary shares outstanding are as follows (shares in thousands):

	2021	2020
At January 1	702,098	697,135
Employee share compensation	5,832	4,963
At December 31	707,930	702,098

B. On March 10, 2021, the Company's Board of Directors approved the employees' stock bonus amounting to $550,000 at the previous closing price of $94.3 (in dollars) before the day of the Board of Directors' meeting, issuing 5,832 thousand shares. The Company has obtained a letter of approval from the appropriate authorities. The issue date was set on April 8, 2021, and the Company had completed the related registration on April 23, 2021.

C. On March 10, 2020, the Company's Board of Directors approved the employees' stock bonus amounting to $400,000 at the previous closing price of $80.6 (in dollars) before the day of the Board of Directors' meeting, issuing 4,963 thousand shares. The Company has obtained a letter of approval from the appropriate authorities. The issue date was set on April 8, 2020, and the Company had completed the related registration on April 21, 2020.

D. Treasury stock

(a) Reason for stocks reacquisition and movements in the number of the Company's treasury stocks are as follows:

		December 31, 2021		
Name of company holding the shares	Reason for reacquisition	Number of shares (in thousands)	Carrying amount	Fair value (in dollars) (per share)
UNIKEY	For investment	21,174	$ 205,795	$ 82.30
HEC	For investment	16,189	105,482	82.30
		37,363	$ 311,277	

		December 31, 2020		
Name of company holding the shares	Reason for reacquisition	Number of shares (in thousands)	Carrying amount	Fair value (in dollars) (per share)
UNIKEY	For investment	21,174	$ 205,795	$ 86.20
HEC	For investment	16,189	105,482	86.20
		37,363	$ 311,277	

(b) Pursuant to the R.O.C. Securities and Exchange Law, the number of stocks bought back as treasury stock should not exceed 10% of the number of the Company's issued and outstanding stocks and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

(c) Pursuant to the R.O.C. Securities and Exchange Law, treasury stocks should not be pledged as collateral and is not entitled to dividends before it is reissued.

(d) Pursuant to the R.O.C. Securities and Exchange Law, treasury stocks should be reissued to the employees within three years from the reacquisition date and shares not reissued within the three-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(20) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

A summary of the Company's capital surplus as of December 31, 2021 and 2020 is as follows:

	December 31, 2021	December 31, 2020
Share premium	$ 4,369,558	$ 3,877,882
Treasury share transactions	2,015,775	1,810,278
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	43,876
Changes in ownership interests in subsidiaries	795,961	679,328
Others	1,171	1,171
	$ 7,182,465	$ 6,412,535

(21) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses, if any; and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the total capital stock balance and as special reserve in accordance to relevant regulations when necessary; and the remainder, if any, to be appropriated shall be presented by the Board of Directors and resolved by the stockholders at the stockholders' meeting. Since June 5, 2019, the Board of Directors can distribute all or part of the distributable dividends and bonus, legal reserve and capital surplus in the form of cash as resolved by a majority vote at their meeting attended by two-thirds of the total number of directors and report to the shareholders which the aforementioned regulation of requiring resolution from the shareholders is not applicable.

B. The Company's dividend policy is summarised below: the Company is in the development stage of the electronics industry. The dividend policy should be formulated by considering the capital requirements of the new products and promoting the return on equity simultaneously. Therefore, the total amounts of stockholders' dividends should not exceed 90% of the total distributable earnings, and then the cash dividends should not be less than 10% of the total amounts of stockholders' dividends. The above restrictions will not be applicable if the total amount of stockholders' dividends is less than $0.5 (in dollars) per share.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

E. The appropriations of 2020 and 2019 earnings had been resolved at the shareholders' meeting on March 10, 2021 and June 10, 2020, respectively, and the details are summarised below:

	Years ended December 31,			
	2020		2019	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 542,708		$ 583,882	
Special reserve	961,745		185,424	
Cash dividends	4,099,110	$ 5.50	4,362,815	$ 5.90

The appropriations of 2020 earnings, aside from the cash dividends which had been resolved by the Board of Directors and shall only be reported to the shareholders, had been resolved after meeting the statutory voting threshold on June 11, 2021 via the electronic voting platform for shareholders' meeting and had been resolved at the shareholders' meeting on August 27, 2021.

F. Subsequent events: The appropriations of 2021 earnings had been proposed at the Board of Directors' meeting on March 9, 2022, and the details are summarised below:

	Year ended December 31, 2020	
	Amount	Dividends per share (in dollars)
Legal reserve	$ 591,255	
Special reserve	13,076	
Cash dividends	4,586,263	$ 6.10

The appropriations of 2021 earnings, aside from the cash dividends which had been resolved by the Board of Directors and shall only be reported to the shareholders, have not yet been resolved by the shareholders as of March 9, 2022.

(22) Other equity interest

	2021			
	Currency translation	Unrealised gains (losses) on valuation	Revaluation increment	Total
At January 1	($ 2,802,749)	($ 2,815,388)	$ 1,376,923	($ 4,241,214)
Revaluation				
-Group	-	389,345	-	389,345
-Transfer	-	8,218	-	8,218
Currency translation differences:				
-Group	(356,285)	-	-	(356,285)
-Associates	(131)	-	-	(131)
Revaluation increment				
-Transfer	-	-	(401)	(401)
At December 31	($ 3,159,165)	($ 2,417,825)	$ 1,376,522	($ 4,200,468)

	2020			
	Currency translation	Unrealised gains (losses) on valuation	Revaluation increment	Total
At January 1	($ 2,115,391)	($ 2,597,937)	$ 1,381,667	($ 3,331,661)
Revaluation				
-Group	-	(261,583)	-	(261,583)
-Transfer	-	44,132	-	44,132
Currency translation differences:				
-Group	(685,280)	-	-	(685,280)
-Associates	(2,078)	-	-	(2,078)
Revaluation increment				
-Transfer	-	-	(4,744)	(4,744)
At December 31	($ 2,802,749)	($ 2,815,388)	$ 1,376,923	($ 4,241,214)

(23) Operating revenue

A. Disaggregation of revenue from contracts with customers

Year ended December 31, 2021	Taiwan	Asia	America	Europe	Total
Revenue from contracts with customers					
Electronic component products	$ 38,303,745	$ 22,179,381	$ 842,805	$ 224	$ 61,326,155
Consumer electronic products	41,256,580	2,714,149	772,828	400,300	45,143,857
Others	588,840	377,395	36,048	1,784	1,004,067
	$ 80,149,165	$ 25,270,925	$ 1,651,681	$ 402,308	$107,474,079

Year ended December 31, 2020	Taiwan	Asia	America	Europe	Total
Revenue from contracts with customers					
Electronic component products	$ 32,275,278	$ 20,371,854	$ 682,132	$ 351	$ 53,329,615
Consumer electronic products	34,091,113	5,664,597	929,456	529,480	41,214,646
Others	318,991	217,747	101	1,127	537,966
	$ 66,685,382	$ 26,254,198	$ 1,611,689	$ 530,958	$ 95,082,227

B. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	December 31, 2021	December 31, 2020	January 1, 2020
Contract liabilities	$ 271,893	$ 185,731	$ 147,815

C. Contract liability balance at the beginning of 2021 and 2020 was all included in the operating revenue.

(24) Interest income

	Years ended December 31,	
	2021	2020
Interest income from bank deposits	$ 57,212	$ 57,081
Interest income from financial assets measured at amortised cost	40,435	85,279
	$ 97,647	$ 142,360

(25) Other income

	Years ended December 31,	
	2021	2020
Rental revenue	$ 71,611	$ 66,461
Dividend income	117,568	243,213
Others	476,945	439,054
Accounts payable past due two years transferred to other income	211,538	-
	$ 877,662	$ 748,728

(26) Other gains and losses

	Years ended December 31,	
	2021	2020
Net gain on financial assets and liabilities at fair value through profit or loss - derivative instruments	$ 913,249	$ 325,691
Net loss on financial assets and liabilities at fair value through profit or loss - others	(23,326)	(578,743)
Net currency exchange loss	(602,993)	(187,811)
Loss on disposal of property, plant and equipment	(115,420)	(34,439)
Gain on disposal of investment property	51,933	222,225
Impairment on non-financial assets	(33,000)	(54,819)
Gain on fair value adjustment of investment property	11,800	51,943
Other gains and losses	(305,424)	(925)
	($ 103,181)	($ 256,878)

(27) Finance costs

	Years ended December 31,	
	2021	2020
Interest expense:		
Bank borrowings	$ 40,208	$ 44,033
Lease liability	19,463	23,610
	$ 59,671	$ 67,643

(28) Expenses by nature

	Year ended December 31, 2021		
	Cost of revenue	Operating expense	Total
Employee benefit expense	$ 10,393,324	$ 5,215,211	$ 15,608,535
Depreciation	2,393,354	486,625	2,879,979
Amortisation on intangible assets	7,264	72,511	79,775
Other assets transferred to expense	18,645	9,040	27,685

	Year ended December 31, 2020		
	Cost of revenue	Operating expense	Total
Employee benefit expense	$ 8,814,173	$ 5,241,583	$ 14,055,756
Depreciation	2,065,997	371,437	2,437,434
Amortisation on intangible assets	3,641	69,392	73,033
Other assets transferred to expense	29,822	31,206	61,028

(29) Employee benefit expense

	Year ended December 31, 2021		
	Cost of revenue	Operating expense	Total
Wages and salaries	$ 8,461,461	$ 4,630,497	$ 13,091,958
Labor and health insurance fees	105,136	211,605	316,741
Pension costs	770,138	191,405	961,543
Other personnel expenses	1,056,589	181,704	1,238,293
	$ 10,393,324	$ 5,215,211	$ 15,608,535

	Year ended December 31, 2020		
	Cost of revenue	Operating expense	Total
Wages and salaries	$ 7,587,102	$ 4,715,987	$ 12,303,089
Labor and health insurance fees	78,101	191,368	269,469
Pension costs	507,822	161,479	669,301
Other personnel expenses	642,996	172,881	815,877
	$ 8,816,021	$ 5,241,715	$ 14,057,736

A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors’ and supervisors’ remuneration. The ratio shall not be lower than 11% for employees’ compensation and shall not be higher than 1% for directors’ remuneration.

B. For the years ended December 31, 2021 and 2020, employees’ compensation was accrued at $934,885 and $847,551, respectively; directors’ remuneration was accrued at $58,082 and $52,656, respectively. The aforementioned amounts were recognised in salary expenses.

The employees’ compensation and directors’ and supervisors’ remuneration were estimated and accrued based on 11.79% and 0.73% of distributable profit of current year for the year ended December 31, 2021, respectively. The employees’ compensation and directors’ remuneration resolved by the Board of Directors were $934,885 and $58,082, respectively, and the employees’ compensation will be distributed in the form of shares.

C. Employees' compensation of $847,551 and directors' remuneration of $52,656 for 2020 as resolved at the meeting of Board of Directors were in agreement with those amounts recognised in the 2020 financial statements. For the year ended December 31, 2020, 5,832 thousand shares of stock were issued as employee compensation, and the number of shares were calculated based on the closing price of $ 94.3 (in dollars) on the day before the Board of Directors' meeting.

Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(30) Income tax

A. Income tax expense

Components of income tax expense:

	Years ended December 31, 2021	2020
Current tax:		
Current tax on profits for the year	$ 2,069,957	$ 1,870,325
Tax on undistributed earnings	20,106	15,161
Prior year income tax over estimation	(109,529)	(84,017)
Total current tax	1,980,534	1,801,469
Deferred tax:		
Origination and reversal of temporary differences	(101,209)	(151,050)
Total deferred tax	(101,209)	(151,050)
Income tax expense	$ 1,879,325	$ 1,650,419

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31, 2021	2020
Tax calculated based on profit before tax and statutory tax rate (Note)	$ 2,667,010	$ 1,812,368
Effect from items adjusted in accordance with tax regulation	(603,555)	(8,093)
Effect from investment tax credits	(94,707)	(85,000)
Prior year income tax overestimation	(109,529)	(84,017)
Undistributed earnings	20,106	15,161
Income tax expense	$ 1,879,325	$ 1,650,419

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
-Deferred tax assets:				
Unrealised exchange loss	$ 18,480	($ 14,197)	$ -	$ 4,283
Provision for inventory price decline	63,394	(6,156)	-	57,238
Allowance for doubtful accounts in excess of tax limit	471	-	-	471
Unrealised accrued expenses	74,885	32,844	-	107,729
Unrealised government grants	42,949	350	-	43,299
Others	32,092	(21,183)	-	10,909
	$ 232,271	($ 8,342)	$ -	$ 223,929
Temporary differences:				
-Deferred tax liabilities:				
Fair value adjustment of investment property	($ 233,752)	$ 43,673	$ 5,406	($ 184,673)
Unrealised exchange gain	(156,144)	52,121	-	(104,023)
Unrealised financial asset evaluation gain	(41,325)	14,165	-	(27,160)
Gain on long-term equity investment	(253)	-	-	(253)
Temporary differences of fixed assets for tax and financial purposes	(1,979)	41	-	(1,938)
Unrealised pension contribution	(436)	99	-	(337)
Others	(78,326)	(548)	-	(78,874)
	($ 512,215)	$ 109,551	$ 5,406	($ 397,258)

	2020		
	January 1	Recognised in profit or loss	December 31
Temporary differences:			
-Deferred tax assets:			
Unrealised exchange loss	$ -	$ 18,480	$ 18,480
Provision for inventory price decline	41,993	21,401	63,394
Allowance for doubtful accounts in excess of tax limit	-	471	471
Unrealised accrued expenses	52,439	22,446	74,885
Unrealised government grants	43,489	(540)	42,949
Others	14,418	17,674	32,092
	$ 152,339	$ 79,932	$ 232,271
Temporary differences:			
-Deferred tax liabilities:			
Fair value adjustment of investment property	($ 394,251)	$ 160,499	($ 233,752)
Unrealised exchange gain	(97,096)	(59,048)	(156,144)
Unrealised financial asset evaluation gain	(11,452)	(29,873)	(41,325)
Gain on long-term equity investment	-	(253)	(253)
Temporary differences of fixed assets for tax and financial purposes	(2,138)	159	(1,979)
Unrealised pension contribution	-	(436)	(436)
Others	(78,396)	70	(78,326)
	($ 583,333)	$ 71,118	($ 512,215)

D. As of December 31, 2021 and 2020, the amounts of deductible temporary differences that were not recognised as deferred tax assets are as follows:

	December 31, 2021	December 31, 2020
Deductible temporary differences	$ 999,187	$ 1,012,295

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

F. According to the Preferential Tax Policy Issues concerning Further Implementation of the Development of Western China regulated by the "Law of the People's Republic of China on Enterprise Income Tax" and the State Taxation Administration, Ministry of Finance, industrial items that CEM5 and CPCQ set in the western region as specified in the "Catalogue of encouraging industries in Western China" were supervisory business. The enterprises whose main business income accounted for more than 70% of the total enterprise income in the current year are entitled to a 10% tax exemption before and in 2020 and extend the Preferential Tax

Policy Issues concerning the Development of Western China after applying and obtaining approval from the competent tax authority. The enterprises whose main business income accounted for more than 60% of the total enterprise income in the current year are also entitled to a 10% of tax exemption from 2021 to 2030 after applying and obtaining approval from the competent tax authority. The tax rate is 15%.

(31) Earnings per share

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 6,154,426	706,843	$ 8.71
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	12,446	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 6,154,426	719,289	$ 8.56

	Year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 5,466,764	701,161	$ 7.80
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	10,767	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 5,466,764	711,928	$ 7.68

(32) Transactions with non-controlling interest

A. Acquisition of additional equity interest in a subsidiary

(a) For the year ended December 31, 2021, the Group acquired an additional 1.02% of shares of its subsidiary-CP for a total cash consideration of $440,572. The carrying amount of non-controlling interest in CP was $4,726,103 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by $148,134 and a decrease in the equity attributable to owners of the parent by $292,438. For the year ended December 31, 2020, the Group acquired an additional 2.41% of shares of its subsidiary-CP for a total cash consideration of $635,120. The carrying amount of non-controlling interest in CP was $4,515,654 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by $256,841 and a decrease in the equity attributable to owners of the parent by $378,279. The effect of changes in interests in CP on the equity attributable to owners of the parent for the years ended December 31, 2021 and 2020 is shown below:

	Years ended December 31,	
	2021	2020
Carrying amount of non-controlling interest acquired	$ 148,134	$ 256,841
Consideration paid to non-controlling interest	(440,572)	(635,120)
Capital surplus - difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount	($ 292,438)	($ 378,279)

(b) For the year ended December 31, 2021, the Group acquired an additional 0.19% of shares of its subsidiary-XAVi for a total cash consideration of $1,615. The carrying amount of non-controlling interest in XAVi was $482,775 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by $1,672 and an increase in the equity attributable to owners of the parent by $57. For the year ended December 31, 2020, the Group acquired an additional 0.69% of shares of its subsidiary-XAVi for a total cash consideration of $6,949. The carrying amount of non-controlling interest in XAVi was $587,098 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by $7,116 and an increase in the equity attributable to owners of the parent by $167.The effect of changes in interests in XAVi on the equity attributable to owners of the parent for the years ended December 31, 2021 and 2020 is shown below:

	Years ended December 31,	
	2021	2020
Carrying amount of non-controlling interest acquired	$ 1,672	$ 7,116
Consideration paid to non-controlling interest	(1,615)	(6,949)
Capital surplus - difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount	$ 57	$ 167

(b) For the year ended December 31, 2021, CP acquired an additional 16.32% of shares of its subsidiary, WTS, for a total cash consideration of $29,199. The carrying amount of non-controlling interest in WTS was $17,514 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by $5,490 and a decrease in the equity attributable to owners of the parent by $6,195. For the year ended December 31, 2020, CP acquired an additional 5.551% of shares of its subsidiary, WTS, for a total cash consideration of $7,955. The carrying amount of non-controlling interest in WTS at the acquisition date was the same as the total consideration paid. This transaction resulted in a decrease in the non-controlling interest by $7,955 but there was no change in the equity attributable to owners of the parent. The effect of changes in interests in WTS on the equity attributable to owners of the parent for the years ended December 31, 2021 and 2020 is shown below:

	Years ended December 31,	
	2021	2020
Carrying amount of non-controlling interest acquired	$ 17,514	$ 7,955
Consideration paid to non-controlling interest	(29,199)	(7,955)
Decrease in non-controlling interest	5,490	-
Capital surplus - difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount	($ 6,195)	$ -

B. Disposal of equity interest in a subsidiary (that did not result in a loss of control)

(a) For the year ended December 31, 2021, the Group disposed of 1.48% of shares of its subsidiary-XAVi for a total cash consideration of $23,528. The carrying amount of non-controlling interest in 23,528 was $449,921 at the disposal date. This transaction resulted in an increase in the non-controlling interest by $11,532 and an increase in the equity attributable to owners of the parent by $11,050. The effect of changes in interests in XAVi on the equity attributable to owners of the parent for the year ended December 31, 2021 is shown below:

	Year ended December 31, 2021
Carrying amount of non-controlling interest disposed	($ 11,532)
Consideration received from non-controlling interest	23,528
Other equity (such as translation differences)	(946)
Capital surplus - recognition of changes in ownership interest in subsidiaries	$ 11,050

(b)XAVi decreased its capital on November 10, 2020 in the amount of $298,057, of which included $138,979 pertains to proceeds for shares returned to the parent company and $159,078 pertains to proceeds for shares returned to the non-controlling interest. This transaction did not affect the shareholding ratio. The effect on the equity attributable to owners of the parent for the year ended December 31, 2020 is shown below:

	Year ended December 31, 2020
Carrying amount decreased because of capital reduction	($ 138,984)
Proceeds from capital reduction	138,979
Capital surplus - recognition of changes in ownership interest in subsidiaries	($ 5)

C. Changes in ownership interest in subsidiaries

(a) The subsidiary-CP, distributed employee share compensation and transferred treasury stock to employees for the year ended December 31, 2021. This transaction resulted in an increase in the non-controlling interest by $221,442 and an increase in the equity attributable to owners of the parent by $116,390 which totally increased shareholders' equity by $337,832 (shown as 'capital surplus - recognition of changes in ownership interest in subsidiaries').

(b) The subsidiary-XAVi, distributed employee stock options for the year ended December 31, 2021. This transaction resulted in an increase in the non-controlling interest by $296 and an increase in the equity attributable to owners of the parent by $243 which totally increased shareholders' equity by $539 (shown as 'capital surplus - recognition of changes in ownership interest in subsidiaries').

(c) The subsidiary-CP, distributed employee share compensation and transferred treasury stock to employees for the year ended December 31, 2020. This transaction resulted in an increase in the non-controlling interest by $218,502 and an increase in the equity attributable to owners of the parent by $105,832 which totally increased shareholders' equity by $324,334 (shown as 'capital surplus - recognition of changes in ownership interest in subsidiaries')..

(33) Supplemental cash flow information

Investing activities with partial cash payments

	Years ended December 31, 2021	Years ended December 31, 2020
Purchase of property, plant and equipment	$ 3,097,353	$ 3,522,651
Add: Opening balance of payable on equipment	583,741	468,052
Less: Ending balance of payable on equipment	(467,808)	(583,741)
Cash paid during the year	$ 3,213,286	$ 3,406,962

(34) Changes in liabilities from financing activities

2021	Short-term borrowings	Long-term borrowings (Note)	Lease liability	Total
At January 1	$ 88,168	$ 100,000	$ 475,238	$ 663,406
Changes in cash flow from financing activities	1,536,154	(100,000)	(145,391)	1,290,763
Impact of changes in foreign exchange rate	33	-	(9,089)	(9,056)
Changes in other non-cash items	-	-	91,275	91,275
At December 31	$ 1,624,355	$ -	$ 412,033	$ 2,036,388

2020	Short-term borrowings	Long-term borrowings (Note)	Lease liability	Total
At January 1	$ 895,000	$ 100,000	$ 482,769	$ 1,477,769
Changes in cash flow from financing activities	(806,832)	-	(130,178)	(937,010)
Impact of changes in foreign exchange rate	-	-	(6,445)	(6,445)
Changes in other non-cash items	-	-	129,092	129,092
At December 31	$ 88,168	$ 100,000	$ 475,238	$ 663,406

Note: Including current portion

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Newmax Technology Co., Ltd.	Other related party
Clevo Co.	Other related party
Hongwell	Other related party
Chicony Square	Other related party
Kapok Computer (Kunshan) Co., Ltd.	Other related party
Buynow Group (includinig Loyang, Anshan, Quanzhou, Zhengzhou, etc)	Other related party
Hon Hui Co., Ltd. (including Shanghai, New Taipei, Ruiguang, etc)	Other related party
Far Win (Kunshan) Co., Ltd.	Other related party
Far Win (Dong guan) Co., Ltd.	Other related party
ShunOn Electronic Co.	Other related party
Jiaxing Chunxiang Electronic Technology Co., Ltd.	Other related party
Chongqing Chunxiang Electronic Technology Co., Ltd.	Other related party
Jim Yu Plastic Electronic (Wujiang) Co., Ltd.	Other related party
Cheung Shun (Wujiang) Plastic Processing Technology Co., Ltd.	Other related party
Key management personnel	Other related party

(2) Significant related party transactions

A. Operating revenue:

	Years ended December 31,	
	2021	2020
Sales of goods:		
Other related parties	$ 1,061,795	$ 934,711

The terms of the sales to related parties were the same as those to third parties.

B. Purchases:

	Years ended December 31,	
	2021	2020
Purchases of goods:		
Other related parties	$ 2,455,376	$ 2,037,162

The terms of the purchases from related parties were the same as those to third parties.

C. Receivables from related parties:

	December 31, 2021	December 31, 2020
Accounts receivable:		
Other related parties	$ 352,102	$ 253,227

The receivables from related parties arise mainly from sale transactions. The receivables are unsecured in nature and bear no interest. There was no allowance for doubtful accounts pertaining to accounts receivable from related parties.

D. Payables to related parties:

	December 31, 2021	December 31, 2020
Accounts payable:		
Other related parties	$ 475,434	$ 485,964

The payables from related parties arise mainly from purchase transactions. The payables are unsecured in nature and bear no interest.

E. Lease transactions – lessor:

(a) As of December 31, 2021, the main lease contracts between the Group and related parties are as follows:

Lessee	Leased object	Lease payment	Lease term
Other related parties	Buildings and structures	$ 213/ month	Within a year

(b) The Group's rental income during the year derived from leasing offices to related parties is as follows:

	Years ended December 31,	
	2021	2020
Other related parties	$ 2,573	$ 854

F. Dividend income:

	Years ended December 31,	
	2021	2020
Other related parties	$ 37,774	$ 26,070

G. Disposal of investment property:

No such transaction for the year ended December 31, 2021.

	Year ended December 31, 2020	
	Disposal proceeds (before tax)	Gain on disposal
Key management personnel	$ 61,512	$ 8,041

(3) Key management compensation

	Years ended December 31,	
	2021	2020
Salaries and other short-term employee benefits	$ 225,275	$ 207,407
Termination benefits	2,005	2,138
Share-based payments	126,138	122,756
	$ 353,418	$ 332,301

8. PLEDGED ASSETS

(1) The Group's assets pledged as collateral are as follows:

	Book value		
Pledged asset	December 31, 2021	December 31, 2020	Purpose
Bank deposits (shown as other current assets)	$ 11,978	$ -	Guarantee for acceptance bill
Notes receivable	89,076	38,168	Discounted bank financing
Property, plant and equipment	1,158,418	1,177,020	Long-term borrowings and short-term borrowings
Investment property	3,132,591	3,132,753	Long-term borrowings and short-term borrowings
Refundable deposits (shown as other non-current assets)	138,366	25,154	Performance guarantee and bid bond
"	71,729	62,624	Deposits and guarantee for plant and operating leases
	$ 4,602,158	$ 4,435,719	

(2) As of December 31, 2021 and 2020, UNIKEY has pledged the Company's common stock (shown as "treasury stock") amounting to 7,200,000 shares, as collateral for loans.

(3) As of December 31, 2021 and 2020, HEC has pledged the Company's common stock (shown as "treasury stock") amounting to 12,600,000 shares, as collateral for loans.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) As of December 31, 2021, for bank loans, financing forward exchange contracts, bill purchased and accounts receivable factoring purposes, the Group provided standby promissory notes totaling $27,382,840 as security.

(2) The amounts of unpaid payment for construction in progress and acquisition of machinery and equipment are as follows:

December 31, 2021	December 31, 2020
$ 121,424	$ 130,346

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(1) Please see Notes 6(21) and 6(29) for the details of appropriations of the 2021 earnings.

(2) In order to meet the future business development needs, the subsidiary-CPTH engaged third parties to build a new plant on its own land in Chachoengsao province, Thailand. The total amount of the construction contract was THB 1,361,000 thousand (approximately NTD 1,147,000 thousand).

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2021	December 31, 2020
Financial assets		
Financial assets mandatorily measured at fair value through profit or loss	$ 4,154,472	$ 5,128,529
Financial assets at fair value through other comprehensive income - designation of equity instrument	3,263,039	3,037,693
Financial assets at amortised cost		
Cash and cash equivalents	1,725,636	3,751,351
Financial assets at amortised cost	445,025	454,030
Notes receivable	163,196	155,605
Accounts receivable (including related parties)	28,866,242	23,558,162
Other receivables	241,537	283,945
Guarantee deposits paid	210,095	87,778
	$ 39,069,242	$ 36,457,093

	December 31, 2021	December 31, 2020
Financial assets		
Financial liabilities at fair value through profit or loss	$ 59,354	$ 390,711
Financial liabilities at amortised cost		
Short-term borrowings	1,624,355	88,168
Notes payable	22,686	21,392
Accounts payable (including related parties)	27,554,027	25,625,243
Other accounts payable	14,106,451	12,817,050
Long-term borrowings (including current portion)	-	100,000
Lease liability	412,033	475,237
	$ 43,778,906	$ 39,517,801

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange contracts and foreign exchange swap contracts are used to hedge certain exchange rate risk. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(c) Information about derivative financial instruments that are used to hedge certain exchange rate risk are provided in Note 6(2).

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Forward foreign exchange contracts are adopted to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.

iii. The Group hedges exchange rate risk by foreign exchange rate and foreign exchange swap rate. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).

iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2021				Year ended December 31, 2021		
					Sensitivity analysis		
	Foreign currency amount (In thousands)		Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)							
Financial assets							
Monetary items							
USD:NTD	USD	876,583	27.6750	$ 24,259,435	1%	$ 242,594	$ -
USD:RMB (Note)	USD	1,110,401	6.3709	30,730,348	1%	307,303	-
USD:THB (Note)	USD	70,711	33.3755	1,956,927	1%	19,569	
Financial liabilities							
Monetary items							
USD:NTD	USD	1,358,723	27.6750	$ 37,603,932	1%	$ 376,039	$ -
USD:RMB (Note)	USD	624,577	6.3709	17,285,168	1%	172,852	-
USD:THB (Note)	USD	218,221	33.3755	6,039,266	1%	60,393	-

	December 31, 2020				Year ended December 31, 2020		
					Sensitivity analysis		
	Foreign currency amount (In thousands)		Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)							
Financial assets							
Monetary items							
USD:NTD	USD	702,612	28.2350	$ 19,968,602	1%	$ 199,686	$ -
USD:RMB (Note)	USD	1,025,879	6.5249	28,965,694	1%	289,657	-
USD:THB (Note)	USD	43,694	30.0371	1,233,700	1%	12,337	
Financial liabilities							
Monetary items							
USD:NTD	USD	1,264,347	28.2350	$ 35,829,255	1%	$ 358,293	$ -
USD:RMB (Note)	USD	624,545	6.5249	17,634,028	1%	176,340	-
USD:THB (Note)	USD	124,796	30.0371	3,523,615	1%	35,236	-

Note: The functional currencies of certain subsidiaries belonging to the Group are not NTD, thus, this information has to be considered when reporting. For example, when a subsidiary's functional currency is RMB, the subsidiary's segments that are involved with USD have to be taken into consideration.

Total exchange loss, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2021 and 2020, amounted to $602,993 and $187,811, respectively.

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic and foreign companies. The prices of fincial instruments would change due to the change of the future value of investee companies. If the prices of these financial instruments had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by $38,819 and $43,731, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $32,630 and $30,377, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. During the years ended December 31, 2021 and 2020, the Group's borrowings at variable rate were denominated in the NTD, USD and JPY. At December 31, 2021 and 2020, if market interest rates had been 25bp higher with all other variables held constant, other comprehensive income for the years ended December 31, 2021 and 2020 would have been $0 and $250 lower, respectively.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost and at fair value through profit or loss.

ii. According to the Group's internal management policy, the Group only trades with banks with good credit. According to the credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. The Group classifies customer's accounts receivable, contract assets and rents receivable in accordance with customer types. The Group applies the simplified approach using a provision matrix, based on the loss rate methodology to estimate expected credit loss.

v. According to the Group's internal management policy, the default occurs when the contract payments are past due over 360 days.

vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
(ii) The disappearance of an active market for that financial asset because of financial difficulties;
(iii) Default or delinquency in interest or principal repayments;
(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

vii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable (including related parties). On December 31, 2021 and 2020, the provision matrix is as follows:

December 31, 2021	Expected loss rate	Total book value	Loss allowance
Not past due	0.00%~0.07%	$ 28,714,294	$ 21,228
1-30 days past due	0.26%~2.32%	138,458	3,209
31-120 days past due	0.36%~6.39%	33,237	2,125
121-125 days past due	8.33%~84.94%	45,245	38,430
Over 360 days past due	100%	74,484	74,484
		$ 29,005,718	$ 139,476

December 31, 2020	Expected loss rate	Total book value	Loss allowance
Not past due	0%~0.6%	$ 23,062,982	$ 22,482
1-30 days past due	2%~18%	321,327	2,535
31-120 days past due	3%~30%	162,567	1,297
121-125 days past due	20%~30%	46,337	8,737
Over 360 days past due	100%	144,292	144,292
		$ 23,737,505	$ 179,343

viii. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2021	2020
	Accounts receivable	Accounts receivable
At January 1	$ 179,343	$ 176,777
Provision for impairment	41,710	4,681
Write-offs	(78,849)	-
Effect of foreign exchange	(2,728)	(2,115)
At December 31	$ 139,476	$ 179,343

ix. Movements in loss allowance for investments in debt instruments carried at amortised cost are as follows:

	December 31, 2021			
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost	$ 445,025	$ -	$ -	$ 445,025

	December 31, 2020			
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost	$ 454,030	$ -	$ -	$ 454,030

The financial assets at amortised cost held by the Group were corporate bonds. As their expected loss rates were remote under the assessment, there was no loss allowance on December 31, 2021 and 2020.

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements.

ii. Group treasury invests surplus cash in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. As at December 31, 2021 and 2020, the Group held money market position of $ 6,499,509 and $9,035,578, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

iii. The Group has the following undrawn borrowing facilities:

	December 31, 2021	December 31, 2020
Expiring within one year	$ 28,392,882	$ 31,214,465
Expiring beyond one year	4,000,000	4,000,000
	$ 32,392,882	$ 35,214,465

iv. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2021		
Non-derivative financial liabilities	Less than 1 year	Over 1 year
Short-term borrowings	$ 1,625,018	$ -
Notes payable	22,686	-
Accounts payable (including related parties)	27,554,027	-
Other payables	14,106,451	-
Lease liability	153,123	288,606
Derivative financial liabilities:		
Financial liabilities at fair value through profit or loss	$ 59,354	$ -

December 31, 2020		
Non-derivative financial liabilities	Less than 1 year	Over 1 year
Short-term borrowings	$ 88,327	$ -
Notes payable	21,392	-
Accounts payable (including related parties)	25,625,242	-
Other payables	12,817,050	-
Lease liability	154,096	363,247
Long-term borrowings (including current portion)	100,098	-
Derivative financial liabilities:		
Financial liabilities at fair value through profit or loss	$ 390,711	$ -

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks (including emerging stocks), beneficiary certificates and convertible bonds, is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in most derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in certain stock instruments, beneficiary certificates and investment property is included in Level 3.

B. The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables, short-term borrowings, accounts payable (including related parties) and other payables are approximate to their fair values.

C. The related information on financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2021 and 2020 are as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

	Level 1	Level 2	Level 3	Total
December 31, 2021				
Assets				
Recurring fair value measurements				
Financial assets mandatorily measured at fair value through profit or loss - current				
Equity securities	$ 1,882,565	$ -	$ -	$ 1,882,565
Debt securities	20,980	-	-	20,980
Non-hedging derivatives				
Forward exchange contracts	-	246,225	-	246,225
Exchange rate swaps	-	5,402	-	5,402
Financial assets mandatorily measured at fair value through profit or loss - non-current				
Equity securities	-	-	902,414	902,414
Beneficiary certificates	96,069	-	1,000,817	1,096,886
Financial assets at fair value through other comprehensive income - current				
Equity securities	2,881,458	-	-	2,881,458
Financial assets at fair value through other comprehensive income - non-current				
Equity securities	-	34,494	347,087	381,581
Investment property (Note)	-	-	3,771,591	3,771,591
	$ 4,881,072	$ 286,121	$ 6,021,909	$11,189,102

	Level 1	Level 2	Level 3	Total
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss - current				
Non-hedging derivatives				
Forward exchange contracts	$ -	$ 59,354	$ -	$ 59,354

December 31, 2020	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets mandatorily measured at fair value through profit or loss - current				
Equity securities	$ 2,660,425	$ -	$ -	$ 2,660,425
Debt securities	22,898	-	-	22,898
Non-hedging derivatives				
Forward exchange contracts	-	732,449	-	732,449
Exchange rate swaps	-	53	-	53
Financial assets mandatorily measured at fair value through profit or loss - non-current				
Equity securities	-	-	763,390	763,390
Beneficiary certificates	36,180	-	913,134	949,314
Financial assets at fair value through other comprehensive income - current				
Equity securities	2,612,532	-	-	2,612,532
Financial assets at fair value through other comprehensive income - non-current				
Equity securities	-	16,005	409,156	425,161
Investment property (Note)	-	-	3,972,974	3,972,974
	$ 5,332,035	$ 748,507	$ 6,058,654	$12,139,196

	Level 1	Level 2	Level 3	Total
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss - current				
Non-hedging derivatives				
Forward exchange contracts	$ -	$ 387,581	$ -	$ 387,581
Exchange rate swaps	-	3,130	-	3,130
	$ -	$ 390,711	$ -	$ 390,711

Note: Investment property measured at fair value.

(b) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares	Emerging stock	Open-end fund	Convertible bond
Market quoted price	Closing price	Average trades price	Net asset value	Closing

D. For the years ended December 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the years ended December 31, 2021 and 2020:

	2021		
	Beneficiary certificates	Equity instruments	Total
At January 1	$ 913,134	$ 1,172,546	$ 2,085,680
Acquired during the year	113,155	29,463	142,618
Sold during the year	(40,587)	(92,085)	(132,672)
Recognised in profit or loss	24,826	119,853	144,679
Recognised in other comprehensive income	-	43,369	43,369
Effect of exchange rate changes	(9,711)	(23,645)	(33,356)
At December 31	$ 1,000,817	$ 1,249,501	$ 2,250,318
Movement of unrealised gain or loss in profit or loss of assets and liabilities held as at December 31, 2021 (Recorded as non-operating income and expense)	$ 24,826	$ 119,853	$ 144,679

	2020		
	Beneficiary certificates	Equity instruments	Total
At January 1	$ 738,399	$ 1,367,388	$ 2,105,787
Acquired during the year	227,985	-	227,985
Sold during the year	(63,368)	(97,128)	(160,496)
Recognised in profit or loss	21,515	(42,229)	(20,714)
Recognised in other comprehensive income	-	(20,860)	(20,860)
Effect of exchange rate changes	(11,397)	(34,625)	(46,022)
At December 31	$ 913,134	$ 1,172,546	$ 2,085,680
Movement of unrealised gain or loss in profit or loss of assets and liabilities held as at December 31, 2020 (Recorded as non-operating income and expense)	$ 21,515	($ 42,229)	($ 20,714)

Information about the movements of the investment property in Level 3 is provided in Note 6(10).

F. For the years ended December 31, 2021 and 2020, there was no transfer into or out from Level 3.

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	$ 155,285	Market approach	Discount for lack of marketability	-	The higher the discount for lack of marketability, the lower the fair value
"	1,094,216	Net asset value	N/A	-	N/A
Private equity fund investment	1,000,817	Net asset value	N/A	-	N/A
Investment property	3,771,591	Income approach	Revenue growth rate, discount rate	-	The higher the revenue growth rate, the higher the fair value; the higher the discount rate, the lower the fair value

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	$ 146,349	Market approach	Discount for lack of marketability	-	The higher the discount for lack of marketability, the lower the fair value
"	1,026,197	Net asset value	N/A	-	N/A
Private equity fund investment	913,134	Net asset value	N/A	-	N/A
Investment property	3,972,974	Income approach	Revenue growth rate, discount rate	-	The higher the revenue growth rate, the higher the fair value; the higher the discount rate, the lower the fair value

H. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2021			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	Market approach, Net asset value	±1%	$ 9,024	($ 9,024)	$ 3,471	($ 3,471)
Beneficiary certificates	Net asset value	±1%	10,008	(10,008)	-	-
			$ 19,032	($ 19,032)	$ 3,471	($ 3,471)

			December 31, 2020			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	Market approach, Net asset value	±1%	$ 7,634	($ 7,634)	$ 4,092	($ 4,092)
Beneficiary certificates	Net asset value	±1%	9,131	(9,131)	-	-
			$ 16,765	($ 16,765)	$ 4,092	($ 4,092)

(4) Other matters

During the outbreak of the Covid-19 pandemic and with the government's various preventive measures, the Group was able to maintain its regular operations. The Group's ability to continue as a going concern, impairment of assets and financing risk were not significantly affected based on the Group's assessment.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company’s paid-in capital: Please refer to table 4.

E. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: Please refer to table 5.

F. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: Please refer to table 6.

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 7.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 8.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(2).

J. Significant inter-company transactions during the reporting periods: Please refer to table 9.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 10.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 11.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 13(1).

(4) Major shareholders information

Major shareholders information: Please refer to table 12.

14. SEGMENT INFORMATION

(1) General information

The Group operates business from a geographic perspective; geographically, the Group currently focuses on wholesale in Taiwan, Mainland China, America, and Europe.

(2) Measurement of segment information

The Chief Operating Decision-Maker evaluates the performance of the operating segments based on a measure of adjusted EBITDA. Interest income and expense are not allocated to operating segments, as this type of activity is driven by the Group central treasury, which manages the cash position of the Group. The accounting policies of the operating segments are in agreement with the significant accounting policies summarised in Note 4.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

Year ended December 31, 2021	Taiwan	Asia	America	Europe	Reconciliation and elimination	Total
Revenue from external customers	$ 80,149,165	$ 25,270,925	$ 1,651,681	$ 402,308	$ -	$ 107,474,079
Inter-segment revenue	5,910,758	95,629,095	-	3,537	(101,543,390)	-
Segment revenue	$ 86,059,923	$ 120,900,020	$ 1,651,681	$ 405,845	($ 101,543,390)	$ 107,474,079
Segment profit	$ 6,203,372	$ 5,329,091	($ 1,862)	($ 7,897)	$ 77,753	$ 11,600,457
Year ended December 31, 2020						
Revenue from external customers	$ 66,685,382	$ 26,254,198	$ 1,611,689	$ 530,958	$ -	$ 95,082,227
Inter-segment revenue	2,698,811	80,650,860	16	2,264	(83,351,951)	-
Segment revenue	$ 69,384,193	$ 106,905,058	$ 1,611,705	$ 533,222	($ 83,351,951)	$ 95,082,227
Segment profit	$ 4,554,291	$ 5,471,159	($ 32,757)	($ 12,194)	$ 253,696	$ 10,234,195

(5) Reconciliation for segment income

The revenue from external customers reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income. A reconciliation of reportable segment profit or loss to the profit before tax and discontinued operations for the years ended December 31, 2021 and 2020 is provided as follows:

	Years ended December 31, 2021	2020
Reportable segments income	$ 11,600,457	$ 10,234,195
Related loss not yet classified	(2,987,439)	(2,571,495)
Total non-operating income and expenses	838,603	555,490
Income before tax from continuing operations	$ 9,451,621	$ 8,218,190

(6) Information on products and services

Revenue from third parties is mainly derived from the sale of computer peripheral products, consumer electronic products and other electronic products as follows:

	Years ended December 31, 2021	2020
Electrical components products	$ 61,326,155	$ 53,329,615
Consumer Electrical products and other electronic products	45,143,857	41,214,646
Others	1,004,067	537,966
	$ 107,474,079	$ 95,082,227

(7) Geographical information

Geographical information for the years ended December 31, 2021 and 2020 is as follows:

	Year ended December 31, 2021		Year ended December 31, 2020	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 80,149,165	$ 3,335,329	$ 66,685,382	$ 3,439,927
Asia	25,270,925	13,377,549	26,254,198	13,497,193
America	1,651,681	32,345	1,611,689	46,760
Europe	402,308	514	530,958	834
	$ 107,474,079	$ 16,745,737	$ 95,082,227	$ 16,984,714

The Group's geographical revenue information is determined based on the area collecting the accounts receivable.

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets and other non-current assets, but excluding financial assets and deferred income tax assets.

(8) Major customer information

For the years ended December 31, 2021 and 2020, details of customers accounting for at least 10% of the Group's operating revenues in the consolidated comprehensive income statement are as follows:

	Year ended December 31, 2021		Year ended December 31, 2020	
	Revenue	Segment	Revenue	Segment
A customer	$ 11,359,057	Asia	$ 9,560,678	Asia

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CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Loans to others

Year ended December 31, 2021

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2021	Balance at December 31, 2021	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
					(Note 4)	(Note 5)			(Note 3)						(Note 1,2)	(Note 1,2)	
0	The Company	Qun-Jing	Other receivables	Yes	$ 400,000	$ 200,000	$ 194,000	0.6%-0.8%	2	$ -	Working capital	$ -	-	$ -	$ 9,136,107	$ 12,181,476	-
0	The Company	Quansun	"	"	1,300,000	650,000	600,000	0.6%-0.8%	2	-	"	-	-	-	$ 9,136,107	$ 12,181,476	-
0	The Company	UNIKEY	"	"	3,000,000	1,500,000	1,008,760	0.6%-0.8%	2	-	"	-	-	-	$ 9,136,107	$ 12,181,476	-
0	The Company	CET	"	"	1,398,000	1,383,750	-	1.00%	2	-	"	-	-	-	$ 9,136,107	$ 12,181,476	-
0	The Company	HEC	"	"	1,000,000	500,000	445,000	0.6%-0.8%	2	-	"	-	-	-	$ 9,136,107	$ 12,181,476	-
1	CGI	The Company	"	"	3,120,765	2,905,875	2,297,025	0%-1%	2	-	"	-	-	-	US$ 132,931	US$ 132,931	-
2	COI	The Company	"	"	3,566,250	3,542,400	3,346,461	0%-1%	2	-	"	-	-	-	US$ 862,922	US$ 891,061	-
2	COI	CGI	"	"	501,300	498,150	61,992	0%-0.8%	2	-	"	-	-	-	US$ 862,922	US$ 891,061	-
2	COI	KUM	"	"	228,240	221,400	191,234	0%-1%	2	-	"	-	-	-	US$ 862,922	US$ 891,061	-
3	Mao-Feng	The Company	"	"	2,139,750	2,075,625	1,948,043	0%-1%	2	-	"	-	-	-	US$ 389,107	US$ 389,107	-
4	CEM3	Mao-Qun	"	"	174,400	173,760	173,760	2.00%	2	-	"	-	-	-	RMB 2,092,837	RMB 2,092,837	-
5	CEM5	CEM3	"	"	283,400	282,360	282,360	1.50%	2	-	"	-	-	-	RMB 813,316	RMB 813,316	-
5	CEM5	CEM2	"	"	523,200	521,280	521,280	1.50%	2	-	"	-	-	-	RMB 813,316	RMB 813,316	-
6	HOI	CGI	"	"	1,953,192	1,342,238	1,342,238	0%-2%	2	-	"	-	-	-	US$ 92,345	US$ 92,345	-
6	HOI	RealYoung	"	"	97,002	94,095	94,095	0%-1%	2	-	"	-	-	-	US$ 92,345	US$ 92,345	-
6	HOI	The Company	"	"	1,100,075	1,093,163	1,093,163	0%-0.8%	2	-	"	-	-	-	US$ 92,345	US$ 92,345	-
7	CP	CPUS	"	"	171,180	152,213	127,305	1%-1.5%	2	-	"	-	-	-	$ 4,445,384	$ 4,445,384	-
7	CP	CPHK	"	"	1,369,440	1,245,375	1,237,073	1%-1.5%	2	-	"	-	-	-	$ 4,445,384	$ 4,445,384	-
7	CP	CPTH	"	"	361,400	359,775	193,725	1.00%	2	-	"	-	-	-	$ 4,445,384	$ 4,445,384	-
7	CP	WTS	"	"	57,060	41,513	32,933	1%-1.5%	2	-	"	-	-	-	$ 4,445,384	$ 4,445,384	-
7	CP	CT	"	"	65,000	65,000	59,000	1%-1.5%	2	-	"	-	-	-	$ 4,445,384	$ 4,445,384	-
8	CPDG	WTK	"	"	9,994	-	-	1.60%	2	-	"	-	-	-	RMB 315,763	RMB 315,763	-
8	CPDG	Zhuzhou Torch Auto Lamp Co., Ltd.	"	"	319,588	318,415	312,334	1.60%	2	-	"	-	-	-	RMB 315,763	RMB 315,763	-
9	CPI	CP	"	"	1,383,705	1,342,238	1,292,423	0.00%	2	-	"	-	-	-	US$ 250,505	US$ 250,505	-

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2021	Balance at December 31, 2021	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					(Note 4)	(Note 5)			(Note 3)						(Note 1,2)	(Note 1,2)	
10	CPSZ	CPTZ	"	"	174,400	173,760	130,320	1.60%	2	-	"	-	-	-	RMB 732,002	RMB 732,002	-
11	Directmax	Xavi	"	"	85,590	83,025	83,025	0.00%	2	-	"	-	-	-	US$ 13,400	US$ 13,400	-
12	Systemax	Xavi	"	"	224,920	199,260	199,260	0.00%	2	-	"	-	-	-	US$ 7,460	US$ 7,460	-
13	Xavi	XAVi Thailand	"	"	140,964	140,964	91,212	0.9%-1%	2	-	"	-	-	-	$ 358,282	$ 358,282	-

Note 1: In accordance with the financing procedures of the Company, total financing amount should not exceed 40% of the Company’s stockholders’ equity and

a. the total financing amount to any individual party should not exceed 30% of the Company’s stockholders’ equity and the amount of sales/purchase during the year for the purpose of business.

b. the total financing amount to any individual party should not exceed 30% of the Company’s stockholders’ equity for the purpose of loan.

c. for the purpose of loan between the Company's foreign subsidiaries or from foreign subsidiaries to the Company, for which the Company both have 100% shares directly or indirectly, the total financing amount should not exceed the borrower's stockholders' equity, and the lending period may not exceed 3 years; and the financing amount to single company shall be subject to the following restrictions:

(a) the total financing amount should not exceed the borrower's stockholders' equity and the amount of sales/purchase during the year for the purpose of business.

(b) the total financing amount should not exceed the borrower's stockholders' equity for the purpose of loan.

d. except for c., the financing period should not exceed one year.

Note 2: In accordance with the financing procedures of the subsidiary, total financing amount should not exceed the subsidiary’s stockholders’ equity audited or reviewed by CPA and

a. the total financing amount to any individual party should not exceed 40% of the subsidiary’s stockholders’ equity for the purpose of short-term financing.

b. the total financing amount to any individual party should not exceed 50% of the subsidiary’s stockholders’ equity and the amount of sales/purchase during the year for the purpose of business.

c. the limit on the loans to granted between the subsidiary – CP’s foreign subsidiaries or from foreign subsidiaries to the Company for which the subsidiary – CP directly or indirectly holds 100% of its voting shares is the borrower’s net asset based on the latest audited or reviewed consolidated

(a) the total financing amount should not exceed the borrower's stockholders' equity and the amount of sales/purchase during the year for the purpose of business.

(b) the total financing amount should not exceed the borrower's stockholders' equity for the purpose of loan.

d. except for c., the financing period should not exceed one year.

Note 3: The numbers filled in the column of ‘Nature of loan are as follows:

(1) The business transaction is ‘1’.

(2) The short-term financing is ‘2’.

Note 4: The maximum balance is the maximum outstanding balance during the year ended December 31, 2021.

Note 5: The ending balance had been approved at the Board of Directors’ meeting.

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Provision of endorsements and guarantees to others
Year ended December 31, 2021

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2021	Outstanding endorsement/ guarantee amount at December 31, 2021	Actual amount drawn down	Amount of endorsements / guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
			(Note 1)							(Note 2)				
0	The Company	CEZ	2	$ 7,613,422	$ 337,380	$ -	$ -	-	0.00%	$ 15,226,845	Y	N	N	-

Note 1：Relationship between the endorser/guarantor and the party being endorsed/guaranteed is as follows:
(1) Having business relationship.
(2) The endorser/guarantor parent company owns directly or indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
(3) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.
(4) Between the endorser/guarantor parent company both owns directly or indirectly more than 90% voting shares of the endorsed/guaranteed subsidiaries.
(5) Mutual guarantee of the trade as required by the construction contract.
(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
(7) Performance guarantees for pre-sales sales contracts under the Consumer Protection Act.

Note 2: In accordance with the guarantee procedure of the Company, the total guarantee amount is limited to 50% of the Company’s capital. The Company’s guarantee to each entity is limited to 50% of the total guarantee amount.
The grand total guarantee amount of the Group is limited to 50% of the Company’s capital, and other restrictions are as follows:
a. the total guarantee amount, except the above mentioned restriction, to any individual party should not exceed the higher amount of sales/purchase during the year for the purpose of business.
b. the total guarantee amount is limited to the Company’s stockholders’ equity when the Company takes guarantee procedure to the entity whose stockholders’ equity is lower than 50% of its paid-in capital.

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2021

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by		Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2021 Number of shares	Book value	Ownership (%)	Fair value	Footnote
The Company	Common stock	Laster Tech Corporation Ltd.	Corporate director	Financial assets at fair value through profit or loss - current	5,246,987	$ 231,130	5.68%	$ 231,130	-
The Company	Common stock	Newmax Technology Co., Ltd.	"	"	1,243,607	49,060	0.68%	49,060	-
The Company	Common stock	Solomon Technology Corporation	-	"	694,000	16,587	0.40%	16,587	-
The Company	Common stock	Eden Biologics, Inc.	-	"	290,000	870	0.07%	870	-
The Company	Common stock	MOSA INDUSTRIAL CORPORATION	-	"	445,000	18,757	0.24%	18,757	-
The Company	Common stock	Wiwynn Corporation	-	"	6,000	6,690	0.00%	6,690	-
The Company	Common stock	ASLAN Pharmaceuticals Limited	-	"	220,000	6,819	0.58%	6,819	-
The Company	Common stock	WK Venture Capital XI	Corporate director	Financial assets at fair value through profit or loss - non-current	15,380,000	304,985	15.38%	304,985	-
The Company	Common stock	Top Taiwan Venture Capital Group	"	"	7,500,000	96,091	9.38%	96,091	-
The Company	Common stock	Chengding Venture Capital Group	"	"	10,000,000	138,519	7.41%	138,519	-
The Company	Common stock	Sheng Da Venture Capital Group	"	"	3,570,000	42,114	10.71%	42,114	-
The Company	Preferred stock	Magi Capital Venture Co., Ltd	-	"	317,184	31,687	7.79%	31,687	-
The Company	Beneficiary certificate	Fuh Hwa Smart Energy Securities Investment Trust Fund	-	"	9,000,000	73,890	—	73,890	-
The Company	Beneficiary certificate	Fuh Hwa New Oriental Securities Investment Trust Fund	-	"	9,000,000	16,110	—	16,110	-
The Company	Beneficiary certificate	Fuh Hwa New Energy Efficient Securities Investment Trust Fund	-	"	8,700,000	82,563	—	82,563	-
The Company	Beneficiary certificate	Fuh Hwa Small Capital Fund	-	"	402,350	63,849	—	63,849	
The Company	Common stock	Clevo Co.	Common chairman	Financial assets at fair value through other comprehensive income - current	13,100,608	432,320	2.02%	432,320	-
The Company	Common stock	Genesis Photonics Inc.	-	"	304,350	2,554	0.43%	2,554	-
The Company	Common stock	AcBel Polytech Inc.	-	"	3,727,000	136,408	0.72%	136,408	-
The Company	Common stock	ShunOn Electronic Co.	Corporate director	"	10,802,254	481,781	7.30%	481,781	-
The Company	Common stock	Alcor Micro,Corp.	"	"	1,056,000	63,782	1.50%	63,782	-
The Company	Private equity	Genesis Photonics Inc.	-	Financial assets at fair value through other comprehensive income - non-current	4,224,458	23,192	6.03%	23,192	-
The Company	Common stock	Taipei Tech innoFund	Corporate director	"	3,500,000	48,679	11.67%	48,679	-
The Company	Common stock	Maxima Ventures II, Inc.	-	"	3,000,000	10,481	8.21%	10,481	-
The Company	Common stock	Taiwan Cultural and Creative Co., Ltd.	-	"	1,600,000	2,887	5.78%	2,887	-
The Company	Common stock	MKD Technology Inc.	-	"	1,600,000	2,646	6.66%	2,646	-
CP	Common stock	Newmax Technology Co., Ltd.	Corporate director	Financial assets at fair value through profit or loss - current	2,660,983	104,976	1.44%	104,976	-
CP	Common stock	Powertech Technology Inc.	An independent director of CP is the company's chairman	"	100,000	9,770	0.01%	9,770	-
CP	Common stock	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	300,000	184,500	0.00%	184,500	-
CP	Common stock	United Microelectronics Corporation	-	"	500,000	32,500	0.00%	32,500	-
CP	Common stock	ASE Technology Holding Co., Ltd	-	"	200,000	21,300	0.00%	21,300	-
CP	Common stock	WK Venture Capital XI	Corporate director	Financial assets at fair value through profit or loss - non-current	1,000,000	19,830	1.00%	19,830	-
CP	Common stock	Top Taiwan Venture Capital Group	"	"	7,500,000	96,091	9.38%	96,091	-
CP	Common stock	Chengding Venture Capital Group	"	"	10,000,000	138,519	7.41%	138,519	-

Securities held by	Marketable securities		Relationship with the securities issuer	General ledger account	As of December 31, 2021				Footnote
					Number of shares	Book value	Ownership (%)	Fair value	
CP	Beneficiary certificate	Fuh Hwa New Oriental Securities Investment Trust Fund	-	Financial assets at fair value through profit or loss - non-current	6,000,000	$ 10,739	—	$ 10,739	-
CP	Beneficiary certificate	Fuh Hwa Smart Energy Securities Investment Trust Fund	-	"	21,000,000	172,410	—	172,410	-
CP	Beneficiary certificate	Fuh Hwa New Energy Efficient Securities Investment Trust Fund	-	"	5,800,000	55,042	—	55,042	-
CP	Common stock	Clevo Co.	Common chairman	Financial assets at fair value through other comprehensive income - current	4,538,000	149,754	0.70%	149,754	-
CP	Common stock	Genesis Photonics Inc.	"	"	1,236,392	10,373	1.77%	10,373	-
CP	Private equity	Genesis Photonics Inc.	"	Financial assets at fair value through other comprehensive income - non-current	1,979,291	11,302	2.83%	11,302	-
CP	Common stock	Taipei Tech innoFund	Corporate director	"	1,500,000	20,862	5.00%	20,862	-
HEC	Common stock	Clevo Co.	Common chairman	Financial assets at fair value through other comprehensive income - current	11,370,823	375,237	1.75%	375,237	-
HEC	Common stock	The Company	The Company	"	16,188,935	1,332,349	2.17%	1,332,349	Note 2
UNIKEY	Common stock	Newmax Technology Co., Ltd.	Corporate director	Financial assets at fair value through profit or loss - current	18,825,998	742,685	10.22%	742,685	-
UNIKEY	Common stock	Clevo Co.	Common chairman	Financial assets at fair value through other comprehensive income - current	16,730,000	552,090	2.57%	552,090	-
UNIKEY	Common stock	The Company	The Company	"	21,174,298	1,742,645	2.84%	1,742,645	Note 3
CGI	Preferred stock	PRP CE1 BC1 Inc.	-	Financial assets at fair value through profit or loss - non-current	122,487	2,717	—	2,717	-
CGI	Bond	PRP CE1 BC1	-	Financial assets at amortised cost - non-current	-	445,025	—	445,025	-
COI	Common stock	Laster Tech Corporation Ltd.	Corporate director	Financial assets at fair value through profit or loss - current	2,027,763	89,323	2.19%	89,323	-
COI	Common stock	Wiwynn Corporation	-	"	10,000	11,150	0.01%	11,150	-
COI	Common stock	ZILLTEK TECHNOLOGY CORP.	-	"	11,000	4,400	0.03%	4,400	-
COI	Common stock	Q Technology (Group) Company Limited	-	"	5,636,000	201,624	0.48%	201,624	-
COI	Common stock	Valens Semiconductor Ltd.	-	"	300,000	63,929	0.00%	63,929	-
COI	Common stock	Marvell Technology, Inc.	-	"	2,228	5,394	0.00%	5,394	-
COI	Common stock	Wealth Guard Ventures Limited	-	Financial assets at fair value through profit or loss - non-current	602,373	31,861	17.28%	31,861	-
COI	Beneficiary certificate	Celesta Capital II, L.P.	-	"	6,426,373	186,173	—	186,173	-
COI	Beneficiary certificate	Celesta Capital IV, L.P.	-	"	2,700,000	76,090	—	76,090	-
COI	Beneficiary certificate	MagiCapital Fund II, L.P.	-	"	4,619,900	223,517	—	223,517	-
COI	Common stock	Clevo Co.	Common chairman	Financial assets at fair value through other comprehensive income - current	10,104,000	333,432	1.56%	333,432	-
COI	Common stock	Alpha Professional Holdings Limited	-	"	500	2	0.00%	2	-
COI	Common stock	CTBC Securities Co., Ltd.	-	"	270,000	30,983	0.00%	30,983	-
COI	Common stock	Merrimack Pharmacenticals, Inc.	-	"	84,482	9,142	0.63%	9,142	-
COI	Preferred stock	SAGA-CHINA	-	Financial assets at fair value through other comprehensive income - non-current	4,739,493	108,893	—	108,893	-
CPI	Beneficiary certificate	Celesta Capital II, L.P.	-	Financial assets at fair value through profit or loss - non-current	3,213,187	93,087	—	93,087	-
CPI	Beneficiary certificate	Celesta Capital IV, L.P.	-	"	1,350,000	38,045	—	38,045	-
CPI	Beneficiary certificate	Marvell Technology, Inc.	-	Financial assets at fair value through profit or loss - current	2,264	5,482	—	5,482	-
CPI	Common stock	Anxin-China Holdings Limited	-	Financial assets at fair value through other comprehensive income - current	8,300,000	-	0.27%	-	-
Quansun	Common stock	New Hung Kuan Enterprise Co., Ltd	-	Financial assets at fair value through other comprehensive income - non-current	8,140,000	152,639	21.71%	152,639	Note 4
Quansun	Common stock	Clevo Co.	Common chairman	Financial assets at fair value through other comprehensive income - current	7,100,000	234,300	1.09%	234,300	-
Qun-Jing	Common stock	Clevo Co.	"	"	2,100,000	69,300	0.32%	69,300	-
XAVi	Common stock	Chicony Power Technology Co., Ltd.	Affiliated company	Financial assets at fair value through profit or loss - current	514,160	40,156	0.13%	40,156	-
XAVi	Common stock	Laster Tech Corporation Ltd.	Corporate director	"	805,055	35,463	0.83%	35,463	-
XAVi	Bond	Yeong Guan Energy Technology Group Co., Ltd. The third unsecured convertible bonds	-	"	213,000	20,980	—	20,980	-
XAVi	Beneficiary certificate	Fuh Hwa New Oriental Securities Investment Trust Fund	-	Financial assets at fair value through profit or loss - non-current	3,000,000	5,370	—	5,370	-

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9 'Financial instruments'.
Note 2: Provided 12,600,000 shares pledged for short-term loan.
Note 3: Provided 7,200,000 shares pledged for short-term loan.
Note 4: The Company holds over 20% ownership interest of the entity, however, based on objectives indicators; the Company has no significant influence on the entity.

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital

Year ended December 31, 2021

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

					Balance as at January 1, 2021		Addition (Note 3)		Disposal (Note 3)				Balance as at December 31, 2021 (Note 4)	
Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
The Company	Chicony Power Technology Co., Ltd.	Investments acoounted for using equity method	External person and external cooperate person	Subsidiary	200,467,594	$ 2,352,241	6,239,000	$ 440,572	-	$ -	$ -	$ -	206,706,594	$ 2,792,813

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.
Note 2: It is applicable to disclosure information when marketable securities were recognized as "investments accounted for using equity method".
Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT$300 million or 20% of paid-in capital or more.
Note 4: It refers to the initial costs without considering the amortisation or valuation of exchange rate at the end of the year.

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Acquisition of real estate reaching $300 million or 20% of paid-in capital or more

Year ended December 31, 2021

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below: Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
CET	Construction in process	2019/11/8 (Date of contract signing)	$ 1,033,357 (THB 1,246,210 thousand)	$ 1,033,357	JWS Construction Co., Ltd., etc.	None	-	-	-	$ -	Contract	Plant (For the Purpose of Conducting Business)	None

Note 1: The appraisal result should be presented in the 'Basis or reference used in setting the price' column if the real estate acquired should be appraised pursuant to the regulations.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 3: Date of the event referred to herein is the date of contract signing date, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more

Year ended December 31, 2021

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Real estate disposed by	Real estate	Transaction date or date of the event	Date of acquisition	Book value	Disposal amount	Status of collection of proceeds	Gain (loss) on disposal	Counterparty	Relationship with the seller	Reason for disposal	Basis or reference used in setting the price	Other commitments
The Company	Investment property	2019/12/24 - 2021/6/18	2016/2/25	$ 2,599,780	$ 2,782,327	$ 2,782,327	$ 182,547	Employees of the Group and the associates and unintended audience	Employees of the Group and the associates and unintended audience	Employees' housing purchased by the employees	Valuation agency: Panasia Limited Valuation amount: NTD 2,715,606,160	None

Note 1: The appraisal result should be presented in the 'Basis or reference used in setting the price' column if the real estate disposed of should be appraised pursuant to the regulations.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20% of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 3: Date of the event referred to herein is the date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more

Year ended December 31, 2021

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty (Note 3)	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
The Company	CEM2	Subsidiary owned by COI	Purchases	$ 8,749,523	23	60~180 days	Note 1	60~180 days	($ 6,520,180)	40	−
CEM2	The Company	The parent company of COI	Sales	(8,749,523)	85	60~180 days	Note 2	60~180 days	6,520,180	89	−
The Company	CEM3	Subsidiary owned by Mao-Feng	Purchases	12,914,490	34	60~180 days	Note 1	60~180 days	(7,181,968)	44	−
CEM3	The Company	The parent company of COI	Sales	(12,914,490)	51	60~180 days	Note 2	60~180 days	7,181,968	72	−
The Company	CEM5	Subsidiary owned by COI	Purchases	328,520	1	60~180 days	Note 1	60~180 days	(87,067)	1	−
CEM5	The Company	The parent company of COI	Sales	(328,520)	5	60~180 days	Note 2	60~180 days	87,067	2	−
The Company	Mao-Ray	Subsidiary owned by Real Young	Purchases	4,898,968	13	60~180 days	Note 1	60~180 days	(839,662)	5	−
Mao-Ray	The Company	The parent company of COI	Sales	(4,898,968)	64	60~180 days	Note 2	60~180 days	839,662	37	−
The Company	CET	Subsidiary owned by COI	Purchases	9,206,574	24	60~180 days	Note 1	60~180 days	(1,411,756)	9	−
CET	The Company	The parent company of COI	Sales	(9,206,574)	89	60~180 days	Note 2	60~180 days	1,411,756	90	−
CEM2	CET	Affiliated company	Sales	(333,732)	3	60~90 days	Note 2	60~90 days	545,907	7	−
CET	CEM2	Affiliated company	Purchases	333,732	3	60~90 days	Note 1	60~90 days	(545,907)	26	−
CGI	CEM2	Affiliated company	Sales	(162,808)	1	60~90 days	Note 2	60~90 days	-	-	−
CEM2	CGI	Affiliated company	Purchases	162,808	2	60~90 days	Note 1	60~90 days	-	-	−
CGI	CEM3	Affiliated company	Sales	(345,009)	2	60~90 days	Note 2	60~90 days	81,729	1	−
CEM3	CGI	Affiliated company	Purchases	345,009	1	60~90 days	Note 1	60~90 days	(81,729)	1	−
CGI	CAI	Affiliated company	Sales	(957,037)	5	60~90 days	Note 2	60~90 days	582,587	9	−
CAI	CGI	Affiliated company	Purchases	957,037	99	60~90 days	Note 1	60~90 days	(582,587)	100	−
CGI	CEZ	Affiliated company	Sales	(233,871)	1	60~90 days	Note 2	60~90 days	2,013	0	−
CEZ	CGI	Affiliated company	Purchases	233,871	92	60~90 days	Note 1	60~90 days	(2,013)	45	−
CEM2	CGI	Affiliated company	Sales	(1,065,168)	10	60~180 days	Note 2	60~180 days	-	-	−
CGI	CEM2	Affiliated company	Purchases	1,065,168	5	60~180 days	Note 1	60~180 days	-	-	−
Mao-Ray	CGI	Affiliated company	Sales	(2,252,385)	29	60~180 days	Note 2	60~180 days	1,243,005	54	−
CGI	Mao-Ray	Affiliated company	Purchases	2,252,385	12	60~180 days	Note 1	60~180 days	(1,243,005)	21	−
CEM3	CGI	Affiliated company	Sales	(8,866,012)	35	60~180 days	Note 2	60~180 days	1,435,692	14	−
CGI	CEM3	Affiliated company	Purchases	8,866,012	46	60~180 days	Note 1	60~180 days	(1,435,692)	25	−
CEM5	CGI	Affiliated company	Sales	(5,185,683)	74	60~180 days	Note 2	60~180 days	3,108,873	87	−
CGI	CEM5	Affiliated company	Purchases	5,185,683	27	60~180 days	Note 1	60~180 days	(3,108,873)	53	−

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty (Note 3)	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
CET	CGI	Affiliated company	Sales	($ 495,385)	5	60~180 days	Note 2	60~180 days	$ 25,476	2	－
CGI	CET	Affiliated company	Purchases	495,385	3	60~180 days	Note 1	60~180 days	(25,476)	0	－
Mao-Ray	CEM2	Affiliated company	Sales	(197,730)	1	60~90 days	Note 2	60~90 days	77,108	1	－
CEM2	Mao-Ray	Affiliated company	Purchases	197,730	22	60~90 days	Note 1	60~90 days	(77,108)	11	－
CEM3	CEM5	Affiliated company	Sales	(147,040)	1	60~90 days	Note 2	60~90 days	-	-	－
CEM5	CEM3	Affiliated company	Purchases	147,040	2	60~90 days	Note 1	60~90 days	-	-	－
Qun-Yang	CEM3	Affiliated company	Sales	(101,830)	101	90 days	Note 2	90 days	18,316	99	－
CEM3	Qun-Yang	Affiliated company	Purchases	101,830	0	90 days	Note 1	90 days	(18,316)	0	－
CPSZ	CEM3	Affiliated company	Sales	(520,551)	3	90 days	Note 2	90 days	231,839	7	－
CEM3	CPSZ	Affiliated company	Purchases	520,551	2	90 days	Note 1	90 days	(231,839)	3	－
CP	CEM3	Affiliated company	Sales	(1,655,192)	4	90 days	Note 2	90 days	653,347	6	－
CEM3	CP	Affiliated company	Purchases	1,655,192	7	90 days	Note 1	90 days	(653,347)	10	－
CP	CEM2	Affiliated company	Sales	(265,675)	1	90 days	Note 2	90 days	58,675	1	－
CEM2	CP	Affiliated company	Purchases	265,675	3	90 days	Note 1	90 days	(58,675)	2	－
CP	CEM5	Affiliated company	Sales	(957,316)	3	90 days	Note 2	90 days	403,023	4	－
CEM5	CP	Affiliated company	Purchases	957,316	16	90 days	Note 1	90 days	(403,023)	22	－
CP	Mao-Ray	Affiliated company	Sales	(273,154)	1	90 days	Note 2	90 days	99,984	1	－
Mao-Ray	CP	Affiliated company	Purchases	273,154	4	90 days	Note 1	90 days	(99,984)	5	－
CP	CET	Affiliated company	Sales	(158,908)	-	90 days	Note 2	90 days	11,428	0	－
CET	CP	Affiliated company	Purchases	158,908	1	90 days	Note 1	90 days	(11,428)	1	－
CP	CEZ	Affiliated company	Sales	(150,780)	-	90 days	Note 2	90 days	655	0	－
CEZ	CP	Affiliated company	Purchases	150,780	59	90 days	Note 1	90 days	(655)	15	－
CP	CPUS	Affiliated company	Sales	(693,063)	2	90 days	Note 2	90 days	433,225	4	－
CPUS	CP	Affiliated company	Purchases	693,063	100	90 days	Note 1	90 days	(433,225)	100	－
CPDG	CP	Affiliated company	Sales	(9,053,507)	95	90 days	Note 2	45 days	2,212,133	93	－
CP	CPDG	Affiliated company	Purchases	9,053,507	28	90 days	Note 1	45 days	(2,212,133)	28	－
CPSZ	CP	Affiliated company	Sales	(15,858,217)	94	45 days	Note 2	45 days	2,772,316	85	－
CP	CPSZ	Affiliated company	Purchases	15,858,217	47	45 days	Note 1	45 days	(2,772,316)	35	－
CPSZ	CPTH	Affiliated company	Sales	(276,228)	2	60 days	Note 2	60 days	146,773	4	
CPTH	CPSZ	Affiliated company	Purchases	276,228	25	60 days	Note 1	60 days	(146,773)	40	
CPCQ	CP	Affiliated company	Sales	(7,380,469)	96	45 days	Note 2	45 days	2,614,771	97	－
CP	CPCQ	Affiliated company	Purchases	7,380,469	22	45 days	Note 1	45 days	(2,614,771)	33	－

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty (Note 3)	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
CPCQ	CPSZ	Affiliated company	Sales	($ 252,180)	3	60 days	Note 2	60 days	$ 50,989	2	–
CPSZ	CPCQ	Affiliated company	Purchases	252,180	2	60 days	Note 1	60 days	(50,989)	1	–
CPTH	CP	Affiliated company	Sales	(538,557)	100	45 days	Note 2	45 days	182,516	100	–
CP	CPTH	Affiliated company	Purchases	538,557	2	45 days	Note 1	45 days	(182,516)	2	–
GSE	CPSZ	Affiliated company	Sales	(314,806)	31	60 days	Note 2	60 days	129,901	30	–
CPSZ	GSE	Affiliated company	Purchases	314,806	2	60 days	Note 1	60 days	(129,901)	2	–
GSE	CPDG	Affiliated company	Sales	(334,596)	33	60 days	Note 2	60 days	154,619	36	–
CPDG	GSE	Affiliated company	Purchases	334,596	4	60 days	Note 1	60 days	(154,619)	4	–
GSE	CPCQ	Affiliated company	Sales	(108,165)	11	60 days	Note 2	60 days	44,702	10	–
CPCQ	GSE	Affiliated company	Purchases	108,165	2	60 days	Note 1	60 days	(44,702)	2	–
CPDG	Zhuzhou Torch	Affiliated company	Sales	(224,223)	1	60 days	Note 2	60 days	62,271	3	–
Zhuzhou Torch	CPDG	Affiliated company	Purchases	224,223	26	60 days	Note 1	60 days	(62,271)	37	–
CET	XAVi	Affiliated company	Sales	(525,500)	5	45~180 days	Note 2	45~180 days	124,849	8	–
XAVi	CET	Affiliated company	Purchases	525,500	18	45~180 days	Note 1	45~180 days	(124,849)	84	–
XAVi Suzhou	XAVi	Affiliated company	Sales	(1,893,789)	68	45~180 days	Note 2	45~180 days	-	-	–
XAVi	XAVi Suzhou	Affiliated company	Purchases	1,893,789	66	45~180 days	Note 1	45~180 days	-	-	–
XAVi Suzhou	XAVi Thailand	Affiliated company	Sales	(266,535)	10	45~180 days	Note 2	45~180 days	118,910	63	–
XAVi Thailand	XAVi Suzhou	Affiliated company	Purchases	266,535	30	45~180 days	Note 1	45~180 days	(118,910)	23	–
XAVi Thailand	XAVi	Affiliated company	Sales	(460,846)	100	45~180 days	Note 2	45~180 days	24,184	44	–
XAVi	XAVi Thailand	Affiliated company	Purchases	460,846	16	45~180 days	Note 1	45~180 days	(24,184)	16	–
CEM2	Newmax	Associate	Purchases	102,715	1	60~90 days	Note 1	60~90 days	(1,509)	0	–
CEM3	Newmax	Associate	Purchases	211,623	1	60~90 days	Note 1	60~90 days	(28,119)	0	–
CEM3	KAPOK	Other related party	Sales	(642,252)	3	60 days	Note 2	60 days	236,933	2	–
CEM3	JiaXing ShunOn	Other related party	Purchases	575,300	2	60~90 days	Note 1	60~90 days	(104,880)	2	–
CEM3	Far win (Kunshan) Co., Ltd.	Other related party	Purchases	455,213	2	60~90 days	Note 1	60~90 days	(54,582)	1	–
CEM3	ShunOn Electronic Co.	Other related party	Purchases	173,559	1	60~90 days	Note 1	60~90 days	(19,656)	1	–
CEM5	ShunOn Electronic Co.	Other related party	Purchases	486,284	8	60~90 days	Note 1	60~90 days	(90,930)	5	–
CEM5	Far win (Kunshan) Co., Ltd.	Other related party	Purchases	195,955	3	60~90 days	Note 1	60~90 days	(20,280)	1	–
Mao-Ray	Far win (Dongguan) Co., Ltd.	Other related party	Purchases	175,167	2	60~90 days	Note 1	60~90 days	(22,179)	1	–
CP	KAPOK	Other related party	Sales	(396,433)	1	60 days	Note 2	60 days	110,982	1	–

Note 1: Purchases from related parties were basically the same as those from third parties.
Note 2: Sales to related parties were basically the same as those to third parties.

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Receivables from related parties reaching $100 million or 20% of paid-in capital or more

December 31, 2021

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2021	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Accounts receivable								
The Company	CEM3	Subsidiary owned by Mao-Feng	$ 158,283	0.01	$ –	–	$ –	$ –
CEM2	The Company	The parent company of COI	6,520,180	1.52	–	–	–	–
Mao-Ray	The Company	The parent company of COI	839,662	2.55	–	–	–	–
CEM3	The Company	The parent company of COI	7,181,968	1.85	–	–	–	–
CEM3	KAPOK	Other related party	236,933	3.01	–	–	–	–
CEM3	CGI	Affiliated company	1,435,692	7.19	–	–	–	–
CEM2	CET	Affiliated company	545,907	0.69	–	–	–	–
CGI	CAI	Affiliated company	582,587	2.10	–	–	–	–
CET	The Company	Affiliated company	1,411,756	7.56	–	–	–	–
CET	XAVi	Affiliated company	124,849	4.03	–	–	–	–
CEM5	CGI	Affiliated company	3,108,873	2.05	–	–	–	–
Mao-Ray	CGI	Affiliated company	1,243,005	3.62	–	–	–	–
CP	CEM3	Affiliated company	653,347	3.02	–	–	–	–
CP	CEM5	Affiliated company	403,023	3.03	–	–	–	–
CPSZ	CEM3	Affiliated company	231,839	2.14	–	–	–	–
CP	CPUS	Affiliated company	433,225	1.73	–	–	–	–
CP	KAPOK	Other related party	110,982	4.73	–	–	–	–
CPDG	CP	Affiliated company	2,212,133	4.27	–	–	–	–
CPSZ	CP	Affiliated company	2,772,316	5.15	–	–	–	–
CPSZ	CPTH	Affiliated company	146,773	3.05	–	–	–	–
CPCQ	CP	Affiliated company	2,614,771	2.71	–	–	–	–
GSE	CPSZ	Affiliated company	129,901	2.53	–	–	–	–
CPTH	CP	Affiliated company	182,516	4.58	–	–	–	–
GSE	CPDG	Affiliated company	154,619	2.54	–	–	–	–
XAVi Suzhou	XAVi Thailand	Affiliated company	118,910	1.90	–	–	–	–
Other receivable								
The Company	UNIKEY	Subsidiary owned by the Company	$ 1,010,966	–	$ –	–	$ –	$ –
The Company	HEC	Subsidiary owned by the Company	445,933	–	–	–	–	–
The Company	Qun-Jing	Subsidiary owned by HEC	194,395	–	–	–	–	–
The Company	Quansun	Subsidiary owned by HEC	601,223	–	–	–	–	–
The Company	Real Young	Subsidiary owned by COI	230,873	–	–	–	–	–
The Company	CGI	Subsidiary owned by the Company	186,856	–	–	–	–	–
COI	The Company	The Company	3,379,507	–	–	–	–	–
COI	KUM	Affiliated company	194,326	–	–	–	–	–
CGI	The Company	The Company	2,317,704	–	–	–	–	–
CGI	CEM2	Affiliated company	2,236,437	–	–	–	–	–
CGI	CET	Affiliated company	3,295,597	–	–	–	–	–
Mao-Feng	The Company	The Company	1,964,794	–	–	–	–	–
CEM2	CET	Affiliated company	424,391	–	–	–	–	–
CEM3	Mao-Qun	Affiliated company	178,434	–	–	–	–	–
CEM5	CEM2	Affiliated company	534,479	–	–	–	–	–
CEM5	CEM3	Affiliated company	285,313	–	–	–	–	–
CP	CPHK	Affiliated company	1,245,135	–	–	–	–	–
CP	CPUS	Affiliated company	128,140	–	–	–	–	–
CP	CPTH	Affiliated company	193,979					
CPDG	Zhuzhou Torch	Affiliated company	314,878	–	–	–	–	–
CPSZ	CPTZ	Affiliated company	133,514	–	–	–	–	–
CPI	CP	Affiliated company	1,292,423	–	–	–	–	–
HOI	CGI	Affiliated company	1,357,753	–	–	–	–	–
HOI	The Company	The Company	1,096,273	–	–	–	–	–
XAVi Overseas	Directmax	Affiliated company	107,421	–	–	–	–	–
Systemax	XAVi	Affiliated company	199,260	–	–	–	–	–

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Significant inter-company transactions during the reporting period
Year ended December 31, 2021

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	The Company	UNIKEY	1	Other receivables-related party	$ 1,010,966	Note 5	1.21
1	CGI	The Company	2	Other receivables-related party	2,317,704	Note 5	2.77
2	COI	The Company	2	Other receivables-related party	3,379,507	Note 5	4.04
3	CET	The Company	2	Accounts receivable-related party	1,411,756	Note 4	1.69
"	CET	The Company	2	Sales	9,206,574	Note 4	8.57
4	CEM2	The Company	2	Sales	8,749,523	Note 4	8.14
"	CEM2	The Company	2	Accounts receivable-related party	6,520,180	Note 4	7.79
5	CEM3	The Company	2	Sales	12,914,490	Note 4	12.02
"	CEM3	The Company	2	Accounts receivable-related party	7,181,968	Note 4	8.58
"	CEM3	CGI	3	Sales	8,866,012	Note 4	8.25
"	CEM3	CGI	3	Accounts receivable-related party	1,435,692	Note 4	1.71
6	CEM5	CGI	3	Sales	5,185,683	Note 4	4.83
"	CEM5	CGI	3	Accounts receivable-related party	3,108,873	Note 4	3.71
7	Mao-Ray	The Company	2	Sales	4,898,968	Note 4	4.56
"	Mao-Ray	The Company	2	Accounts receivable-related party	839,662	Note 4	1.00
"	Mao-Ray	CGI	3	Sales	2,252,385	Note 4	2.10
"	Mao-Ray	CGI	3	Accounts receivable-related party	1,243,005	Note 4	1.16
8	Mao-Feng	The Company	2	Other receivables-related party	1,964,794	Note 5	2.35

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
9	CP	CEM3	3	Sales	1,655,192	Note 4	1.54
"	CP	CPHK	3	Other receivables-related party	1,245,135	Note 5	1.49
10	HOI	CGI	3	Other receivables-related party	1,357,753	Note 5	1.62
"	HOI	The Company	2	Other receivables-related party	1,096,273	Note 5	1.31
11	CPSZ	CP	3	Sales	15,858,217	Note 4	14.76
"	CPSZ	CP	3	Accounts receivable-related party	2,772,316	Note 4	3.31
12	CPCQ	CP	3	Sales	7,380,469	Note 4	6.87
"	CPCQ	CP	3	Accounts receivable-related party	2,614,771	Note 4	3.12
13	CPDG	CP	3	Sales	9,053,507	Note 4	8.42
"	CPDG	CP	3	Accounts receivable-related party	2,212,133	Note 4	2.64
14	CPI	CP	3	Other receivables-related party	1,292,423	Note 5	1.54
15	XAVi-Suzhou	XAVi	3	Sales	1,893,789	Note 4	1.76

Other transactions between the parent company and subsidiaries not exceeding 1% of the consolidated total revenue or total assets are not disclosed. Those transactions are shown in other assets and revenue.

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1) Parent company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on year-end balance of total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Sales to related parties were basically the same as those to third parties, with consideration of transaction quantities and market situation, the payment terms were basically the same as third parties .

Note 5: The terms of related party loans depends on both parties’ operation situation.

Note 6: Receivables from advances and service charges of related parties.

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Information on investees (not including investees in Mainland China)

Year ended December 31, 2021

Table 10

				Initial investment amount		Shares held as at December 31, 2021					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
The Company	COI	BVI	(1) Sales of computer peripherals (2) Management of overseas acquisitions & investments	$ 265,326	$ 265,326	1,000	100.00%	$ 24,725,937	$ 1,365,296	$ 1,364,908	Subsidiary
	CET	Thailand	Manufacturing and sales of computer peripherals	783,011	489,232	8,213,384	82.11%	885,868	151,091	120,912	Subsidiary
	UNIKEY	Taiwan R.O.C.	Manufacturing and sales of computer peripherals	150,000	150,000	90,000,000	100.00%	431,391	(96,612)	(213,071)	Subsidiary
	HOI	BVI	(1) Sales of switching power supplies and other electronic parts (2) Management of overseas acquisitions & investments	412,003	412,003	12,560,000	100.00%	2,555,646	14,021	14,021	Subsidiary
	HEC	Taiwan R.O.C.	Sales of switching power supplies and other electronic parts	2,330	2,330	4,660,000	100.00%	(364,938)	105,300	16,261	Subsidiary
	XAVi	Taiwan R.O.C.	Researching, manufacturing and selling the DSL bridges and routers	121,163	125,122	31,402,440	45.15%	303,798	147,655	63,838	Subsidiary
	CGI	Malaysia	Sales of computer peripherals	33,027	33,027	1,000,000	100.00%	3,293,355	425,054	314,383	Subsidiary
	CP	Taiwan R.O.C.	(1) Research, manufacture and sales of switching power supply, other electronic parts and equipment, and lamps (2) Smart building system business	2,792,813	2,352,241	206,706,594	52.71%	4,914,875	2,827,207	1,436,672	Subsidiary
UNIKEY	Real Young	BVI	(1) Design and sales of computer peripherals (2) Management of overseas acquisitions & investments	41,490	41,490	1,275,000	13.95%	146,418	139,470	-	Sub-subsidiary
	XAVi	Taiwan R.O.C.	Researching, manufacturing and selling the DSL bridges and routers	1,615	-	133,261	0.19%	1,702	147,655	-	Sub-subsidiary
COI	CAI	U.S.A	Sales of computer peripherals	89,944 (USD 3,250)	89,944 (USD 3,250)	3,250,000	100.00%	82,747	(456)	-	Sub-subsidiary
	CAGI	U.S.A	Internet solution for E-Commerce solution	85,931 (USD 3,105)	85,931 (USD 3,105)	12,400,000	100.00%	(1,224)	(45)	-	Sub-subsidiary
	Mao-Feng	BVI	(1) Sales of computer peripherals (2) Management of overseas acquisitions & investments	63,486 (USD 2,294)	63,486 (USD 2,294)	2,294,000	100.00%	10,768,526	447,215	-	Sub-subsidiary
	CET	Thailand	Manufacturing and sales of computer peripherals	216,502 (USD 7,823)	261,502 (USD 7,823)	1,789,141	17.89%	193,256	151,091	-	Sub-subsidiary
	KUM	Samoa	(1) Sales of computer peripherals (2) Management of overseas acquisitions & investments	62,850 (USD 2,271)	62,850 (USD 2,271)	2,284,142	100.00%	(175,713)	10,599	-	Sub-subsidiary
	CEZ	Czech Republic	Sales of computer peripherals	194 (USD 7)	194 (USD 7)	-	100.00%	224,927	366	-	Sub-subsidiary
	GFI	Cayman Islands	(1) Sales of computer peripherals (2) Management of overseas acquisitions & investments	66,199 (USD 2,392)	66,199 (USD 2,392)	2,310,000	60.00%	(195,882)	(9,508)	-	Sub-subsidiary
	Real Young	BVI	(1) Design and sales of computer peripherals (2) Management of overseas acquisitions & investments	223,393 (USD 8,072)	223,393 (USD 8,072)	7,864,780	86.05%	910,861	139,470	-	Sub-subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021					
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
COI	CEJ	Japan	Sales of computer peripherals	$ 2,629 (USD 95)	$ 2,629 (USD 95)	-	100.00%	$ 10,888	$ 782	$ -	Sub-subsidiary
	Swift Success Holdings limited	Samoa	Investment holdings	148,393 (USD 5,362)	148,393 (USD 5,362)	-	40.00%	199,928	36,628	-	Investments accounted for using equity method
CP	CPH	BVI	Investment holdings	326,350 (USD 10,000)	326,350 (USD 10,000)	10,000,000	100.00%	6,563,962	514,058	-	Sub-subsidiary
	CPTH	Thailand	Sales of switching power supplies and other electronic parts	271,773 (THB 290,000)	237,744 (THB 250,000)	99,000,000	100.00%	149,601	(55,420)	-	Sub-subsidiary
CPH	CPI	Cayman Islands	Investment holdings	278,500 (USD 10,000)	278,500 (USD 10,000)	10,000,000	100.00%	6,932,735	514,058	-	Sub-subsidiary
CPI	CPUS	U.S.A	Sales of switching power supplies and other electronic parts	36,678 (USD 1,317)	36,678 (USD 1,317)	1,500,000	100.00%	11,704	(11,971)	-	Sub-subsidiary
	CPHK	Hong Kong	Research and development center	306,816 (HKD 85,800)	306,816 (HKD 85,800)	46,800,000	100.00%	5,407,612	555,489	-	Sub-subsidiary
	WitsLight Technology	Samoa	Design, research and development, manufacturing and sales of LED lighting modules and investment holdings	287,273 (USD 10,315)	258,170 (USD 9,270)	12,800,000	100.00%	76,105	(27,628)	-	Sub-subsidiary
WTS	CT	Taiwan R.O.C.	Design, researching and developing and sales of automotive and motorcycle lamps and other components	3,000	3,000	300,000	100.00%	(60,463)	(13,272)	-	Sub-subsidiary
Kuang Mao	Sky-Fine	Samoa	Sales of computer peripherals	68,994 (USD 2,493)	68,994 (USD 2,493)	310,423	29.00%	18,455	39,637	-	Investments accounted for using equity method
HEC	Quansun	Taiwan R.O.C.	Investment holdings	80,000	80,000	8,000,000	100.00%	(207,357)	5,329	-	Sub-subsidiary
	Qun-Jung	Taiwan R.O.C.	Manufacturing and sales of computer peripherals	1,000	1,000	100,000	100.00%	(124,217)	(245)	-	Sub-subsidiary
	CP	Taiwan R.O.C.	(1) Research, manufacture and sales of switching power supply, other electronic parts and equipment, and lamps (2) Smart building system business	54,811	54,811	1,202,830	0.31%	65,898	2,827,207	-	Subsidiary
XAVi	Directmax	BVI	Management of overseas acquisitions and investments	332,791 (USD 10,250)	332,791 (USD 10,250)	7,750,000	100.00%	370,852	(25,164)	-	Sub-subsidiary
	Xavi Technologies (Thailand) Co., Ltd.	Thailand	Manufacturing, processing and sales of communication products	53,637 (THB 55,000)	49,065 (THB 50,000)	5,499,997	100.00%	75,057	8,669	–	Sub-subsidiary
Directmax	XAVi Overseas	BVI	Management of overseas acquisitions and investments	324,942 (USD 10,000)	324,942 (USD 10,000)	7,500,000	100.00%	105,670	-	-	Sub-subsidiary
	Systemax	BVI	Sales of DSL bridges and routers	7,849 (USD 250)	7,849 (USD 250)	250,000	100.00%	206,459	3,024	-	Sub-subsidiary

Note: The amount of NTD exchanged from foreign currency in the table were exchanged with the exchange rate at financial reporting date except profit or loss was exchanged with the average exchange rate from January 1, 2021 to December 31, 2021.

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Information on investments in Mainland China
Year ended December 31, 2021

Table 11

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2021: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2021: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Net income of investee for the year ended December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Footnote
			(Note 1)							(Note 2) (Note 4)			
Chicony Electronics (Dong Guan) Co., Ltd.	Manufacturing and sales of computer peripherals	$ 322,150	(2)A	$ 317,555	$ -	$ -	$ 317,555	$ 126,790	100%	$ 126,790 (2)B	$ 4,134,218	$ -	–
Chicony Electronics (Suzhou) Co., Ltd.	Manufacturing and sales of computer peripherals	967,558	(2)C	329,424	-	-	329,424	434,709	100%	434,709 (2)B	9,093,324	-	–
Chicony Electronics (Chong-Qing) Co., Ltd.	Manufacturing and sales of computer peripherals	435,788	(2)A	-	-	-	-	643,069	100%	643,069 (2)B	3,533,838	-	–
Mao-Ray Electronics (Dong Guan) Co., Ltd.	Manufacturing of electronic parts, keyboards and plastic products	277,530	(2)B	236,374	-	-	236,374	135,606	100%	135,606 (2)B	1,351,439	-	–
Suzhou Mao-Qun Electronics Co., Ltd.	Manufacturing of electronic parts, keyboards and plastic products	124,911	(2)D	93,661	-	-	93,661	(7,797)	60%	(4,678) (2)B	(289,552)	-	–
Suzhou Qun-Yang Electronics Co., Ltd.	Manufacturing of electronic parts, keyboards and plastic products	4,804	(2)D	-	-	-	-	(8,015)	60%	(4,809) (2)B	(89,571)	-	–
XAVi Technology (Suzhou) Co., Ltd.	Manufacturing and sales of DSL bridges	324,942	(2)F	324,942	-	-	324,942	(28,188)	45.34%	(12,780) (2)B	83,119	-	–
Chicony Power Technology (Dong Guan) Co., Ltd.	Manufacturing and sales of switching power supplies and other electronic parts	593,135	(2)E	286,935	-	-	286,935	131,240	53.02%	69,584 (2)B	1,371,254	-	–
Chicony Power Technology (Suzhou) Co., Ltd.	Manufacturing and sales of switching power supplies and LED lighting equipment	1,297,467	(2)E	194,245	-	-	194,245	342,404	53.02%	181,543 (2)B	3,178,846	-	–
Quang Sheng Electronics (Nangchang) Co., Ltd.	Manufacturing of switching power supplies and other electronics parts	131,175	(2)E	97,602	-	-	97,602	9,753	53.02%	2,707 (2)B	240,951	-	–

					Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2021								
Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Net income of investee for the year ended December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Footnote
			(Note 1)							(Note 2) (Note 4)			
Chicony Power Technology (Chong Qing) Co., Ltd.	Manufacturing and sales of switching power supplies and LED lighting equipment	$ 301,744	(2)E	$ -	$ -	$ -	$ -	$ 254,786	53.02%	$ 135,088 (2)B	$ 1,890,037	$ -	–
Chicony Energy Saving Technology (Shanghai) Co., Ltd.	Sales of LED lighting equipment	44,379	(2)E	-	-	-	-	(817)	53.02%	(433) (2)B	45,048	-	–
Chicony Power Technology Trading (Dong Guan) Co., Ltd.	Importing and exporting of switching power supplies, LED lighting equipment, and other electronic parts and smart building system business	10,491	(2)E	-	-	-	-	165	53.02%	87 (2)B	71	-	–
Chicony Power Technology Trading (Taizhou) Co., Ltd.	Researching and developing, manufacturing, sales, installation, aftersale, and advisory services of electric machinery, electric frequency device and industry automation equipment; manufacturing and sales of electrical machinery and components; import and export of goods and technique	90,030	(2)E	-	-	-	-	(161,918)	53.02%	(85,849) (2)B	(124,271)	-	–
WitsLight Technology (Kunshan) Co., Ltd.	Manufacturing and sales of LED lighting modules	331,859	(2)G	-	-	-	-	(13,843)	53.02%	(8,737) (2)B	169,335	-	–
Zhuzhou Torch Auto Lamp Co., Ltd.	Production and sales of automotive and motorcycle components, electric machine and device, lamps and plastic products	228,654	(2)G	-	-	-	-	(13,426)	53.02%	(8,546) (2)B	164,318	-	–

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021 (Note 3)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 3)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
The Company	$ 2,055,256	$ 3,063,955	$ 18,272,213
	(USD 74,264 thousand)	(USD 110,712 thousand)	

Note 1: Investment methods are classified into the following three categories:

(1) Directly invest in a company in Mainland China.

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China, the investing companies includes:

A. Chicony Overseas Inc.

B. Real Young Elec. Co., Ltd.

C. Mao-Feng International Inc.

D. Global Faith Inc.

E. Chicony Power Technology Hong Kong Limited(CPHK)

F. Directmax International Ltd.

G. WitsLight Technology Co., Ltd..

(3) Others.

Note 2: In the ‘Investment income (loss) recognised by the Company for the year ended December 31, 2021’ column:

(1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.

(2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:

A.The financial statements were audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

B.The financial statements were audited and attested by R.O.C. parent company’s CPA.

C.Others

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Note 4: Calculated based on the Company’s ending combined shareholding ratio.

CHICONY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Major shareholders information

December 31, 2021

Table 12

Expressed in thousands of NTD
(Except as otherwise indicated)

	Shares		
Name of major shareholders	Number of shares held (commen shares)	Number of shares held (preference shares)	Ownership (%)
Hsu, Kun-Tai	56,615,782	-	7.59%

Note 1: (1) The major shareholders' information was derived from the data using the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded on the financial statements may different from the actual number of shares in dematerialised form due to the difference in calculation basis.

(2) If the aforementioned data contains shares which were kept in the trust by the shareholders, the data was disclosed as a separate account of the client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio was greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio included the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information on reported share equity of insiders, please refer to the Market Observation Post System.