Stock Code: 2406

GIGASTORAGE CORPORATION

2021 Annual Report

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Website of the Company: http://www.gigastorage.com.tw

Printed on April 30, 2022

Notice to readers

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

I. Company Spokesperson

Spokesperson: Chen, Chi-Ming /Chairman

E-mail: ir@gigastorage.com.tw

Deputy Spokesperson: Chen, Min-Min/Junior Manager of Investment Dept.

E-mail: ir@gigastorage.com.tw

Tel.: (03) 598-5510

II. Address and Telephone of Headquarter, Subsidiaries, and Plants

Head Office

Address: No. 3, Gongye 1st Rd., Hukou Township, Hsinchu County 303036 , Taiwan (R.O.C.)

Tel: (03) 598-5510

Sinfong Factory

Address: No. 18, Zihciang Rd., Hukou Township, Hsinchu County 303035 , Taiwan (R.O.C.)

Tel: (03) 598-5510

Reinvestment Company: Global Acetech Co., LTD

Address: 356 Moo7, Tathoom, Srimahaphot Distric, Prachinburi, Thailand

Tel: 66-3748-1110

III. Stock Transfer Agency

Name: Taishin Securities stock transfer agency department

Address: B1., No.96, Sec. 1, Jianguo N. Rd., Zhongshan Dist., Taipei city 104, Taiwan.

URL: http://www.tssco.com.tw

Tel.: (02) 2504-8125

IV. CPAs for annual financial reports of the most recent year

Name of the accounting firm: Deloitte Touche Tohmatsu Limited

Names of accountants: Huang,Yu-Feng、Chung, Ming-Yuan,

Address: 6F, No. 2 Zhanye 1st Road, East District, Hsinchu City 300

URL: http://www.deloitte.com.tw

Tel.: 03-5780899

V. The names of any exchanges where the Company's securities are traded offshore, and the method by which to access information on the said overseas securities: None

VI. Address of the Company's website: http://www.gigastorage.com.tw

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One. Letter to Shareholders

Ladies and Gentlemen, Esteemed Shareholders, Greetings:

On behalf of the Company's entire management team, I hereby sincerely express our deepest gratitude to all shareholders for their support over the past year!

Looking back on 2021, the novel coronavirus pandemic caused the global recession, and the Group's subsidiary Giga Solar Materials also was affected by the cost control measures and technological advancement in the solar energy industry chain, which experienced the continuous reduction of orders from main customers. Although the volume of installation experienced a slight increase, the global use of photovoltaic conductive paste did not increase accordingly. The continuous price fall of silver around the world and the price competition from the strong emerging photovoltaic conductive paste manufacturers in China have resulted in the shortening research and development cycle and quick replacement of products, further reducing the profit margins. Giga Solar Materials actively develops new products, including special raw materials required for paste and materials and semiconductor polished and recycled wafers used in the energy conservation industry, laying a foundation for the Company's sustainable development in advance. The Company's consolidated operating results in 2021 were better than that of 2020. The main reason was the second-instance judgment of the Philips litigation case in May 2020. The Company first estimated and recognized the amount of the intellectual property court judgment plus interest in 2020, resulting in net operating loss in 2020. The Company has formally signed a confidential settlement agreement with Philips on April 28, 2021, and all litigation and non-litigation proceedings between the Company and Philips in the lawsuit have been concluded.

The Company's management team and all employees are united in their goals and will continue to work hard to create the greatest profit and company value for all shareholders!

At this point, I would hereby like to thank all shareholders once again for their continued support and encouragement to the Company. Summary descriptions of the 2021 business report and 2022 business plan are as follows:

I. 2021 business report

(I) Business plan implementation results

The Company's consolidated operating revenue for 2021 was NTD 8.348 billion, marking an reduce of NTD 1.207 billion from the NTD 9.555 billion seen in 2020. Net profit after tax attributable to the Company in 2021 was NTD 24,796 thousand or NTD 0.09 per share.

(II) Budget implementation status: The Company has no announced financial forecasts for 2021.

(III) Revenues, expenses, and profitability analysis

1. Revenues and expenses

Unit: NTD Thousand

Item \ Year	2021	2020
Cash inflow (outflow) from operating activities	688,755	1,372,523
Cash inflow (outflow) from investing activities	(399,886)	(676,554)
Cash inflow (outflow) from financing activities	89,955	(136,506)
Effect of exchange rate fluctuation on cash and cash equivalents	(45,246)	(49,555)
Net increase (decrease) in cash and cash equivalents	333,578	509,908
Cash and cash equivalents at beginning of year	2,693,564	2,183,656
Cash and cash equivalents at end of year	3,027,142	2,693,564

The company's business activities in the 2021 consolidated financial statement generated a net cash inflow in the amount of NTD 688,755 thousand. This is mainly due to reduce in accounts receivable collection and prepayments increase in the current year; the combined investment activities generated a net cash outflow of NTD 399,886 thousand. This is mainly due to the increase in cash outflow due to the acquisition of real estate equipment and reinvestment in 2021, and the increase in refundable deposits due to the Philips lawsuit in 2020, resulting in the investment activities generating a net cash outflow. The combined financing activities generated a net cash inflow of NTD 89,955 thousand. This is mainly due to a subsidiary of the merged company's private cash capital increase in the current year.

2. Profitability analysis

Item \ Year	2021	2020
Return on assets (%)	(1.24)	(2.28)
Return on shareholders' equity (%)	(4.14)	(10.33)
Net profit before tax to paid-in capital ratio (%)	(9.25)	(17.40)
Net profit margin (%)	(3.27)	(5.87)
After-tax earnings per share (NTD)	0.09	(2.17)

(IV) Research and development status

1. Research and development expenditures

Unit: NTD Thousand

Year	2021	2020
Consolidated R&D expenses (A)	318,943	318,379
Consolidated net operating revenue (B)	8,347,818	9,554,735
(A)/(B)(%)	3.82	3.33

2. R&D results

(1) Current products of the Company and subsidiaries

A. Solar conductive paste oriented materials
B. Photovoltaic ribbons.
C. Solar photovoltaic power generation system and power plant engineering projects.
D. Solar auxiliary material
E. Diamond wire.
F. Low temperature solid material products.
G. PCB/BAG Special coating products for milling cutters and drill bits.
H. 8" test grade semiconductor silicon wafer.
I. LiFePO4 cathode material.

(2) New products scheduled to be developed ahead

A. Ultra-high-efficiency solar energy cell paste
B. Round photovoltaic ribbons.
C. Low temperature curing conductive silver pastes
D. Vehicle lithium battery materials.
E. Manufacturing & process development of 12" test grade semiconductor silicon wafer.
F. Manufacturing development & design of micro-scale key element for heat dissipation.
G. High-performance hard film development
H. Thinning diamond wire

II. Summary of 2022 operating plan

(I) Operating strategy

Expand business strategies and develop long-term cooperation with customers; act in coordination with the Group's multiple investment projects in material products and domestic power plants; improve capacity utilization and work toward efficient product development; reduce manufacturing costs; enhance product value; and strengthen the Company's long-term financial structure. Through our years of hard work on solar power stations, we are actively developing domestic power station engineering services to create maximum profits for the Company.

(II) Estimated sales volume and its basis and important production and sales plans

This year, the Company will continue to actively invest in domestic power plant engineering services and photovoltaic ribbon sales. The government of Taipei has announced its Net Zero by 2050 Roadmap, in which the proportion of renewable energy will be greatly increased from the current less than 10% to 60% or 70%. In order to reach this goal, the originally planned photovoltaic installations will reach 20GW in 2025, and with an annual increase of 2GW before 2030, the capacity will increase to 30GW in 2030, making the cumulative capacity of wind and photovoltaic installations reach 40GW. Last year, the global pandemic caused the prices of raw materials such as modules, steel structures, and wirings, to go up. The accelerated resumption of work after the easing of the domestic pandemic situation also pushed up the labor costs. The overall construction cost of photovoltaic installations surged, causing the installation progress to fall behind schedule. With the incentives of raising fees proposed by the Ministry of Economic Affairs for operators joining the grid connection by the end of 2021, the total installed capacity reached 7.7GW in 2021. However, the target of 11.25GW for this year will need efforts from across different departments and agencies to take inventory of roofs, floating solar fish farms, polluted land, etc. The Bureau of Energy and Taiwan Power Company have promoted 32 power grid enhancement projects in photovoltaic hot spots, which can add the feeder capacity by 6.96GW. It is estimated that the installed capacity in Taiwan will reach more than 3GW this year. The Company has cultivated the field of solar power plants for years. It is estimated that the proportion of power plant engineering services to revenue will continue to climb. Besides this, the subsidiary Giga Solar Materials will continue to develop high-perform products for its conductive pastes and actively find top-tier clients to maintain its competitiveness in the market. It is expected that the market share can be maintained, contributing to the Company's consolidated revenue and profits, and consistently meeting the sales targets.

III. Future development strategy of the Company

In the future, the Company's strategy will focus on upstream high-performance materials development and design and development of materials with high profitability, supplemented by the use of financial advantages to invest in downstream power plants to stabilize the rate of return, and build an integrated upstream-downstream supply chain to obtain long-term stable profits, and strive to develop various energy-saving and eco-friendly upstream material products. The Company will also commit to energy materials, such as the cells for storing energy and electric vehicles and cathode materials used for energy product, and the carbon-silicon anode materials developed and produced by Giga Solar Materials. As the global solar energy industry and the specifications of electronic products

change rapidly, the Corporate Group will make its product line more diversified. As the electric vehicle industry continues to grow, the Company is expected to become stronger and have more revenue streams to make the overall operation more robust, further improving the profitability and creating the most value.

IV. Effects of external competitive environment, regulatory environment, and overall business environment

Given the strong influence of governmental subsidy policies among various countries as well that of the overall economic environment, the solar energy industry is easily subject to fluctuations in supply and demand in the short term. Nonetheless, long-term growth should continue to sustain its upward trend in line with safety and sustainability concerns as well as the declining costs of alternative energy sources. The world's proportion of solar power generation should increase accordingly. Following the growth of global solar energy demand in Japan, the United States, India and other countries, the rise of emerging markets will continue to increase and the growth of the solar energy market is predictable.

The global economy has undergone a severe recession due to the impact of the COVID-19 pandemic, and the solar energy industry's climate is changing rapidly. Due to the impact of regulations for electricity generation on farm land modified by the Council of Agriculture (COA), the availability of land on which ground power stations are set up is restricted. This year, large power users with a contracted capacity of more than 5,000KW are officially required to build renewable energy equipment and storage equipment or purchase green power certificates. Farmlands used with solar panels may be limited, but the government has offered utility fee increase as an incentive to encourage the implementation of floating solar fish farms, and used fish farms located in Tainan and Chiayi as the pilot program. The Company has a stable financial structure and operational capabilities. This year, it aims to increase revenue and gross profit through domestic power station engineering services and establishment of power stations.

In response to the abovementioned changes in the external environment, we continue to insist on adopting a proper and effective raw material hedging mechanism for various costs despite the large fluctuations in international raw material prices. All relevant Company personnel keep abreast of changes in market demand, changes in national laws and regulations, overall economic conditions, and competition within the industry. Furthermore, they undertake appropriate financial planning to avoid risks from fluctuations in exchange rates and interest rates so as to reduce the impact on the Company.

Gigastorage Corporation

Chairman：Chen, Chi-Ming

Two. Company Profile

I. Date Established: March 26, 1997

II. Company History

Year	Milestones
1997	1. Established in Taipei City with paid-in capital of NTD 101,270,000. 2. Convened an interim meeting of shareholders to increase the number of directors from 7 to 9 and the number of supervisors from 2 to 3. 3. Shares were approved for public offering. 4. Cash capital increase of NTD 433.29 million, increasing paid-in capital to NTD 534.56 million. 5. The Hsinchu Hukou Factory was completed and moved to the Hsinchu Industrial Park in Hukou Township of Hsinchu County, and began to engage in the manufacturing and sale of recordable optical discs. 6. Self-developed mass production technology for cyanine, azo, phthalocyanine CD-Rs and sold them all over the world. Furthermore, we stood as the first domestic manufacturer to produce cyanine, azo, phthalocyanine CD-Rs simultaneously.
1998	1. Cash capital increase of NTD 267.28 million, increasing paid-in capital to NTD 801.84 million. 2. Self-developed 2x speed CD-RW mass production technology and sold it all over the world.
1999	1. Won the IOS9002 quality assurance system certification. 2. Cash capital increase of NTD 350 million, increasing paid-in capital to NTD 1,151.84 million. 3. Second Hukou factory broke ground for site preparation. 4. Capitalization of retained earnings of NTD 116,118,000, increasing paid-in capital to NTD 1,267,958,000. 5. Received subsidy from the Industrial Development Bureau of the Ministry of Economic Affairs for the leading new product: “High-Density Recordable DVD-R Disc Development Project.” 6. Cash capital increase of NTD 132,042,000, increasing paid-in capital to NTD 1,400 million. 7. Approved by the Industrial Development Bureau of the Ministry of Economic Affairs to obtain a letter of opinion for a scientific and technological undertaking. 8. Won the ISO9001 quality assurance system certification. 9. Established 100%-owned subsidiary in the United States to expand business

Year	Milestones
	channels in the North American market. 10. Invest in MaxMax Group Corporation to join with distributors in expanding into the Asian market. 11. Completion of the first phase of the second factory (factory space of 5,000 *ping*). 12. Completed "High-Density Recordable DVD-R Disc Development Project," a leading new product for the Industrial Development Bureau.
2000	1. Officially listed as a technology stock. 2. Established a System Development Department; entered the information appliance industry; diversified operations. 3. Capitalization of retained earnings and capital reserves amounting to NTD 490,978,000, increasing paid-in capital to NTD 1,890,978,000. 4. Invested in Taimide Technology Inc. and officially entered the field of semiconductor materials. 5. Cash capital increase of NTD 400 million, increasing paid-in capital to NTD 2,290,978,000.
2001	1. Completed the development of MP3 digital music player. 2. Completed development of a multifunctional disc duplication device. 3. Established a Multimedia Business Department to extend the reach of optical disc products (strengthening the DVD-related series of products). 4. Ritek Corp. acquired an equity stake of over 10%, and obtained four director seats and two supervisor seats in the shareholders' meeting held in May, with both sides cooperating more closely.
2002	ERP system went online.
2003	1. Made first issuance of overseas convertible bonds in the amount of USD 20 million. 2. The United States International Trade Commission (ITC) made an initial ruling against the injunction petition filed by Philips. 3. Introduced EasyFlow system.
2004	1. Broke ground on Building B of the second factory. Issued a second overseas convertible bond in the amount of USD 30 million. 2. The Taiwan Intellectual Property Office of the Ministry of Economic Affairs approved the Company's application for a license to implement a portion of Philips patents in Taiwan. 3. The United States International Trade Commission (ITC) issued final confirmation ruling against the injunction petition filed by Philips against the Company.
2005	1. Completion of Building B of the second factory. 2. Coating division established.

Year	Milestones
2006	1. Applied to the Industrial Development Bureau for a special plan to invest in the development of conductive pastes for solar energy. 2. Invested to set up factory and establish overseas production base in Thailand.
2007	1. Established a Photovoltaic Department and an Optical Film Department. 2. Reached a settlement with Philips on the CD-R product lawsuit. 3. Completed mass production and sales of solar conductive aluminum paste. 4. Solar conductive silver paste received a subsidy from the Leading Product Development Plan of the Industrial Development Bureau.
2008	1. Completed first private placement of domestic convertible bonds (NTD 97 million). 2. Solar conductive paste division was transferred to subsidiary Siing Kang Technology Corp. (Since renamed Giga Solar Materials Corp.)
2009	1. Handled capital reduction to make up for losses. 2. Raised and issued third overseas convertible corporate bond of US$25 million.
2010	1. Established Silicon Materials Division. 2. Handled a NTD 1.14 billion syndicated loan case with eight banks including the Industrial Bank of Taiwan. 3. Completed mass production and sales of silicon wafers, and officially entered the solar material industry.
2011	1. Cash capital increase of NTD 735 million. 2. Made first domestic issuance of convertible bonds in the amount of NTD 750 million. 3. Production capacity of solar silicon wafers expanded to 300MW/year.
2012	1. Made second domestic issuance of convertible bonds in the amount of NTD 800 million. 2. Made first domestic issuance of exchangeable bonds in the amount of NTD 700 million. 3. Completion of the Tainan Syuejia Power Station, the largest single-area ground-based solar power generation system in Taiwan.
2013	1. Acquired Wafering Technology Corporation 2. Production capacity of solar silicon wafers expanded to 600MW/year. 3. Invested affiliate EIWA Electric Power Co. Inc. purchased a golf course property in Fukushima, Japan, with the intention of building a solar power generation system of about 17MW.
2014	1. Made second domestic issuance of exchangeable bonds in the amount of NTD 450 million. 2. Invested affiliate completes construction of first overseas solar farm, in Chiba, Japan.

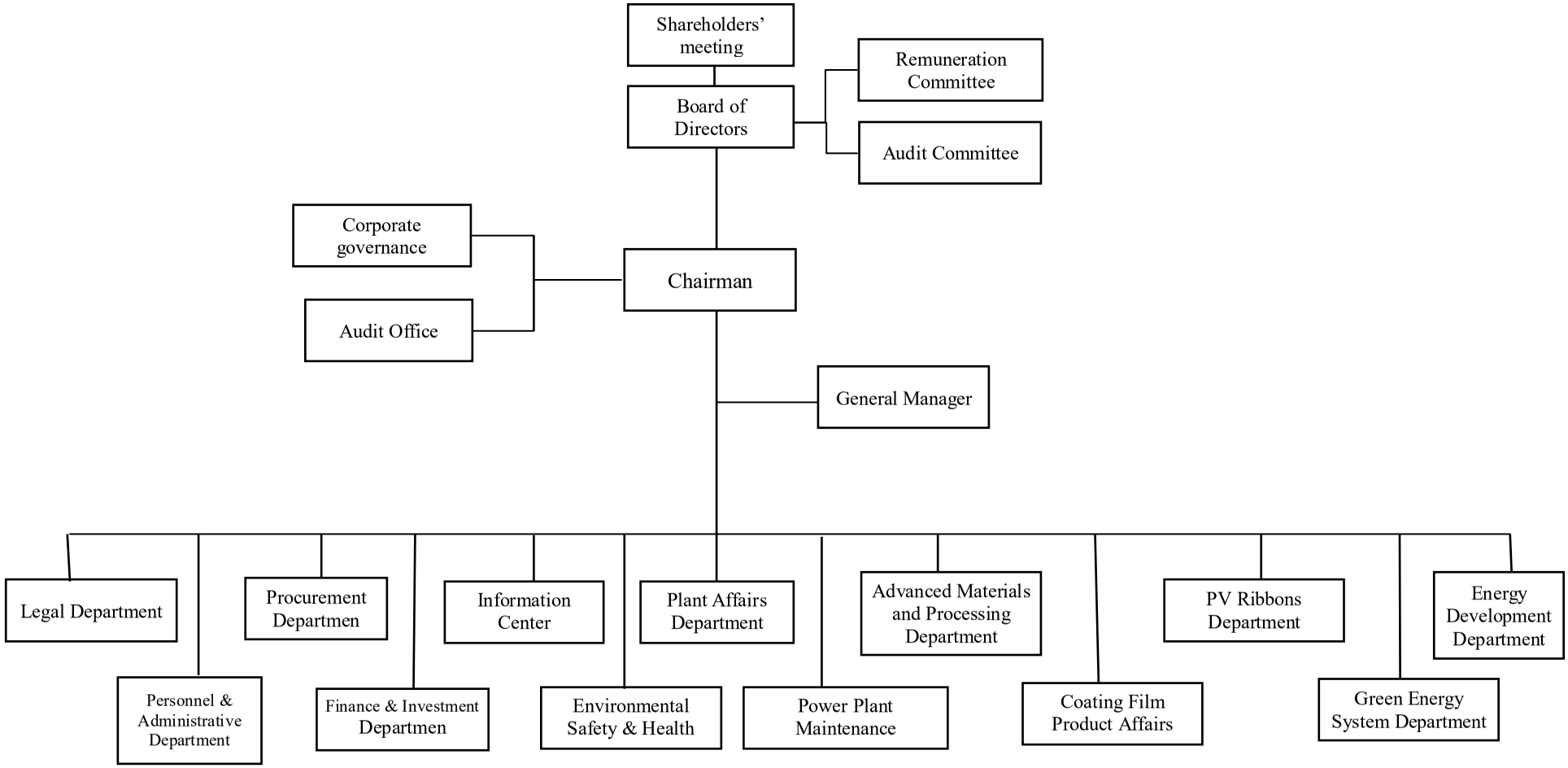
Year	Milestones
	3. Completed the joint financing case of JPY 3.5 billion for EIWA Electric Power Co. Inc.' s solar power station in Fukushima.
2015	1. Completed grid connection for 17MW in Fukushima, Japan; Initiated electricity sales. 2. Made third domestic issuance of convertible bonds in the amount of NTD 800 million.
2016	1. Subsidiary Giga Solar Materials Corp. invested and established Yancheng Giga Solar Materials Corp. in mainland China. 2. Invested and established Giga Diamond Materials Corp. 3. Invested affiliate Sunshine Solar Power Generation Co., Inc. built a solar power station in the Philippines of about 50MW.
2017	1. Mortar cutting was fully transferred to diamond wire cutting. 2. Rescinded registration of Nanke branch. 3. Made fourth domestic issuance of convertible bonds in the amount of NTD 1.2 billion. 4. Split up Low Temperature Solid Materials Department and transferred it to Ho Mi Specialty Materials Corp.
2018	1. Invested affiliate Giga Diamond Materials Corp. undertook reinvestment in Hua Hsu Optotech Co., Ltd. 2. Disposed of land and buildings of the third factory. 3. Third appeal succeeds in DVD-R and DVD-RW product infringement case with Philips. 4. Ended silicon crystal, crystal growth, and slicing business.
2019	1. Subsidiary Wafering Technology Corporation merged with Quo-Chao Investment Co., Ltd. 2. Handled capital reduction to make up for losses. After capital reduction, paid-in capital was NTD 2.059 billion. 3. Subsidiary Green Energy Electrode, Inc. invested and established Yancheng Green Energy Electrode Co., Ltd. in mainland China.
2020	1. Cash capital increase to issue 80,000,000 shares. The total paid-in capital became NT$2.859 billion after cash capital increase. 2. Subsidiary Giga Solar Materials Corp. merged with Exojet Technology Corp.
2021	1. The Company and Philips signed a confidentiality settlement agreement in April 2021 in the DVD-R and DVD-RW product infringement case. All litigation and non-litigation proceedings between the company and Philips have been concluded.
2022	1. Cash capital increase to issue 65,000,000 shares. The total paid-in capital became

Year	Milestones
until the end of March	NT$3.509 billion after cash capital increase.

Three. Corporate Governance Report

I. Organizational System

(I) Organizational structure



(II) Business Offices of the Major Departments

Department	Major business affairs in charge
Audit Office	The efforts to evaluate the deficiencies of the Company's internal control system and measure the operational efficiency, submit audit reports, and to provide in real time suggestions for corrective action to rationally ensure the continuous and effective implementation of the internal control system to assist the management and fulfill the responsibilities through such concerted efforts.
Environmental Safety & Health Center	To ensure the safety and health toward the entire staff, prevent potential occupational disasters and provide secured workplaces that meet pollution prevention standards.
Legal Department	Render consultation services toward the Company's legal and litigation cases, laws and patents related affairs and to review agreements and contracts.
Personnel & Administrative Department	Personnel recruitment, appointment, salary management, educational & training programs, general affairs and other services.
Finance & Investment Department	In charge of establishment of the Company's accounting system, accounting and tax management, cost analysis and capital scheduling, cashier and investment strategies, reinvestment company management affairs and stock affairs operations.
Information Center	Computer and information system software and hardware maintenance, control and management and system software development, and the like.
Green Energy System Department	In charge of power plant development, and engineering related business affairs.
Energy Development Department	Responsible for the development of solar energy and energy storage projects and assist in the integrated construction.
Power Plant Maintenance Department	Responsible for the maintenance and operation of power plants.
PV Ribbons Department	In charge of the production, quality control, customer service, R&D and support of metal wires
Advanced Materials and Processing	Responsible for the semiconductor silicon wafer business and the production, development and design of micro-scale heat dissipation key components.

Department	
Coating Film Product Business Group	In charge of the production, quality control, customer service, R&D and support of coated products related services.

II. Information on Directors, General Manager, Vice General Managers, Associate Managers, and Heads of Various Departments and Branches

(I) The information of directors

1. The information of directors

April 26, 2022

Position titles	Nationality or venue or registration	Name	Gender Age	Date when elected (to the office)	Tenure of office	Date of initial election	Number of shares held when elected		Number of shares currently held		Number of shares held by spouse, minor children at the moment.		Number of shares held in the names of others		Major academic credentials and hands-on career experience	Currently posts served with the Company and other company(ies) at the moment	Other department heads, directors and supervisors as spouse or within blood relatives within the second degree of kinship			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Position titles	Name	Relationship	
Chairman	Republic of China	Chen, Chi-Ming	Male 61-70	June 25, 2019	3 years	June.25, 2010	6,995,655	2.06%	14,268,000	4.07%	-	-	-	-	Banking & Insurance Department, Feng Chia University Manager of Taiwan Cooperative Bank Co., Ltd.	Note 1	Director Director Director	Chen, Chi-Hsing Hsieh, Chin-Yuan Chen, Su-Hui	Brothers Relative by marriage Sister & brother	Note 10
Director	Republic of China	Chen, Chi-Hsing	Male 71-80	June 25, 2019	3 years	May 14, 2011	1,291,801	0.38%	1,130,090	0.32%	29	0.00%	-		Dept. of Chemical Engineering, Chinese Culture University	Note 2	Chairman Director Director	Chen, Chi-Ming Hsieh, Chin-Yuan Chen, Su-Hui	Brothers Relative by marriage Sister & brother	
Director	Republic of China	Hsieh, Chin-Yuan	Male 61-70	June 25, 2019	3 years	June 13, 2007	1,414,251	0.42%	Not applicable (Note3)											
Director	Republic of China	Chen, Su-Hui	Female 61-70	June 25, 2019	3 years	June 22, 2015	5,559,199	1.64%	9,035,841	2.58%	-	-	-	-	Department of Pharmaceuticals, Kaohsiung Medical College Master, Graduate School of Biochemistry, National Taiwan University PhD Graduate School of Medical Science, Kaohsiung Medical College Professor, Kaohsiung Medical University Director of Pharmaceutical Science, Kaohsiung University of Medical Science Auditor Director, Kaohsiung University of Medical Science	Note 4	Chairman Director Director	Chen, Chi-Ming Chen, Chi-Hsing Hsieh, Chin-Yuan	Sister & brother Sister & brother Relative by marriage	
Director	Republic of China	Chen, Wen-Chih	Male 51-60	June 25, 2019	3 years	June 13, 2007	824,668	0.24%	Not applicable (Note 5)											

Position titles	Nationality or venue or registration	Name	Gender Age	Date when elected (to the office)	Tenure of office	Date of initial election	Number of shares held when elected		Number of shares currently held		Number of shares held by spouse, minor children at the moment.		Number of shares held in the names of others		Major academic credentials and hands-on career experience	Currently posts served with the Company and other company(ies) at the moment	Other department heads, directors and supervisors as spouse or within blood relatives within the second degree of kinship			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Position titles	Name	Relationship	
Director	Republic of China	Huang, Wen-Jui	Male 51-60	June 25, 2019	3 years	June 25, 2019	1,771,777	0.52%	635,633	0.18%	60	0.00%	-	-	Master, Graduate School of Aerospace Science, National Cheng Kung University Kuan Hua Integrated Engineering Department Manager GIGASTORAGE CORPORATION Optical Material Department, Assistant Manager	Note 6	Nil	Nil	Nil	
Independent director	Republic of China	Wang, Ming-Lang	Male 51-60	June 25, 2019	3 years	June 23, 2016	40,531	0.01%	22,613	0.01%	-	-	-	-	PhD Technical Management, Chung Hua University Master, International Financing, George Washington University, USA Taiwan Kai Kuang Co., Ltd., Carbon Material Department Director	Note 7	Nil	Nil	Nil	
Independent director	Republic of China	Chien, Jui-Yao	Male 51-60	June 25, 2019	3 years	June 23, 2016	-	-	-	-	-	-	-	-	Department of Mechanical Engineering, National Cheng Kung University Master, Power Mechanical Engineering, National Tsing Hua University PhD, Power Mechanical Engineering, National Tsing Hua University General Manager, Dong Chun Energy System Co., Ltd. General Manager, Pu Xun Optical Co., Ltd.	Note 8	Nil	Nil	Nil	
Independent director	Republic of China	Chen, Chun-Liang	Male 51-60	June 25, 2019	3 years	June 23, 2016	-	-	-	-	-	-	-	-	Master, Graduate School of Economics, National Taiwan University Manager, Department of Finance, Shih Fang Telecommunications Finance Department	Note 9	Nil	Nil	Nil	

Note 1: Chairman Chen, Chi-Ming concurrently Giga Solar Materials Corporation's juristic person chairman's representative, Global Acetech Co. Ltd.'s director; Wafering Technology Corporation's juristic person chairman's representative; Whole Sun Green Power Co., Ltd.'s juristic person chairman's representative, Whole Max Green Power Co., Ltd.'s juristic person chairman's representative; Ya Fei Solar Energy Co., Ltd.'s juristic person chairman's representative; Hunjin Enterprise Inc.'s juristic person chairman representative; Giga Whole Energy Co., Ltd.'s juristic person chairman's representative; Whole Wing Energy Co., Ltd.'s juristic person chairman representative; Whole Fund Energy Co., Ltd.; juristic person chairman's ; Hui Chun Energy Co., Ltd., juristic person chairman's representative; Lan Dian Luminous Energy Co., Ltd., juristic person chairman's representative, Lan Jing Volt Electronic Co., Ltd., juristic person chairman's representative; Giga Diamond Materials Corporation's director; Green Energy Electrode, Inc.'s director; Ho Mi Specialty Materials Corporation, juristic person director's representative; Suzhou Giga Solar Materials Corporation, juristic person director's representative; Yancheng Giga Solar Materials Corporation, juristic person director's representative; Yancheng Giga Diamond Materials Corporation, juristic person director's representative; Giga Solar Materials Corporation, juristic person chairman's representative; Giga Diamond Materials Corporation, juristic person chairman's representative, EIWA Electric Power Co., Inc., Executive Director; Wisdom Field Limited, juristic person chairman's representative, Merchant Energy Pte. Ltd., juristic person director's representative; Sunshine Solar Power Generation Co., Inc. juristic person director's representative; Yuan Deng Solar Energy Co., Ltd., juristic person chairman's representative; Big Sun Energy Technology Inc., juristic person director's representative; Ri Yun Green Energy Corporation, juristic person director's representative; Giga Solar Green Power Co., Ltd., juristic person chairman's representative; Giga Solar No.1 Co., Ltd., juristic person chairman's representative, Giga Solar No.2 Co., Ltd., juristic person chairman's representative; Giga Solar No.3 Co., Ltd., juristic person chairman's representative.; Yi-Jia Energy Co., Ltd. juristic person chairman's representative; Li-Cheng Energy Co., Ltd. juristic person chairman's representative; Shuo-Yi-Tai Green Energy Co., Ltd. juristic person chairman's representative; Jie-Shuo Co., Ltd. juristic person director's representative.

Note 2: Chen, Chi-Hsing concurrently serves as the Company's Energy Development Division Head; Giga Solar Materials Corporation, juristic person director's representative, Wafering Technology Corporation, juristic person director's representative; Lien Shuo Energy Corporation, juristic person director's representative.

Note 3: Director Hsieh, Chin-Yuan was discharged from the directorship on November 11, 2021 .

Note 4: Director Chen, Su-Hui concurrently serves Giga Solar Materials Corporation as juristic person director's representative and serves Chun Ju Investment Corporation as the principal or responsible person.

Note 5: Director Chen, Wen-Chih was discharged from the directorship on April 6, 2021 .

Note 6: Director Huang, Wen-Jui concurrently serves He Hsun Electric Company as the juristic person director's representative; serves Wafering Technology Corporation, as the juristic person's supervisor representative; EIWA Electric Power Co., Inc.. as the CEO; Hua Hsu Optotech Co., Ltd. as juristic person director's representative; Giga Solar Materials Corporation as the general manager and director; Ho Mi Specialty Materials Corporation as the supervisor; Suzhou Giga Solar Materials Corporation as the juristic person director's representative; Yancheng Giga Solar Materials Corporation as the juristic person director's representative; Giga Diamond Materials Corporation as the juristic person chairman's representative; Yancheng Giga Diamond Materials Corporation as juristic person director's representative; Green Energy Electrode, Inc. as the corporate supervisor representative; Chuang Shuo (Yancheng) Energy Corporation as the director; Long Time Technology Co., Ltd. as the general manager and director; Tron-e Technology Co., Ltd. Company as the juristic person director's representative; Merchant Energy Pte. Ltd. as the juristic person director's representative.

Note 7: Independent director Wang, Ming-Lang concurrently serves as an associate professor of Chung Hua University, Dept. of Industrial Management .

Note 8: Independent director Chien, Jui-Yao concurrently serves with Lung Pien Vacuum Industry Co., Ltd.as technical director .

Note 9: Independent director Chen, Chun-Liang concurrently serves with Kaori Heat Treatment Co., Ltd. as the director , Collaborated Service Solution Inc. as the Vice general manager and the juristic person director's representative; LPI Precision Inc. as the the Vice general manager.

Note 10: Where the Company's Chairman and the general manager or the one of equivalent position (the highest managerial officer) are in a same person, or as spouse to each other or blood relatives within the first degree of kinship, the Company should explain the reason why, the rationality, indispensability and countermeasures (e.g. increase the seat(s) of independent director(s), with one half majority of the directors not being an employee or a managerial officer) and such information.

1. Chairman acts concurrently as the general manager simply for the reason to boost efficiency in business performance and the executive power in policymaking process.
2. Currently the three independent directors possess respective expertise in accounting, finance and semiconductors, capable of demonstrating the supervisory functions.
3. Amidst the total number of director seats, one half majority are not in a position as an employee or managerial officer.
4. In future days, we shall further increase the independent director seat(s) to put into implementation thoroughly corporate governance.

2. Key shareholders of corporate shareholders

(1) Key shareholders of corporate shareholders: None.

(2) Key shareholders of corporate shareholders to be a juristic person: None.

3. Disclosure of professional qualifications of directors and independence of independent directors:

Criteria / Job Title / Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Concurrently serving as an independent director in other publicly listed companies

Chairman Chen, Chi-Ming	Graduated from the Department of Banking and Insurance of Feng Chia University. Worked as a manager at Taiwan Cooperative Bank. Currently the chairman and president of Gigastorage and the representative of legal person director of Giga Solar Materials and many other companies. Has more than five years of work experience required for business, finance, and company business, with professional leadership, marketing, operation management and strategic planning capabilities to lead the Company to become an industry leader and a sustainable business. Not been a person of any conditions defined in Article 30 of the Company Act.	Not an independent director, so it does not apply.	0
Director Chen, Chi-Hsing	Graduated from the Department of Chemical and Materials Engineering of Chinese Culture University. Currently the director of the Company's Energy Development Department, and the representative of legal person director of Giga Solar Materials and UJGIGA. Has more than five years of work experience required for business, finance, and company business, specializing in marketing strategy and business promotion. Not been a person of any conditions defined in Article 30 of the Company Act.	Not an independent director, so it does not apply.	0
Director Hsieh, Chin-Yuan (Note 3)	Graduated from the University of Texas with a Ph.D. in Electrical and Computer Engineering. Used to be a professor at the College of Ocean Engineering of National Kaohsiung Marine University. Currently the chairman and CEO of Gintel Technology Inc. Has more than five years of work experience required for business, finance, and company business, with marketing, operation management and strategic planning capabilities. Not been a person of any conditions defined in Article 30 of the Company Act.	Not an independent director, so it does not apply.	0
Director Chen, Su-Hui	Graduated from the Graduate Institute of Medicine of Kaohsiung Medical School with a Ph.D. Worked at Kaohsiung Medical University as a professor. Currently a director concurrently serving as representative of legal person director of Giga Solar Materials and the responsible person of Chun-Ru Investment. Has more than five years of work experience required for business, finance, and company business, with capabilities to determine the market competition and strategic planning. Not been a person of any conditions defined in Article 30 of the Company Act.	Not an independent director, so it does not apply.	0

Director Chen, Wen-Chih (Note 4)	Graduated from the Department of Technology Management of Chung Hua University with a master's degree. Has more than five years of work experience required for business, finance, and company business, with a global perspective and capabilities to determine the market competition and innovation leadership. Not been a person of any conditions defined in Article 30 of the Company Act.	Not an independent director, so it does not apply.	0
Director Huang, Wen-Jui	Graduated from the Department of Aeronautics and Astronautics of NCKU with a master's degree. Worked as the director of the Optoelectronic Materials Department at Gigastorage. Currently the director of Gigastorage and concurrently serving as the president and director of Giga Solar Materials and the representative of legal person director of Whole Sun Green Power and other companies. Has more than five years of work experience required for business, finance, and company business, with marketing, industrial and operation management and strategic planning capabilities. Not been a person of any conditions defined in Article 30 of the Company Act.	Not an independent director, so it does not apply.	0
Independent Director Wang, Ming-Lang	Has a Ph.D. from the Department of Technology Management at Chung Hua University and a master's degree in international finance from George Washington University in the U.S. Currently serving as the Company's independent director, convener of the audit committee and a member of the remuneration committee. An associate professor of the Department of Technology Management at Chung Hua University. Has more than five years of work experience required for business, finance, and company business, with professional qualifications as a professor in a private college or university, and provides relevant management advice to the Company. Not been a person of any conditions defined in Article 30 of the Company Act.	Meet the independence criteria specified below two years before being elected and during the term of office: (1)Not an employee of the company or any of its affiliates. (2)Not a director or supervisor of the company or any of its affiliates. (3)Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the company or ranks as one of its top ten shareholders. (4)Not a spouse, relative within the second degree of kinship or lineal relative within the third degree of kinship of any of the above persons listed in previous three items. (5)Not a director, supervisor or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, or ranks as of its top five shareholders. (6)Not a director, supervisor or employee of another company or institution in which the majority of board seats or voting rights are controlled by the same person in the Company. (7)Not a director, supervisor or employee of another company or institution, who is also the chairman, president or equivalent	0
Independent Director Chien, Jui-Yao	Graduated from the Department of Power Mechanical Engineering of National Tsing Hua University with a Ph.D. degree. Currently serving as the Company's independent director and a member of the audit committee and remuneration committee, and the CTO of Lung Pien Vacuum Industrial Co., Ltd. Has more than five years of work experience required for business, finance, and company business, and provides professional advice on R&D technology needed by the Company at any time. Not been a person of any conditions defined in Article 30 of the Company Act.		0

Independent Director Chen, Chun-Liang	Graduated from the Department of Economics at National Taiwan University with a master's degree. Currently serving as the Company's independent director, a member of the audit committee and the convener of the remuneration committee, as well as a director of Kaori Heat Treatment Co., Ltd., a vice president and a representative of legal person director of Collaborated Service Solution Inc., and the vice president of the Corporate Affairs Division of LPI Precision Inc. Has more than five years of work experience required for business, finance, and company business, with expertise in enterprise operations, financial planning, accounting and the industry. Not been a person of any conditions defined in Article 30 of the Company Act.	position, or a spouse of these personnel, of the Company. ◦ (8)Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company. (9)Not a professional individual or an owner, partner, director, supervisor or officer of a sole proprietorship, partnership, company or institution that, provides auditing or commercial, legal, financial, accounting services, which receive less than NT$500,000 in accumulated remuneration the most recent two years, to the company or to any affiliate of the company, or a spouse thereof. (10)Not having a marital relationship or a relative within the second degree of kinship to any other director of the company. (11)Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.	0

Note 1: Professional qualifications and experience: Describe the professional qualifications and experience of individual directors and supervisors. If they are members of the audit committee and have accounting or financial expertise, their accounting or financial background and work experience should be stated, and explain whether there are no circumstances described in Article 30 of the Company Act.

Note 2: Describe the independence of independent directors, including but not limited to whether the person, spouse or relative within the second degree of kinship are serving as directors, supervisors or employees of the Company or its affiliates; the number of shares and the shareholding percentage held by the person, spouse or relative within the second degree of kinship (or in the name of others); whether the person is serving as a director, supervisor or employee of a company that has a specific relationship with the Company (please refer to Subparagraph 5 to 8, Paragraph 1 of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the amount of remuneration received by providing the Company or its affiliates with business, legal, financial, accounting and other services within the last 2 years.

Note 3: Director Chin-Yuan Hsieh resigned on November 11, 2021.

Note 4: Director Wen-Chih Chen resigned on April 6, 2021.

4. Board diversity and independence:

(1) Board diversity: Describe the board's diversity policy, goals and achievement. The diversity policy includes but is not limited to the selection criteria of directors, the professional qualifications that the board of directors should have, the composition or ratio of experience, gender, age, nationality and culture, etc., and the Company's specific goals and the achievement of the previous policy should be described.

Article 20 of the Company's "Corporate Governance Best-Practice Principles" has defined that the composition of the board should be diverse. In addition to limiting those who hold concurrent positions to no more than 1/3 of the total board seats, the diversity policy should be formulated based on the Company's operations, business activities and growth, and should include, but is not limited to, the standards of the following two aspects:

A. Background and value: Gender, age, nationality, culture etc. At least one-third of the number of directors should be female.
B. Knowledge and skills: Career background (e.g. law, accounting, industry, finance, marketing or technology), professional skill and industry experience.

All board members shall possess the knowledge, skills, and characters needed to exercise their duties. In order to achieve the goals of corporate governance, the board as a whole should have the following capabilities:

A. Ability to make operational judgments.
B. Accounting and financial analysis.
C. Business administration.
D. Crisis management.
E. Industry Knowledge.
F. Vision of the global market.
G. Leadership skills.
H. Decision making.

The directors (including independent directors) adopt the candidate nomination approach. At present, the Company has seven board members, including four directors and three independent directors. Among the directors, 29% concurrently hold a position as an employee. 43% are independent directors, and 14% are female directors, and the three independent directors have a service term of six years.

The board members have academic, industry and accounting-related backgrounds, with specialized knowledge, skills and literacy in different fields. They implement the diversity policy for board members, and effectively reinforce the operation of the board of directors.

Diversity policy of the current board member and the status of implementation is as follows:

Diversity Items / Name of Director	Basic Composition									Professional Background				Professional Knowledge and Skills						
	Nationality	Gender	Con-current Position as Employee of the Company	Age			Service Term of Independent Directors			Accounting	Industry	Finance	Technology	Ability to make operational judgments.	Accounting and financial analysis.	Business administration.	Crisis management.	Industry Knowledge.	Vision of the global market.	Leadership and decision-making skills
				51 to 60	61 to 70	71 to 80	Less than 3 years	3 to 9 years	Over 9 years											
Chen, Chi-Ming	ROC	Male	V		V						V	V		V	V	V	V	V	V	V

Chen, Chi-Hsing	ROC	Male	V			V					V		V	V			V	V	V	V
Chen, Su-Hui	ROC	Female			V							V					V		V	V
Huang, Wen-Jui	ROC	Male		V							V		V	V		V	V	V	V	V
Wang, Ming-Lang	ROC	Male		V				V					V				V		V	V
Chien, Jui-Yao	ROC	Male		V				V			V		V	V		V	V	V	V	V
Chen, Chun-Liang	ROC	Male		V				V		V		V		V	V	V	V	V	V	V

Specific management objectives of the diversity policy and the current status:

Diverse management objectives	Achievement
The number of directors taking concurrent positions as the Company's managers shall not exceed 1/3 of the board seats.	Achieved
At least one female board member	Achieved
Independent directors shall not serve more than three terms	Achieved

(2)Independence of the board of directors: State the number and proportion of board members who are independent directors, and state that the board is independent, and explain with reasons whether there are no circumstances related to items 3 and 4 stipulated in Article 26-3 of the Securities and Exchange Act, including a description where the directors, supervisors, or directors and supervisors are spouses and relatives within the second degree of kinship.

At present, the Company has seven board members, including four directors and three independent directors. Independent directors account for 43% of the seats, and the board is independent in exercising its duties.

There should be more than half of directors who are not spouses or relatives within the second degree of kinship. Currently, there are three directors who are relatives within the second degree of kinship. Therefore, there is no circumstance meeting the description of Item 3 and 4 of Article 26-3 of the Securities and Exchange Act.

(II) Information of general manager, vice general manager, senior manager, department or branch head

April 26, 2022

Position titles	Nationality	Name	Gender	Date when elected (to the office)	Number of shares held		Shares held by spouse and minor child(ren)		Number of shares held in the names of others		Major academic credentials and hands-on career experience	Current positions concurrently serving in another company.	A managerial officer in the relationship of a spouse or within blood relatives within the second degree of kinship.			Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Position titles	Name	Relationship	
Director & general manager	Republic of China	Chen, Chi-Ming	Male	January 23, 2017	14,268,000	4.07%	-	-	-	-	Banking & Insurance Department, Feng Chia University Manager of Taiwan Cooperative Bank Co., Ltd.	Giga Solar Materials Corporation, juristic person chairman's representative; director of GLOBAL ACETECH CO. LTD., Wafering Technology Corporation, juristic person chairman's representative, Whole Sun Green Power Co., Ltd., juristic person chairman's representative; Whole Max Green Power Co., LTD. juristic person chairman's representative; Ya Fei Solar Energy Co., Ltd. juristic person chairman's representative; Hunjin Enterprise Inc. juristic person chairman's representative; Contract Giga Whole Energy Co., Ltd. juristic person chairman's representative; Whole Wing Energy Co., Ltd. juristic person chairman's representative; Whole Fund Energy Co., Ltd. juristic person chairman's representative; Hui Chun Energy Co., Ltd. juristic person chairman's representative; Lan Dian Luminous Energy Co., Ltd. juristic person chairman's representative; Lan Jing Volt Electronic Co., Ltd. juristic person chairman's representative; Giga Diamond Materials Corporation's director ; Green Energy Electrode, Inc.'s director; Ho Mi Specialty Materials Corporation juristic person director's representative; Giga Solar Materials CorporationSuzhou Giga Solar Materials Corporation juristic person director's representative; Giga Solar Materials CorporationYancheng Giga Solar Materials Corporation juristic person director's representative; Yancheng Giga Diamond Materials Corporation juristic person director's representative; Giga Solar Materials Corporation juristic person chairman's representative; Giga Diamond Materials Corporation juristic person chairman's representative; EIWA Electric Power Co., Inc.. statutory representative; Wisdom Field Limited juristic person chairman's representative; Merchant Energy Pte. Ltd., juristic person director's representative; Sunshine Solar Power Generation Co., Inc. juristic person director's representative; Yuan Deng Solar Energy Co., Ltd. juristic person chairman's representative; Big Sun Energy Technology Inc. juristic person director's representative; Ri Yun Green Energy Corporation juristic person director's representative; Giga Solar Green Power Co., Ltd. juristic person chairman's representative; Giga Solar No.1 Co., Ltd. juristic person chairman's representative; Giga Solar No.2 Co., Ltd. juristic person chairman's representative. Giga Solar No.3 Co., Ltd., juristic person chairman's representative.; Yi-Jia Energy Co., Ltd. juristic person chairman's representative.; Li-Cheng Energy Co., Ltd. juristic person chairman's representative; Shuo-Yi-Tai Green Energy Co., Ltd. juristic person chairman's representative.; Jie-Shuo Co., Ltd. juristic person director 's representative.	Nil	Nil	Nil	Note 1

Vice general manager	Republic of China	Huang, Sung-Hsiu	Male	August 1, 2004	327,430	0.09%	6,380	0.00%	-	-	Master, Material Engineering Graduate School, National Sun Yat-Sen University Associate Researcher of Compact Disk Research & Development Program, Industrial Technology Research Institute	Nil	Nil	Nil	Nil	
Vice general manager	Republic of China	Chung, Kao-Yuan	Male	February 1, 2016	124,862	0.04%	-	-	-	-	Department of Electronic Engineering, Feng Chia University Research & Development Expert, Japanese Three-Aspect Company Research & Development Expert, Ang Yi Electronic Company	Ho Mi Specialty Materials Corporation juristic person director's representative; Whole Max Green Power Co., LTD. General Manager , Ya Fei Solar Energy Co., Ltd. juristic person director's representative; Hunjin Enterprise Inc. juristic person director's representative; Giga Whole Energy Co., Ltd. juristic person director's representative; Whole Wing Energy Co., Ltd. juristic person director's representative; Whole Fund Energy Co., Ltd. juristic person director's representative; Hui Chun Energy Co., Ltd. juristic person director's representative; Lan Dian Luminous Energy Co., Ltd. juristic person director's representative; Lan Jing Volt Electronic Co., Ltd. juristic person director's representative; Yuan Deng Solar Energy Co., Ltd. juristic person director's representative;Yi-Jia Energy Co., Ltd. juristic person director's representative.; Li-Cheng Energy Co., Ltd. juristic person director's representative;	Nil	Nil	Nil	
Vice general manager	Republic of China	Lin, Jiang-Ching	Male	July 6, 2011	126,683	0.04%	10,666	0.00%	-	-	PhD, Material Science Engineering, National Tsing Hua University Assistant Manager, Da Xin Technology Co., Ltd. Vice President, Yu Bang Electronic Company	Li Gao Optical Power Company juristic person director's representative; Wafering Technology Corporation juristic person director's representative; Lien Shuo Energy Corporation juristic person director's representative; Giga Solar Green Power Co., Ltd. juristic person director's representative; Li Chao Optical Power Company, corporate supervisor representative; Xue Fu Company corporate supervisor representative; Whole Sun Green Power Co., Ltd., corporate supervisor representative. ;Giga Solar Materials Corporation, juristic person director's representative.; Shuo-Yi-Tai Green Energy Co., Ltd. supervisor.; Jie-Shuo Co., Ltd. supervisor; Yusheng Chuangneng Co., Ltd. juristic person director's representative.	Nil	Nil	Nil	

Senior Manager	Republic of China	Tsay, Ming-Jiunn	Male	August 1, 2004	0	0.00%	-	-	-	-	Master, Material Engineering Graduate School, Tatung University Researcher, Material Institution, Industrial Technology Research Institute	Global Acetech Co. Ltd., General Manager & Director	Nil	Nil	Nil	
Senioe Manager	Republic of China	Yang Sheng-Chung	Male	February 1, 2017	244,577	0.07%	-	-	-	-	Natural Control Engineering Department, Feng Chia University Instrument Control, Taiwan Glass Corporation	Nil	Nil	Nil	Nil	
Seniort Manager	Republic of China	Chang, Ju-Hui	Female	January 28, 2011	0	0.00%	192	0.00%	-	-	Business Administration Department, National Cheng Kung University Accounting Dept., Uni-President Enterprises Corporation	Nil	Nil	Nil	Nil	
Head of Department of Finance	Republic of China	Tsai, Jyh-Pyng	Female	June 4, 2016	41,000	0.01%	-	-	-	-	Department of Accounting, University of Pennsylvania Assistant Manager, Deloitte Touche Taiwan Financial & Accounting Head, EON SILICON SOLUTION INC.	Li Gao Optical Power Company, supervisor; Whole Max Green Power Co., LTD., supervisor	Nil	Nil	Nil	

Note 1: Where the Company's Chairman and the general manager or the one of equivalent position (the highest managerial officer) are in a same person, or as spouse to each other or blood relatives within the first degree of kinship, the Company should explain the reason why, the rationality, indispensability and countermeasures (e.g. increase the seat(s) of independent director(s), with one half majority of the directors not being an employee or a managerial officer) and such information.

1. The chairman concurrently serves as the general manager just intended to boost managerial efficiency and policymaking process execution .
2. Currently the three independent directors possess respective expertise in accounting, finance and semiconductors, capable of demonstrating the supervisory functions.
3. Amidst the total number of director seats, one half majority are not in a position as an employee or managerial officer.
4. In future days, we shall further increase the independent director seat(s) to put into implementation thoroughly corporate governance.

III. Remuneration to the Directors, General Manager and Vice General Manager(s) in the Past Year

(I) Remuneration to general director and independent director (with disclosure of names and terms of payment): 2021 Year

December 31, 2021 Expressed in Thousand NT Dollars

Position titles	Name	Remuneration to directors								Percentage taken by four items in A, B, C & D to the next profit (loss) after tax		Relevant remuneration paid to employees serving concrete posts								Percentage taken by seven items in A, B, C, D, E, F & G to the next profit (loss) after tax (Note 10)		Remunerations coming from investees or parent company beyond the subsidiaries (Note 11)
		Remuneration (A) (Note 2)		Retirement pension (B)		Remuneration to directors (C) (Note 3)		Business execution fee (D) (Note 4)				Salaries, incentives and extraordinary pay (E) (Note 5)		Retirement pension (F)		Remuneration to employees (G) (Note 6)						
																The Company		All company(ies) contained within the Financial Statement (Note 7)				
		The Company	All company(ies) contained within the Financial Statement (Note 7)	The Company	All company(ies) contained within the Financial Statement (Note 7)	The Company	All company(ies) contained within the Financial Statement (Note 7)	The Company	All company(ies) contained within the Financial Statement (Note 7)	The Company	All company(ies) contained within the Financial Statement (Note 7)	The Company	All company(ies) contained within the Financial Statement (Note 7)	The Company	All company(ies) contained within the Financial Statement (Note 7)	Amount in cash	Amount in sticks	Amount in cash	Amount in sticks	The Company	All company(ies) contained within the Financial Statement (Note 7)	
Chairman	Chen, Chi-Ming	0	0	0	0	0	0	100	250	0.4033	1.0082	4,078	7,210	0	0	0	0	0	0	16.8496	30.0858	18
Director	Chen, Chi-Hsing	0	0	0	0	0	0	100	210	0.4033	0.8469	1,730	1,730	0	0	0	0	0	0	7.3803	7.8239	Nil
Director (Note12)	Hsieh, Chin-Yuan	0	0	0	0	0	0	90	90	0.3630	0.3630	0	0	0	0	0	0	0	0	0.3630	0.3630	Nil
Director	Chen, Su-Hui	0	0	0	0	0	0	100	210	0.4033	0.8469	0	0	0	0	0	0	0	0	0.4033	0.8469	Nil
Director (Note13)	Chen, Wen-Chih	0	0	0	0	0	0	40	40	0.1613	0.1613	0	0	0	0	0	0	0	0	0.1613	0.1613	Nil
Director	Huang, Wen-Jui	0	0	0	0	0	0	100	250	0.4033	1.0082	0	3,604	0	108	0	0	0	0	0.4033	15.9785	Nil
Independent director	Wang, Ming-Lang	240	240	0	0	0	0	170	170	1.6535	1.6535	0	0	0	0	0	0	0	0	1.6535	1.6535	Nil
Independent director	Chien, Jui-Yao	240	240	0	0	0	0	170	170	1.6535	1.6535	0	0	0	0	0	0	0	0	1.6535	1.6535	Nil
Independent director	Chen, Chun-Liang	240	240	0	0	0	0	170	170	1.6535	1.6535	0	0	0	0	0	0	0	0	1.6535	1.6535	Nil

1. Please elaborate on the policy, system, standards/criteria and structure of remuneration granted to the independent directors and further point out the relevance among their duties and responsibilities, risks, time invested and such factors with the amounts of their remunerations:
The issues linked up with the duties and responsibilities of the Company's independent directors, we have faithfully handled in accordance with the "Scope of the Functions of Independent Directors" unless otherwise specified in laws and Articles of Incorporation.
In accordance with the Company's "Articles of Incorporation" and "Scope of the Functions of Independent Directors," the Company's independent directors shall be granted with fixed remuneration on a monthly basis in accordance with the legal procedures and do not participate in distribution of the Company's earnings.
The Company's independent directors shall engage in continued refresher educational & training programs with relevant courses and shall check and verify the Company's audit reports and perform the supervisory obligations on the following issues:
I. The Company's operating plans:
II. Annual financial statements and semiannual financial statements.
III. Check and review the internal control system enacted or updated by the Company.
IV. Check and verify the Procedures for the Acquisition or Disposal of Assets, Derivative Financial Instruments Transaction, Loaning of Funds and Making of Endorsements/Guarantees and those major financial activities enacted and updated by the Company.
V. The issues involving their personal interests and relationship.
VI. Transactions in major assets or derivative financial instruments.
VII. Major loaning of funds and making of endorsements/guarantees
VIII. Public offering, issuance or private placement of equity-oriented negotiable securities.
IX. Appointment, discharge and remuneration to the certifying certified public accountants.
X. Appointment, discharge of financial, accounting heads and internal auditors.
XI. Other significant issues according to laws, Articles of Incorporation, subject to resolution by the shareholders' meeting, to be reported to the board of directors or according to the provisions of the competent authority(ies).

2. Other than those disclosed through the aforementioned Table, the remuneration received by the Company's directors for services rendered toward all company(ies) contained within the Financial Statement (e.g. serving as a consultant not as a regular employee): None.

Degree scale table of remunerations

Degree scale of remunerations paid to the Company's directors	Names of directors			
	Total amount of the remunerations under four paragraphs above (A+B+C+D)		Total amount of the remunerations under seven paragraphs above (A+B+C+D+E+F+G)	
	The Company (Note 8)	All company(ies) contained within the Financial Statement(Note 9)	The Company (Note 8)	All company(ies) contained within the Financial Statement(Note 9)
Below NT$1,000,000	Chen, Chi-Ming；Chen, Su-Hui；Chen, Chi-Hsing；Hsieh, Chin-Yuan；Chen, Wen-Chih；Huang, Wen-Jui；Wang, Ming-Lang；Chien, Jui-Yao；Chen, Chun-Liang	Chen, Chi-Ming；Chen, Su-Hui；Chen, Chi-Hsing；Hsieh, Chin-Yuan；Chen, Wen-Chih；Huang, Wen-Jui；Wang, Ming-Lang；Chien, Jui-Yao；Chen, Chun-Liang	Chen, Su-Hui；Hsieh, Chin-Yuan；Chen, Wen-Chih；Huang, Wen-Jui；Wang, Ming-Lang；Chien, Jui-Yao；Chen, Chun-Liang	Chen, Su-Hui；Hsieh, Chin-Yuan；Chen, Wen-Chih；Wang, Ming-Lang；Chien, Jui-Yao；Chen, Chun-Liang
NT$1,000,000 (inclusive)–NT$2,000,000 (exclusive)			Chen, Chi-Hsing	Chen, Chi-Hsing
NT$2,000,000 (inclusive)–NT$3,500,000 (exclusive)				
NT$3,500,000 (inclusive)–NT$5,000,000 (exclusive)			Chen, Chi-Ming	Huang, Wen-Jui
NT$5,000,000 (inclusive)–NT$10,000,000 (exclusive)				Chen, Chi-Ming
NT$10,000,000 (inclusive)–NT$15,000,000 (exclusive)				
NT$15,000,000 (inclusive)–NT$30,000,000 (exclusive)				
NT$30,000,000 (inclusive)–NT$50,000,000 (exclusive)				
NT$50,000,000 (inclusive)–NT$100,000,000 (exclusive)				
NT$100,000,000 up				
Total	Nine persons in total	Nine persons in total	Nine persons in total	Nine persons in total

Note 1: The names of directors shall be enumerated respectively (a corporate shareholder shall respectively enumerate the name of the juristic person and the representative

thereof) and shall, respectively, enumerate general directors and independent directors to disclose the amounts of various payables to them in aggregation. In the event that where the chairman concurrently serves as the general manager or vice general manager, the Company should fill up this Table and the remunerations paid to the general manager or vice general manager.

Note 2: Referring to the remuneration to directors paid in the latest year (2021) (including the directors' salaries, job allowance, severance pay, various incentives, awards, and the like).

Note 3: To be filled with the amount of remuneration to directors as resolved in the latest board of directors meeting Resolved on March 28, 2022 , No remuneration to employees and remuneration to directors were granted in 2021 as the Company accumulated losses.

Note 4: Referring to the business implementation fees paid in the latest year (2021) (including business traffic allowance, special expenditures, various allowances, dorm and vehicle and such provision of objects in kind). In case of provisions of housing, vehicle, other transportations or expenditures specifically belonging to the individuals, the Company should disclose the attribute and cost of such assets, the rent, fuel cost and other payments counted at the fair prices in the markets. Where a chauffeur is provided, please remark the remuneration paid to that chauffeur which, nevertheless, shall not be counted into the routine remuneration.

Note 5: Referring to the business implementation fees paid in the latest year (2021) (including business traffic allowance, special expenditures, various allowances, dorm and vehicle and such provision of objects in kind) granted to a director who concurrently serves as an employee (including concurrently serving as the general manager, vice general manager, other managerial officer and employee) In case of provisions of housing, vehicle, other transportations or expenditures specifically belonging to the individuals, the Company should disclose the attribute and cost of such assets, the rent, fuel cost and other payments counted at the fair prices in the markets. Where a chauffeur is provided, please remark the remuneration paid to that chauffeur which, nevertheless, shall not be counted into the routine remuneration. Besides such payments recognized based on IFRS 2 "shares-based payment," including acquisition of employee stock option certificates, new shares with restricted interests to employees and participation in subscription to shares under capital increase through cash injection should be counted into the remuneration.

Note 6: Referring to the remuneration to employees obtained by a director who concurrently serves as an employee in the most recent year (2021) (including concurrently serving as the general manager, vice general manager, other managerial officer and employee) (including stocks and cash): The Company resolved through its board of directors on March 28, 2022 , that in 2021, with accumulated losses, the Company could not grant remuneration to employees and remuneration to directors in that year .

Note 7: The Company shall disclose the total amount of all sorts of remunerations granted to directors of all companies (including the Company).

Note 8: For the total remuneration paid by the Company to each and every director, the Company shall disclose the names of directors in the respective scales.

Note 9: The Company shall disclose the total amount of remunerations to each and every director of the Company paid by all companies covered within the consolidated financial statements (including the Company) and shall disclose the names of directors attributed to the scale table.

Note 10: The net profit after tax referring to the latest year (2021)the net profit after tax in the entity or individual financial statements in the amount of NT$24,796,thousand.

Note 11: a. This box should be filled dup with relevant remunerations received by the Company's directors from the external investees or the parent company beyond the subsidiaries (Please fill with none if N/A).

b. Where the Company's directors have received relevant remunerations from the external investees or parent company other than a subsidiary, the Company shall consolidate the remunerations received by the Company's directors from the external investees or the parent company beyond the subsidiaries into Box I of the remuneration scale table and shall change the title of that box into "parent company and all investees."

c. The term "remuneration" denotes the remuneration or compensation received by the Company's directors when they serve with an investee or parent company other than a subsidiary in the capacities of director and supervisor or managerial officer (including remuneration payable to employee, directors and supervisors) and for the expense required for implementation of business operation.

* The contents of the remuneration disclosed under this Table differ from the concept depicted in the Income Tax Act. This Table, therefore, functions for

Note12: Director Hsieh, Chin-Yuan was discharged from the directorship on November 11, 2021 .

Note13: Director Chen, Wen-Chih was discharged from the directorship on April 6, 2021 .

(II) Remuneration paid to the general manager and vice general manager (In the method of disclosure of names assembled in coordination with the scale): Year 2021

December 31, 2021 Expressed in Thousand NT Dollars

Position titles	Name	Salaries (A) (Note 2)		Retirement pension (B)		Incentives and special allowances (C) (Note 3)		Amount of remuneration to employees (D) Note 4				The total percentage of A, B, C & D to the net profit after tax (%) (Note 8)		Remuneration received from investees or parent company beyond a subsidiary (Note 9)
		The Company	All company(ies) contained within the Financial Statement (Note 5)	The Company	All company(ies) contained within the Financial Statement (Note 5)	The Company	All company(ies) contained within the Financial Statement (Note 5)	The Company		All company(ies) contained within the Financial Statement (Note 5)		The Company	All company(ies) contained within the Financial Statement (Note 5)	
								Amount in cash	Amount in sticks	Amount in cash	Amount in sticks			
General Manager	Chen, Chi-Ming	3,665	6,159	0	0	413	1,017	0	0	0	0	16.4476	28.9408	18
Vice general manager	Huang, Sung-Hsiu	2,032	2,603	108	108	181	181	0	0	0	0	9.3601	11.6637	0
Vice general manager	Chung, Kao-Yuan	1,023	1,023	64	64	103	103	0	0	0	0	4.8001	4.8001	1,487
Vice general manager	Lin, Jiang-Ching	1,813	1,813	108	108	379	379	0	0	0	0	9.2764	9.2764	0

* To be duly disclosed in full disregarding the position titles, All personnel in the position titles equivalent to general manager, vide general manager (e.g. president, Chief Executive Officer (CEO), chief superintendent …) should be disclosed in full.

Degree scale table of remunerations

The scale internal of remuneration paid to the Company's general manager and vice general managers.	Names if manager and vice general managers.	
	The Company (Note 6)	Parent company and all investees (Note 7) E
Below NT$1,000,000		
NT$1,000,000 (inclusive)–NT$2,000,000 (exclusive)	Chung, Kao-Yuan	Chung, Kao-Yuan
NT$2,000,000 (inclusive)–NT$3,500,000 (exclusive)	Huang, Sung-Hsiu；Lin, Jiang-Ching	Huang, Sung-Hsiu； Lin, Jiang-Ching
NT$3,500,000 (inclusive)–NT$5,000,000 (exclusive)	Chen, Chi-Ming	
NT$5,000,000 (inclusive)–NT$10,000,000 (exclusive)		Chen, Chi-Ming
NT$10,000,000 (inclusive)–NT$15,000,000 (exclusive)		
NT$15,000,000 (inclusive)–NT$30,000,000 (exclusive)		
NT$30,000,000 (inclusive)–NT$50,000,000 (exclusive)		
NT$50,000,000 (inclusive)–NT$100,000,000 (exclusive)		
NT$100,000,000 up		
Total	Four people in total	Four people in total

Note 1: The names of the general manager and the vice general manager should be enumerated respectively to disclose the amounts of various payments summarily. Where a director concurrently serves the general manager or vice general manager, the Company should fill up this Table and Table of Remunerations paid to General Directors and Independent directors.

Note 2: This should be filled with the salaries, job allowance, severance pays granted in the last year 2021.

Note 3: This should be filled with a variety of incentives, incentive bonuses, business traffic allowance, special allowance, dorms, vehicles and such objects in kind in the last year 2021. In case of provisions of housing, vehicle, other transportations or expenditures specifically belonging to the individuals, the Company should disclose the attribute and cost of such assets, the rent, fuel cost and other payments counted at the fair prices in the markets. Where a chauffeur is provided, please remark the remuneration paid to that chauffeur which, nevertheless, shall not be counted into the routine remuneration. Besides such payments recognized based on IFRS 2 "shares-based payment," including acquisition of employee stock option certificates, new shares with restricted interests to employees and participation in subscription to shares under capital increase through cash injection should be counted into the remuneration.

Note 4: This should be filled with the amounts of remunerations paid to the general manager, vice general manager and such staff in the latest year (including cash and stocks). The Company's board of directors resolved on March 28, 2022 , that because the Company accumulated losses, no remuneration to employees and remuneration to directors shall be granted in that year. .

Note 5: The total amount payable to the general manager and vice general manager of the Company from all (including stocks and cash) companies covered within the consolidated financial statement (including the Company itself).

Note 6: The total amount of various remunerations paid by the Company to the general manager and vice general manager. The Company should disclose the names of the general manager and vice general managers in the attributed scale table.

Note 7: The total amount payable to the general manager and vice general manager of the Company from all companies covered within the consolidated financial statement (including the Company itself). The Company should disclose the names of the general manager and vice general managers in the attributed scale table.

Note 8: The net profit after tax refers to the latest year (2021), as the net profit after tax as of the entity or individual financial statements in that year, in the amount of NT$24,796 thousand.

Note 9: a. The Company shall expressly fill in the amounts of relevant remunerations to the general manager and vice general manager from the investees or parent company other than subsidiaries (Please fill with "none" if not applicable).

b. Where the Company's general manager and vice general manager receive remunerations from the investees or parent company other than subsidiaries, the Company shall consolidate the remunerations from the investees or parent company other than subsidiaries into Box E of the scale table and change the title of that box into "Parent company and all investees."

c. The term "remuneration" refers to the remuneration received by the Company's general manager and vice general manager while they serve with the investees or the parent company as directors and supervisors, managerial officers and such capacity (including remuneration to employees, remuneration to directors and supervisors) and remuneration and the fees paid for their execution of business operation.

* The contents of the remuneration disclosed under this Table differ from the concept depicted in the Income Tax Act. This Table, therefore, functions for

(III) The Company's top five payees for the remuneration payable to department heads (with individual disclosure of their names and terms of remuneration payment) (Note 1)

December 31, 2021 Expressed in Thousand NT Dollars

Position titles	Name	Salaries (A) (Note 2)		Retirement pension (B)		Incentives and special allowances (C) (Note 3)		Amount of remuneration to employees (D) Note 4				The total percentage of A, B, C & D to the net profit after tax (%) (Note 8)		Remuneration received from investees or parent company beyond a subsidiary (Note 9)
								The Company		All company(ies) contained within the Financial Statement (Note 5)				
		The Company	All company(ies) contained within the Financial Statement (Note 5)	The Company	All company(ies) contained within the Financial Statement (Note 5)	The Company	All company(ies) contained within the Financial Statement (Note 5)	Amount in cash	Amount in sticks	Amount in cash	Amount in sticks	The Company	All company(ies) contained within the Financial Statement (Note 5)	
General Manager	Chen, Chi-Ming	3,665	6,159	0	0	413	1,017	0	0	0	0	16.4476	28.9408	18
Vice general manager	Huang, Sung-Hsiu	2,032	2,603	108	108	181	181	0	0	0	0	9.3601	11.6637	0
Vice general manager	Lin, Jiang-Ching	1,813	1,813	108	108	379	379	0	0	0	0	9.2764	9.2764	0
Assistant Manager	Chang, Ju-Hui	1,062	1,635	65	99	151	362	0	0	0	0	5.1538	8.4522	0
Head of Department of Finance	Tsai, Jyh- Pyng	1,596	1,596	102	102	261	261	0	0	359	0	7.8975	7.8975	15

Note 1: The term "top five heads with higher remunerations" as set forth herein denotes the managerial officers which shall be officially defined in accordance with the applicable scope of "managerial officers" under Decree Tai-Tsai-Z-III-Zi 0920001301 dated March 27, 2003 of the Securities & Futures Commission, Ministry of Finance. As to the principles to recognize the "top five heads with higher remunerations," the Company shall count the salaries, retirement pension, incentive awards and special allowance received by the managerial officers from all company(ies) contained within the Financial Statement along with the total of employee remuneration (i.e.

the aggregate total of A+B+C+D) to obtain the top five by that order. Where a director serves concurrently the aforementioned department head, the Company shall duly fill the present Table and the Table for the Remunerations for Ordinary Directors and Independent Directors. .

Note 2: This should be filled with the salaries, job allowance, severance pay received by the top five department heads in the latest year 2021.

Note 3: This should be filled with various incentives, awards, business traffic allowance, special allowance, various subsidies, dorm, vehicle and such objects in kind and other remuneration received by the top five department heads in the latest year 2021. In case of provisions of housing, vehicle, other transportations or expenditures specifically belonging to the individuals, the Company should disclose the attribute and cost of such assets, the rent, fuel cost and other payments counted at the fair prices in the markets. Where a chauffeur is provided, please remark the remuneration paid to that chauffeur which, nevertheless, shall not be counted into the routine remuneration. Besides such payments recognized based on IFRS 2 "shares-based payment," including acquisition of employee stock option certificates, new shares with restricted interests to employees and participation in subscription to shares under capital increase through cash injection should be counted into the remuneration.

Note 4: This space should be filled with the amounts of the remuneration to employees distributed toward the top five department heads as resolved in the recent year 2021 (including stocks and cash). As resolved in the Company on March 28, 2022, where the Company accumulated losses, no remuneration to employees and remuneration to directors were to be granted in the year.

Note 5: The Company shall disclose the aggregate total amount of various remunerations received by the top five department heads of the Company paid by all companies covered within the consolidated financial statement (including the Company itself)

Note 6: The net profit after tax refers to the net profit (loss) shown in the individual or entity financial statements in the latest year 2021, in amount of NT$24,796 thousand.

Note 7: a. This box should be expressly filled with the top highest department heads in terms of the remunerations received from the investees or parent company other than subsidiaries. (Please enter "none" if not applicable)

b. The term "remuneration" as set forth herein denotes the remuneration, payments (including remuneration to employees, remuneration to directors and supervisors) and payment for implementation of business performance received by the top five highest department heads of the Company serving with investees and parent company other than subsidiaries in the capacities of directors and supervisors, managerial officers.

* The contents of the remuneration disclosed under this Table differ from the concept depicted in the Income Tax Act. This Table, therefore, functions for

(IV) Names of the managerial officers having been distributed with the remuneration to employees and the facts of distribution

Here at the Company as resolved by the board of directors on March 28, 2022, the Company accumulated losses would not distribute remuneration to directors and remuneration to employees in 2021.

(V) Respectively provide a comparative explanation of the percentage of the total remuneration distributed by the Company and all companies covered within the consolidated financial statement to the Company's directors and supervisors, general manager, vice general manager to the net profit after tax as shown through the entities or individual financial statements with analysis with explanation of the policies, standards/criteria and portfolio of remuneration payment, the procedures to fix the remunerations and the relevance between the business performance and future risks.

1. Percentage of the total amount of remuneration to the net profit (net loss) after tax .

Year / Items	2020		2021	
	The Company	All company(ies) contained within the Financial Statement	The Company	All company(ies) contained within the Financial Statement
Remuneration to directors	1.40%	3.00%	30.52%	60.22%
Remuneration to supervisors	Not applicable (Note 2)	Not applicable (Note 2)	Not applicable (Note 2)	Not applicable (Note 2)
Remuneration to the general manager and vice general manager	1.82%	2.55%	39.88%	54.68%

Note 1: Here at the Company, the board of directors resolved on March 28, 2022 that where in 2021, the Company accumulated losses and, as a result, the remuneration to employees or remuneration to directors should be distributed. .

At the Company in Year 2020, the net loss after tax came to NT$535,475 thousand ; in 2021, the net profit after tax came to NT$24,796 thousand.

Note 2: The Company already set up the Audit Committee system so there is no longer a supervisor.

2. In terms of the relevancy among remuneration granting policy, standard portfolio, procedures to set remuneration, business performance and future risks:

(1) In terms of the remuneration granting policy, standard portfolio:

Here at the Company, the policy for remuneration to directors is stipulated in accordance with the Company's Articles of Incorporation and Article 28-1 of the Company Act. The remuneration to be granted a directors includes three categories, i.e. the remuneration to directors, payment to directors and fee for business execution. The remuneration to the general manager, vice general

manager and managerial officers includes salaries, incentives, bonus to employees, employee stock option certificates and remuneration to employees. The amounts of such remunerations are duly determined based on their respective positions and the academic credentials and hands-on career experience required for such job positions, with reference to the importance of their job positions, the responsibilities assumed by them, their overall contribution toward the Company with reference to the payment level prevalent in the counterpart peers in the same industry. The decisions so resolved are finally submitted to the board of directors to become the final policy after being approved by the Remuneration Committee.

(2) Procedures to fix remuneration policies

As expressly provided for in the Company's Articles of Incorporation, from the profit earned by the Company in a year, a sum not below 4% but not beyond 8% shall be appropriated as remuneration to employees and a sum not beyond 3% as remuneration to directors. Where the Company remains in accumulated loss, nevertheless, the amount required to make up such accumulated loss shall be first deducted before such sums shall be appropriated with the balance. Remuneration to employees may be granted either in cash or in stocks and may be granted to such payees including employees serving with affiliated relationship companies consistent with the specified conditions. The board of directors is bestowed with plenipotentiary power to determine such specified conditions.

The issues to distribute remuneration to employees and remuneration to directors shall be reported to the shareholders' meeting.

Besides this, the business execution fee is granted as the business traffic allowances when they participate in each board of directors meeting. In terms of the procedures to fix the amount of the remuneration to directors, the amount is duly fixed based on the Regulations Governing Performance Evaluation for the Board of Directors taking into account of the levels of their participation and contribution into a rational amount for the remuneration. The remuneration payable to the Company's general manager and vice general manager have been duly determined within the performance quota resolved in the board of directors every year, with reference to the managerial officers' personal performance at work and degree of their contribution. All such rules have duly passed the review by the Remuneration Committee and resolved by the Board of Directors which have been duly evaluated depending upon the Company's business performance and laws and ordinances concerned in real time. Through such strict process, the Company strives for sustainable

development and balanced risk management. The standards/criteria of such remuneration have been duly handled in accordance with the “Regulations Governing Disbursement of Remuneration to Employees”

(3) The relevance between business performance and future risks

In terms of performance evaluation and remuneration to directors and managerial officers, other than reference of the salary standards/criteria prevalent in the job markets, we take into account the Company’s business performance and their contribution level to the Company with comprehensive consideration of the amounts, terms of payment and potential risks ahead for the Company, as well as the responsibilities they assume and the overall performance in very high degree in relevance.

IV. Performance in Corporate Governance

(I) Information of performance by the board of directors.

In 2021, the board of directors convened a total of ten board meetings. The participation facts by the directors is as enumerated below:

Position titles	Name	Number of times in substantial participation (including guest participation)	Number of times in participation through proxies	Rate in substantial participation (including guest participation) (%) [B/A]	Remarks
Chairman	Chen, Chi-Ming	10	0	100%	
Director	Chen, Chi-Hsing	10	0	100%	
Director	Chen, Su-Hui	10	0	100%	
Director	Hsieh, Chin-Yuan	7	2	77.78%	Discharged from the directorship on November 11, 2021
Director	Chen, Wen-Chih	4	0	100%	Discharged from the directorship on April 6, 2021
Director	Huang, Wen-Jui	10	0	100%	
Independent director	Wang, Ming-Lang	9	1	90%	
Independent director	Chien, Jui-Yao	10	0	100%	
Independent director	Chen, Chun-Liang	10	0	100%	

Other entries as required:

I. Whenever the operation by the board of directors meets any one among those circumstances enumerated below, the Company shall expressly declare the date, term, contents of agenda, opinions of all independent directors and the Company's response toward the opinions of the independent directors:

(I) Particulars as set forth under Article 14–3 of the Securities and Exchange Act. Not applicable. The Company has duly set up Audit Committee and is subject to Article 14–5 of the Securities and Exchange Act.

(II) Other than the aforementioned issues, the objective or reserved opinions by the independent directors with written records or declaration in writing amidst the decisions

resolved by the board of directors: Nonexistent.

II. Execution on the withdrawal by the directors from their involvement in the interested issues. The Company should expressly elaborate on the name(s) of director(s), contents of agenda, cause of withdrawal and participation in voting process:

(I) Date when the board meeting was convened: February 1, 2021 for the 13th board meeting of Session Nine.,

Contents of agenda: Distribution of year-end bonus to the Company's directors and managerial officers in Year 2020 and raise of their salaries for Year 2021.

Directors withdrawing out of the involvement of interests: Chen, Chi-Ming, Chen, Chi-Hsing, Chen, Su-Hui.

Causes of withdrawing out of the involvement of interests and participation in voting process: In accordance with Paragraph 2 of Article 206 of the Company Act, Chairman Chen, Chi-Ming and Director Chen, Chi-Hsing were the Company's managerial officers amidst their involvement of interests. Director Chen, Su-Hui was blood relative within the second degree of kinship of another director. Those persons should quit from the meeting and should not participate in discussion and voting process in accordance with the "Rules of Procedures Governing Board of Directors Meeting." Independent director Wang, Ming-Lang was elected from among independent directors themselves to act as the acting chairperson to preside over the discussion and voting process for the current issue.

Decision resolved in the board of directors: Other than the aforementioned directors who duly withdrew from the process, the motion was unanimously resolved by all other present directors exactly as proposed without an objection

III. In case of TWSE/TPEx listed companies, the directors' self-evaluation (or evaluation by peers), the cycles, periods, scope, method of evaluation and contents of evaluation should be expressly disclosed.

The directors' self-evaluation (or evaluation by peers), the cycles, periods, scope, method of evaluation and contents of evaluation should be expressly disclosed.

Cycle of evaluation	Period of evaluation	Scope of evaluation	Method of evaluation	Contents of evaluation
Evaluation is performed on an annual basis.	January 1, 2021 until December 31, 2021.	Board of Directors Individual board of directors members Functional committees	In-house evaluation by the board of directors Self-evaluation by directors themselves In-house evaluation by the Audit Committee In-house evaluation by the Remuneration Committee	1. **Performance by the board of directors is evaluated in five major aspects** A. Degree of their participation in the Company's business operation, B. Quality of the decisions resolved in the board of directors, C. The composition and structure of the board of directors, D. Election and continued refresher educational & training programs by directors. E. Internal control system. 2. **Performance toward the individual the board of director members is evaluated in six major aspects:** A. Domination of the Company's targets and duties, B. Upgrade toward the quality of policymaking process by the board of directors, C. Degree of participation in the Company's business operation, D. Efforts and communications toward in-house relationship, E Profession and continued refresher educational & training programs of directors. F. Internal control system 3. **Performance toward the individual the Audit Committee is evaluated in five major aspects:** A. Degree of participation in the Company's business operation, B. Awareness of the duties and responsibilities of the Audit Committee, C. Upgrade of the quality in policymaking process by the Audit Committee, D Composition and election of the members of the Audit Committee, E. Internal control system 4. **Performance toward the individual the Remuneration Committee is evaluated in five major aspects**: A. Degree of participation in the Company's business operation, B. Awareness of the duties and responsibilities of the Remuneration Committee, C. Upgrade of the quality in policymaking process of the Remuneration Committee, D. Composition and election of the members of the Remuneration Committee, E. Internal control system

(II) The results of the 2021 performance appraisal are as follows:

The results of the 2021 performance appraisal of the board and functional committees have been reported at the board meeting on March 28, 2022

1. The performance evaluation of the entire board: Includes five aspects and a total of 36 indicators, and the average score of each aspect is between 4.48 and 4.90 points (total score is 5 points).
2. The performance evaluation of each board member: Include six aspects and a total of 23 indicators, and the average score of each aspect is between 4.75 and 4.90 (total is 5 points), which shows that directors are rated positive in terms of the efficiency and effectiveness to the operation of the board.
3. The performance evaluation of the audit committee: Includes five aspects and a total of 22 indicators, and the average score of each aspect is between 4.83 and 4.92 points (total score is 5 points), which shows that the overall operation of the audit committee is complete and complies with corporate governance requirements.
4. The performance evaluation of the remuneration committee: Includes five aspects and a total of 18 indicators, and the average score of each aspect is between 4.80 and 5 points (total score is 5 points), which shows that the overall operation of the remuneration committee is complete and complies with corporate governance requirements.

IV. The very targets to strengthen the professional function of the board of directors in the current year and in the latest year (e.g. the effort to set up Audit Committee, enhance information transparency and the like) and evaluation of the implementation.

Strengthen functional objectives of the Board of Directors	**Evaluation of the implementation**
Establishment of independent directors	The Company established the independent directors on June 23, 2016 in an attempt to strengthen the professional functions of the independent directors to oversee the operation of the board of directors.
Establishment of Remuneration Committee	The Company set up Remuneration Committee on October 28, 2011 to help the board of directors implement evaluation the Company's overall remuneration facts and welfare system. The Remuneration Committee reassesses the remuneration toward the directors and managerial officers to assure sound rationality. The Remuneration Committee convened two meetings during 2021.
Establishment of Audit Committee	The Company set up Audit Committee on June 23, 2016 to exercise the responsibilities and powers bestowed under the Securities and Exchange Act, Company Act and other laws and ordinances concerned. In 2021, the Audit Committee convened five meetings in total.
Efforts to continually boost information transparency:	Here at the Company, we have designated a dedicated institution to assume the responsibility to disclose and update the Company's information and to update the Company's website.

We have spared no effort to communicate with interested parties.	The Company has set up both spokesman and acting spokesman. All interested parties are advised to take them as the very sound channel to communicate with the Company. Through shareholders' meeting convened every year, we accept proposals from shareholders within the specified time schedule. All shareholders entitled to proposal are advised to lodge their application during the specified timeframe. Toward the proposals so posed, the Company would convene the board of directors meeting for review.
Through such sound effort, we effectively upgrade the efficiency of operation and policymaking process capability of the board of directors.	The Company has duly enacted "Rules of procedure for meetings of board of directors" to strengthen the thorough implementation of the professional function of the board of directors to boost the board of directors into benign development through the policymaking process.
Efforts to strengthen professional know-how	In each and every year, the Company's directors shall participate in and satisfactorily complete refresher educational & training programs in the hours satisfactory to the requirements by the competent authority(ies). We strongly encourage the board members to participate in a variety of professional training courses. During a board of directors meeting, we would publicize laws and ordinances concerned so as to faithfully comply with the requirements by law.
Establishment of corporate governance head	As officially resolved in the board of directors on March 26, 2021, the Company duly set up the corporate governance head in an attempt to implement thoroughly corporate governance and boost the performance of the board of directors and to further help directors with relevant information required to implement the functions and render other support as necessary.

(II) Performance of the Audit Committee:

Here at the Company, the Audit Committee of Session Two is organized by three independent directors who further elected Independent Director Wang, Ming-Lang to serve as the convener. The Audit Committee convenes a meeting on a quarterly basis to assume the responsibility to review the Company's financial statement to assure sound and fair expression, the appointment (discharge) of the certifying certified public accountants, their independence and performance to assure effective implementation of the Company's Internal control system, law compliance toward rules & regulations to firmly control and manage the Company's existence and potential risks.

Member professional qualifications and experience are as follows：

Member	Professional qualifications and experience

Independent Director Wang, Ming-Lang	Has a Ph.D. from the Department of Technology Management at Chung Hua University and a master's degree in international finance from George Washington University in the U.S. Currently serving as the Company's independent director, convener of the audit committee and a member of the remuneration committee. An associate professor of the Department of Technology Management at Chung Hua University. Has more than five years of work experience required for business, finance, and company business, with professional qualifications as a professor in a private college or university, and provides relevant management advice to the Company. Not been a person of any conditions defined in Article 30 of the Company Act.
Independent Director Chien, Jui-Yao	Graduated from the Department of Power Mechanical Engineering of National Tsing Hua University with a Ph.D. degree. Currently serving as the Company's independent director and a member of the audit committee and remuneration committee, and the CTO of Lung Pien Vacuum Industrial Co., Ltd. Has more than five years of work experience required for business, finance, and company business, and provides professional advice on R&D technology needed by the Company at any time. Not been a person of any conditions defined in Article 30 of the Company Act.
Independent Director Chen, Chun-Liang	Graduated from the Department of Economics at National Taiwan University with a master's degree. Currently serving as the Company's independent director, a member of the audit committee and the convener of the remuneration committee, as well as a director of Kaori Heat Treatment Co., Ltd., a vice president and a representative of legal person director of Collaborated Service Solution Inc., and the vice president of the Corporate Affairs Division of LPI Precision Inc. Has more than five years of work experience required for business, finance, and company business, with expertise in enterprise operations, financial planning, accounting and the industry. Not been a person of any conditions defined in Article 30 of the Company Act.

During Year 2021, the Audit Committee convened a total of five meetings. The annual highlights and issues of review primarily include:

(I) Fair expression through the Company's financial statements.

(II) Appointment (discharge) of the certifying certified public accountants, their capabilities and the certifying fees.

(III) Effective implementation of the Company's Internal control system

(IV) Transactions into major assets, derivative financial instruments. loaning of funds and endorsements/guarantees and the like.

(V) Amendment to Procedures for the Acquisition or Disposal of Assets; Procedures to Engage in Transaction and Disposal of Derivatives, Procedures for Loaning of Funds to Others and endorsements/guarantees regulations.

(VI) Exactly on the grounds of the annual auditing plans, we communicate with the head of internal audit about the result and report in audit.

(VII) On a periodical basis, conduct interchanges with the Company's certifying certified public accountants focusing on the quarterly financial statement and the audit results.

(VIII) Law compliance

During Year 2021, the Audit Committee convened a total of five meetings. (A) The facts of participation by independent directors are as enumerated below:

Position titles	Name	Number of times in actual participations (B)	Number of times in participation through proxies	Rate in in actual participations (%) (B/A)	Remarks
Independent director	Wang, Ming-Lang	5	0	100%	
Independent director	Chien, Jui-Yao	5	0	100%	
Independent director	Chen, Chun-Liang	5	0	100%	

Other entries as required:

I. Where the operation by the Audit Committee proves to meet any one among those circumstances enumerated below, the Company shall expressly indicate the date when the board of directors meeting was convened, the terms, contents of agenda, outcome of decisions resolved in the Audit Committee and measures taken by the Company toward the opinions posed by the Audit Committee.

(I) Issues under Article 14–5 of the Securities and Exchange Act.

In Year 2021, all agenda issues were duly passed by the entire members of the Audit Committee and further submitted to the board of directors. All such issues were duly passed the review process by the board of directors without an objection. In 2021, the performance by the Audit Committee is as enumerated below:

Board of Directors Date	Term	Agenda content and result of resolution
February 1, 2021	The 13th Meeting of Session Nine	1.The lending of funds to the Company's subsidiary (Wafering Technology Corporation). Outcome of resolution by the Audit Committee: The motion was unanimously resolved by all present Audit Committee members in response to inquiry by the Chairperson exactly as proposed without an objection Actions taken by the Company in response to the opinions of the Audit Committee: Not applicable
February 19, 2021	The 14th Meeting of Session Nine	1. Xinpu Green Energy Park land development joint venture project. 2. Proposed to have the Company acquire the land in Xinpu Green Energy Park. Outcome of resolution by the Audit Committee: The motion was unanimously resolved by all present Audit Committee members in response to inquiry by the Chairperson exactly as proposed without an objection Actions taken by the Company in response to the opinions of the Audit Committee: Not applicable
March 26, 2021	The15th Meeting of Session	1. The Company's business report and financial statement of Year 2020 2. Proposal of Deficit Compensation in 2020 3. The Company's declaration on the internal control system in 2020.

Board of Directors Date	Term	Agenda content and result of resolution
	Nine	4. The certified public accountant fees payable in 2021.
		Outcome of resolution by the Audit Committee: The motion was unanimously resolved by all present Audit Committee members in response to inquiry by the Chairperson exactly as proposed without an objection Actions taken by the Company in response to the opinions of the Audit Committee: Not applicable
August 12, 2021	The 18th Meeting of Session Nine	1.Proposed to have the Company build a 3,572 kW rooftop solar power plant in Pingtung County.
		Outcome of resolution by the Audit Committee: The motion was unanimously resolved by all present Audit Committee members in response to inquiry by the Chairperson exactly as proposed without an objection Actions taken by the Company in response to the opinions of the Audit Committee: Not applicable
November 1 , 2021	The 19th Meeting of Session Nine	1.Proposed to have the Company issue new shares for 2021 cash capital increase.
		Outcome of resolution by the Audit Committee: The motion was unanimously resolved by all present Audit Committee members in response to inquiry by the Chairperson exactly as proposed without an objection Actions taken by the Company in response to the opinions of the Audit Committee: Not applicable

(II) Other than the aforementioned issues, another decision having not been passed in the Audit Committee but has been resolved in the board of directors with two-thirds majority vote: Nonexistent.

II. Hands-on execution by the independent directors in withdrawal from conflict involvement (recusal), the Company should expressly declare the names of directors who were required to withdraw, contents of the agenda, causes required for withdrawal and their participation in the voting process: Nonexistent at all.

III, Performance of communications by and among the independent directors, internal auditor(s) and certified public accountants (should include the performance of communications aiming at the Company's finance, business operation and such significant issues, method and results):

(I) The policy of independent directors to communicate with the internal audit head:

1. Before the end of every month, the internal audit head would work out and submit the audit report and deficiency tracing report of the preceding month. On the implementation of the annual audit plan and tracing of the internal control system deficiency, the internal audit head would report the performance of tracing Party B and Party B's Subsidiaries to the independent directors for verification.
2. On a quarterly basis, the internal audit head would report to the independent directors about progress of audit performance. In case of a significant abnormality, the internal

audit head would, as well, work out report to submit and notify the independent directors. In entire 2021, there were no aforementioned abnormalities taking pace. To date, the Company's independent directors and the internal audit head have been in excellent communications performance.

(II) The policy of independent directors in communications with the certifying certified public accountants:

1. The independent directors inside the Audit Committee convene a meeting with the certifying certified public accountants focusing on corporate governance at least every other year. Whenever necessary, besides, the certified public accountants would communicate and discuss in writing toward the scope the certified public accountants' independence and relevant responsibilities when they audit the Group's consolidated financial statements, audit planning related issues, significant finding in the audit process (including adjustment and recording of the significant deficiency in the internal control system, and the like), contents of the audit report and interim consolidated financial statement audit results.
2. The Audit Committee takes reference of the audit by the professional certified public accountants and, in turn, completes the review report of the Group's consolidated financial statements and the audit opinions.

2021 Matters to be communicated between independent directors, internal auditing managers and the CPAs are shown as follows:

Date Methods of communications	Members in presence	Key points	Results
2021.03.26 Audit Committee Board	Independent director Wang,Ming-Lang Independent director Chien,Jui-Yao Independent director Chen,Chung-Liang Audit Supervisor Lai,Kan-Hsin CPA Huang,Yu-Feng	1. The CPA explained the audit findings and results of the 2020 consolidated and standalone financial statements and communicated key audit matters. 2. Responded to and discussed the questions raised by people participating in the meeting. 3. The report aiming at internal audit performance and corrective action toward the deficiency tracing report in the 4th quarter, 2020. 4. Submit the Declaration of Internal Control System of the Company for Year 2020. 5. The internal audit head duly responded to the questions posed during the meeting.	Unanimous vote by all to approve the motion
2021.05.13 Board	Independent director Wang,Ming-Lang Independent director Chien,Jui-Yao Independent director Chen,Chung-Liang Audit Supervisor Lai,Kan-Hsin	1. The report aiming at internal audit performance and corrective action toward the deficiency tracing report in the 1st quarter, 2021. 2. The internal audit head duly responded to the questions posed during the meeting.	Unanimous vote by all to approve the motion

2021.08.12 Board	Independent director Wang,Ming-Lang Independent director Chien,Jui-Yao Independent director Chen,Chung-Liang Audit Supervisor Lai,Kan-Hsin	1.The report aiming at internal audit performance and corrective action toward the deficiency tracing report in the 2nd quarter, 2021. 2.The internal audit head duly responded to the questions posed during the meeting.	Unanimous vote by all to approve the motion
2021.11.11 Seminar	Independent director Wang,Ming-Lang Independent director Chien,Jui-Yao Independent director Chen,Chung-Liang CPA Huang,Yu-Feng	1.The CPA communicated with the governance unit on the audit results of the Q3 2021 consolidated financial statements and the key audit matters in the audit plan for the 2021 annual financial report	Unanimous vote by all to approve the motion

(III) The Company's corporate governance and the gaps from the Corporate Governance Best-Practice Principles for TSEC/TPEx Listed Companies and the reasons leading to the gaps.

Items of evaluation.	Facts of performance (Note)			Gaps from the Corporate Governance Best-Practice Principles for TSEC/TPEx Listed Companies and the reasons leading to the gaps.
	Yes	No	Descriptions in summary:	
I. Has the Company enacted the corporate governance principles in accordance with the Corporate Governance Best-Practice Principles for TSEC/TPEx Listed Companies and disclosed such principles?	✓		Here at the Company, we have duly enacted "Corporate Governance Best-Practice Principles" focusing on shareholders' equity to strengthen the board of directors functions, maximize the function of the Audit Committee with respect toward stakeholders' interests to boost information transparency which have been covered into the Corporate Governance Best-Practice Principles. Such Corporate Governance Best-Practice Principles have been officially promulgated into Market Observation Post System (MOPS) and through the Company's website.	Well satisfactory to the Corporate Governance Best-Practice Principles of TWSE/TPEx listed companies.
II. The Company's share right structure and shareholders' equity:				
(I) Has the Company duly set up the internal operating procedures to take charge of the suggestions, questions, disputes or litigations posed by shareholders and has the Company duly put such procedures into faithful implementation?		✓	(I) The Company has set up spokesman system, capable of dealing with suggestion or questions from shareholders? The Company has, nevertheless, not yet set up the internal operating procedures to take charge of the suggestions, questions, disputes or litigations posed by shareholders.	In the future, we shall conduct evaluation in response to substantial need in development.
(II) Has the Company firmly dominate the Company's key shareholders and the final controllers of these key shareholders?	✓		(II) The Company, exactly in accordance with Article 25 of the Securities and Exchange Act, checks and make sure of the updates of shareholding by directors, The Company has, nevertheless, not yet set up the internal operating procedures to take charge of the suggestions, questions, disputes or litigations posed by shareholders, managerial officers with shareholding over 10% and duly declares such facts through the Market Observation Post System (MOPS). Further through the register of shareholders provided by the shareholder service provider, we try to firmly dominate the lists of key shareholders and their final controllers and maintain sound inter-communications with key shareholders. Through such efforts, we have set up very sound investment relationship.	Well satisfactory to the Corporate Governance Best-Practice Principles of TWSE/TPEx listed companies.
(III) Has the Company duly set up, implemented risk control	✓		(III) The Company has, according to law, enacted Regulations	Well satisfactory to the

Items of evaluation.	Facts of performance (Note)			Gaps from the Corporate Governance Best-Practice Principles for TSEC/TPEx Listed Companies and the reasons leading to the gaps.
	Yes	No	Descriptions in summary:	
and firewall mechanism with its affiliated enterprises?			Governing Supervisory Management over Subsidiaries." Further in accordance with internal control system, we have faithfully carried out risk evaluation and set up appropriate firewalls.	Corporate Governance Best-Practice Principles of TWSE/TPEx listed companies.
(IV) Has the Company duly set up internal specifications to ban the insiders of the Company from taking advantage of the information which has not been made public to buy, sell negotiable securities?	✓		(IV) The Company has duly enacted "Operating Procedures to Take Charge of Significant Information Processing" and further as up the internal control system. In due time we provide educational & training programs and have all such systems well known to the entire staff, managerial officers and directors to prevent them from violation into engaging insider trading.	Well satisfactory to the Corporate Governance Best-Practice Principles of TWSE/TPEx listed companies.
III. Composition of the board of directors and their duties and responsibilities (I) Has Have diversification policies and specific management goals been formulated and implemented by the Board of Directors?	✓		(I) The Company has duly enacted "Corporate Governance Best-Practice Principles" to expressly specify that to assure a sound board of directors structure, the board of directors members shall be organized as diversified as possible. Here at the Company, the directors (including independent directors) are elected under a candidates nomination system. At the moment, the Company's board of directors has seven director members, including three as independent directors. Among the total member in the directorship seats, 29% hold capacity as employees and among the independent directors, 43% hold the capacity as employees, with female directors accounting for 14%. The director members come from such backgrounds including notably academic, industrial, financial, accounting and such relevant backgrounds with expertise, technology & know-how and attainment in various fields to well implement thoroughly the Company's diversified policy and enhance the performance of the board of directors. The fact of board member diversification is shown through the page 20-21 of this annual report ◦ The board's management objectives on diversity and the status	Well satisfactory to the Corporate Governance Best-Practice Principles of TWSE/TPEx listed companies.

Items of evaluation.	Facts of performance (Note)			Gaps from the Corporate Governance Best-Practice Principles for TSEC/TPEx Listed Companies and the reasons leading to the gaps.
	Yes	No	Descriptions in summary:	
			of implementation: 1.The number of directors taking concurrent positions as the Company's managers shall not exceed 1/3 of the board seats. At present, 1/7 of the board members is a managerial officer, no more than the one-third of the number of directors as restricted by the rules. 2.At least one female board member: The Company currently has one female director, accounting for 14% of the board seats. 3.Independent directors shall not serve more than three terms: At present, independent directors take three board seats, and the term of office is 5 to 6 years. Based on the above findings, all management objectives have been met. The Company values gender equality in the composition of the board, and will aim for having more than one-third (33%) of the board as female members. Male board members currently account for 86% (6 directors) of the board seats, and female board member accounts for 14% (1 director). The Company will stay committed in adding more female directors to meet the management objectives.	
(II) Other than the Remuneration Committee and Audit Committee which have been organized according to law, does the Company intend to set up various other Functional committees?		✓	(II) Except Remuneration Committee and Audit Committee which the Company has duly established, we have not yet established other sorts of functional committees.	In the days and years ahead, we shall conduct such evaluation as the Company's development may justify.
(III) Has the Company set up sound regulations to evaluate the performance by the board of directors and about method of evaluation to conduct performance evaluation in each and every year, and further submit the result of evaluation to the board of directors to be used as the handy reference into remuneration to directors and nomination?	✓		(III) The Company duly amended through its board of directors "Regulations Governing Evaluation of the Board of Directors Performance" on November 10, 2020. Through such effort, we virtually put into implementation thoroughly corporate governance and upgrade the directors' participation in the Company's business operation and sound communications. The scope of such evaluation efforts includes the entire board of directors, board members as well as functional committees	Well satisfactory to the Corporate Governance Best-Practice Principles of TWSE/TPEx listed companies.

Items of evaluation.	Facts of performance (Note)			Gaps from the Corporate Governance Best-Practice Principles for TSEC/TPEx Listed Companies and the reasons leading to the gaps.
	Yes	No	Descriptions in summary:	
			(Audit Committee and Remuneration Committee). In each and every year, we conduct performance evaluation and complete report of the evaluation outcome to the board of directors in the first quarter of the ensuing year. In terms of the evaluation procedures, upon the end of each and every fiscal year, the unit in charge of the meeting agenda affairs conduct overall evaluation through internal questionnaires. Through the internal self-evaluation, self-evaluation by the board members and functional committees. The standards/criteria of evaluation by the Company's board of directors and functional committees primarily include the degree of participation in the Company's business operation to upgrade the quality of policymaking process by the board of directors and functional committees; the composition and structure of the board of directors and functional committees; the election and refresher educational & training programs for the board of directors and functional committee members as well as the internal control system. The outcome so yielded through such evaluation efforts is submitted to the board of directors to function as the very grounds to determine the remuneration to directors, select and nominate candidates for the directors. In early 2022, we completed the performance evaluation for the board of directors for 2021. The result of such evaluation was reported to the board of directors on March 28, 2022 and disclosed through the Company's website. . The Company's directors (excluding independent directors) are paid only with fixed remuneration when they participate in a meeting, without fixed salary and remuneration.	
(IV) Has the Company evaluated the independence of the certifying certified public accountants on a regular basis?	✓		(IV) In accordance with Article 29 of the Company's Corporate Governance Best-Practice Principles, the Company, via the board of directors, assesses the independence of the certifying certified public accountants and reports the result to the board of directors. Where the Company's board of directors assesses the appointment and independence of the certifying certified	Well satisfactory to the Corporate Governance Best-Practice Principles of TWSE/TPEx listed companies.

Items of evaluation.	Facts of performance (Note)			Gaps from the Corporate Governance Best-Practice Principles for TSEC/TPEx Listed Companies and the reasons leading to the gaps.
	Yes	No	Descriptions in summary:	
			public accountants, each and every certified public accountant shall work out and submit his or her declaration on independence (without violation Article 10 of the Gazette of Code of Professional Ethics) ready for study and discussion by the board of directors on the independence. As officially resolved by the Company's board of directors on March 28, 2022, certified public accountant Chung Ming-Yuan and certified public accountant Huang Yu-Feng of Deloitte Touche Tohmatsu International Taiwan prove satisfactory to the standards/criteria for independence (The Company has established internally such aspects including notably financial interest, financing and guarantee, commercial relationship, family & personal relationship, employment relationship, gift offer and special favor, the rotation reassignment of the certifying certified public accountants and such non-auditing business affairs).	
IV. Have exchange-listed or OTC-listed companies been staffed with eligible and appropriate corporate governance personal up to the adequate numbers, and appointed with corporate governance head to assume the responsibility of corporate governance related business affairs (including but not limited to such services to provide directors and supervisors with the information required to perform duties, to assist directors and supervisors in law compliance to duly take charge of board of directors and shareholders' meeting related business affairs, produce minutes of the board of directors meeting and shareholders' meeting and the like.	✓		In an effort to put into implementation thoroughly corporate governance and strengthen directorship function to better safeguard investors' interests, as officially resolved in the board of directors on March 26, 2021, the Company already appointed Treasurer Tsai, Jyh- Pyng to serve as the Company's corporate governance head. He has accumulated hands-on experiences in finance, equity affairs and meeting agenda for more than three years. The major duties and responsibilities of corporate governance include: 1. Take charge of board of directors meeting and shareholders' meeting related business affairs. 2. Oversee and enhance firm implementation of corporate governance in the Company. 3. Help directors take charge of office and refresher educational & training programs. 4. Provide directors with information and data required for performance of duty. 5. Assist the directors in law compliance. 6. Take overall charge of other issues required under the Articles of Incorporation or contracts. 2021 corporate governance tasks performance are shown as follows:	Well satisfactory to the Corporate Governance Best-Practice Principles of TWSE/TPEx listed companies.

Items of evaluation.	Facts of performance (Note)			Gaps from the Corporate Governance Best-Practice Principles for TSEC/TPEx Listed Companies and the reasons leading to the gaps.
	Yes	No	Descriptions in summary:	
			The Company has appointed a head of corporate governance to supervise corporate governance affairs, the relevant units are also responsible for the implementation of corporate governance tasks. 1. Assist the chairman of the board and the chairperson of the committees in organizing ten board meetings, five audit committee meetings, two remuneration committee meetings and the 2021 annual shareholders' meeting. 2. Arrange directors' continuing education courses (all directors have completed the required number of hours for the continuing education according to the standards in 2021). 3. Assistance offered to provide data required for directors perform their duties. 4. Prepare directors with the information needed for carrying out their tasks and help directors comply with the regulations. 5. Conduct performance appraisal of the board, individual board members and functional committees. 6. Ensure proper disclosure of the Company's information. 7. Complete renewal of liability insurance policies for directors, supervisors and key employees. 8. Responsible for handling matters requested by directors, and assisting directors to perform their duties in a timely and effective manner. The head of corporate governance has completed at least 18 hours of continuing education training in the first year of the service term. Please refer to page 74 of this annual report for details of the continuing education progress.	

Items of evaluation.	Facts of performance (Note)			Gaps from the Corporate Governance Best-Practice Principles for TSEC/TPEx Listed Companies and the reasons leading to the gaps.
	Yes	No	Descriptions in summary:	
V. Has the Company duly set up a sound channel for communications with stakeholders (including but not limited to shareholders, employees, customers and suppliers) and further set up a stakeholders oriented special zone at the Company's website to appropriately respond to key issues in Corporate Social Responsibility (CSR)?	✓		Here at the Company, we adopt an electronic voting policy and resolve decisions on agenda motions on a case-by-case basis. The shareholders are granted adequate room to participate in the resolving process. The key information and data regarding the Company's operating revenues, quarter financial statement, shareholders' meeting and annual reports have been promulgated into both Market Observation Post System (MOPS) and the Company's website. The Company duly convenes institutional investor conference to report about the Company's business performance externally. Through the Company's website, we have set up the Special Zone for Stakeholders to provide customers, suppliers and employees with the special zone contact personnel, e-mail, phone number wherewith the stakeholders may raise questions all the time. We maintain very close communications ties to appropriately respond to the key issues within the stakeholders' concern. Internally, the Company provides sound and close channels for communications as well. The entire staff can already speak their opinions through e-mail, special hotline phone number, electronic platforms and the like. .	Well satisfactory to the Corporate Governance Best-Practice Principles of TWSE/TPEx listed companies.
VI. Has the Company committed a professional share service agent to take charge of the shareholder service affairs?	✓		The Company has commissioned Taishin Securities stock transfer agency department to render such services.	Well satisfactory to the Corporate Governance Best-Practice Principles of TWSE/TPEx listed companies.
VII. Information transparency:				
(I) Has the Company set up a website to disclose the Company's information focusing on finance, business operation and corporate governance?	✓		(I) The Company has duly set up its website (www.gigastorage.com.tw) to disclose and, on a regular basis, update the Company's information in finance and corporate governance. Other relevant information which should be promulgated and declared are readily accessible through the Market Observation Post System (MOPS).	Well satisfactory to the Corporate Governance Best-Practice Principles of TWSE/TPEx listed companies.
(II) Has the Company adopted other means to disclose information (e.g. setup of website in English,	✓		(II) The Company has, exactly as required by laws and ordinances concerned, appointed dedicated personnel to assume the	Well satisfactory to the Corporate Governance

Items of evaluation.	Facts of performance (Note)			Gaps from the Corporate Governance Best-Practice Principles for TSEC/TPEx Listed Companies and the reasons leading to the gaps.
	Yes	No	Descriptions in summary:	
appointment of dedicated personnel to collect and disclose information, put into implementation thoroughly spokesman system, to put the entire process of institutional investor conference into the Company's website)?			responsibility to collect and disclose information and put the institutional investor conference update into the Company's website. Through such effort, we keep shareholders closely informed of the key information related to shareholders' equity and policymaking process. We have further, exactly as required by laws, appointed appropriate spokesman and acting spokesman.	Best-Practice Principles of TWSE/TPEx listed companies.
(III) Does the Company promulgate and declare the annual financial statement of the Company within two (2) months from end of a fiscal year and declare the financial statements of the 1st, 2nd and 3rd quarters and of respective months within the specified time limit?		✓	(III) The Company has duly arranged promulgation of the financial statements of the 1st, 2nd and 3rd quarters and the business operation of respective months within the specified time limit. In terms of annual financial statements, with numerous subsidiaries, the commissioned certified public accountants would take a longer period of time. That means we are unable to declare and promulgate the annual financial statements within two (2) months from end of every fiscal year. Anyway, nevertheless, the Company would still complete the required duties within the specified time limit.	Well satisfactory to the Corporate Governance Best-Practice Principles of TWSE/TPEx listed companies.
VIII. Does the Company have any other key information to help better understand performance in corporate governance (including but not limited to rights and interests for employees Employee concern, investors relationship, Supplier relationship, rights and interests for stakeholders, refresher educational & training programs for directors and supervisors, risk management policies, implementation of risk measurement standards/criteria, implementation of customer policies, the liability policies purchased by the Company for directors and supervisors)?	✓		Other key information and data of the Company helpful to look into the Company's performance in corporate governance are as enumerated below: (I) Employees' rights and interests: The Company is well-known for its very warm policies toward employees characterized by rational and humanized administration. We have set up very intimate channels to assure very friendly labor relationship. Exactly in accordance with Labor Standards Act and the Company's human resources rules, we firmly safeguard employees' lawful rights and interests. (II) Staff concern: Through a variety of welfare system and educational & training programs, we have set up mutually reliable relationship with the entire staff. For instance, we have duly set up the Welfare Committee (Fringe Benefit Committee) to take charge of tour programs, employee insurance, a variety of welfare and free health examinations for the entire staff. (III) Close ties with investors: We assure adequate disclosure of	Well satisfactory to the Corporate Governance Best-Practice Principles of TWSE/TPEx listed companies.

Items of evaluation.	Facts of performance (Note)			Gaps from the Corporate Governance Best-Practice Principles for TSEC/TPEx Listed Companies and the reasons leading to the gaps.
	Yes	No	Descriptions in summary:	
			information through the Market Observation Post System (MOPS) and the Company's website to keep investors closely informed of the very update about the Company's business operation. We further closely communicate with investors through the shareholders' meeting and spokesman. (IV) Relationship with suppliers: The Company has duly set up Regulations Governing Management over Suppliers to expressly stipulate the rights & obligations between the Company and its customers. For all transactions with suppliers, the Company has faithfully complied with the "Ethical Corporate Management Best-Practice Principles" to maintain and assure sound interaction relationship. Further from time to time on a nonscheduled basis, we conduct audit to assure sound quality of all suppliers. (V) Rights of stakeholders: There is a "Stakeholder Area" on the Company's website which provides contact persons, email addresses, telephone numbers and other information on various issues, so stakeholder can raise their questions, and the area serves as a good communication channel to protect the rights and interests of both parties. (VI) The Company firmly adheres to ISO 14001 environmental management spirit and dedicates itself to requirements in environmental protection. We commit ourselves to providing lawful workplace environment with continued improvement against all sorts of potential and foreseeable risks that might lead to pollution to environment. (VII) Refresher educational & training programs by directors and supervisors : To strengthen the board of directors function, the Company elaborately designs and arranges directors into refresher educational & training programs. Besides this, periodically, we provide directors with updates for outsourced educational & training programs to help them abreast of the time. Updates regarding refresher educational & training programs by directors, their participation in the	

Items of evaluation.	Facts of performance (Note)			Gaps from the Corporate Governance Best-Practice Principles for TSEC/TPEx Listed Companies and the reasons leading to the gaps.
	Yes	No	Descriptions in summary:	
			board of directors meeting and significant decisions resolved in the board of directors are readily accessible through Market Observation Post System (MOPS). (VIII) Performance of execution on risk management policy and risk measurement standards: Both the Company and its subsidiaries have duly stipulated internal rules to carry out a variety of risk management and evaluation. (IX) Implementation of customer policies: On a regular basis, we maintain very stable and sound relationship with customers to assure that the quality will live up to our goal as reliable to create highest possible profit to the Company. (X) The Company has purchased liability insurance policies for directors and has promulgated such facts onto the Market Observation Post System (MOPS).	

IX. Please elaborate on the Company's successful improvement in response to the corporate governance results promulgated by the Taiwan Stock Exchange Corporation, and the very points where the corrective action has not been completed for which please elaborate on the preferential issues and measures. (Not required for a company that has not been evaluated)

Based on the results of the 8th batch (2021 Corporate Governance Review), the matters that have been improved this year and those that can be improved are explained as follows:

(I) Matters already improved

1. Upload the English version (including shareholders' meetings, financial reports, material company information).
2. Appoint a head of corporate governance.
3. Disclose specific dividend policy.

(II) Matters to be improved in the future

1. More than half of directors attend the shareholder general meetings in person.
2. Establish functional committees other than those needed for meeting statutory requirements.
3. Announce material information in English simultaneously.
4. Prepared sustainability report.

Note: Please expressly elaborate on the box of summary disregarding "yes" or "no" in the performance.

(IV) If the Remuneration Committee is established, the composition, duties, and operation shall be disclosed

1. Information about the Company's Remuneration Committee Member:

Title	Criteria / Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Concurrently serving as an independent director in other publicly listed companies
Independent Director	Chung-Liang Chen (Convener)	Graduated from the Department of Economics at National Taiwan University with a master's degree. Currently serving as the Company's independent director, a member of the audit committee and the convener of the remuneration committee, as well as a director of Kaori Heat Treatment Co., Ltd., a vice president and a representative of legal person director of Collaborated Service Solution Inc., and the vice president of the Corporate Affairs Division of LPI Precision Inc. Has more than five years of work experience required for business, finance, and company business, with expertise in enterprise operations, financial planning, accounting and the industry. Not been a person of any conditions defined in Article 30 of the Company Act.	Meet the independence criteria specified below two years before being elected and during the term of office: (1)Not an employee of the company or any of its affiliates. (2)Not a director or supervisor of the company or any of its affiliates. (3)Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the company or ranks as one of its top ten shareholders. (4)Not a spouse, relative within the second degree of kinship or lineal relative within the third degree of kinship of any of the above persons listed in previous three items. (5)Not a director, supervisor or employee of a corporate/institutional shareholder that directly holds five percent or more	0

Independent Director	Wang, Ming-Lang	Has a Ph.D. from the Department of Technology Management at Chung Hua University and a master's degree in international finance from George Washington University in the U.S. Currently serving as the Company's independent director, convener of the audit committee and a member of the remuneration committee. An associate professor of the Department of Technology Management at Chung Hua University. Has more than five years of work experience required for business, finance, and company business, with professional qualifications as a professor in a private college or university, and provides relevant management advice to the Company. Not been a person of any conditions defined in Article 30 of the Company Act.	of the total number of issued shares of the company, or ranks as of its top five shareholders. (6)Not a director, supervisor or employee of another company or institution in which the majority of board seats or voting rights are controlled by the same person in the Company. (7)Not a director, supervisor or employee of another company or institution, who is also the chairman, president or equivalent position, or a spouse of these personnel, of the Company. (8)Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company. (9)Not a professional individual or an owner, partner, director, supervisor or officer of a sole proprietorship, partnership, company or institution that, provides auditing or commercial, legal, financial, accounting services, which receive less than NT$500,000 in accumulated remuneration the most recent two years, to the company or to any affiliate of the company, or a spouse thereof. (10)Not having a marital relationship or a relative within the second degree of kinship to any other director of the company. (11)Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.	0
Independent Director	Chien, Jui-Yao	Graduated from the Department of Power Mechanical Engineering of National Tsing Hua University with a Ph.D. degree. Currently serving as the Company's independent director and a member of the audit committee and remuneration committee, and the CTO of Lung Pien Vacuum Industrial Co., Ltd. Has more than five years of work experience required for business, finance, and company business, and provides professional advice on R&D technology needed by the Company at any time. Not been a person of any conditions defined in Article 30 of the Company Act.		0

Note 1：Professional qualifications and experience：Describe the professional qualifications and experience of individual the Remuneration Committee members.

Note 2：Compliance of the criteria for independence：Describe the compliance of the criteria for independence the Remuneration Committee members,including but not limited to whether the person, spouse or relative within the second degree of kinship are serving as directors, supervisors or employees of the Company or its affiliates; the number of shares and the shareholding percentage held by the person, spouse or relative within the second degree of kinship (or in the name of others); whether the person is serving as a director, supervisor or employee of a company that has a specific relationship with the Company (please refer to Subparagraph 5 to 8, Paragraph 1 of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the amount of remuneration received by providing the Company or its affiliates with business, legal, financial, accounting and other services within the last 2 years.。

2. Information of performance by the Remuneration Committee

(1) The Company's Remuneration Committee has three members.

(2) Duties of remuneration committee

The Committee shall exercise the care of a good administrator to faithfully perform the following duties and present its recommendations to the board of directors for discussion:

① Stipulate and regularly review the performance of the directors and managers, as well as the compensation policies, systems, standards and structure.

② Regularly evaluate and stipulate director and manager compensation.

(3) The Committee members of the present session hold tenure of office from June 25, 2019 until June 24, 2022. In Year 2021, the Remuneration Committee convened a total of two meetings(A). The qualifications and participation facts of the Committee members are as enumerated below:

Position titles	Name	Number of times in actual participations (B)	Number of times in participation through proxies	substantial participation rate (%)(B/A)	Remarks
Convener	Chen, Chun-Liang	2	0	100%	
Committee member	Chien, Jui-Yao	2	0	100%	
Committee member	Wang, Ming-Lang	2	0	100%	

Other entries as required:

I. Where the board of directors does not adopt or amend a suggestion posed by the Remuneration Committee, it shall expressly detail the date when the board of directors meeting was convened, the term, contents of agenda, decision resolved in the board of directors, the result and the measure taken by the Company toward the opinions posed by the Remuneration Committee (e.g. the salary resolved by the board of directors is superior to that proposed by the Remuneration Committee. In such an event, detail the difference and the reason behind): In 2021, all proposals posed by the Remuneration Committee were resolved by the board of directors in full.

II. In a decision resolved in the Remuneration Committee, in case of a member who objects or reserves in opinion with record or written declaration, the Company should detail the date, term, agenda contents, opinions of all members and the settlement of such opinions: All such facts have been virtually nonexistent.

III. The contents of agenda of the meeting convened by Remuneration Committee in 2021, the result of resolution and the Company's measures toward the opinions posed by the Remuneration Committee members:

Date when the meeting was convened by the Remuneration Committee:	Term	Agenda content and result of resolution
February1, 2021	The 6nd meeting of Session Four	1. The issue for year-end bonus distribution in 2020 and salary adjustment in 2021 for the Company's director who concurrently serves as the manager. 2. The issue for year-end bonus distribution in 2020 and salary adjustment in 2020 for the Company's manager (without serving as the director concurrently).
		Opinions of Committee members: Without an opinion in objection or reservation. The act taken by the Company toward the Committee member's opinion: Not applicable Decision resolved: The motion was unanimously resolved by all present directors in response to the consultation by the chairperson exactly as proposed without an objection
November 11, 2021	The 7th meeting of Session Four	1.Flattening of hierarchy in the organization and changes to the performance appraisal of managers in different segments.
		Opinions of Committee members: Without an opinion in objection or reservation. The act taken by the Company toward the Committee member's opinion: Not applicable Decision resolved: The motion was unanimously resolved by all present directors in response to the consultation by the chairperson exactly as proposed without an objection

Note: The Company's Remuneration Committee elected its members of Session Four on June 25, 2019, with three members being reelected.

(1) Where a Remuneration Committee member quit from the post before end of a year, the Company shall remark the date of quit in the box of remark. His or her substantial rate of participation (%) shall be duly counted based on the number of meetings substantially convened by the Committee and the number of his or her substantial participation.

(2) Where the Remuneration Committee members are reelected before end of a fiscal year, the old and new Remuneration Committee members should be enumerated in full. In the box of remark, the Company should remark as old, newly elected, reelected and the date of reelection. The substantial rate of participation (%) shall be duly counted based on the number of meetings substantially convened by the Committee and the number of that member's substantial participation

(V) Status of promotion of sustainable development and its difference from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons

Promotion Items	Implementation (Note 1)			Difference from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Descriptions in summary	
I. Has the Company established a governance structure to promote sustainable development, and set up a dedicated (or one holding concurrent positions) unit to promote sustainable development, with the board authorizing the senior management to manage the organization which is supervised by the board?	✓		In order to fulfill corporate and civic social responsibility, promote and strengthen the Company's corporate governance functions related to sustainable operation and corporate social responsibility, the Company designated the "Corporate Sustainable Development Committee" at the end of 2021 as the dedicated operating unit to make decisions and supervise the Company's sustainable development works. The unit, focusing on the three major areas, corporate governance (G), environment (E) and society (S), reinforces the Company's management system, commits to environmental conservation and fulfills social responsibilities. The results are expected to be submitted to the board in June 2022. Chairman Ji-Ming Chen serves as the chairperson of the committee, and Senior Vice President Kao-Yuan Chung is authorized to serve as the chairperson (management representative) responsible for planning, implementing, tracking and supervising the effective operation of the CSR management system. It has been planned that the "Corporate Sustainable Development Committee" will hold at least two meetings a year to confirm the implementation status and results of the objectives, and report the implementation results to the board of directors. Please refer to the Company's official website for the organization and structure promoting corporate social responsibility.	Without a significant difference

Promotion Items	Implementation (Note 1)			Difference from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Descriptions in summary	
II. Has the Company set up a dedicated (concrete) unit to carry out corporate social responsibility (CSR) for which the board of directors has bestowed a high-ranking management to take charge, and does such unit report to the board of directors about the performance? (Note 2)	✓		The Company identifies major CSR topics based on the materiality principle, and formulates plans for continuous improvement for major topics with potentially higher risks. In terms of environmental issues, the Company has obtained the certification of ISO 14001 environmental management system, and manages and continuously improves issues such as water resources, waste recycling, air pollution and water pollution. In addition, the Company has formulated the "Quality Risk Management Procedures," the "Environmental Safety and Health Opportunity and Risk Management Procedures," and the "Emergency Response Management Procedures" to reduce the risk of operational interruption caused by natural disasters and environmental safety incidents through risk identification, education, training and drills. For details, please refer to the Company's official website.	Without a significant difference
III. Environmental issues (I) Has the Company duly set up appropriate environmental management system based on characteristics of its industry?	✓		(I)The Company has set up the Occupational Safety and Health and Environmental Management Committee (hereinafter referred to as the Environmental Safety and Health Committee), which is responsible for formulating the Company's environmental safety and health policies, and reviewing, coordinating and recommending environmental safety and health related matters. The Committee regularly holds meetings every quarter, and the chairman chairs the meetings. In order to fulfill the social responsibility of environmental protection and care for the safety and health of employees, the Committee systematically plans and	Without a significant difference

Promotion Items	Implementation (Note 1)			Difference from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Descriptions in summary	
			carries out various environmental safety and health services using the PDCA approach, and, in response to the revision of the ISO 14001:2004 to the ISO 14001:2015 in 2015, has completed the system revision (validation unit: SGS, certificate number: TW01/00979.00) of the ISO 14001:2015 in 2016. The follow-up verification has been successfully completed in September 2021. The implementation ensures that the products can be controlled through various processes while complying with environmental protection laws and regulations and the ISOs, further achieving the objectives of sustainable development and improving the Company's competitive advantage.	
(II) Has the Company dedicated itself to a variety of resource utilization systems and adopted recycled materials to minimize the impact upon the environment?	✓		(II)The Company complies with relevant environmental protection laws and regulations, and regularly inspects the consumption of various energy resources. In addition to adjusting the manufacturing process to reduce the consumption of raw materials, it plans a temporary waste storage area, advocates the benefits of recycling various resources, and actively participates in recovery and classification of resources to improve the utilization efficiency of various resources. It also puts environmental protection into practice by implementing measures such as waste classification, reduction, and recovery. The company continues to implement a number of energy conservation measures, including changing T5 lights to LED lights, recycling of cleaning water, waste sorting and reduction, etc. Through continuous energy conservation and recycling of cleaning water, the utilization efficiency of various resources is improved and environmental impact from production is reduced.	Without a significant difference
(III) Has the Company ever evaluated the climate changes	✓		(III)Facing the challenges of current global climate change, the	Without a significant

Promotion Items	Implementation (Note 1)			Difference from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Descriptions in summary	
to make sure of their risks and opportunities upon enterprises at the moment and in the future and adopted countermeasures linked up with the climate issue?			Company has adopted adaptation strategies, such as building a solar photovoltaic system, developing new processes to reduce the consumption of raw materials, and finding alternative raw materials, to increase the Company's resilience facing the risks of climate change. For force majeure, the Company has formulated various emergency response measures to reduce the direct impact of natural disasters on operating activities.	difference
(IV) Has the Company conducted statistics about the greenhouse gas emission, water consumption and the total wastes and, in turn, worked out sound countermeasure policies with energy saving & carbon reduction and greenhouse gas reduction, minimization of water consumption or other policies toward waste management?	✓		(IV)The Company continues to control the power consumption and water consumption in the factory every year, and has started taking inventory of greenhouse gas emissions in 2021. The Company is committed to source reduction to relieve the environmental impact, and continues to promote water and power conservation and waste reduction measures (such as greenhouse gas inventory, construction of solar photovoltaic systems). The Company's consumption of electricity and water and carbon emissions have continued to reduce over the years. Please refer to the Company's official website for relevant information. ◦	Without a significant difference
IV. Social issues (I) Does the Company formulate relevant management policies and procedures in accordance with laws and International Human Rights Conventions Protocol?	✓		(I) The Company supports the Universal Declaration of Human Rights (UDHR) and follows the international conventions on human rights, including the International Bill of Human Rights, the International Labour Organization – Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights (UNGPs), and formulates Gigastorage's human rights policy with which the supply chain partners also comply. ◦ Here at the Company, we have faithfully complied with Labor Standards Act and such labor related laws, duly worked out work rules and internal managerial rules. On a regular basis, we sponsor labor management conferences. In Year 2020, we convened a total of four labor	Without a significant difference

Promotion Items	Implementation (Note 1)			Difference from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Descriptions in summary	
(II) Does the Company enact and enforce rational welfare facilities toward employees (including salaries, vacation days and other welfare measures) and does the Company reflect the business performance onto remuneration to employees?	✓		management conferences where both sides were given chances to communicate with their gaps and accords. The management is given chances to listen to voices from the labor side face-to-face to virtually safeguard employee interests. We elaborately design and provide channels for employees to speak up their voices, provide information platform into use. Through all such efforts in combination, we firmly safeguard the very fundamental human rights to the entire staff. Meanwhile, our entire staff are kept informed of the Company's operating activities. (II) 1. The Company has complied with Labor Standards Act and such labor related laws to duly enact a variety of salary and welfare related measures. Our entire staff are entitled to labor insurance, National Health Insurance, group insurance, pension payment, health examination and such ordinary welfare. In addition, they are further entitled to the special allowances upon their wedding and family member funerals as well as educational & training programs toward employees where the employees are subject to performance evaluation on a regular basis. The entire staff are entitled to performance incentives and distribution of remuneration to employees to team up the entire Company to enjoy the result of the Company's earnings. 2. The Company has enacted very sound "Regulations Governing Salary Management" whereunder the Company evaluates and updates the salaries to entire staff on a regular basis pursuant to the Company's business performance and business operation trends. 3. The Company has enacted "Regulations Governing Employee Promotion Management" as the grounding mechanism for promotion. We render training programs to entire staff with very sound chances and room for remarkable talents to domestic their potential in full.	Without a significant difference

Promotion Items	Implementation (Note 1)			Difference from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Descriptions in summary	
			4. The Company extremely respects gender equality. In addition to providing menstrual leave, miscarriage prevention leave, maternity leave, and the like, employees are entitled to further apply for childcare leave without pay. Insides our factories, there are breastfeeding (collection) rooms to provide a high-quality breastfeeding environment for women. The "Management Measures for Maternal Health Protection" have been duly enacted to achieve the purpose of caring for employees. There are also a "Sexual Harassment Prevention Measures Complaint and Disciplinary Measures" to provide a very wholesome work and service environment free from potential sexual harassment to protect employees with appropriate preventive and handling measures. 5. The Company has, as well, set up the Employee Welfare Committee for which the Company budgets handsome sum to carry out welfare programs including notably wedding, funeral, childbirth and inpatient allowances, along with cash gifts offered at New Year and festivals, employee tour programs, social group events as well as family days. Thanks to such sound welfare programs, our entire staff have enjoyed carefree working environmental to enjoy very pleasant lifestyle.	
(III) Does the Company provide employees with secure and healthful working environment and render safety and health related educational programs on a regular basis?	✓		(III) We have been extremely concerned about staff safety & security and health. Our hands-on practices: 1. On a periodical basis, we strictly examine the operating environments and launch corrective action in real time whenever an abnormality is noticed. We, therefore, assure that our workplaces are satisfactory to requirements by laws to firmly safeguard staff health. 2. Also on a periodical basis, we sponsor safety & security oriented training programs, e.g. hazard awareness educational & training programs, fire & emergency countermeasures	Without a significant difference

Promotion Items	Implementation (Note 1)			Difference from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Descriptions in summary	
			drills to enhance our entire staff into upgraded awareness of safety & security. 3. We offer health examinations in the frequency superior to requirements by law. The health examination results are put into classified management. 4. As required, we promote four major projects and handle health promotion activities, e.g. health seminars, intraocular pressure and bone density measurement as well as health consulting services.	
(IV) Does the Company set up effective present career capability development oriented training programs for its employees?	✓		(IV) The Company has set up a "Successor Management Method" and formulated a succession system to effectively cultivate employees and enhance their professional capabilities. The Company holds complete training and learning channels, and organizes various internal professional functions on a periodical basis management, environmental safety and health, and self-inspiration e.g. education and training to enhance the skills of employee. The Company duly sets up "Regulations Governing Employee Promotion Management" to provide opportunities for our staff members to enhance their functions and channels into sound promotion.	Without a significant difference
(V) Toward product and service related health and security toward customers, customer privacy, marketing and labelling, does the Company faithfully comply with laws and ordinances concerned and international rules and further enact consumer interest projection related interest policy and grievance procedures?	✓		(V) The Company upholds product quality, responsibility and marketing ethics, complies with government rules & regulations and relevant international standards. Under no circumstances shall the Company deceive, mislead, defraud or any other behaviors that are likely to undermine customers' trust and damages into customer rights. Whenever a customer becomes doubtful about our products. Here at the Company we shall take full responsibility for the follow-up settlement. Our Company, as well, faithfully complies with the international announcement document-GHS system, the United Nations recommended norms-UN TDG, and the like, as well as the specific needs rising	Without a significant difference

Promotion Items	Implementation (Note 1)			Difference from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Descriptions in summary	
(VI) Does the Company enact a supply management policy to firmly request suppliers to faithfully comply with the relevant rules & regulations in terms of environmental protection, occupational safety & health and labor related human rights as well as the facts regarding the enforcement?	✓		from customers for related management. Through the Company's website, we further provide sound window and e-mail to communicate with into products. Further with the special zone toward interested parties (stakeholders) as the very sound channel for complaint and grievance. (VI) The Company has enacted "Regulations Governing Management over Suppliers" whereunder the Company arranges and conducts audit over key suppliers on a periodical basis. Whenever a supplier is alleged to have violated its corporate social responsibility (CSR) policy and proves to have a significant impact upon the environment and society, that supplier must be flunked under the Company's audit process. Furthermore, the Company has covered RoHS related specifications into the supplier evaluation key points. With such efforts, we put into implementation thoroughly the goal of teaming up with suppliers jointly toward corporate social responsibility (CSR).	Without a significant difference
(V)Has the Company referred to international reporting standards or guidelines in its preparation of sustainability reports and other reports which disclose the Company's non-financial information? Have the abovementioned reports obtained the verification or assurance opinions from third-party certification organizations?		✓	The Company has established a sustainability report preparation task force in November 2021, and has compiled a sustainability report in accordance with the AA1000SES Stakeholder Engagement Standards and GRI Standards. The 2021 Sustainability Report is expected to be completed in June 2022, and will be uploaded to the Company's official website.	Without a significant difference
VI. If the Company has established sustainable development principles based on Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the principles and their implementation: The Company has not yet enacted corporate social responsibility (CSR) rules. Nevertheless, the Company has faithfully complied with laws and ordinances concerned and Articles of Incorporation. Furthermore, with the Taiwan Stock Exchange Corporation and OTC ("GTSM"), the Company has duly executed contracts and specifications concerned. Taking into account development trends of corporate social responsibility (CSR) prevalent at home and abroad, the overall business activities of the Company itself and the Group, we spare no effort to carry out a variety of corporate social responsibility.				
VII. Other key information helpful for better understanding about performance in corporate social responsibility (CSR):				

Promotion Items	Implementation (Note 1)			Difference from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Descriptions in summary	
(I) The Company has spared no effort to invest in environmental protection & health affairs, e.g. participation in regional associated defense organization in Hsinchu Industrial Zone to team up with the fire brigades in emergent rescue and evacuation drills further in coordination with Hsinchu Industrial Zone in water conservation campaign. In fact, in terms of safety & health and environmental protection aspects, there are numerous targets worth our pursuit. In the future, we shall continually endeavor toward sustainable development of the enterprise with fulfillment of corporate social responsibility (CSR). In equivalent efforts, we shall try to live up to the expectation from stakeholders. (II) In terms of contribution to the society, services toward society and public benefits of the society: We participated in in the charitable sales programs under the auspices of Hsinchu Family Support Center. All donations received from the campaigns were donated to the Hsinchu Family Support Center in full. Industry–academia collaboration: National Formosa University, China University of Technology, and Ming Chi University of Technology have formulated industry–academia collaboration plans to help students develop professional skills needed for the industry. Target of our donation to public interests: Hsinchu County Family Support Center among others. The Company has successfully passed the certification in ISO 9001, 14001, 45001 in an attempt to promote environmental performance to faithfully assume the corporate social responsibility (CSR) in environmental protection. (III)Gigastorage has obtained the certification of ISO 9001, 14001 and 45001, and will start to promote the writing of its sustainability reports in Q4 of 2021, hoping to improve environmental performance and fulfill the corporate social responsibility of environmental protection.				

Note 1: If the fact of operation is checked "Yes," please explain the major policies, strategies, measures adopted and fact of implementation. If the fact of operation is checked "No," please explain the reasons why and relevant policies, strategies, measures to be adopted in the future.

Note 2: The term "principal of materiality" as set forth herein denotes such facts regarding environment, society, issue of corporate governance with significant impact upon stakeholders.

(VI) Facts about differential gap between fulfillment in Ethical Corporate Management Best-Practice Principles from Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies.

Items of evaluation.	Facts of performance (Note)			The differential gap from Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the reason why behind
	Yes	No	Descriptions in summary:	
Ethical Corporate Management (I) Has the Company enacted an Ethical Corporate Management policy officially resolved by the board of	✓		(I) The Company has duly enacted "Ethical Corporate Management Rules" and "Corporate Governance Best-Practice Principles" to	Without a significant

Items of evaluation.	Facts of performance (Note)			The differential gap from Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the reason why behind
	Yes	No	Descriptions in summary:	
directors and in such policy and external documents, expressly remark the Ethical Corporate Management policy, method and how the board of directors and ranking management put into implementation thoroughly the firm commitment toward Ethical Corporate Management?			govern the board of directors and ranking management to faithfully comply with the business philosophy when implementation of business operation and further disclose such into the Company's website. Directors, senior management executives and all employees are required to sign a letter of commitment to ethical conduct.	difference
(II) Has the Company duly set up an evaluation mechanism into the risk of an unethical act to, on a periodical basis, analyze and evaluate such operating activities believed high in risk in unethical behavior and, accordingly, enact a policy to prevent potential unethical behavior. Such a policy shall include the minimum the preventive measures set forth under Paragraph 2, Article 7 of Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies?	✓		(II) The Company has faithfully complied with the Company Act, Securities and Exchange Act, Commercial Accounting Act, Political Donation Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest and other laws and ordinances concerned, as well as audit, internal control system which the entire staff of the Company are required to faithfully comply with. Toward operating activities subject to high risk in unethical behaviors, the Company has set up Ethical Corporate Management Best-Practice Principles, expressly providing that a director, managerial officer, employee, appointee and a substantial controller shall not, while engaging in business operation, provide, commit, request or accept any sorts of unjustifiable benefits from a customer, agent, contractor, supplier, public servant or other stakeholder. The amount of charitable donation, sponsorship in each case has been reported to the authorized rank level for final approval, well satisfactory to laws and ordinances concerned and the Company's internal rules & regulations. .	Without a significant difference
(III) Amidst the policy to prevent unethical behaviors, does the Company expressly provide the operating procedures, behavioral guide, the grievance system with penalty in case of violation and put into implementation thoroughly and further reassess and update such policy on a regular basis?	✓		(III) By means of enactment of sound rules about corporate governance, risk control mechanism as well as sound internal rules to accurately prevent a potential unethical behavior from occurrence, the Company has further enacted "Standard Rules Governing Employees Behaviors" and "Rewarding & Punishment Management Regulations" to expressly provide	Without a significant difference

Items of evaluation.	Facts of performance (Note)			The differential gap from Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the reason why behind
	Yes	No	Descriptions in summary:	
			behavioral guidelines, punishment rules and grievance systems with effective publicity which have been faithfully enforced into the Company's business operation.	
II. Thorough implementation of the Ethical Corporate Management Policy (I) Has the Company evaluated the business transaction counterparts about their ethical records and expressly provided the ethical causes in the contracts executed with the business counterparts?	✓		(I) Supply chain partners are required to sign the Honesty Letter of Commitment.Amidst transaction and procurement process, does the Company check and make sure of the authentication of the transaction counterparts through the website of Department of Commerce, Ministry of Economic Affairs and further through various channels (e.g. credit investigation) to check and make sure the business counterparts' performance records to check and confirm the commercial ethical corporate management. During business or procurement oriented meetings, the Company would report the *status quo* of respective customers and suppliers. Whenever a business transaction counterpart is found having involved unethical behavior, the Company would strictly control the progress of the business transaction to strictly look into the risk exposure status. The Company would further assess whether the Company should be discontinued from business transactions?	Without a significant difference
(II) Has the Company set up a dedicated unit under its board of directors to carry out Ethical Corporate Management policy to report to the board of directors about the Ethical Corporate Management policy, supervision and implementation to prevent potential unethical behavior on a periodical basis (on an annual basis as the minimum).	✓	✓	(II) The Company has set up Personnel & Administrative Department to carry out Ethical Corporate Management. In fact here at the Company, based on the respective functions and business scope, the Company would oversee and implement various business operations. Under the Company's board of directors is an Audit Committee to oversee the entire Company regarding law compliance. Internally, the Company provides the internal staff with sound channels to report illegal behaviors. The administrative unit would accept and investigate, track and handle the results in response to the whistleblowing report. In the entire process, the Company would keep the personal information of the informant,	Has the Company set up a dedicated unit to carry out Best-Practice Principles on Good Faith Management? The Company has been in study and consideration.

Items of evaluation.	Facts of performance (Note)			The differential gap from Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the reason why behind
	Yes	No	Descriptions in summary:	
			i.e. the whistleblower, in strict confidentiality.	
(III) Has the Company enacted a policy to prevent potential conflicts of interests and provided appropriate channels to speak up and put such policy into faithful implementation.	✓		(III) The Company has expressly enacted in its Rules of Procedure for Meetings of Board of Directors that whenever a shareholder, director, supervisor and other stakeholder involves interested relationship himself or herself, his or her representative or juristic person on an issue and is, in turn, likely to injure the Company's interest, he or she may speak up opinion and answer a question but shall not join the voting process and shall further withdraw from conflict involvement (recusal) amidst discussion and voting process and shall not exercise the voting power on behalf of another director. In a board of directors meeting, whenever involved in interested relationship, all such personnel would take the initiative to withdraw. The Company's entire staff would report to the management level whenever getting involved in conflict in interests to prevent a potential conflict of Interest for which the Company provides appropriate channel to speak up. The Company has further enacted the "Code Governing Employee Behaviors" and "Regulations Governing Awards & Punishment of Staff Members" to expressly provide sound punishment and grievance systems toward staff members amidst the staff members involved in conflict of Interests, as requested by the Company.	Without a significant difference
(IV) Does the Company put into implementation thoroughly Ethical Corporate Management policy with establishment of sound accounting system, internal control system for which the internal audit unit would work out relevant audit plans based on the outcome of evaluation of unethical behavior by the internal audit unit, as the very grounds to audit the implementation of compliance. So that the Company can well prevent unethical behaviors, or does not Company commission a certified public accountant to			(IV) The Company has set up a dedicated account unit to take charge of accounting affairs based on the Financial Accounting Standards. All the Company's financial statements have been duly audited and reviewed by the certifying certified public accountants to assure definite fairness of financial statements. Under the board of directors is the Audit Office which conducts auditing operation and put into implementation thoroughly the internal control system exactly in accordance with the annual plans.	Without a significant difference

Items of evaluation.	Facts of performance (Note)			The differential gap from Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the reason why behind
	Yes	No	Descriptions in summary:	
conduct audit? (V) Has the Company carried out in-house, outsourced training programs aiming at Ethical Corporate Management on a periodical basis?		✓	(V) To date the Company has not yet carried out in-house, outsourced educational & training programs in accordance with the Best-Practice Principles on Good Faith Management. From time to time on a nonscheduled basis, the Company spares no effort to publicize the Ethical Corporate Management Best-Practice Principles to have such Principles well known to the entire staff into thorough implementation. On execution of contracts and business transactions, the Company would expressly declare and assure compliance of Ethical Corporate Management Best-Practice Principles.	In the future, the Company shall evaluate and decide whether to carry out such plans as the actual circumstance of business performance may justify.
III. The operation of the company whistleblowing system (I) Has the Company enacted a specific reporting (whistleblowing) and reward system, and established a convenient reporting channel, and designated appropriate personnel responsible for the reporting object?	✓		(I) The Company's entire staff are encouraged to reflect their opinions through the Human Resources Department and the routine mobilization meetings. In response, the Company would appropriately deal with and communicate with such voices. The Company has enacted performance evaluation and rewarding and punishment rules. Whenever an employee proves in contravention of Best-Practice Principles on Good Faith Management rules, the Company's competent department heads will jointly review the case to decide the penalty. The contents of the final rewarding and punishment facts will be promulgated toward the entire staff.	The Company does not expressly enact whistleblowing and incentive systems but has promulgated relevant policies.
(II) Has the Company established standard operating procedures to accept whistleblowing cases into investigation, the follow-up measures and related confidentiality mechanisms that should be taken after the investigation is completed?	✓		(II) The Company has enacted "Regulations Governing Rewarding & Punishment upon Entire Staff." All competent units will deal with a reported fact in a fair and prudential attitude and classify the information of the whistleblower, accused facts, process of investigation and results in strict confidentiality.	Without a significant difference
(III) Has the Company taken a sound protective measure to safeguard an informant (whistleblower) from any unjustifiable act?	✓		(III) Upon acceptance of a report from a whistleblower, the Company would keep the status of whistleblower and the reported contents in strict confidentiality and take all available means to safeguard the whistleblower from potential retaliation.	Without a significant difference
IV. Effort to strengthen disclosure of information Has the Company disclosed through its own website	✓		The Company has enacted "Best-Practice Principles on Good Faith	Without a significant

Items of evaluation.	Facts of performance (Note)			The differential gap from Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the reason why behind
	Yes	No	Descriptions in summary:	
and through Market Observation Post System (MOPS) about its Best-Practice Principles on Good Faith Management and the performance of implementation?			Management" and promulgated the Principles onto the Company's website and further promulgated the relevant information into Market Observation Post System (MOPS) on a periodical basis. The Company further puts into implementation thoroughly information transparency policy with strengthened publicity to assure the whistleblowing channels smooth and unblocked.	difference
V. Where the Company has set up Ethical Corporate Management Best-Practice Principles in accordance with the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies," please elaborate on the performance and the gap between the two: The Company has set up Best-Practice Ethical Principles so as to assure sound development in Best-Practice Principles based corporate culture. The substantial hands-on performance shows no difference from the Best-Practice Ethical Principles enacted by the Company itself. .				
VI. Other significant information conducive to better understanding about Ethical Corporate Management Best-Practice Principles: (e.g. the Company's effort to reassess and update its Ethical Corporate Management Best-Practice Principles) (I) The Company's board of directors already enacted "Ethical Corporate Management Best-Practice Principles" on March 27, 2020 in accordance with the Company Act, Securities and Exchange Act and laws and ordinances concerned of the competent authority(ies) as the very base to put into implementation thoroughly Best-Practice Ethical Principles. (II) Under the Company's "Rules of Procedure for Meetings of Board of Directors," whenever a director finds an issue in discussion in the board of directors involves his or her interests likely to impair the Company's interests, such director may speak and answer an opinion but shall not join the discussion and voting process and shall withdraw from the discussion and voting process. Such a director shall not exercise the voting power for himself or herself or for another on behalf. (III) The Company has enacted "Internal Operating Procedures to Deal with Significant Information." Under such Procedures, we set up a sound mechanism to manage significant internal information with sound disclosure as necessary to prevent potential divulgence of such information and, in turn, assure consistence and accuracy. Under the Procedures, under no circumstances shall a director, manager and employee divulge the significant internal information known to them to any other, nor shall they pry on or collect significant internal information which has not been made public from the people who have been aware of such internal information. On the significant internal information which has been known to them because of performance of duty, they shall not disclose such confidential information as their inherent obligations of confidentiality. (IV) By means of setup the sound corporate governance system and impeccable internal rules & regulations, the Company successfully prevents unethical behaviors from occurrence. In turn, we successfully create the operating environment toward sustainable development to put into implementation thoroughly the relevant contents in the Ethical Corporate Management Best-Practice Principles.				

Note: Please expressly elaborate on the box of summary disregarding "yes" or "no" in the performance.

(VII) Where the Company has set up corporate governance rules and relevant regulations, the Company shall disclose the method for access:

The Company's Corporate Governance Best-Practice Principles have been uploaded onto the official website: www.gigastorage.com.tw.

(VIII) Other significant information that would be conducive to better understanding of the Company's corporate governance performance which should be disclosed in the same package:

1. With Internal Operating Procedures to Deal with Significant Information or not: Yes.
2. Here at the Company, the facts of refresher educational & training programs by directors in 2021 and disclosure toward the Corporate Governance Special Zone of Market Observation Post System (MOPS): (http://mops.twse.com.tw).

Position titles	Name	Dates of refresher educational & training programs	Sponsors:	Title of training programs	Number of hours in refresher educational & training programs	Were the refresher educational & training programs satisfactory to the requirements (Note)
Chairman	Chen, Chi-Ming	December 20, 2021	Taiwan Corporate Governance Association	Group Governance and Performance Management	3.0	Yes
		November 11, 2021	Taiwan Corporate Governance Association	Corporate Governance 3.0 – Sustainable Development Blueprint	3.0	
Director	Chen, Chi-Hsing	December 20, 2021	Taiwan Corporate Governance Association	Group Governance and Performance Management	3.0	Yes
		November 11, 2021	Taiwan Corporate Governance Association	Corporate Governance 3.0 – Sustainable Development Blueprint	3.0	
Director	Chen, Su-Hui	December 20, 2021	Taiwan Corporate Governance Association	Group Governance and Performance Management	3.0	Yes
		November 11, 2021	Taiwan Corporate Governance Association	Corporate Governance 3.0 – Sustainable Development Blueprint	3.0	
Director	Huang, Wen-Jui	December 20, 2021	Taiwan Corporate Governance Association	Group Governance and Performance Management	6.0	Yes
		November 11, 2021	Taiwan Corporate Governance Association	Corporate Governance 3.0 – Sustainable Development Blueprint	3.0	
Independent director	Wang, Ming-Lang	December 20, 2021	Taiwan Corporate Governance Association	Group Governance and Performance Management	3.0	Yes
		November 11, 2021	Taiwan Corporate Governance Association	Corporate Governance 3.0 – Sustainable Development Blueprint	3.0	
Independent director	Chien, Jui-Yao	December 20, 2021	Taiwan Corporate Governance Association	Group Governance and Performance Management	3.0	Yes
		November 11, 2021	Taiwan Corporate Governance Association	Corporate Governance 3.0 – Sustainable Development Blueprint	3.0	

Position titles	Name	Dates of refresher educational & training programs	Sponsors:	Title of training programs	Number of hours in refresher educational & training programs	Were the refresher educational & training programs satisfactory to the requirements (Note)
Independent director	Chen, Chun-Liang	November 11, 2021	Taiwan Corporate Governance Association	Corporate Governance 3.0 – Sustainable Development Blueprint	3.0	Yes
		November 5, 2021	Taiwan Corporate Governance Association	The Board's awareness of the Company's implementation of ESG	3.0	

Note: This refers to the arrangement and disclosure of information regarding whether consistent with the number of hours, scope, system, arrangement in continuing refresher education specified under "Guidelines to the Directors and Supervisors of TWSE/TPEx Listed Companies in Their Continuing Refresher Education."

3. Here at the Company in Year 2021, the statistics of continuing refresher education & training programs are shown through the Table below:

Job title	Name	Date of continuing education courses	Organizer	Course name	Course hours
Head of corporate governance	Chih-Ping Tsai	2021/12/20	Taiwan Corporate Governance Association	Group Governance and Performance Management	3.0
		2021/12/07	Taiwan Stock Exchange Corporation	2021 Cathay Sustainable Finance Climate Change Summit	3.0
		2021/11/11	Taiwan Corporate Governance Association	Corporate Governance 3.0 – Sustainable Development Blueprint	3.0
		2021/09/01	Financial Supervisory Commission	The 13th Taipei Corporate Governance Forum	6.0
		2021/05/07	Securities and Futures Institute	2021 Prevention of Insider Trading Conference	3.0

4. For other information, please refer to the present Annual Report page35–74 and for other information conducive to understanding of operation of the corporate governance.

(IX) Performance in Internal control system:

1. Declaration on internal control system

GIGASTORAGE CORPORATION

Declaration on internal control system

Date: March 28, 2022

In 2021, regarding internal control system, based on the result of self-evaluation, Gigastorage Corporation (the Company) hereby declares as enumerated below:

I. Here at the Company, the Company confirms awareness that the establishment,

implementation and maintenance of the internal control system would be the inherent responsibility of the Company's board of directors and managerial officers for which the Company has duly set up such a system. The very purposes of such efforts are to provide rational assurance toward the Company in the effect and efficiency of business operation (including profitability, performance and assurance of security of assets), reliability, timeliness and transparency of reports to be consistent with relevant specifications, laws and ordinances concerned to accomplish the target of law compliance.

II. Internal control system is subject to inherent restriction disregarding how impeccant they have been designed. Valid internal control system would only provide a rational assurance toward accomplishment of three aforementioned targets. Moreover, amidst changes in environments and circumstances, the validity of the internal control system is likely to change accordingly. Here at the Company, nevertheless, the internal control system has set the self-supervisory mechanism. Whenever a fault is identified, the Company would take corrective action in real time.

III. Here at the Company, in accordance with "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "Governing Regulations") amidst the items of validity judgment toward internal control system to determine whether the internal control system has been valid in design and implementation. Under the "Governing Regulations," the judgment items adopted onto the internal control system represent the process of managerial control to have the internal control system classified into five composition elements, i.e. 1. Circumstance of control; 2. Risk evaluation; 3. Control operation; 4. Information & communications; and 5. Supervisory operation Each composition item further contains certain other items. For more details of the items mentioned above, please refer to "Governing Regulations."

IV. The Company has adopted the judgment items under the aforementioned Internal control system to evaluate the validity of the internal control system in terms of validity of its design and implementation.

V. Exactly on the grounds of the evaluation results mentioned under the preceding Paragraph, we here at the Company firmly believe that the Company's internal control system as of December 31, 2021 (including the supervision and management over subsidiaries), including awareness of the business operation effect and the degree of accomplishment of the targets, all the reports prove reliable, in real time, transparent and consistent with the design and implementation of the internal control system and would, overall. assure satisfactory accomplishment of the aforementioned targets.

VI. The present Declaration will function as the key contents of the Company's annual report and prospectus and would be made public externally. In the event that the aforementioned contents involve misrepresentation, concealment and such unlawful behaviors, the Company shall be subject to responsibility according to law under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.

VII. The present Declaration was officially passed the board of directors meeting convened on March 28, 2022. Amidst that meeting, none of the seven present directors voiced an objection. All present directors endorsed the contents of this Declaration as officially stressed here.

GIGASTORAGE CORPORATION

Chairman & General Manager: Chen, Chi-Ming (Signed with seal)

2. Where a certified public accountant is commissioned to conduct a special case review of the internal control system, that certified public accountant's review report should be disclosed: None.

(X) In the latest fiscal year and as of the publication date of the annual report, the penalty imposed upon the Company or its internal personnel, or penalty imposed by the Company upon its internal staff for violation of the internal control system where the result of penalty would suggest a significant impact upon the shareholders' equity or stock prices, the Company should expressly enumerate the contents of penalty, major faults and corrective actions taken: Nine.

(XI) In the latest fiscal year and as of the publication date of the annual report, major decisions resolved in the shareholders' meeting and board of directors:

1. Contents of major decisions resolved in the shareholders' regular meeting 2021 and the facts of implementation

(1) It was resolved to acknowledge the Company's business report and financial statement for Year 2020.

Facts of implementation: Both the Company's business report and financial statement for Year 2020 were acknowledged in the shareholders' meeting in full.

(2) It was resolved to acknowledge the Company's distribution of earnings for Year 2020:

Facts of implementation: Both the Company's business report and financial statement for Year 2020 were acknowledged in the shareholders' meeting in full.

(3) Discussion of partial amendment of the Company's Articles of Incorporation.

Facts of implementation: After being resolved in the shareholders' meeting, the partial amendment was approved into registry in the Ministry of Economic Affairs on August 24, 2021.

The contents of partial amendment have been promulgated into the Company's website where the Company has duly acted exactly based on the amended contents.

(4) Discussion of Reenactment of the "Procedures for the Election of Directors"

Facts of implementation: The partial amendment was resolved in the shareholders' meeting in full and the Company has duly acted exactly in accordance with the post-amendment contents.

(5) Discussion of partial amendment of the Company's "Shareholders' Meeting Procedure Rules ."

Facts of implementation: The partial amendment was resolved in the shareholders' meeting in full and the Company has duly acted exactly in accordance with the post-amendment contents.

2. Major decisions resolved in the board of directors:

Date	Major decisions	Facts of implementation
January 7, 2021 The 12th Meeting of Session Nine	1. Motion to authorize the chairman with plenipotentiary power to negotiate a settlement agreement with Royal Philips AG 2. Application for bank financing credit line.	The motion was unanimously resolved by all present directors in full where the Company duly acts exactly as so resolved.
February 1, 2021 The 13th meeting of Session Nine	1. Motion on the Company's operation and capital expenditure plans for Year 2021 2. The motion to convert the Company's accounts receivable from subsidiary(ies) in the Fourth Quarter of Year 2020 into a loan. 3. Motion to loan fund to the Company's subsidiary (Wafering Technology Corporation) 4. Motion to distribute year-end bonus to the Company's director concurrently serving as the manager in Year 2020 and to adjust salary for Year 2021 5. Motion to distribute year-end bonus to the Company's manager (not concurrently serving as director) in Year 2020 and to adjust salary for Year 2021	The motion was unanimously resolved by all present directors in full where the Company duly acts exactly as so resolved.
February 19, 2021 The 14th	1. Motion on a joint venture to develop land in Hsinpu Green Energy Park 2. Motion for the Company to obtain land in Hsinpu	The motion was unanimously resolved by all

Date	Major decisions	Facts of implementation
Meeting of Session Nine	Green Energy Park	present directors in full where the Company duly acts exactly as so resolved.
March 26, 2021 The 15th Meeting of Session Nine	1. Motion on the Company's Business Report and Financial Statement for Year 2020 2. Motion to cover up the Company's loss in Year 2020 3. Motion to pass the Company's Declaration on Internal Control System for Year 2020 4. Motion for the certified public accountant fees payable in Year 2021 5. Motion on the review result over the independence of the certifying certified public accountants 6. A motion for partial amendment to the Company's "Articles of Incorporation" 7. Motion on partial amendment to the Company's "Organizational Rules for Audit Committee" 8. Motion on partial amendment to the Company's "Organizational Rules for Remuneration Committee" 9. Motion to enact anew the Company's "Regulations Governing Election of Directors." 10. Motion on partial amendment to the Company's "Regulations on Scope of Independence about Independent Directors' Duties & Responsibilities" 11. A motion for partial amendment to the Company's "Shareholders' Meeting Procedure Rules" 12. Motion to appoint the Company's head of corporate governance 13. Motion to convene the Company's shareholders' regular meeting for Year 2021 14. Motion to enact guidelines to accept suggestions from shareholders, standards/criteria on review and operating flowcharts.	The motion was unanimously resolved by all present directors in full where the Company duly acts exactly as so resolved.
May 13, 2021 The 16th Meeting of Session Nine	1.Motion to continually purchase liability insurance policies for directors and supervisors and managerial officers 2. A motion for partial amendment to the Company's "Articles of Incorporation" 3. Application for bank financing credit line.	The motion was unanimously resolved by all present directors in full where the Company duly acts exactly as so resolved.
Jyly 6, 2021 The 17th Meeting of Session Nine	1.Proposal to reset the date of the 2021 annual general meeting. 2.Proposal to re-sign the Industry Development Promotion Agreement.	The motion was unanimously resolved by all present directors in full where the Company duly acts exactly as so resolved.

Date	Major decisions	Facts of implementation
August 6, 2021 The 18th Meeting of Session Nine	1. Application for bank financing credit line. 2.Proposal to have the Company build a 3,572 kW rooftop solar power plant in Pingtung County.	The motion was unanimously resolved by all present directors in full where the Company duly acts exactly as so resolved.
November 1, 2021 The 19th Meeting of Session Nine	1.Issue new shares for 2021 cash capital increase. 2.Review the Company's 2021 cash capital increase and sound business plan. 3.Formulate the Company's Procedures for Ethical Management and Guidelines for Conduct. 4.Formulate the Company's Measures for Filing Grievances Against Illegal and Immoral or Unethical Behaviors.	The motion was unanimously resolved by all present directors in full where the Company duly acts exactly as so resolved.
November 11, 2021 The 20th Meeting of Session Nine	1. A motion of audit plan for the Company for Year 2022 2. Flattening of hierarchy in the organization and changes to the performance appraisal of managers in different segments	The motion was unanimously resolved by all present directors in full where the Company duly acts exactly as so resolved.
December 20, 2021 The 21th Meeting of Session Nine	1.Establish the date of record and related matters for the 2021 cash capital increase and share subscription. 2.Application for bank financing credit line.	The motion was unanimously resolved by all present directors in full where the Company duly acts exactly as so resolved.
January 5, 2022 The 22th Meeting of Session Nine	1.Determine the subscription price per share for the 2021 cash capital increase and issue of new shares. 2.2021 cash capital increase to issue new shares and number of shares allocated for subscription by directors serving concurrent positions as managerial officers and employees. 3.2021 cash capital increase to issue new shares and number of shares allocated for subscription by managerial officers (no concurrently serving as directors) and employees.	The motion was unanimously resolved by all present directors in full where the Company duly acts exactly as so resolved.
January 24, 2022	1.2022 operational and capital expenditure plans. 2.Application to banks for lines of credit	The motion was unanimously

Date	Major decisions	Facts of implementation
The 23th Meeting of Session Nine	3.2021 year-end bonus allocation and 2022 salary adjustment for directors concurrently serving as managerial officers. 4.2021 year-end bonus allocation and 2022 salary adjustment for managerial officers.	resolved by all present directors in full where the Company duly acts exactly as so resolved.
March 28, 2022 The 24th Meeting of Session Nine	1.2021 business report and financial statements. 2.2021 loss offsetting. 3.Approved the 2021 Statement on Internal Control. 4.Amendment to provisions of the Company's Measures for Handling Acquisition or Disposal of Assets. 5.Deliberate on the 2021 CPAs' independence and competency assessment results 6.Amendment to the provisions of the Articles of Incorporation. 7.Amendment to the provisions of the Rules of Procedures for Shareholder Meetings. 8.Amendment to the provisions of the Corporate Governance Best Practice Principles 9.Re-election of directors. 10.Deliberation on candidates for directors (including independent directors) nominated by shareholders at the shareholder general meeting. 11.Hold the 2022 Annual General Meeting. 12.Discuss over shareholders' proposals, review standard and operating procedures. 13.Lending of funds to joint venture company (Shuo-Ming Green Energy).	The motion was unanimously resolved by all present directors in full where the Company duly acts exactly as so resolved.

In the latest fiscal year and as of the publication date of the annual report, the key decisions resolved by the board of directors focusing on the significant messages which are readily accessible to investors through Market Observation Post System (MOPS).

(XII) In the latest fiscal year and as of the publication date of the annual report , a director or supervisor voices an opinion differing from a major decision resolved in the board of directors backed up with record with declaration in writing, the major contents: Such fact is nonexistent.

(XIII) In the latest fiscal year and as of the publication date of the annual report, an assembled report about resignation by the Company's chairman, general manager, accounting head, treasurer, internal audit head, corporate governance head and research & development head: Such fact is nonexistent.

V. Information about CPA Professional Fees:

Expressed in Thousand New Taiwan Dollars

Name of the certified public accountant firm	Name of CPA	Audit period	Audit fee	Non-auditing fee (Note 2)	Total	Remarks
Deloitte & Touche	Chung, Ming-Yuan Huang, Yu-Feng	January 1 – December 31, 2021	3,360	585	3,945	

Note 1: Where the Company replaces a certified public accountant or the CPA firm within the year, the Company shall respectively enumerate period of audit and specify in the box of remark the reason why behind the replacement and, furthermore, disclose the information of auditing fee and non-auditing fee by that order. Non-audit public fees and should be annotated to explain its service content.

Note 2: Converted the transfer pricing report in 2020-2021 NT$301 thousand. In Year 2020-2021, the business tax (VAT) was taken to directly deduct auditing fee NT$152 thousand. In Year 2020, the Group's master key report fee amounted to NT$100 thousand. Non-manager's full-time salary information and other payment of NT$32 thousand.

(I) In case of replacement of the CPA house while the auditing fee payable in the year of replacement decreased from the amount paid in the preceding year, the Company should disclose the former and present auditing fees and the reason why: Such fact is nonexistent.

(II) Where the auditing fee decreased from the preceding year for over 10%, the Company shall disclose the amount so decreased, percentage and the reason why: Such fact is nonexistent.

VI. Information on replacement of CPA: Such Fact is Nonexistent.

VII. The Company's chairman, general manager, or the manager responsible for financing or accounting affairs, who has worked for the accounting firm to which CPAs belong or the affiliated enterprises in

the past year: Nil.

VIII. Changes to the shares held by directors, supervisors, managers, and shareholders holding more than 10% of the shares in the most recent year and through the printing date of the annual report:

(I) Changes in equity by a director, supervisor, manager and a key shareholder:

Unit: Shares

Position titles	Name	2021		In the current year as of April 26		Remarks
		Number of shares in increase (decrease) held	Number of shares in increase (decrease) pledged	Number of shares in increase (decrease) held	Number of shares in increase (decrease) pledged	
Chairman	Chen, Chi-Ming	(1,520,000)	(3,000,000)	8,310,091	12,130,000	Concurrently serving as the general manager
Director	Chen, Su-Hui	(126,022)	(2,500,000)	3,879,253	5,000,000	
Director	Chen, Wen-Chih	0	0	Not applicable	Not applicable	Discharged from the directorship on April 6, 2021 .
Director	Huang, Wen-Jui	(479,000)	0	(190,000)	0	
Director	Chen, Chi-Hsing	(54,000)	0	260,000	700,000	
Director	Hsieh, Chin-Yuan	0	0	Not applicable	Not applicable	Discharged from the directorship on November 11, 2021 .
Independent director	Wang, Ming-Lang	0	0	0	0	
Independent director	Chien, Jui-Yao	0	0	0	0	
Independent director	Chen, Chun-Liang	0	0	0	0	
Vice general manager	Chung, Kao-Yuan	0	0	124,000	0	
Vice general manager	Lin, Jiang-Ching	(102,000)	0	124,000	0	
Vice general manager	Huang, Sung-Hsiu	0	0	0	0	
Assistant Manager	Tsay, Ming-Jiunn	(7,987)	0	0	0	
Assistant Manager	Chang, Ju-Hui	(10,296)	0	0	0	
Assistant Manager	Yang Sheng-Chung	(90,000)	0	35,000	0	
Financial/Accounting Heads	Tsai, Jyh- Pyng	(15,000)	0	40,000	0	

Note 1: There is not a single shareholder holding over 10% in shareholding ratio.

Note 2: Where a counterparty in equity transfer or equity pledge is a stakeholder, the Company shall further fill in the Table below:

(II) Where a counterparty in equity transfer by a director, supervisor, manager and a key shareholder is a stakeholder: Such fact is nonexistent.

(III) Where a counterparty in equity pledge by a director, supervisor, manager and a key shareholder is a stakeholder: Such fact is nonexistent.

IX. Information about the relationships among top ten shareholders, such as related parties, spouses or relatives within the second-degree of kinship:

April 26, 2022

Name (Note 1)	Number of shares held by the Principal:		Shares held by spouse and minor child(ren)		Total shares held in the name of another		Where the shareholders ranking among the top ten in shareholding ratios who are stakeholders among themselves or in the relationship as spouse, blood relatives within the second degree of kinship: Their names, titles and relationship:		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title	Relationship	
Chen, Chi-Ming	14,268,000	4.07%	0	0.00%	0	0.00%	Chen, Su-Hui Chen Min- Min	Sister/brother Father/ daughter	-
Chen, Su-Hui	9,035,841	2.58%	0	0.00%	0	0.00%	Chen, Chi-Ming Ke Ru-Yun	Sister/brother Mother/daughter	-
Vision Holdings LTD.	8,000,000	2.28%	0	0.00%	0	0.00%	-	-	-
Wu, His-Kun	4,790,000	1.37%	0	0.00%	0	0.00%	-	-	-
Li Shu-Hui	4,328,525	1.23%	0	0.00%	0	0.00%	-	-	-
Special Investment Account for Vanguard Emerging Market Stock Index Fund Investment Account managed by the Vanguard Group Company entrusted by JPMorgan Chase Bank Taipei Branch	3,857,259	1.10%	0	0.00%	0	0.00%	-	-	-
Tron-e Technology Co., Ltd.	3,826,311	1.09%	0	0.00%	0	0.00%	-	-	-

Name (Note 1)	Number of shares held by the Principal:		Shares held by spouse and minor child(ren)		Total shares held in the name of another		Where the shareholders ranking among the top ten in shareholding ratios who are stakeholders among themselves or in the relationship as spouse, blood relatives within the second degree of kinship: Their names, titles and relationship:		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title	Relationship	
Special Investment Account for American JPMorgan Chase Bank Taipei Branch entrusted into custody of the series of funds of the Advanced Starlight Fund Company Advanced Aggregate International Stock Index Fund	3,421,817	0.98%	0	0.00%	0	0.00%	-	-	-
Chen Min- Min	3,320,556	0.95%	0	0.00%	0	0.00%	Chen, Chi-Ming	Father/ daughter	-
Ke Ru-Yun	2,489,415	0.71%	0	0.00%	0	0.00%	Chen, Su-Hui	Mother/daughter	-

Note 1: The Company shall enumerate all top ten shareholders in full. In case of a corporate shareholder, the Company shall enumerate the corporate shareholder name and name of its representative respective.

Note 2: Calculation of shareholding ratio refers to the ratio of shares held in own name, by spouse, minor children or in others' names

Note 3: The shareholders mentioned above to be disclosed include juristic person and natural person (individual). Their relationship shall be expressly disclosed based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers

X. The Number of Shares Held by the Company, the Company's Directors and Supervisors, Managers and Shares Controlled by the Company Either Directly or Indirectly Toward a Same Investee, to Count the Comprehensive Shareholding Ratio on a Consolidated basis.

March 31, 2022 ; Expressed in number of shares

Investees (Note)	The Company's investment	The comprehensive investment by the directors and supervisors, managers and shares controlled by the Company either directly or indirectly	Comprehensive investment

	Number of shares	Shareholding percentages	Number of shares	Shareholding percentages	Number of shares	Shareholding percentages
Global Acetech Co., Ltd.	29,574,997	100.00%	3	0.00%	29,574,997	100.00%
Giga Solar Materials Corporation	29,708,902	39.15%	827,300	1.09%	30,536,202	40.24%
Ho Mi Specialty Materials Corporation	9,350,000	92.57%	-	-	9,350,000	92.57%
Wafering Technology Corporation	31,996,112	100.00%	-	-	31,996,112	100.00%
Green Energy Electrode, Inc.	-	-	16,358,067	49.91%	16,358,067	49.91%
Giga Solar Materials Corp.(Mauritius)	-	-	18,700,000	100.00%	18,700,000	100.00%
Giga Solar Materials CorporationSuzhou Giga Solar Materials Corporation	-	-	0	100.00%	0	100.00%
Whole Sun Green Power Co., Ltd.	-	-	126,516,924	100.00%	126,516,924	100.00%
EIWA Electric Power Co., Inc.	-	-	-	100.00%	-	100.00%
Wisdom Field Limited (Samoa)	-	-	37,110,000	100.00%	37,110,000	100.00%
Giga Diamond Materials Corporation	-	-	40,321,720	40.29%	40,321,720	40.29%
Yancheng Giga Solar Materials Corporation	-	-	-	100.00%	-	100.00%
Hua Hsu Optotech Co., Ltd.	-	-	8,100,000	100.00%	8,100,000	100.00%
Giga Diamond Materials Corp. (Seychelles)	-	-	17,000,000	100.00%	17,000,000	100.00%
Yancheng Giga Diamond Materials Corporation	-	-	-	100.00%	-	100.00%
Merchant Energy Pte. Ltd. (Singapore)	-	-	29,800,000	87.65%	29,800,000	87.65%

Note: Investees by the Company through equity method

Four. Status of Fundraising

I. Capital and Shares

(I) Source of share capital

1. Formation of share capital

Units: NTD/shares

Year month	Issuing price	Authorized Share Capital		Paid-in Capital		Remarks		
		Number of shares	Amount	Shares	Amount	Source of share capital	Property other than cash contributed as equity capital	Others
1997.03	10	30,000,000	300,000,000	10,127,000	101,270,000	Established share capital	None	—
1997.07	10	60,000,000	600,000,000	53,456,000	534,560,000	Capital increased by cash 443,290,000	None	1997.08.21 Jing (86) Shang Zi No. 114869 1997.07.03 (86) Taicaizheng (1) No. 45237
1998.06	10	140,000,000	1,400,000,000	80,184,000	801,840,000	Cash capital increase of 267,280,000	None	1998.09.16 Jing (087) Shang Zi No. 087128490 1998.06.15 (87) Taicaizheng (I) No. 51957
1999.01	10	140,000,000	1,400,000,000	115,184,000	1,151,840,000	Cash capital increase of 350,000,000	None	1999.04.19 Jing (088) Shang Zi No. 088113247 1999.01.05 (88) Taicaizheng (I) No. 105153
1999.04	10	140,000,000	1,400,000,000	126,795,800	1,267,958,000	Capitalization of retained earnings 80,184,000 Employee bonus transfer to capital increase 35,934,000	None	1999.05.27 Jing (088) Shang Zi No. 088118073 1999.04.07 (88) Taicaizheng (I) No. 31757
1999.06	10	140,000,000	1,400,000,000	140,000,000	1,400,000,000	Cash capital increase of 132,042,000	None	1999.09.17 Jing (088) Shang Zi No. 088134377 1999.06.01 (88) Taicaizheng (I) No. 50518
2000.04	10	240,000,000	2,400,000,000	189,097,800	1,890,978,000	Capitalization of capital reserves 56,000,000 Capitalization of retained earnings 364,000,000 Employee bonus transfer to capital increase 70,978,000	None	2000.08.02 Jing (089) Shang Zi No. 089127481 2000.04.05 (89) Taicaizheng (I) No. 28744
2000.06	10	240,000,000	2,400,000,000	229,097,800	2,290,978,000	Cash capital increase of 400,000,000	None	2000.09.14 Jing (089) Shang Zi No. 089133657 2000.06.19 (89) Taicaizheng (I) No. 48002
2001.09	10	338,000,000	3,380,000,000	252,007,580	2,520,075,800	Capitalization of capital reserves 229,097,800	None	2001.07.11 (90) Taicaizheng (I) No. 144046 2001.08.31 Jing (90) Shang Zi No. 09001344970
2004.02	10	388,000,000	3,880,000,000	263,807,824	2,638,078,240	Conversion of overseas convertible bonds to common stock	None	2004.02.13 Jing Shou Shang Zi No. 09301022820
2004.05	10	388,000,000	3,880,000,000	271,710,745	2,717,107,450	Conversion of overseas convertible bonds to common stock	None	2004.05.18 Jing Shou Shang Zi No. 09301084370

Year month	Issuing price	Authorized Share Capital		Paid-in Capital		Remarks		
		Number of shares	Amount	Shares	Amount	Source of share capital	Property other than cash contributed as equity capital	Others
2004.08	10	388,000,000	3,880,000,000	279,314,934	2,793,149,340	Conversion of overseas convertible bonds to common stock	None	2004.08.04 Jing Shou Shang Zi No. 09301140910
2004.09	10	388,000,000	3,880,000,000	292,347,934	2,923,479,340	Capitalization of retained earnings 123,680,000 Employee bonus transfer to capital increase 6,650,000	None	2004.07.07 Zhengqi Yi Zi No. 0930129965 2004.09.06 Jing Shou Shang Zi No. 09301168170
2004.11	10	388,000,000	3,880,000,000	292,461,212	2,924,612,120	Conversion of overseas convertible bonds to common stock	None	2004.11.23 Jing Shou Shang Zi No. 09301218300
2006.01	10	388,000,000	3,880,000,000	294,320,449	2,943,204,490	Conversion of overseas convertible bonds to common stock	None	2006.01.03 Jing Shou Shang Zi No. 09501000080
2007.10	10	388,000,000	3,880,000,000	294,890,449	2,948,904,490	Employee stock options	None	2007.10.23 Jing Shou Shang Zi No. 09601255350
2009.09	10	388,000,000	3,880,000,000	176,934,269	1,769,342,690	Capital reduction	None	2009.08.03 Jing Shou Shang Zi No. 09801174210
2010.03	10	388,000,000	3,880,000,000	204,020,208	2,040,202,080	Conversion of overseas convertible bonds to common stock 178,272,580 Conversion of private placement convertible bonds to common stock 60,716,810 Employee stock options 31,870,000	None	2010.03.25 Jing Shou Shang Zi No. 09901055880
2010.05	10	388,000,000	3,880,000,000	228,663,867	2,286,638,670	Conversion of overseas convertible bonds to common stock 238,721,310 Conversion of private placement convertible bonds to common stock 7,315,280 Employee stock options 400,000	None	2010.05.19 Jing Shou Shang Zi No. 09901102370

Year month	Issuing price	Authorized Share Capital		Paid-in Capital		Remarks		
		Number of shares	Amount	Shares	Amount	Source of share capital	Property other than cash contributed as equity capital	Others
2010.10	10	388,000,000	3,880,000,000	250,422,881	2,504,228,810	Conversion of overseas convertible bonds to common stock 95,283,630 Conversion of private placement convertible bonds to common stock 2,926,100 Capitalization of retained earnings 119,380,410 (including private placement shares of 3,552,020)	None	2010.10.13 Jing Shou Shang Zi No. 09901228380
2011.04	10	388,000,000	3,880,000,000	265,422,881	2,654,228,810	Cash capital increase of 150,000,000 shares	None	2011.04.22 Jing Shou Shang Zi No. 10001079860
2011.10	10	388,000,000	3,880,000,000	291,965,169	2,919,651,690	Capitalization of retained earnings (including private placement shares of 7,451,020)	None	2011.10.21 Jing Shou Shang Zi No. 10001242020
2014.06	10	388,000,000	3,880,000,000	301,988,568	3,019,885,680	Conversion of domestic convertible bonds to common stock 10,023,399	None	2014.06.20 Jing Shou Shang Zi No. 10301108470
2014.09	10	388,000,000	3,880,000,000	305,792,457	3,057,924,570	Conversion of domestic convertible bonds to common stock 3,803,889	None	2014.09.11 Jing Shou Shang Zi No. 10301181290
2015.02	10	388,000,000	3,880,000,000	307,396,359	3,073,963,590	Conversion of domestic convertible bonds to common stock 1,603,902	None	2015.02.05 Jing Shou Shang Zi No. 10401022820
2015.09	10	388,000,000	3,880,000,000	308,286,553	3,082,865,530	Conversion of domestic convertible bonds to common stock 890,194	None	2015.09.18 Jing Shou Shang Zi No. 10401197390
2015.12	10	388,000,000	3,880,000,000	310,827,727	3,108,277,270	Conversion of domestic convertible bonds to common stock 2,541,174	None	2015.12.17 Jing Shou Shang Zi No. 10401270560
2016.03	10	388,000,000	3,880,000,000	332,096,086	3,320,960,860	Conversion of domestic convertible bonds to common stock 21,268,359	None	2016.03.01 Jing Shou Shang Zi No. 10501031550
2016.06	10	388,000,000	3,880,000,000	338,896,974	3,388,969,740	Conversion of domestic convertible bonds to common stock 6,800,888	None	2016.06.03 Jing Shou Shang Zi No. 10501116640
2017.06	10	388,000,000	3,880,000,000	338,924,751	3,389,247,510	Conversion of domestic convertible bonds to common stock 27,777	None	2017.06.05 Jing Shou Shang Zi No. 10601071850
2017.09	10	388,000,000	3,880,000,000	339,059,010	3,390,590,100	Conversion of domestic convertible bonds to common stock 134,259	None	2017.09.05 Jing Shou Shang Zi No. 10601127800

Year month	Issuing price	Authorized Share Capital		Paid-in Capital		Remarks		
		Number of shares	Amount	Shares	Amount	Source of share capital	Property other than cash contributed as equity capital	Others
2019.10	10	388,000,000	3,880,000,000	205,905,689	2,059,056,890	Capital reduction of 133,153,321 shares	None	2019.10.24 Jing Shou Shang Zi No. 10801147830
2020.06	10	500,000,000	5,000,000,000	205,905,689	2,059,056,890	Application for increase in authorized capital	None	2020.06.29 Jing Shou Shang Zi No. 10901108140
2020.07	10	500,000,000	5,000,000,000	285,905,689	2,859,056,890	Cash capital increase of 80,000,000 shares	None	2020.07.30 Jing Shou Shang Zi No. 10901135260
2022.03	25	500,000,000	5,000,000,000	350,905,689	3,509,056,890	Cash capital increase of 65,000,000 shares	None	2022.03.09 Jing Shou Shang Zi No. 11101039160

2. Issued share types

April 30, 2022

Shares Type	Authorized Share Capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common stock	350,905,689 shares	149,094,311 shares	500,000,000 shares	Company's listed shares

3. Information concerning the collective reporting system: Not applicable.

(II) Shareholder structure

April 26, 2022/Unit: Persons; Shares

Shareholder structure / Quantity	Government agency	Financial institution	Other juridical persons	Individuals	Foreign institutions and individuals	Total
Number of individuals	1	11	182	78,240	81	78,515
Number of shares held	4	876,934	19,228,502	314,889,557	15,910,692	350,905,689
% of shareholding	0.00%	0.25%	5.48%	89.74%	4.53%	100.00%

Note: A primary exchange (or OTC) listed company or emerging stock company shall disclose the shareholding ratio of its mainland capital. Mainland capital refers to individuals, juristic persons, organizations, and other institutions in the mainland area or such a company investing via a third region as stipulated in Article 3 of Measures Governing Investment Permits to the People of the Mainland Area.

(III) Distribution of Equity

1. Common stock (par value of NTD 10 per share)

April 26, 2022/Unit: Persons; Shares

Shareholding class	Number of shareholders	Number of shares held	Percentage of ownership (%)
1 to 999	35,295	4,648,866	1.32%
1,000 to 5,000	33,462	71,278,367	20.31%
5,001 to 10,000	5,358	42,864,115	12.22%
10,001 to 15,000	1,556	19,809,086	5.65%
15,001 to 20,000	961	17,953,527	5.12%
20,001 to 30,000	705	18,170,988	5.18%
30,001 to 40,000	375	13,368,076	3.81%
40,001 to 50,000	235	11,111,409	3.17%
50,001 to 100,000	324	23,246,936	6.62%
100,001 to 200,000	140	19,867,841	5.66%
200,001 to 400,000	56	16,153,232	4.60%
400,001 to 600,000	12	5,887,521	1.68%
600,001 to 800,000	8	5,560,052	1.58%
800,001 to 1,000,000	5	4,496,078	1.28%
1,000,001 or more	23	76,489,595	21.80%
Total	78,515	350,905,689	100.00%

2. Preferred shares: The Company has not issued preferred shares.

(IV) List of major shareholders

Names, number of shares held by and shareholding ratio of the shareholders whose shareholding ratio is more than 5% or who are among the top ten shareholders.

April 26, 2022/Unit: Shares

Shares / Names of major shareholders	Number of shares held	% of shareholding
Chen, Chi-Ming	14,268,000	4.07%
Chen, Su-Hui	9,035,841	2.58%
Vision Holdings LTD.	8,000,000	2.28%
Wu, His-Kun	4,790,000	1.37%
Li Shu-Hui	4,328,525	1.23%
Special Investment Account for Vanguard Emerging Market Stock Index Fund Investment Account managed by the Vanguard Group Company entrusted by JPMorgan Chase Bank Taipei Branch	3,857,259	1.10%

Tron-e Technology Co., Ltd.	3,826,311	1.09%
Special Investment Account for American JPMorgan Chase Bank Taipei Branch entrusted into custody of the series of funds of the Advanced Starlight Fund Company Advanced Aggregate International Stock Index Fund	3,421,817	0.98%
Chen Min- Min	3,320,556	0.95%
Ke Ru-Yun	2,489,415	0.71%

(V) Information about market price, net value, earnings, and dividends per share for the most recent two years:

Unit: NTD

Item \ Year			2020	2021	From 2022 up to March 31 (Note 8)
Market value per share (Note 1)	High		28.15	37.70	36.75
	Low		7.51	14.50	23.50
	Average		14.03	22.64	26.31
Net value per share (Note 2)	Before distribution		8.87	10.12	Not applicable
	After distribution		8.87	（Note 9）	Not applicable
Earnings per share	Weighted average number of shares (thousand shares)		285,906	285,906	350,906
	Earnings per share (Note 3)	Before retrospective adjustment	(2.17)	0.09	Not applicable
		After retrospective adjustment	(2.17)	（Note 9）	Not applicable
Dividend per share	Cash dividend		—	—	Not applicable
	Stock dividends	Stock dividends from capitalization of retained earnings	—	—	Not applicable
		Additional paid in capital	—	—	Not applicable
	Accumulated unpaid dividends (Note 4)		—	—	Not applicable
Return on investment analysis	P/E ratio (Note 5)		—	—	Not applicable
	Price to dividend ratio (Note 6)		—	—	Not applicable
	Cash dividend yield (Note 7)		—	—	Not applicable

* If there are stock dividends from capitalization of retained earnings or capital reserves, they should also disclose the market price and cash dividend information retrospectively adjusted based on the number of shares issued.

Note 1: List the highest and lowest market prices for common shares, and calculate the average market prices for each year based on the transaction values and volumes of each year.

Note 2: Please fill in the list based on the number of issued shares at the end of the year and the distribution based on the resolution of the shareholders meeting in the following year.

Note 3: If there is a retrospective adjustment due to stock dividends, etc., the earnings per share before and after adjustments should be shown.

Note 4: If the equity securities issuance conditions stipulate that the dividends not paid in the current year will be accumulated to the surplus year, the accumulated and unpaid dividends as of the current year shall be disclosed separately.

Note 5: P/E ratio = average closing price per share for the year/earnings per share.

Note 6: P/E ratio = average closing price per share for the year/cash dividend per share.

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

Note 8: The net value per share and earnings per share should be filled out with the information verified (reviewed) by an accountant in the most recent quarter as of the publication date of the annual report; the remaining fields should be filled with the data of the current year as of the printing date of the annual report.The Company's quarterly report for the first quarter of 2022 as of the publication date of the annual report has not been reviewed by an accountant.

Note 9: As of the date of printing, it has not yet been subject to a resolution by the shareholders meeting.

(VI) Company dividend policy and implementation status

1. Dividend policy as set forth in the Articles of Incorporation

The distribution of dividends and bonuses shall be based on the proportion of shares held by each shareholder. When the Company has no earnings, no dividends and bonuses will be distributed.

If there are earnings in the Company's annual final accounts, they shall be distributed in the following order:

(1) Completion of tax contributions in accordance with the law. (2) Make up for losses in previous years. (3) Appropriation of 10% as legal reserve. However, this limit is not applicable when the legal reserve has reached the level of total capital. (4) When necessary, a special surplus reserve shall be drawn up or converted in accordance with the law. (5) The balance plus the undistributed surplus of the previous year is to be shareholder dividends and bonuses, and the Board of Directors shall draft a surplus earnings distribution proposal subject to a resolution by the shareholders meeting.

The company's shareholder dividend distribution policy based on the company's current and future investment environment, capital requirements, domestic and foreign competition, capital budget, and other factors, if the distributable surplus in the current year reached 5% of paid-in capital, the distributed dividends shall not be lower than 20% distributable surplus in the current year; if the distributable surplus in the current year falls short of 5% of paid-in capital, dividends may not be distributed. Every year, the ratio of cash dividends distributed shall not be lower than 20% of total cash and stock dividends in the current year. The aforementioned dividend distribution ratio is subject to adjustment based on finance, business, and management related consideration factors.

2. Distribution status of proposed dividends

On March 28, 2022, the Board of Directors of the Company resolved that no

dividend distribution shall be made to shareholders.

3. Expected major changes in dividend policy: None.

(VII) The influence of stock dividends planned to be paid in the Shareholders Meeting of this year on the operation performance and earnings per share of the Company: Not applicable

(VIII) Remuneration of employees and directors

1. The percentage or scope of remuneration for employees, directors, and supervisors as set out in the Articles of Incorporation

   If the Company makes a profit for the year, it should allocate no less than 4% and no more than 8% for employee compensation; and remuneration for directors and supervisors should be an amount not higher than 3%.However, if the Company still has accumulated losses, it shall first deduct the amount of accumulated losses before calculating the appropriation on the balance.

   Employee remuneration and special incentives can be paid in stock or cash, and recipients of such payments may include employees of affiliated companies who meet certain conditions.

   Matters related to the remuneration of employees and the remuneration of directors and supervisors shall be handled in accordance with relevant laws and regulations, and shall be determined by the Board of Directors.

2. The accounting of the difference between the amounts calculated on the basis of the estimation of the remuneration to the employees and remuneration to the directors, the calculation of shares for paying stock dividends to the employees as remuneration and the actual amount of payment:

   (1) The basis for the estimation of the amount of employee remuneration and directors' remuneration in this period: It is based on the ranges of amounts range set forth in the Company's Articles of Incorporation and amounts that may be issued from past experience.

   (2) The calculation basis for the number of shares to be distributed to employees as remuneration in the current period: If employee compensation is calculated based on the number of shares distributed by shares, it is based on the calculation basis of the net value of the financial report reviewed by the accountant in the most recent period. There are shares to be distributed to employees as remuneration in the current period.

(3) Accounting treatment if there is a difference between the actual distribution amount of the current period and the estimated amount: If there is a discrepancy between the estimated amount and the actual distribution amount as decided by the Board of Directors, it shall be listed as profit and loss of the following year.

3. Remuneration distribution approved by the Board of Directors

(1) Employee remuneration and amount of board of directors remuneration shall be distributed in cash or stock shares. In case of differences in the annual estimation of recognized expenses, the difference, reason, and disposal shall be disposed.

The company board resolved on March 28, 2022 that employee remuneration and board of directors remuneration shall not be distributed due to accumulated losses in 2021.

(2) The amount of employee bonuses distributed by stocks and its proportion to the total after-tax net profit and total employee bonuses in the parent company only and individual financial statements for the current period: None

4. In the event the actual distribution of employee remuneration and board of directors remuneration in the previouyear (including number of dividends distributed, amounts, and share prices) differs from the recognized employee remuneration and board of directors remuneration, the difference, reason, and diposal shall be clearly stated.

Based on the company accumulated losses for the previous year (2020), no remuneration to employees and remuneration to directors.

(IX) Repurchases of shares by the Company: None.

II. Handling of Corporate Bonds:

(I). Handling of corporate bonds: Not applicable to the Company.

(II). Information on conversion of corporate bonds: Not applicable to the Company.

(III). Information regarding the Exchangeable Bonds: Not applicable to the Company.

(IV). Information regarding Shelf Registration for Corporate Bonds: Not applicable to the Company.

(V). Information regarding Corporate Bonds with Attached Warrant: Not applicable to the Company.

III. Handling of Preferred Stock: Not applicable to the Company.

IV. Handling of Overseas Depositary Receipts: Not applicable to the Company.

V. Handling of Employee Stock Options: Not applicable to the Company.

(I). Handling of employee stock options and its impact on shareholders' rights and interests: Not applicable.

(II). The names, acquisition and subscription status of managers who obtained employee stock option certificates and the top ten employees who can subscribe for the rights certificates: Not applicable.

VI. Handling of Restricted Employee Shares: Not applicable to the Company.

(I) Handling of restricted employee shares and their impact on shareholders' equity: Not applicable.

(II) Names of managers who obtained restricted employee shares and the names and acquisition status of the top ten employees and the number of shares acquired

VII. Handling of M&A or Transfer of Shares of Other Companies to Issue New Shares:

(I) Those who have completed mergers and acquisitions in the most recent year and as of the printing date of the annual report or have transferred shares of other companies to issue new shares: Not applicable.

(II) In the most recent year and as of the printing date of the annual report, if the Board of Directors has approved the merger or transfer of shares of another company to issue new shares, the execution status and basic information of the company being merged or transferred shall be disclosed.The execution status and the impact on shareholders' equity shall be disclosed in the process of merger or acquisition or the transfer of shares of other companies to issue new shares: Not applicable.

VIII. Implementation Status of Fund Utilization Plan:

2021 Cash increase Plan

(I) Plan Content and Expected Benefits

1. Competent authority approval date and document number: Took effect on December 3, 2021 upon declaration by the Financial Supervisory Commission, R.O.C. (Taiwan) by letter of Jin-Guan-Zheng-Fa-Zi No. 1100373001.
2. Total capital required by the plan: NTD 1,625,000 thousand.
3. Fund source: Cash increase for issurance of 65,000 thousand shares at NTD25

per share and NTD 1,625,000 thousand in total amount raised.

4. Plan item and capital utilization status

Unit: NTD thousand

Plan item	Estimated completion date	Required funding amount	Scheduled fund utilization progress
			2022 Q1
Repayment of bank loans and commercial paper	2022 Q1	1,625,000	1,625,000
Total		1,625,000	1,625,000

5. Expected benefits: The current cash increase for issuance of new shares is intended for repayment of bank loans and commercial paper. This will in turn save interest expenditures and moderately reduce the company's financial burden.
6. Declaration date designated by the Securities and Futures Bureau entered into the plan: December 3, 2021.
7. Change of plan content, reason of change, and benefits before and after change: Not applicable.

（Ⅱ）Implementation status：

Unit: NTD thousand

Plan item	Implementation status		to the end of Q1 2022	Reasons for progress ahead or behind schedule and associated improvement plan
Repayment of bank loans and commercial paper	Amount spent	Schedule	1,625,000	The company completed the cash increase case in the Q1 2022 according to the progress of the original expected capital use progress.
		Actual	1,625,000	
	Implementation progress (%)	Schedule	100%	
		Actual	100%	

V. Operations Overview

I. Business Activities

(I) Scope of business operation

1. Key contents of business operated by the Company:

Gigastorage Corporation (the Company) and its subsidiaries are primarily engaged in the manufacturing, processing and agent distribution business of solar photovoltaic industry materials, e.g. solar silicon wafers and conductive pastes, as well as the operation of solar power stations. At the moment, therefore, the Company and its subsidiaries are currently the professional manufacturers specialized in the production of solar photovoltaic industry materials.

(1) CC01110 Computer and peripheral equipment manufacturing.
(2) F401010 International trade.
(3) CC01120 Data storage media manufacturing and duplicating.
(4) I501010 Product designing services.
(5) F108031 Wholesale of medical devices.
(6) F208031 Retail sale of medical apparatus.
(7) CC01080 Electronics components manufacturing.
(8) F119010 Wholesale of electronic materials.
(9) F219010 Retail sale of electronic materials.
(10) IG03010 Energy technical services.
(11) 101040 Power generation business not oriented to public utility uses.
(12) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Combined business ratio.

Major products/year(s)	2020	2021
Solar conductive paste	83.02%	63.54%
Solar energy silicon products	6.51%	22.65%
Department sales and power plant construction projects	6.04%	5.71%
Others	4.43%	8.1%
Total	100.00%	100.00%

3. Current products of the Company and subsidiaries

The Company specializes in the professional field of materials science, using powder materials, precision machining, polymers, glass materials, semiconductor materials and vacuum technology for research, development and manufacturing. Continues to focus on the energy industry and the application products and industrial services of key electronic components. In 2021, the main products are key materials for solar cells and power generation system engineering, as well as low-temperature chemical materials and semiconductor

silicon wafers. The detailed categorization is shown as follows,

(1)Key materials and systems engineering related to renewable energy:

① Solar conductive paste oriented materials

② Photovoltaic ribbons.

③ Solar photovoltaic power generation system and power plant engineering projects.

④Photovoltaic-grade polysilicon raw materials.

⑤The diamond-coated micro-diameter cut steel wire used in silicon wafers.

⑥The study of lithium power battery cathode/anode and related materials.

(2)Semiconductor and biomedical special materials:

① Solar auxiliary material

② 8” test grade semiconductor silicon wafer.

(3)Micro-tool surface treatment for the electronics industry:

① PCB/BAG Special coating products for milling cutters and drill bits.

4. New products scheduled to be developed ahead

(1)Key materials and systems engineering related to renewable energy:

① Ultra-high-efficiency solar energy cell paste.

② Round photovoltaic ribbons.

③ Low temperature curing conductive silver pastes.

④Continuous development and mass production of power lithium battery related materials, cathode/anode and related materials.

(2)Biomedical and electronic materials:

① All-in-one key materials for biomedical sensor components

② Thermal paste for power components and optoelectronic semiconductors

③ Manufacturing & process development of 12” test grade semiconductor silicon wafer.

④ Manufacturing development & design of micro-scale key element for heat dissipation.

⑤Chemical vapor coating micro-tools suitable for BT and ABF substrates

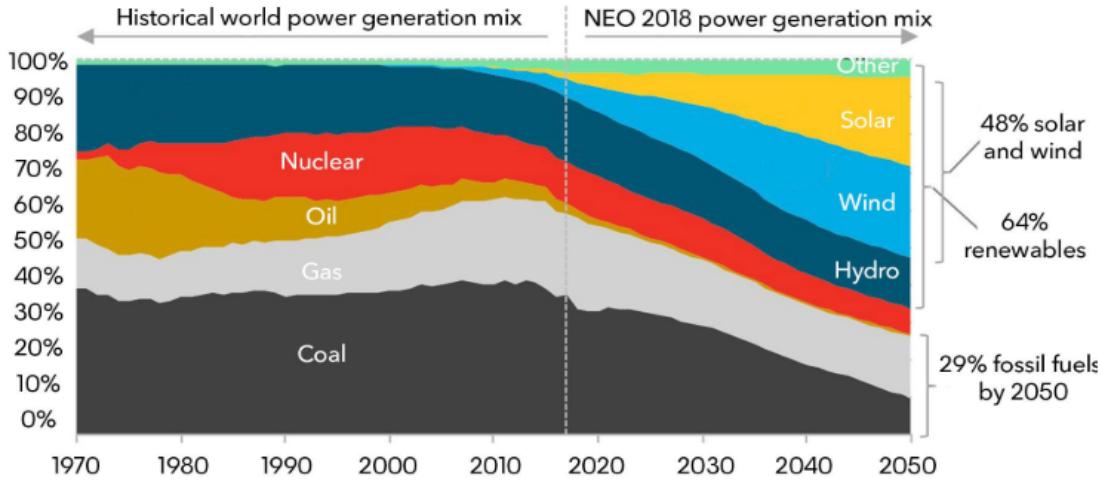
(II) Business performance in summary

1. Status quo and development of the business operation

At present, the Company primarily engages in the major renewable energy sources include solar energy, water power, wind power and biomass energy. Among them, sunlight is pollution-free, available everywhere, and virtually inexhaustible. Taiwan ranks as the world’s second largest solar cell manufacturing base. The overall supply chain is connected and integrated at an extremely rapid speed amidst the solar system installations that are safe and easy

to install. Therefore, Taiwan becomes the most eye-catching industrial base in terms of renewable energy.

In terms of the promotion of renewable energy in various countries, the proportion of solar power generation in renewable energy is actually deemed as the very level for promotion by the governments throughout the world. Under the irresistible global trend of energy saving & carbon reduction, governments in a lot of countries render increasingly clear support toward the photovoltaic industry and, on various occasions in succession, launched a variety of subsidy policies in an attempt to boost the proportion of solar power generation amidst renewable energy power generation. The demand for solar energy has been under a gradually rise. Bloomberg Energy Finance (BNEF) estimates that thanks to the decline in solar, wind power and battery costs, solar and wind power will provide up to 50% of the world's electricity sources by the year 2050.



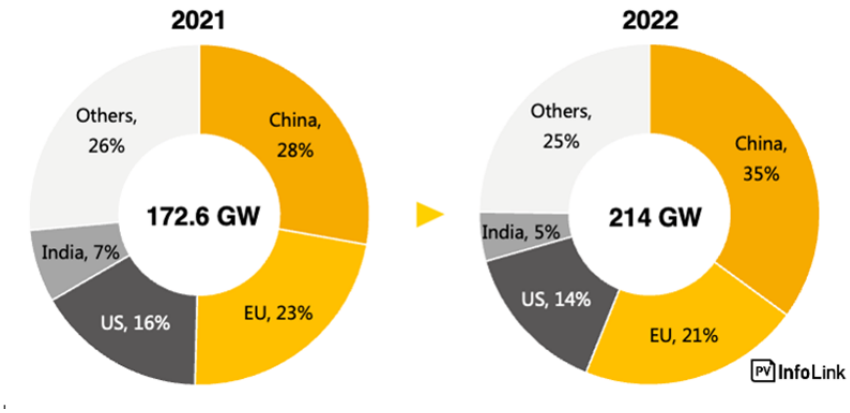
Source: Bloomberg NEF, IEA.

The solar energy market in 2021 might have faced many obstacles such as upstream raw materials and the pandemic, but the global market remains resilient. It is expected that the annual demand will reach 172GW, an increase of 36% from 127GW in 2020. The expected zero carbon emissions and carbon neutrality for the next few decades have become the consensus of major countries in the world, and the outlook of renewable energy represented by photovoltaic energy is promising. As the prices of various raw materials have dropped from the peak, the supply and demand level will gradually return to a healthy level in 2022, and the carbon reduction needs of various countries will further drive the installed capacity. According to InfoLink's forecast on global

solar market supply–demand, there will be demand of 214 to 234GW, and a total of 23 markets at the GW level.

After the government of China declared the 2030 carbon peak and 2060 carbon neutrality goals, it is expected to add 75GW this year, a growth of 56% over last year. The favorable policies announced by the government of China in 2021 went on to show its determination in "Carbon peak and carbon neutrality."

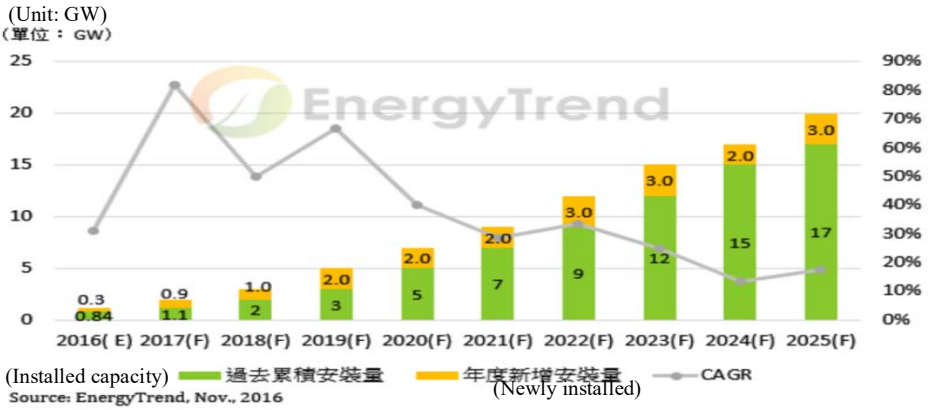
The United States promulgated the extension of the Section 201 tariffs at the beginning of the year, continuing to levy the 201 tariff on imported modules and batteries. The decline in the tax was significantly eased than when it was first introduced, and the duty-free quota for battery cells was raised to promote local module manufacturers' willingness to expand production, and the demand is expected to add 31GW this year. The Indian market is the only market more than 10GW, other than the United States and China, and it has raised the basic customs duty of solar modules to 40% and that of battery cells to 25% starting April this year. It is expected that while the cost in the local market cannot be reduced, hence driving up the price of modules, the production for locally made modules will be expanded, which is in line with the policy direction adopted the local government to support its domestic industry.



Source：InfoLink, Jan.,2022

As there are already 136 countries declaring their Net Zero goals, the government of Taiwan also has announced its Net Zero by 2050 Roadmap, in which the proportion of renewable energy will be greatly increased from the current less than 10% to 60% or 70%. In order to reach this goal, the originally planned photovoltaic installations will reach 20GW in 2025, and with an annual increase of 2GW before 2030, the capacity will increase to 30GW in 2030,

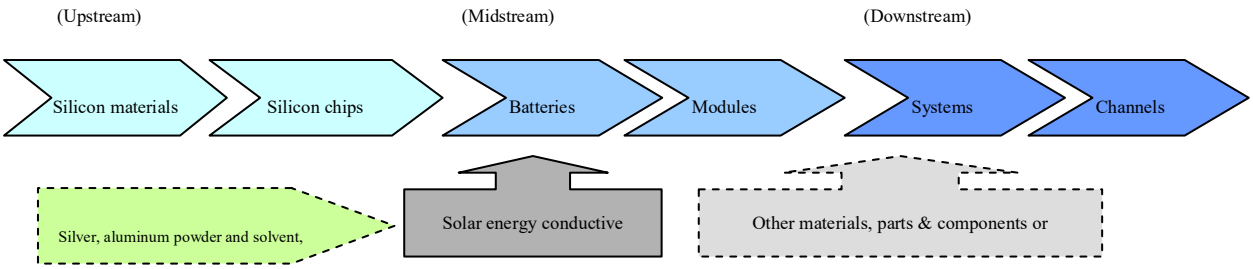
making the cumulative capacity of wind and photovoltaic installations reach 40GW. Last year, the global pandemic caused the prices of raw materials such as modules, steel structures, and wirings, to go up. The accelerated resumption of work after the easing of the domestic pandemic situation also pushed up the labor costs. The overall construction cost of photovoltaic installations surged, causing the installation progress to fall behind schedule. With the incentives of raising fees proposed by the Ministry of Economic Affairs for operators joining the grid connection by the end of 2021, the total installed capacity reached 7.7GW in 2021. However, the target of 11.25GW for this year will need efforts from across different departments and agencies to take inventory of roofs, floating solar fish farms, polluted land, etc. It has been officially promulgated that large power users with a contracted capacity of more than 5,000 watts need to build renewable energy equipment, energy storage equipment or purchase green power certificates, and it is estimated that about 1GW of renewable energy can be created. Besides the difficulty of finding vacant lands, the lack of feeders is a major obstacle. The Bureau of Energy and Taiwan Power Company have promoted 32 power grid enhancement projects in photovoltaic hot spots, which can add the feeder capacity by 6.96GW. It is estimated that the installed capacity in Taiwan will reach more than 3GW this year.



2. Relevance of upstream, midstream and downstream industries

The Company and its subsidiaries primarily manufacture such products oriented to the photovoltaic industry, notably as photovoltaic ribbons and solar conductive pastes which are the key components of crystalline silicon solar cells and play a key role as a material supplier in the medium and upper reaches of the solar cell industry chains. The upper, middle and downstream connection diagram is as follows:

Affiliation diagram of upper, mid- and downstream of crystalline silicon solar cells



As illustrated in the aforementioned diagram, the supply chain of the solar photovoltaic industry includes upstream poly-silicon material manufacturers and after obtaining silicon materials, such materials are smelted into a crystal growth furnace further pulled (crystal growth) into silicon ingots, and precision cutting, polishing into silicon crystal pillars, slicing and processing silicon wafers and midstream solar cell manufacturing and module packaging as well as downstream system design finally into installation amidst the channels. In terms of a more complete supply system, it can include as well solar cells and module manufacturing equipment, manufacture of system peripherals and related materials. The entire solar photovoltaic industry chain is closely integrated and the upstream and the downstream are closely connected in series to each other. In the entire industry, the upper, mid and down reaches formulate quite thorough industries.

3. Trend of product development and facts in competition

In terms of classification of product technology, crystalline silicon (c-Si) solar cells are still known as the dominating mainstream. In the aspect of thin-film solar cells including three major categories, i.e. a-Si (known as amorphous silicon), CdTe (cadmium telluride), CIGS (copper indium gallium selenium). Among the three major types of thin-film solar cells, thin-film solar cells dominate a relatively low market share, due primarily to the facts that their prices are almost the same as those of crystalline silicon solar cells. But their conversion efficiency is significantly lower than that of crystalline silicon solar cells, coupled with the facts with the end market demand gradually moving towards high conversion efficiency solar cells. In turn, the development of crystalline silicon solar cells virtually plays the role of the main focus.

In recent years, the conversion efficiency of single crystals has soared and costs have come down. Besides this, where the "Lead Runner" campaign has been carried out in Mainland China, the use of high-conversion-efficiency solar silicon wafers, and its market share increased by leaps and bounds. In particular, the introduction of emitter passivation and backside electrodes (known as Passivated Emitter and Rear Cell, or PERC), because of the effective increase in conversion efficiency, virtually become indispensable for increasing the market share of monocrystalline silicon. When the price of monocrystalline silicon wafers grows significantly higher than that of crystalline silicon wafers, there have been more and more stable electrodes. Numerous solar silicon wafer manufacturers have switched themselves to monocrystalline silicon wafers.

To assure sound growth of the market, those downstream power generation system projects have become the focus of the layout of a variety of industries to work out corresponding solutions. The upstream and downstream of the industry chains are vigorously expanding production capacity and some silicon chip companies have begun to develop system projects. Under the policy guidance from both the government and mainland China, the market still maintains a certain amount of demand. The construction of solar system projects has also become vigorously as well. For module factories, the rebound in market demand will become conducive to their overall subsequent performance.

The following is an analysis of the development trend of solar system products:

(1) Effort to enhance conversion efficiency: At the moment, the selling price of solar cells is calculated based on the total wattage of each cell. In turn, the conversion efficiency of solar cells determines the price range of a single cell. That is to mean all solar cell factories are increasing the conversion efficiency as a technical improvement index. In the past, more than 90% of solar silicon wafers were made of polycrystalline silicon wafers. In recent years, nevertheless, the improvement of polycrystalline silicon wafers' conversion efficiency has gradually approached the theoretical limit. Moreover, Mainland China is encouraged by the "Lead Runner" programs. Monocrystalline silicon wafers with high conversion efficiency come into being. The production technology and yield of monocrystalline silicon wafers have gradually stabilized. Accordingly, based on the incessant pursuit of improving conversion efficiency, monocrystalline silicon wafers are expected

to play the key roles of mainstream of products in the future. The thinning level of the wire electrode on the front of the solar cell increases the front illuminating area of the solar cell and increases the light injection intensity and effectively collects carriers which virtually boosts the current density generated by the photovoltaic effect and improves the light conversion efficiency of the solar cells. In turn, that rate should be reduced as appropriate. The proportion of the metal wire to shield the incident light to improve the conversion efficiency, but the thinning of the wire will cause high electricity These represent the very key points to be solved amidst the development process. The conductive pastes (aluminum pastes/front side silver pastes/back side silver pastes) are matched with high-efficiency solar silicon wafers, dependent on the advantages of different material characteristics which are conducive to improvement of the conversion efficiency.

(2) Cost reduction as a means to promote the number of installations: Other than improving unit efficiency, cost-cut is still an important foundation for the development of the solar energy industry. The solar cell cost reduction functions double-sided power generation modules. The inverter is a 1500V system. The high voltage and the longer string length in the 1500V system greatly cut down the equipment costs. The number of inverters is reduced and the installation and subsequent maintenance costs come down and the high-voltage lines are reduced and the cable and construction costs are further reduced as well. The HIS Market report pointed out that the global 1500V power station scale will definitely exceed 100GW within next two years, especially in low electricity price countries, e.g. India and Latin America. Almost all large-scale ground power station tenders adopt the 1500V schemes.

(3) Requirements in lead-free environmental protection: Metal electrodes call for low series resistance, high bonding strength and solder resistance. Under the current lead-free requirements, conductive paste will be a big challenge to the bonding strength of silicon substrates. Accordingly, the development of new materials, the selection of alternative materials or the change of manufacturing process will become feasible solutions.

(III) Technology and research & development in summary

1. The technical level of business undertakings:

Here at the Company, we have long focused on the solar and LED photoelectric product material markets. In the past, we had, as well, focused on

the development of various high-efficiency solar silicon wafers which were matched with the conductive pastes, photovoltaic ribbons and solar photovoltaic system construction and other services produced and rendered by our subsidiary Giga Solar Materials Corporation to offer overall solution for solar photovoltaic customers. The technical level of the solar conductive paste material of that Subsidiary Giga Solar Materials Corporation has been equally comparable to that of major manufacturers such as DuPont in Europe and the United States.

2. Research & development

The Company actively focuses on the research and development in the field of materials, and develops key materials used in industries such as solar energy-related materials, low-temperature specialized chemical adhesives, semiconductor silicon wafers, high-efficiency heat dissipation solutions, and coated micro-tools. The key points and direction of future research and development are described as follows:

(1) Solar energy-related materials

① In order to align with the development of the technology blueprint of the photovoltaic industry, the subsidiary Giga Solar Materials has improved the efficiency of front-side silver in the research and development of solar conductive paste. The cost control, ratio and usage have been improved, so that front-side silver can be thinner and has better printability. The conversion efficiency of cells is improved, and the efficiency of front-side silver continues to have breakthroughs to offer good price-performance ratio.

②Gigastorage has developed round photovoltaic ribbons used for M6 MBB modules in response to the industry moving toward the development of high photoelectric conversion rate. After more than a year of research, development and testing, the products have been validated by clients, and now are in the mass production stage to be delivered to clients. In the next phase, the Company will start conduct R&D and testing of round ribbons used for M10 and G12 modules. The Company will also develop products with narrowed spacing between battery cells, which will reduce the defects caused during module production and improve the main conversion efficiency.

(2) Low-temperature specialized chemical paste

As for low-temperature curing materials, the Company has continued to improve the performance of die-bonding paste products used chip packaging,

from the original LED applications extended to power components (IGBT) and optoelectronic semiconductors (VSCEL) thermally conductive die-bonding applications. As for biomedical sensor components, the detection and stability of electrode slurry have been improved, and now can be used in uric acid and cholesterol detection in addition to blood sugar. As for passive component products used for automotive electronic applications, the reliability and characteristics in extreme environmental conditions have also been improved.

(3) solar silicon wafers

Gigastorage uses the diamond multi-wire cutting and chemical cleaning and etching technologies it has accumulated for solar silicon wafers in the past to build up its processing and etching processes for semiconductor silicon wafers. At present, the product quality has meet customer demand, and the products are being delivered to clients on schedule. It is expected that the level of product quality and the integrity of process will be improved in the future to further expand the market.

(4) Efficient cooling solution

The increasing demand for high-performance computing such as artificial intelligence, real-time image and data processing has become quite a challenge for the traditional use of fan-forced heat dissipation and heat pipes or vapor chambers in circuit systems. Gigastorage applies its past experience with precision processing and low-temperature bonding technology to the manufacturing technology of key materials of vapor chamber bonding and micro-scale heat dissipation components used for high-performance cooling systems. The application is fully prepared for the process modules of more than 600 watts to be launched soon in the market.

(5) Coated micro-tools

IC substrates have become the scarcest industrial products in the market due to the demand for high-speed computing applications such as AI, cloud and smartphones. As automobiles become smarter and are made into autonomous vehicles, together with the high-frequency applications of 5G, automotive circuit boards and high-frequency thick copper plates have also become the most important growth products in the PCB industry. Micro-tool manufacturers have introduced more optimized tool design and tools and developed surface coating materials in response to the technological needs of PCB and substrates.

Based on the previous experience with surface treatment of micro-tools, the Company has proposed effective butchering tools with long service life for

products that are difficult to process such as the emerging ceramic-filled substrates, PTFE sheets and thick copper plates. They greatly extend the service life. As for the energy conservation and carbon emissions reduction issues faced by the industry, ultra-long-life tools can greatly reduce the carbon emissions problem caused by the use of tungsten carbide tools, giving industry peers an effective option to reduce the carbon footprint of their products. For 2022, the Company's goals focus on the development of BT and ABF substrates.

3. Research & development professionals and their academic credentials and hands-on career experiences

Distribution of academic and hands-on experience qualifications of R&D personnel in the last three years

Expressed in number of research & development professionals

Items/Years		December 31, 2019		December 31, 2020		December 31, 2021		March 31, 2022	
		Number of research & development professionals	Percentage %	Number of research & development professionals	Percentage %	Number of research & development professionals	Percentage %	Number of research & development professionals	Percentage %
Distribution of academic degree credentials	PhD	7	6.31	9	8.33	14	12.73%	14	12.84%
	Master's	37	33.33	40	37.04	30	27.27%	30	27.52%
	University (including college)	56	50.45	50	46.3	55	50.00%	54	49.54%
	Below university	11	9.91	9	8.33	11	10.00%	11	10.09%
	Total	111	100.00	108	100.00	110	100.00%	109	100.00%
Service seniority on average (Number of years)		8.57		8.25		7.55		8	

4. Research & development costs incurred over the past five years

Unit: Thousand NT Dollars

Year	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021
Research & development costs in combination (A)	272,195	261,922	262,825	318,379	318,943
Operating revenues in combination, net (B)	12,609,313	9,378,711	8,468,615	9,554,735	8,347,818
(A)/(B)(%)	2.16	2.79	3.10	3.33	3.82

5. Research & development results

Year	Concrete research & development results
2012	1. Improved efficiency of P-type silicon wafers-The development of high-efficiency P-type polysilicon wafers with a conversion efficiency of 17.2% which has been completed. 2. Single crystal development – To complete 8-inch P-type and N-type single crystal growth. 3. To complete 9-inch P-type single crystal growth. 4. Low printing weight solar back silver pastes, high surface resistance and high efficiency front silver pastes and high adhesion pull back aluminum pastes.
2013	1. The production capacity of long crystal growth was expanded with G5 Size introduced into the machines. 2. The conversion efficiency rate of polysilicon exceeds 17.7%. 3. The efficiency and yield of P-type single crystal are both upgraded 4. High-tensile strength aluminum pastes on the back, passivation aluminum pastes on the back. 5. Low silver content back silver pastes, low silver content back silver pastes. 6. High efficiency and low bonding resistance in the front silver paste. 7. LED silver pastes. 8. Passive component terminal electrode silver pastes. 9. Volume production in photovoltaic ribbons 3BB.
2014	1. Polycrystalline-G6 Size is introduced into the machine where the yield rate is improved and the output is increased up to our target efficiency beyond 18%. 2. Single crystal-N type is also under incessant development. 3. High-tensile strength aluminum pastes on the back, passivation aluminum pastes on the back. 4. The back is passivated and the back silver paste. 5. High efficiency and low bonding resistance in the front silver paste. 6. Photovoltaic ribbon productivity is expanded up to 200MW.
2015	1. The average conversion rate of polysilicon wafers exceeds 18%, and the research & development of high-efficiency wafers is continually going ahead. 2. The Company significantly Improves the slicing technology of

Year	Concrete research & development results
	silicon wafers to minimize production costs. 3. High-efficiency back aluminum paste, back passivation aluminum paste. 4. The back is passivated and the back silver paste. 5. High efficiency and low bonding resistance in the front silver paste. 6. Reactive surface etching solar energy technology. 7. Volume production of photovoltaic ribbons 4BB 8. Development of high-efficiency photovoltaic ribbons
2016	1. The average replacement rate of polysilicon wafers exceeds 18.5%, and high-efficiency wafers are continually on the way of heavy research & development. 2. Diamond line polycrystalline slicing technology was successfully developed which could use 70 micron diamond core wire for slicing. 3. Successful establishment of single crystal and polycrystalline large-size wafer processing technology 4. The N-type single-chip crystal pulling technology with high conversion efficiency greater than 22% was successfully established. 5. Development of diamond wire slice etching technology. 6. Development of equipment upgrade technology with mortar slicer converted to diamond wire slicer. 7. High efficiency and low bonding resistance in the front silver paste. 8. Improvement of the reactive surface etching solar technology 9. Photovoltaic ribbon productivity expanded up to 800MW. 10. Photovoltaic ribbons lead-free manufacturing process development
2017	1. Development of wet etching technology for diamond wire slices in volume production stage 2. Development of the etching method for diamond wire slices without crystal flowers. 3. Development of low light attenuation polycrystalline wafers. 4. Photovoltaic ribbons 5BB in volume production. 5. Development of flux process for solar energy lead-free conductive soldering tapes
2018	1. Development of casting single crystal manufacturing process. 2. Low emission pollution black silicon etching manufacturing

Year	Concrete research & development results
	process. 3. Development using diamond wire semiconductor wafer slicing technology. 4. Development of selective etching treatment technology for casting single crystal surfaces. 5. Photovoltaic ribbon productivity expanded up to 1.5Gw.
2019	1. The phase of technical volume production toward photovoltaic ribbon MBB. 2. Development of 2.8-inch semiconductor silicon wafer manufacturing process. a. Development of silicon wafer diamond wire slicing technology. b. Development of silicon wafer rounding, notch (V Notch), and orientation technology c. Development of silicon wafer grinding and polishing technology d. Development of silicon wafer cleaning, etching manufacturing process.
2020	1. Development of silicon wafer edge polishing technology 2. Development of silicon wafer RCA cleaning, packaging manufacturing process 3. Development of vehicle-oriented optical glass substrate manufacturing processing process
2021	1. Development of ultra-fine gap heat dissipation fin element manufacturing process 2. Development of silicon wafer recycling process 3. Development of ultra-thin optical glass substrate manufacturing process 4. Development of round ribbons used for M6 MBB modules. 5. Development of power components (IGBT) and optoelectronic semiconductor (VSCEL) thermally conductive die-bonding materials. 6. Development of all-in-one electrode materials for blood sugar, uric acid and cholesterol detection.
Year 2022 as of March 31	1.Manufacturing & process development of 8” test grade semiconductor silicon wafer. 2. Development of diamond wire cutting process with low wafer warpage. 3.Manufacturing development & design of micro-scale key element

Year	Concrete research & development results
	for heat dissipation. 4. Development of round ribbons used for M10 MBB modules. 5. Development of round and flat ribbons. 6. Development of biocompatible materials for continuous glucose monitoring. 7. Development of vapor chamber bonding materials. 8. Development of long-life coating process for micro-tools.

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

1. Short-term business plans

(1) Solar key materials and system business

① Consolidating with materials within the Group to increase customer usage

Stepping into the terminal system and power plant operation, grasping the terminal demand with introduction to the Company's material products and establishing a mutually beneficial and sharing relationship with customers. Establishment of solar energy power generation system to vigorously develop large power plants domestically.

②Lead-free and fine-line printing and high-efficiency front-side silver paste speed up customer certification and orders.

③The ribbon module business aims to raise the capacity utilization rate of the existing products, and the market share has reached more than 80%. The Company also has accelerated the product penetration of new round ribbons used at clients' sites as they meet customer needs, which has effectively improved the profitability.

(2) Low-temperature curing specialized paste

Continue to make samples of low-temperature curing materials to obtain customers' certification, and retain the existing products that have better sales performance to meet the demand for mass production orders.

(3) Semiconductor silicon wafers

Obtain customers' quality certification to have products that can meet market demand.

(4) Efficient cooling solution

Conduct performance and mass production certification of key materials or components through agents.

(5) Coated micro-tools

Commission distribution agents to move into the market of cutting cools used for IC substrates and sheets that are difficult to cut.

2. Long-term business plans

The Company engages in a variety of businesses and offer diverse materials products to lay the foundation for Gigastorage. Build in-house brands and improve their percentage accounting for the total sales.

(1) Solar key materials and system business

①The plans for solar materials are to improve the conversion efficiency and yield and the performance of conductive paste.

②Make every effort to invest in domestic large-scale solar power plants with economies of scale to generate steady annual income for the Company.

③Conduct testing and deliver samples of M10 and G12 module conductive ribbons in accordance with the industry technology blueprint to improve the market share overseas and continue to develop new customers.

(2) Low-temperature curing specialized paste

Establish turnkey solutions in the fields of semiconductor wafers, biosensors and passive components to meet the diverse needs of customers and further expand their orders.

(3) Semiconductor silicon wafers

Continue to improve the silicon wafer process capability and quality to gradually reach all levels of standards for fab applications. Obtain customers' certification and provide stable supply.

(4) Efficient cooling solution

Provide effective solutions for the electronics industry, and continue to develop high-performance and high-value-added solutions. Expand the depth and breadth of operations.

(5) Coated micro-tools

Complete solutions for IC substrates and other high-end boards, and become a benchmark technology provider and supplier.

II. Markets and Production & Sales Overview:

(I) Analyses into markets

1. Target markets for sales of major commodities

Expressed in Thousand NT Dollars

Year / Items		2019		2020		2021	
		Amount	%	Amount	%	Amount	%
Taiwan area		1,761,453	20.80	1,546,121	16.18	1,708,796	20.47
Export	Asia (Note)	6,454,642	76.22	7,542,581	78.94	6,637,408	79.51

	America	2,782	0.03	0	0.00	0	0.00
	Europe	63	0.00	229	0.00	0	0.00
	Others	249,675	2.95	465,804	4.88	1,614	0.02
	Subtotal	6,707,162	79.20	8,008,614	83.82	6,639,022	79.53
Total		8,468,615	100.00	9,554,735	100.00	8,347,818	100.00

Note: Excluding Taiwan regions

2. Market shares

The major products of the Group are solar conductive pastes. In the markets, there have not been direct separate statistics on the quantity of conductive paste products. The annual solar power plant installation volume, nevertheless, can be taken to count the consumption volume of aluminum pastes, back silver and positive silver for each piece of solar cell toward the three kinds of silver conductive pastes. Accordingly, the Company's sales of solar conductive paste materials in the year 2021 accounted for about 20% of the aggregate total of the entire world.

3. The future supply & demand status and growth chances in the markets:

The solar energy market in 2021 might have faced many obstacles such as upstream raw materials and the pandemic, the global market remains resilient. It is expected that the annual demand will reach 172GW, an increase of 36% from 127GW in 2020. The expected zero carbon emissions and carbon neutrality for the next few decades have become the consensus of major countries in the world, and the outlook of renewable energy represented by photovoltaic energy is promising. As the prices of various raw materials have dropped from the peak, the supply and demand level will gradually return to a healthy level in 2022, and the carbon reduction needs of various countries will further drive the installed capacity. According to InfoLink's forecast on global solar market supply–demand, there will be demand of 214 to 234GW, and a total of 23 markets at the GW level.

In recent years amidst the large-scale production of solar photovoltaic manufacturers in mainland China, the supply chains of the solar photovoltaic industry have been heavily reshuffled and integrated. Moreover, most solar photovoltaic manufacturers in mainland China resorted to cutthroat competition notably price-cutting, making other counterparts in Europe, the United States and elsewhere unable to bear over years in a row and even into bankruptcies and shutdowns and the EU and the United States have implemented a dual anti-policy against Chinese solar photovoltaic manufacturers to curb cutthroat competition amidst blind expansion of production. Those Chinese

manufacturers, nevertheless, simply continue to expand production to satisfy their domestic demand market, resulting in the price war of solar silicon wafers from bad to worse. Some Chinese manufacturers have discontinued production which will help supply and demand in the industry.

In summation of the key points quoted above, as the cost of solar photovoltaics continues to decrease, solar power generation will become increasingly cheaper, cleaner and more reliable. Solar power generation will replace traditional power generation methods just around the corner. Overall, the future solar photovoltaic market will continually grow within our expectation.

4. Niche in competition:

(1) Solar conductive paste and conductive paste material account for approximately 20% of the costs of solar cells and are quite a huge impact on efficiency and quality. The continuous improvement of cost control and technology has continued to lower the printing weight of major customers, resulting in a phenomenon in which the number of installations increases, but the global use of solar conductive paste has not increased accordingly. Amid the intense competition in the solar energy industry, the Company has continued to improved product quality and cost control and launch high-efficiency and competitively priced pastes. The Company also has signed a non-exclusive patent licensing contract with DuPont to demonstrate the Company's respect to patent protection, which also helps to relieve customers' doubts and worries and prevent the trouble of patent litigation in the future.

(2) Development of key materials for biomedical and other electronics applications – Low-temperature specialized materials

The rapid growth of electric vehicles and face recognition applications has increased the demand for die-bonding paste. We have accumulated years of development experience in heat dissipation of LED chips, and developed qualified products to meet the requirements of die-bonding and heat dissipation of high-power chips. The performance is comparable to that of world-renowned manufacturers, and they are expected to become the core products in the future. As for biomedical sensor components, in addition to expanding the use of silver/carbon/insulation paste in the original blood sugar test strips, the Company has successfully developed electrode materials for uric acid and cholesterol test strips. The Company will closely

collaborate with clients to improve customer stickiness.

(3) Gigastorage has developed round photovoltaic ribbons used for M6 MBB modules. After more than a year of research, development and testing, the products have been validated by clients, and now are in the mass production stage to be delivered to clients. Round ribbons for M10 and G12 modules are the next in the phase for research, development and testing. The Company will also develop products with narrowed spacing between battery cells, which will reduce the defects caused during module production and improve the main conversion efficiency.

(4) Our Group has spared no effort to invest in the development of domestic large-scale solar power stations. By engaging in solar power stations and entering the terminal systems, we can assist in the introduction of products owned by our Group and establish mutually beneficial and sharing relationships with customers in solar cell factories.

5. Advantages and disadvantages toward development prospects and countermeasures

(1) Advantageous factors:

①. Excellent cost control and flexible manufacturing capabilities. In the face of cutthroat competition in the markets, the Group's product quality still remains reliable and stable and costs are effectively under control. Our Company has long been recognized by customers under the market segmentation strategy. We virtually grow steadily with customers

②. Our Group is proud of a strong technical research and development team. With the core technology of related materials, we actively invest in the high-efficiency solar module conductive ribbons, coating products and the like and have developed so quite successively.

③. Our Group is capable of providing customers with relevant material solutions. Other than the effort to make excellent use of the resources of Taiwan's complete solar photovoltaic industry chains, we have, as well, established a subsidiary in Yancheng, China to serve solar cell manufacturers over there. Compared with other large foreign counterparts, we enjoy a cost advantage.

(2) Disadvantageous factors

①. The solar energy industry aims to achieve parity on the Internet where reduced cost is the primary goal of customers.

Our countermeasures:

a. We aim at technical services as our business orientation by quickly solving customers' problems, including reliability and weather resistance and even beautification of exterior appearance characteristics. Through such efforts, we virtually enhance the added value of customers with our products.
b. In turn, we help improve conversion efficiency and cut production costs, e.g. assisting in the development of reducing electrode screen line width technology to boost the light-receiving area of the battery surface, or assisting in adjusting process parameters and the like to maximize the product yield.
c. With the high entry barriers and rapid evolution of the materials industry, factors of success are not easy to be duplicated. Besides this, the conductive paste accounts for an insignificant cost of the battery and the savings would be quite limited. Only quality and service play the role of very key. In terms of customer base, a newly coming competitor would not necessarily take advantage by adopting a price-cutting competition strategy.

②. Where export accounts for a majority of our Group's total sales, the change in exchange rates in the international markets represents a risk to our Group.

Our countermeasures:

The Group's major raw materials are denominated in US dollars as a means of natural hedging. For the rest, we adopt methods such as foreign exchange options and pre-sale of foreign exchange to minimize the impact of foreign exchange risks.

③. The solar photovoltaic industry is highly subject to the impact by government energy policies and government policies are, in turn, often subject to the impact by the political and economic situation of various countries and fiscal revenues and expenditures as highly volatile.

Our countermeasures:

a. We vigorously explore overseas markets, diversify the customers from concentration, aim at stable volume production, rapid supply and reasonable pricing. Further by all available means, we try to increase market share and economies of scale so as to minimize unit production costs.
b. We accurately dominate the market updates. Throughout the development process, we set up very sound and close ties with upstream and downstream suppliers to boost added values and cut short the lead time. In turn, we would help customers enhance competitive edge.
c. Other than the effort to use the existing customer base to expand the positive silver paste markets, we further develop different product lines along with the equivalent effort to develop

mainstream solar cell products.

6. The trend in summary from macroeconomic environment and the industries where the Company is in:

The United Nations Climate Action Summit warned that the current global warming rate has greatly exceeded what predicted 10 years ago and called on all countries to put forward specific actions. At the same time, the United Nations Intergovernmental Panel on Climate Change Committee pointed out that once the earth's rising temperature exceeds 1.5°C, it will bring serious consequences. At the present time, as generally believed, that the increase in carbon dioxide and other greenhouse gas emissions caused by human activities is the prime cause of global warming. Therefore, the effort to minimize carbon dioxide emissions and saving energy are the very urgent tasks at present. The prime renewable energy sources include notably solar energy, water power, wind power and biomass energy among which sunlight is pollution-free, available everywhere, and inexhaustible. The data revealed by the International Energy Agency (IEA) indicates that by 2024, nearly one-third of the world's electricity will come from renewable energy sources. Amidst the global trend of energy saving and carbon reduction, governments of most countries throughout the world have rendered more definite support for the photovoltaic industry. Other than determining the proportion of solar power generation in renewable energy power generation, those major international manufacturers have also asked supply chain manufacturers to use green power. Under such trend, our Group vigorously invests in power plants to fulfill the responsibilities of a dedicated corporate citizen on earth and contribute to the sustainable development of our earth.

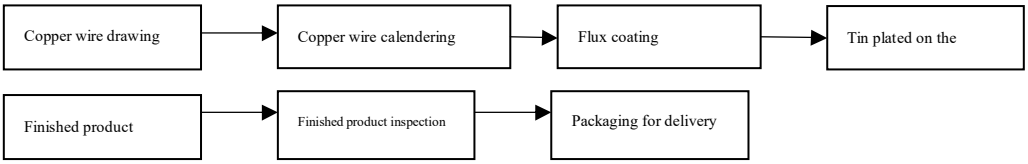
(II) Major purposes of use and the manufacturing process of major products

1. Major purposes of use of major products

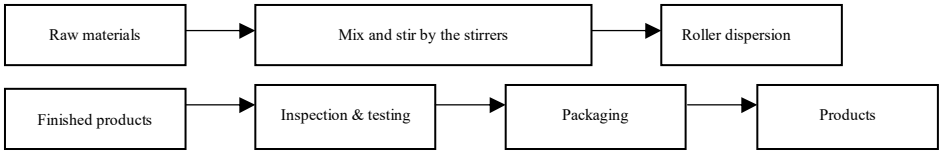
Major products	Major purposes of use
Photovoltaic ribbons	Solar energy module raw materials.
Solar conductive paste	Major raw materials for solar energy batteries.

2. Major manufacturing process of major products

(1) Photovoltaic ribbons



(2)Solar conductive paste



(III) Status of supply for major raw materials

Major raw materials	Major source of supply	Status of supply
Metallic powder	Company ㄇ, Company ㄆ, Company ㄈ, Company ㄊ, Company ㄓ	Good.
Solvent	Company ㄏ, Company ㄐ	Good.
Other additives	Company ㄑ, Company ㄒ, Company ㄕ	Good.

(IV) The names of key customers with total purchase (sale) amount accounting for over 10% of the aggregate total purchase (sale) amounts in either among the past two (2) years and their percentages

1. The customers with total purchase amount accounting for over 10% of the aggregate total purchase amounts of the Company and its subsidiaries over the past two (2) years and the year of declaration

Expressed in Thousand NT Dollars; %

Items	2020				2021			
	Names	Amount	Percentages to the aggregate total annual purchase amounts	Relationship with the issuer	Names	Amount	Percentages to the aggregate total annual purchase amounts	Relationship with the issuer
1	Company ㄆ	5,228,336	72.39	None	Company ㄆ	3,585,925	50.80	None
2	Company ㄓ	730,306	10.11	None	Company ㄓ	646,090	9.15	None
3				-	Company ㄕ	759,513	10.76	-
	Others	1,263,518	17.50	-	Others	2,067,474	29.29	-
	Net amount of purchases	7,222,160	100.00	-	Net amount of purchases	7,059,002	100.00	-

Descriptions of the causes behind increase/decrease: In 2021, the change in the amount of purchase from suppliers is due to the decrease in sales volume of solar conductive paste, resulting in the decrease of purchase. The amount of purchase from Company 厂 is due to the huge increase in the upstream silicon materials for solar energy.

2. The customers with total sales amount accounting for over 10% of the aggregate total sales amounts of the Company and its subsidiaries over the past two (2) years and the year of declaration:

Expressed in Thousand NT Dollars; %

Items	2020				2021			
	Names	Amount	Percentages to the aggregate total annual sales amounts	Relationship with the issuer	Names	Amount	Percentages to the aggregate total annual sales amounts	Relationship with the issuer
1	Company B	121,723	1.27	None	Company B	0	0.00	None
2	Company C	225,650	2.36	None	Company C	1,247,849	14.95	None
3	Company D	465,162	4.87	None	Company D	949,021	11.37	None
	Others	8,742,200	91.50	-	Others	6,150,948	73.68	-
	Net amount of sales	9,554,735	100.00	-	Net amount of sales	8,347,818	100.00	-

Descriptions of the causes behind increase/decrease: The change in sales to customers who account for more than 10% of sales in the whole year is mainly due to the increase in the price of silicon materials upstream, further increasing the proportion of solar silicon accessories in the revenue of the period.

(V) Table of production volume and value over the past two years

Expressed in number of pieces, thousand barrels and thousand New Taiwan Dollars

Year of production volume and value	2020			2021		
Major products	Productivity	Production volume	Production value	Productivity	Production volume	Production value
Solar conductive pastes	4,122	367	7,421,255	4,122	276	5,054,123
Photovoltaic ribbons	1,312,220	1,007,767	266,354	1,308,580	943,564	341,301
Total	1,316,342	1,008,134	8,523,000	1,312,702	943,840	5,395,424

Analyses into changes:

The 2021 production of conductive paste decreased compared with the same period of last year due to the intense competition in China and the reduction in customers' printing.

(VI) Table of sales volume and value over the past two years

Expressed in number of pieces, thousand barrels and thousand New Taiwan Dollars

Year	2020				2021			
Sales volumes & values	Domestic sales		Exports		Domestic sales		Exports	
Major products	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Solar conductive pastes	124	710,182	265	7,205,684	86	757,545	185	4,495,478
Photovoltaic ribbons	980,315	296,128	-	-	962,732	342,882,	34,776	13,913
power plant construction	-	312,991	-	-	-	224,111	-	-
Others	-	226,820	-	802,930	-	387,493	-	2,126,396
Total	-	1,546,121	-	8,008,614	-	1,712,031	-	6,635,787

Analyses into changes:

The decrease in sales volume and sales amount of conductive paste for export over last year was mainly due to the reduction in customers' printing, the intense competition in the market in China, and the impact of the pandemic on the flow of people and logistics. The increase in the sales volume and amount of other export is due to the increase in solar energy silicon accessories, caused by the price hike in solar silicon materials upstream.

III. The Number of Employees, Average Service Seniority, Average Ages and Percentage of Distribution in Academic Credentials and Hands-on Career Experiences in the Latest Two Years and as of the Publication Date of the Annual Report

Year		2020	2021	April 30, 2022
Number of employees	Direct personnel	103	79	84
	Indirect personnel	327	312	304
	Total	430	391	388
Average ages		40.11	40.25	40.16
Average service seniority		8.43	8.94	10.06

Distribution of academic degree credentials by percentages (%)	PhD	2.56	2.05	2.58
	Master's	17.67	17.9	17.53
	University/ college	64.66	64.19	64.17
	Senior high school	13.95	15.09	14.95
	Below senior high school	1.16	0.77	0.77

IV. Information of Expenditures onto Environmental Protection

(I) Pursuant to environmental protection laws and regulations,

1. Air pollution management

Each plant area of Gigastorage has air pollution control equipment set up according to the process requirements. The Company has a permit for stationary sources of air pollution, and operates air pollution control equipment according to regulations.

2. Wastewater pollution management

The process wastewater from each plant area of Gigastorage is pre-treated and then sent to the sewage treatment plant in the industry park together with domestic sewage. Various control measures shall be handled in accordance with the Water Pollution Prevention and Control Measures Plan.

3. Waste management

Obtain approval documents of the industrial waste disposal plan according to the regulations, and provide reports of disposal, production capacity and waste generation. Regularly pay air pollution control fees, wastewater treatment fees, soil and groundwater remediation fees, and declare and manage the prevention and control equipment for stationary sources of air pollution, wastewater pretreatment facilities and flow of waste disposal in accordance with regulations.

4.Expenditures for environmental protection

Unit: NT$

Company name	Category	2021
Gigastorage Giga Solar Materials HOMI Specialty Materials	Air pollution control facility maintenance fee	3,176,422
	Air pollution control fee	106,051
	Wastewater pollution control facility maintenance fee	2,519,846
	Wastewater treatment fee	693,056
	Business waste disposal fee	4,779,106

5. Each plant of the Company has set up personnel in charge of air pollution control, wastewater treatment, waste disposal in accordance with the regulations, and has conducted business in accordance with the regulations of government agencies and environmental protection.

(II) Investment into major environmental pollution equipment, the purposes of use and the benefits so generated thereby:

The Company and its subsidiaries discharge pollutants only through proper pollution prevention and control equipment in accordance with the law. The main equipment for prevention and control of environmental pollution includes:

Air pollution control equipment – Three wet scrubbing towers, which were set up between 2009 and 2015 and cost about NT$11 million. They are used to treat VOCs waste air, acid-base waste air and particulate pollutants generated by the manufacturing process, so that the exhaust air pollutants all meet the emission standards for air pollutants from stationary sources.

Wastewater treatment system – Include chemical coagulation, anaerobic, filter press and other systems, where were set up between 2011 and 2012 and cost about NT$45 million. They are used to treat the wastewater generated during the manufacturing process, so that the water can comply with the wastewater standards in Hsinchu Industrial Park.

Pollution prevention and control equipment is regularly repaired and maintained. Monitoring instruments are calibrated according to regulations, so that pollution prevention and control equipment can operate normally. The Company also commissions a testing company approved by the Environmental Protection Administration to conduct testing of exhaust emissions pipelines and wastewater quality to ensure that the emission of pollutants complies with laws and regulations, which helps the Company reduce pollution and impact to the environment and fulfill corporate social responsibility.

(III) The facts about the Company's effort to improve pollution to the environment in the last two years and as of the publication date of the annual report with explanation of the effort to solve a pollution-oriented dispute, if any. The Company has been free of any pollution-oriented dispute.

(IV) The aggregate total amount of the impairment (including compensation for damages), penalty incurred to the Company due to pollution to environment in the last two years and as of the publication date of the annual report with disclosure of the future

countermeasures (including corrective action) and potential expenditures (including the estimated amount of the potential impairment, penalty and compensation for damages where the Company fails to take countermeasures. Where the amount could not be rationally estimated, explain the reason why it could not be rationally estimated).

Group's subsidiary – HO MI Specialty Materials

Date of penalty and document number	Violations and reasons	Description of penalty (fine)	Improvement measures
110.11.15 [Fu-Shou-Huan-Kong-Zi Document #1108659074]	When conducting audit testing of non-methane hydrocarbons in the discharge pipeline of HOMI Specialty Materials in accordance with Paragraph 2, Article 24 of the Air Pollution Control Act, it is found that the P001 treatment performance is inconsistent with the standards specified in the operating permit for stationary sources of air pollution.	NT$100,000	1. Increase the flow rate and amount of water exchange of the wet scrubbing towers. 2. Clean the raschig rings and sprinkler heads of the scrubbers. 3. Submit the change of operating permit for stationary sources of air pollution

(V) The impact of the current pollution and its improvement on the Company's earnings, the competitive position and capital expenditures and the expected major environmental protection capital expenditures in the next two years: None.

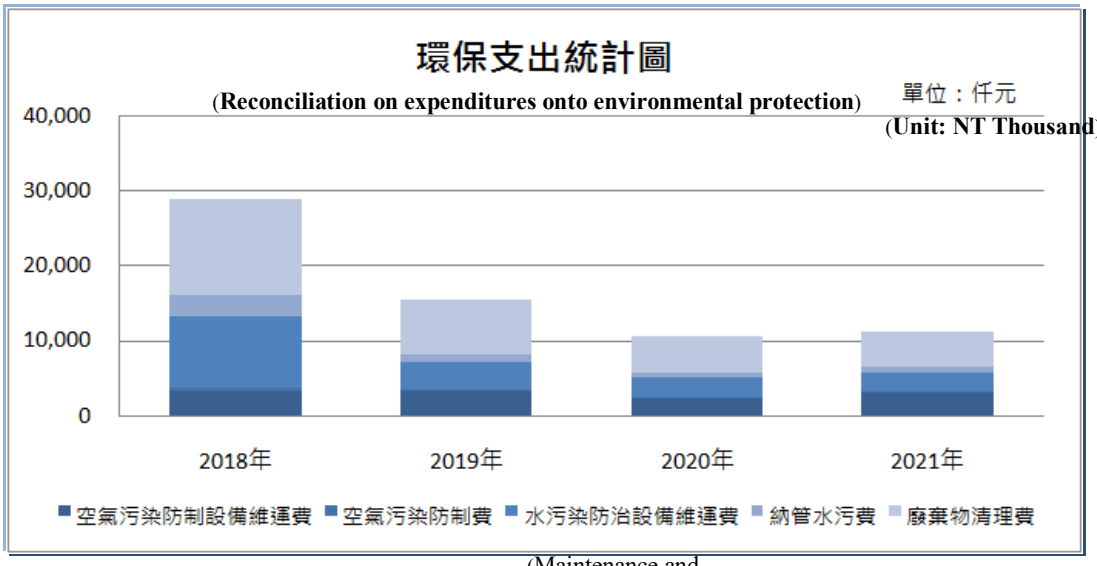
Gigastorage has begun to reduce the production of polysilicon wafers since 2018, and stopped the polysilicon wafer manufacturing process in early 2019 to get rid of the problem with the huge amount of wastewater and sludge generated in the manufacturing process.

The Company continues to manufacture photovoltaic ribbons that have high

conductivity, low droop strength and high welding characteristics. The high-quality solar power materials manufactured by Gigastorage with its subsidiaries enable customers to have high-performance solar power modules. The complete development of solar power systems and design and installation services help customers achieve their goals of energy conservation and carbon emissions reduction.

Besides, Gigastorage has committed itself to the research and development of cutting of various materials and grinding of silicon wafers, and providing contract customization of wafer substrates.

All production and R&D processes take energy conservation and carbon emissions reduction into consideration, and improve the utilization efficiency of various resources through energy conservation, recycling, and other practices to reduce the environmental impact from production.



(Maintenance and freight for air pollution control equipment & facilities)

(Air pollution control & prevention fees)

(Maintenance and freight for water pollution control equipment & facilities)

(Effluent sewerage piping fee)

(Waste disposal fees)

To faithfully dedicate ourselves to environmental protection and comply with laws and ordinances concerning pollution control and further respond to Year 2015 Environmental Protection Management System in International Community ISO 14001:2004 revised into ISO 14001:2015, our Company completed revision of ISO14001:2015 in Year 2016 (Verified by: SGS; Certification code: TW01/00979.00). In the very premise to assure our products to satisfy environmental protection related laws and ISO International Standards, we have launched a variety of control of operating flows. Through such efforts, we accomplish the goal of sustainable development and significantly boost our competitive edge in the international community.

In an attempt to prevent a potential injury and disease amidst work to provide a secure and healthful workplace with fulfillment of corporate social responsibility

toward our entire staff, our Company introduced Occupational Safety & Health Subject Management System ISO 45001:2018(formerly as OHSAS 18001) in Year 2018 Further in 2019, we successfully passed verification (verified by: SGS; Certificate code: TW19/10161). Through risk prevention specifications, innovation and continued corrective actions, we have vigorously strengthened our performance in social, economic, environmental protection, safety & security and such aspects.

(VI) In response to the relevant information of the European Union Restriction of Hazardous Substances (RoHS):

In response to request by customers, our Company has established relevant regulations on the control procedures over hazardous substances in green products. Where necessary, our Company would outsource a third survey unit to inspect our products and issue a test report to verify that our products comply with international regulations and customer requirements, including notably the European Union's Restriction of Hazardous Substances Directive (known as RoHS), EU new chemical policy (Registration, Evaluation, Authorization and Restriction of Chemicals, REACH) and such standards.

V. Labor Relations

(I) Human Right Policies:

1. The Company highly values our employees. We not only provide friendly working environment, but also safeguard the rights of our employees, and treat all of them fairly.
2. The Company supports The Universal Declaration of Human Rights (UDHR), and strictly follows the International Bill of Human Rights, such as "International Bill of Human Rights," "Declaration of Fundamental Principles and Rights at Work" of International Labour Organization, "Guiding Principles

on Business and Human Rights" …etc. by establishing the "Gigastorage Human Rights Policies," which are complied by both the Company and our cooperating partners.

3. Implementing principles:
   (1) Provide safe, healthy, and zero-harassment environment.
   (2) Eliminate all illegal discrimination and ensure the equality of working opportunities.
   (3) Forbid child labors.
   (4) Forbid forced labor, and discourage working overtime.
   (5) Safeguard the labor rights of underprivileged groups, including but not limited to aboriginals, women, migrant workers, technical assistants, interns, and the disabled.
   (6) Comply with labor-related laws and regulations.
   (7) Pay the wages on time, in order to maintain the necessity of the employees.
   (8) Help the employees to maintain physical and psychological health and work-life balance.
   (9) Encourage employees to express their ideas and set up an anonymous internet platform to receive suggestions and feedbacks.
   (10) Periodically reviews the salary to ensure that it fits to the labor market, and raises the welfare of our employees.

(II) A variety of the Company's welfare measures, continuing refresher education, training programs, retirement systems and implementation thereof, as well as labor accords and various measures to safeguard employees' interests:

1. Fringe benefits for employees:
   (1) Here at the Company, other than general welfare measures including labor insurance, National Health Insurance, group insurance and retirement pension, we further provide employees with performance incentives, distribution of the Company's bonus, wedding and funeral allowances along with training programs for entire staff.
   (2) We have set up Welfare Committee (Fringe Benefit Committee) according to law and duly select Welfare Committee members to carry out a variety of fringe benefits for employees. In each and every year, we work out annual welfare programs and offer generous budget for welfare toward those welfare including notably New Year & festival gifts, staff tours and birthday

parties.

(3) We have, as well, set up sound system to offer bonus to employees, making our staff members as our shareholders. Through such efforts, we duly enhance employee morale & loyalty to enable both the labor and the management sides to enjoy the fruits of common efforts.

2. Continuing refresher education and training programs for employees:

The training programs rendered to employees during (2021) are as enumerated in the Table below:

Unit: Per hour

Items	Number of curricular courses	Total number of trainees	Total number of training hours
1. New recruit training programs	17	162	182.5
2. Professional skill training programs	192	1,393	2,716.5
3. Executive talent training programs	3	68	136
4. Common knowledge training programs	37	843	1,321.5
5. Self-development training programs	5	238	503.5
Grand total	254	2,704	4,860

Periodically, we assign our employees to participate in seminar training programs either domestically or abroad, or in relevant academic institutions. Further on a periodical basis, we sponsor in-house training programs to help enhance staff skills and to further boost the overall interests to both the Company and entire staff.

3. Retirement system and the implementation thereof:

In an attempt to secure the retirement life for our employees to enhance labor-management relationship and working efficiency, we previously appropriated 2% of each employee's total salary into pension reserve fund on a monthly basis.

Later as Labor Pension Act was put into enforcement on July 1, 2005, we have adopted defined contribution system. After the defined contribution system was put into implementation, our employees are entitled to, at their discretion, choose either the pension system under "Labor Standards Act" or reservation of their service seniority in accordance with the aforementioned Labor Pension Act. Toward employees entitled to the Labor Pension Act, the Company appropriates

6% of the employees' total salaries on a monthly basis as the reserve fund for their pension.

The Company has enacted Regulations Governing Retirement to exceptional regular the retirement of all general employees and managerial officers. Toward employees who joined our Company before July 1, 2005, we continually appropriate the pension reserve at 2% under the old system. For those employees, we have established Pension Supervisory Committee to oversee the pension funds. Where an employee becomes consistent with the requirements set forth under Paragraphs 1–3 of Article 53 and Article 54, the Committee shall grant duly pension according to law.

4. Working environment and measures to safeguard employees:

(1) Over the working environment of our entire staff, we, on a semiannual basis, outsource the supervisory institution(s) officially accredited by the Occupational Safety & Health Department of Ministry of Labor to conduct "Operational Environment Monitoring." The contents of such monitoring efforts depend upon the operational types. The results of such monitoring efforts are officially promulgated onto the Electronic Bulletin Boards inside the plants on a periodical basis to be known to all.

(2) To further safeguard entire staff in their operational security, our Working Security Units inside the respective plants would conduct audit over the existent working activities on a regular basis. Over a deficiency found, we issue the audit deficiency note forthwith and complete the corrective action within the specified time limit. Toward a deficiency which could not be rectified by means of engineering control and administrative management effort, we specifically provide the working staff with specific personnel protective apparatuses and further train such working staff into a sound way to wear and maintain such personal apparatuses. We render management of respiratory protective gear exactly in accordance with the regulations of the Occupational Safety Administration for Year 2021. Respiratory protective measures and management issues are implemented for colleagues who use protective gear to prevent a respiratory protective gear from being used in an inappropriate manner where the protective effect would be reduced. In case of a change in the plant (a change in machine equipment, plant configuration, etc.), the change must not be implemented until completion of the relevant assessment process (change in operation control chart, environmental safety and health impact assessment checklist, and the like) in accordance with the

change management rules. A contractor who is required to work inside our plant shall duly file application in accordance with Regulations Governing Environmental Security for Contractors and shall not work inside our plant until officially permitted, and shall be subject to strict supervision throughout the working process.

To faithfully fulfill the corporate social responsibility with perfect safeguarding of our employees, our Company introduced to Occupational Safety & Health Management System ISO 45001:2018(formerly known as OHSAS 18001) in 2018 and further obtained the official certificate from a third-party certification authority. This is another aspect verifying our performance in safety & security.

5. Enactment of employee behavior code or ethical code:

To enable our entire staff to understand the ethical concepts, rights, obligations and codes of behaviors, the Company has formulated a variety of management system related methods and welfare measures. Our entire staff, in turn, agree to follow these rules consistently with faithful Implementation and compliance. The key contents of the code of conduct are as enumerated below:

(1) I solemnly commit myself to faithful performance of duty exactly in accordance with the rules & regulations of the Company solely aimed at public interests. Under no circumstances shall I take advantage of my power, method, opportunity in my position to strive for interests for myself, my spouse, blood relative, relative by marriage or cohabitant.

(2) I solemnly commit myself that throughout the period of my employment, under no circumstances shall I request, contract, or accept gifts, benefits, or expense subsidies from anyone interested in the job position. Nevertheless, under any one among those circumstances enumerated below as occasional, unlikely to cause an impact upon specific rights & obligations, I may accept it:

①. As a matter of official courtesy.

②. As an award, salvation or condolence from a senior official.

③. As a present below NT$5,000 in terms of market value, or a present offered by a good number of colleagues in the Company with the total market value below NT$5,000.

④. A present offered on an occasion of engagement, marriage, childbirth, housewarming, inauguration, promotion change, retirement, resignation, severance and personal injury or illness of an employee himself or herself, spouse or direct lineal family member, death of spouse or immediate

family member with market value not beyond the normal social etiquette standards.

(3) I commit myself to rejection or return of a present linked up with my duty and present it to my immediate department head. Where return proves practically infeasible, I will submit it to the Company's Administrative Division within three (3) days from receiving.

(4) Under no circumstances shall I accept a request from a customer or a supplier that is likely to affect the Company's business decisions, implementation or non-implementation with a beneficial or adverse impact on it.

(5) Whenever I am found in contravention of such firm commitment, I agree to accept penalty according to rules & regulations of the Company and even agree to be referred to the judicial authority in case of involving criminal responsibility.

6. As of the publication date of the annual report, the license(s)/certificate(s) obtained by information transparency related personnel as required by the competent authority(ies):

The certified public accountant license of the Republic of China, one person each in the Finance & Investment Departments.

The certified public accountant license of the United States, one person each in the Finance & Investment Departments.

7. Accords reached by and between labor and management parts and efforts to safeguard employees' rights and interests:

Here at the Company, a labor-management conference is convened on a quarterly basis with four labor–management conference convened in total in 2021 where the labor and management sides communicate their respective opinions on an amicable basis. The management would patiently listen to voice from the labor side to safeguard labor interests.

The Company has set up an Employee Welfare Committee which studies and discusses with the management side about a variety of fringe benefits for employees and formulates a variety of welfare measures to enhance the harmony by and between the both the labor and the management.

(III) The impairment incurred by a labor dispute in the latest fiscal year and as of the publication date of the annual report (including the result in labor inspection that is found in contravention of Labor Standards Act. Please expressly enumerate the date, file number, contents of the violated law in the penalty, contents of penalty) with

disclosure of the current and future countermeasures. Where the amount is unable to be estimated rationally, explain the reason behind for such infeasible estimate.

Here at the Company, both the labor and the management have faithfully complied with the Labor Standards Act under human-based management. Thanks to such policy, both the labor and the management have been in friendly and harmonious ties. In the latest fiscal year and as of the publication date of the annual report, we undergo no impairment resulting from a labor dispute.

VI. Information Security Management

(I) Describe the information security risk management framework, the information security policy, the specific management plan, and the resources committed to the information security management, etc.

1. Cybersecurity risk management framework:

   The Company formulates these policies in order to reinforce information security management to ensure the confidentiality, integrity and availability of information assets and provide an information environment for the continuous operation of the Company to conduct information security check from time to time.

2. Cybersecurity policies
   (1) The Information Center is responsible for coordinating matters related to information security management.
   (2) The Company's personnel should abide by the Company's information or confidentiality and security rules.
   (3) The Company's suppliers, collaborating partners and outsourced service providers should abide by the Company's information security standards.
   (4) When an information security incident is discovered, notify the information security contact personnel.
   (5) Behaviors that endanger information security are investigated for civil, criminal and administrative responsibilities or punished in accordance with the relevant regulations of the Company, depending on the seriousness of the circumstances.

3. Information security-specific management plan, and the resources committed to cybersecurity management
   (1) Outsourcing professional computer information vendors to conduct maintenance services.

(2) Network and computer system security management
(3) System access control, development and maintenance security management.
(4) Information assets security management.
(5) Set up network firewall, intrusion detection system, spam filtering system, anti-virus software and VPN connection software with two-factor authentication, set data access authorization, and encrypt important data.
(6) Regularly maintain the computer equipment, network equipment and servers of the anti-virus company.
(7) Hold information security education and training courses and conduct social engineering drills from time to time.

(II) List the losses, possible impacts and countermeasures suffered from major information security incidents as of the most recent year and the date of publication of the annual report. For the incidents that cannot be reasonably estimated, describe the facts.

The Company has not suffered from losses effects caused by major cybersecurity incidents in 2021 and as of the date of publication of the annual report.

VII. Important Contracts

Please expressly enumerate the supply/sales contracts, technical cooperation contracts, project contracts, long-term loan contracts and other major contracts likely to affect shareholders' equity remaining valid as of the publication date of the annual report, the contract parties, key contents, restrictive terms and starting & ending dates of the contracts.

Company name	Attributes of the contracts	Contract parties	Starting & ending dates of the contract	Key contents	Restrictive terms
The Company	Credit lines	The Shanghai Commercial and Savings Bank Co., Ltd.	2020/04/20~2021/04/14	Credit line loan agreement (NT$700 million)	None
	Equity Transaction Agreement	WHOLE SUN GREEN POWER CO., LTD.	2020/11/27~2021/01/31	Equity Transaction Agreement (Whole Max Green Power Equity)	None
	Underwritings of securities	Taishin Securities Co., Ltd. & Land Bank of Taiwan Co., Ltd. & Capital Securities, Reliance Securities & DXN Securities	2020/03/10~2021/03/10	Securities underwriting agreement on common shares issued upon capital increase through cash injection in 2019	None
	Credit lines	The Export-Import Bank of the Republic of China (EXIM)	2020/04/09~2021/05/31	Loan credit line agreement (NT$150 million)	None
	Credit lines	The Shanghai Commercial and Savings Bank Co., Ltd.	2020/04/20~2021/04/14	Loan credit line agreement (NT$700 million)	None

Company name	Attributes of the contracts	Contract parties	Starting & ending dates of the contract	Key contents	Restrictive terms
	Debenture trust agreement	Mega International Commercial Bank Co., Ltd., North Hsinchu Branch	2017/04/24~2021/04/30	CB4- trust agreement on the 4th domestic secured convertible corporate bonds	None
	Entrusted guarantee	SinoPac, Shanghai Commercial Savings & Land Bank of Taiwan, Taichung Commercial Bank Co., Ltd.	Expiring date April 30, 2021	Agreement on committed guarantee for the 4th domestic secured convertible corporate bonds	None
	Letter of Intent on Cooperation	Lian Zhan Green Energy Company	2019/01/11~2022/01/11	Incorporation of Lian Shuo Energy Company under joint venture	None
	Industry/academy cooperation	Ming Chi University of Technology	2015/03/16~2022/01/31	Research on the effect of profound trap energy level inside crystalline silicon on solar cells-research project	Industry/academy cooperation
	Memorandum on underwriting services	CTBC Securities Co., Ltd.	2019/09/06~2022/09/06	Project of capital decrease and capital increase through cash injection to issue new shares	None
	Credit lines	Shanghai Commercial & Savings Bank Ltd.	Expiring date December 28, 2022	Loan credit line agreement	None
	Credit lines	The Shanghai Commercial and Savings Bank Co., Ltd.	2021/08/26-2022/12/31	Guarantee contract (NT$77,490,001)	None
	Agreement of shareholders	Zhao Ming Technology Company & Natural Person (Individual) A	2019/08/16~2023/08/16	Incorporation of Shuo Ming Green Energy Company in a joint venture	None
	Credit lines	The Shanghai Commercial and Savings Bank Co., Ltd.	2020/09/23-2023/09/30	Mid-term loan credit line agreement	None
	Agreement on real property transaction	Chan Chen-Te & Lin Tse-Hsiung	2021/02/19-2024/02/19	Agreement on real property transaction (Hsinpu Case) (Lot Nos. 262 and the like of Lot No. 591 Wenshuikeng Section, Hsinpu)	None
	Industry/academy cooperation	Ming Chi University of Technology	2014/03/25~2024/03/25	Protective coating process technology development and function testing in a small alliance project	Confidentiality clauses
	Credit lines	The Shanghai Commercial and Savings Bank Co., Ltd.	2019/07/22~2024/07/23	Loan credit line agreement (NT$170 million)	None
	Agreement of shareholders	Hong De Energy Technology Company & Natural Person (Individual) B	2019/08/22~2024/08/22	Incorporation of Ri Yun Energy Company in a joint venture	None
	Agreement on cooperation	Hong De Energy Technology Company & Bai Qing Construction Company & Ji Yun Green Energy Company	2020/03/24~2025/03/24	Ji Yun Green Energy Company's Agreement on Cooperation on Fishery & Power Intergrowth at Xiashanziliao, Qigu, Tainan	None
	Credit lines	Land Bank of Taiwan Co., Ltd.	2020/06/22~2025/07/07	Loan credit line agreement (NT$250 million)	None
	Credit lines	The Shanghai Commercial and Savings Bank Co., Ltd.	2021/04/22-2026/04/30	Credit line loan agreement (NT$700 million)	None
	Engineering contract	Taiwan Glass Ind. Corp.	2021/08/01-2027/12/31	Taiwan Glass Ind. Corp.Taichung Factory	None
	Engineering contract	Taiwan Glass Ind. Corp.	2021/08/16-2027/12/31	Taiwan Glass Ind. Corp. Taoyuan Factory	None
	Engineering contract	Taiwan Glass Ind. Corp.	2021/08/16-2027/12/31	Taiwan Glass Ind. Corp. Lukang Factory	None
	Engineering contract	Taiwan Glass Ind. Corp.	2021/08/16-2027/12/31	Taiwan Glass Ind. Corp. Lukang Factory	None
	Engineering contract	Taiwan Glass Ind. Corp.	2021/08/16-2027/12/31	Taiwan Glass Ind. Corp. Hsinchu Factory	None

Company name	Attributes of the contracts	Contract parties	Starting & ending dates of the contract	Key contents	Restrictive terms
	Industry/academy cooperation	Ming Chi University of Technology	2015/09/01~2035/08/31	Agreement on protective coating process technology development and function testing small alliance project	Confidentiality clauses
	The development agreement of industry	Tron-e, Sin Yun Ding, Sin Fu Ding, Siang En and 7 natural persons	Effective date : 2021/03/26	The development agreement of industry & Organizational agreement	Confidentiality clauses
	Agreement	Koninklijke Philips N.V	Effective date : 2021/04/30	the Agreement of Reconciliation.	Confidentiality clauses
Wafering Technology Corp.	Credit lines	Taiwan Cooperative Bank Co., Ltd.	2020/07/06-2021/07/03	Loan credit line agreement (NT$50 million)	None
	Equity Transaction Agreement	WHOLE SUN GREEN POWER CO., LTD.	2020/11/27~2021/01/31	Equity Transaction Agreement (Whole Max Green Power Equity)	None
Giga Solar Materials Corporation	Non-exclusive patent licensing agreement	E. I. du Pont de Nemours and Company	2017/11/15~	Acquirement of solar conductive paste related non-exclusive patent licensing agreement	Confidentiality
	Comprehensive loan agreement	Taiwan Cooperative Bank Co., Ltd.	2019/03/07-2024/03/07	Loan credit line agreement (NT$500 million)	None
	Insurance agreement	Chung Kuo Insurance Company, Limited	2021/01/05-2022/01/05	Liability insurance policy for directors and supervisors and managerial officers	None

Six. Financial Overview

I. Condensed Balance Sheet and Statement of Comprehensive Income for the Past Five Years

(I) Condensed Balance Sheet and Statement of Comprehensive Income

1. Condensed Balance Sheet

(1) Condensed Balance Sheet – Consolidated

Item \ Year		Financial data for the last five years (Note 1)					Financial information for the quarter ended March 31, 2022
		2017	2018	2019	2020 (Note 4)	2021	
Current assets		14,238,952	11,450,795	7,893,615	8,532,002	7,209,513	No information (Note 3)
Property, plant and equipment		7,887,355	5,009,545	4,175,217	4,118,971	4,114,623	
Intangible assets		48,168	199,576	188,242	424,161	412,600	
Other assets		2,231,609	2,048,589	2,091,024	2,602,181	3,035,831	
Total assets		24,406,084	18,708,505	14,348,098	15,677,313	14,772,567	
Current liabilities	Before distribution	10,855,169	8,528,037	5,293,338	7,634,020	4,476,643	
	After distribution	10,855,169	8,528,037	5,293,338	7,634,020	(Note 2)	
Non-current liabilities		6,424,122	5,348,994	4,055,891	2,184,614	2,959,719	
Total liabilities	Before distribution	17,279,291	13,877,031	9,349,229	9,818,634	7,436,362	
	After distribution	17,279,291	13,877,031	9,349,229	9,818,634	(Note 2)	
Equity attributable to owners of the parent company		3,523,854	2,059,057	2,181,943	2,535,104	2,894,565	
Share capital		3,390,590	3,390,590	2,059,057	2,859,057	2,859,057	
Capital surplus		2,636,856	2,677,215	211,927	250,109	498,574	
Retained earnings	Before distribution	(2,473,523)	(3,798,360)	170,671	(401,015)	(362,976)	
	After distribution	(2,473,523)	(3,798,360)	170,671	(401,015)	(Note 2)	
Other equity items		(30,069)	(210,388)	(259,712)	(173,047)	(100,090)	
Treasury stocks		-	-	-	-	-	
Non-controlling interests		3,602,939	2,772,417	2,816,926	3,323,577	4,441,640	
Total equity	Before distribution	7,126,793	4,831,474	4,998,869	5,858,681	7,336,205	
	After distribution	7,126,793	4,831,474	4,998,869	5,858,681	(Note 2)	

Note 1: The data for 2017 through 2021 has all been audited by CPAs.
Note 2: As of the publication date, it has not been resolved by the 2022 shareholders' meeting.
Note 3: As of the publication date, the financial information has not been reviewed by CPAs.

Note 4: On the date of issuance of this consolidated financial report, the required market assessment and other calculations have been completed. The Company has adjusted the original accounting and provisional amounts from the acquisition date and restated the comparative information.

(2) Condensed Balance Sheet – Parent Company Only

Unit: NTD thousand

Item \ Year		Financial data for the last five years (Note 1)					Financial information for the quarter ended March 31, 2022
		2017	2018	2019	2020	2021	
Current assets		2,409,515	1,071,633	1,119,725	1,026,904	891,577	No information (Note 3)
Property, plant and equipment		1,900,679	656,444	429,735	402,231	361,554	
Intangible assets		2,096	1,272	1,648	915	932	
Other assets		3,634,646	2,826,005	3,110,848	3,631,627	3,732,076	
Total assets		7,946,936	4,555,354	4,661,956	5,061,677	4,986,139	
Current liabilities	Before distribution	3,203,585	1,271,233	2,323,280	2,208,230	1,313,696	
	After distribution	3,203,585	1,271,233	2,323,280	2,208,230	(Note 2)	
Non-current liabilities		1,219,497	1,225,064	156,733	318,343	777,878	
Total liabilities	Before distribution	4,423,082	2,496,297	2,480,013	2,526,573	2,091,574	
	After distribution	4,423,082	2,496,297	2,480,013	2,526,573	(Note 2)	
Equity attributable to owners of the parent company		3,523,854	2,059,057	2,181,943	2,535,104	2,894,6556	
Share capital		3,390,590	3,390,590	2,059,057	2,859,057	2,859,057	
Capital surplus		2,636,856	2,677,215	211,927	250,109	498,574	
Retained earnings	Before distribution	(2,473,523)	(3,798,360)	170,671	(401,015)	(674,940)	
	After distribution	(2,473,523)	(3,798,360)	170,671	(401,015)	(Note 2)	
Other equity items		(30,069)	(210,388)	(259,712)	(173,047)	(100,090)	
Treasury stocks		-	-	-	-	-	
Non-controlling interests		-	-	-	-	-	
Total equity	Before distribution	3,523,854	2,059,057	2,181,943	2,535,104	2,894,565	
	After distribution	3,523,854	2,059,057	2,181,943	2,535,104	(Note 2)	

Note 1: The data for 2017 through 2021 has all been audited by CPAs.
Note 2: As of the publication date, it has not been resolved by the 2022 shareholders' meeting.
Note 3: As of the publication date, the financial information has not been reviewed by CPAs.

2. Condensed Statement of Comprehensive Income

(1) Condensed Statement of Comprehensive Income – Consolidated

Unit: NTD thousand

Item \ Year	Financial data for the last five years (Note 1)					Financial information for the quarter ended March 31, 2022
	2017	2018	2019	2020	2021	
Operating revenue	12,609,313	9,378,711	8,468,615	9,554,735	8,347,818	No information (Note 2)
Gross profit (loss)	343,585	(141,818)	985,014	1,231,101	663,909	
Net operating income (loss)	(2,267,547)	16,147	(54,636)	(243,088)	(102,268)	
Non-operating income and expenses	(349,183)	(2,148,036)	160,568	(254,553)	(162,446)	
Net income before tax	(2,616,730)	(2,131,889)	105,932	(497,641)	(264,714)	
Pre-tax income (loss) of continuing operations, net	(2,616,730)	(2,131,889)	105,932	(497,641)	(264,714)	
Loss from discontinued operations	-	-	-	-	-	
Net income (loss) for the current period	(2,753,724)	(2,162,825)	30,685	(560,980)	(273,657)	
Other comprehensive income for the current period(net of tax)	(264,224)	(30,618)	(90,362)	72,028	200,936	
Total comprehensive income for the current period	(3,017,948)	(2,193,443)	(59,677)	(488,952)	(72,721)	
Net income attributable to owners of the parent company	(2,638,683)	(1,428,791)	151,616	(535,475)	24,796	
Net income attributable to non-controlling interests	(115,041)	(734,034)	(120,931)	(25,505)	(298,453)	
Total comprehensive income attributable to owners of the parent company	(2,806,454)	(1,447,839)	97,563	(491,307)	110,745	
Total comprehensive income attributable to non-controlling interests	(211,494)	(745,604)	(157,240)	2,355	(183,466)	
Earnings per share	(7.78)	(4.21)	0.74	(2.17)	0.09	

Note 1: The data for 2017 through 2021 has all been audited by CPAs.

Note 2: As of the publication date, the financial information has not been reviewed by CPAs.

(2) Condensed Statement of Comprehensive Income – Parent Company Only

Unit: NTD thousand

Item \ Year	Financial data for the last five years (Note 1)					Financial information for the quarter ended March 31, 2022
	2017	2018	2019	2020	2021	
Operating revenue	3,026,962	1,107,557	500,512	530,454	576,818	No information (Note 2)
Gross profit (loss)	(3,859,619)	(907,514)	(40,023)	91,860	26,133	
Net operating loss	(832,657)	103,733	(202,042)	(515,594)	122,662	
Non-operating income and expenses	(358,526)	(1,532,524)	372,823	(15,823)	(101,924)	
Net income (loss) before tax	(2,578,734)	(1,428,791)	170,781	(531,417)	20,738	
Pre-tax income (loss) of continuing operations, net	(2,578,734)	(1,428,791)	170,781	(531,417)	20,738	
Loss from discontinued operations	-	-	-	-	-	
Net income (loss) for the current period	(2,638,683)	(1,428,791)	151,616	(535,475)	24,796	
Other comprehensive income for the current period (net of tax)	(167,771)	(19,048)	(54,053)	44,168	85,949	
Total comprehensive income for the current period	(2,806,454)	(1,447,839)	97,563	(491,307)	110,745	
Net income attributable to owners of the parent company	(2,638,683)	(1,428,791)	170,781	(531,417)	24,796	
Net income attributable to non-controlling interests	-	-	-	-	-	
Total comprehensive income attributable to owners of the parent company	(2,806,454)	(1,447,839)	97,563	(491,307)	110,745	
Total comprehensive income attributable to non-controlling interests	-	-	-	-	-	
Earnings per share	(7.78)	(6.94)	0.74	(2.17)	0.09	

Note 1: The data for 2017 through 2021 has all been audited by CPAs.

Note 2: As of the publication date, the financial information has not been reviewed by CPAs.

(II) Audit Opinions from 2017 to 2021

Year	Name of CPA firm	Name of CPA	Audit opinion
2017	Ernst & Young	Chia-Ling Tu Hsin-Min Hsu	Unqualified Opinion with the Emphasis of Matter and the Other Matters Paragraphs
2018	Ernst & Young	Chih-Chung Chen Hsin-Min Hsu	Unqualified Opinion with the Emphasis of Matter and the Other Matters Paragraphs
2019	Deloitte & Touche	Ming-Yuan Chung Yu-Feng Huang	Unqualified Opinion with the Emphasis of Matter and the Other Matters Paragraphs
2020	Deloitte & Touche	Ming-Yuan Chung Yu-Feng Huang	Unqualified Opinion with the Emphasis of Matter and the Other Matters Paragraphs
2021	Deloitte & Touche	Ming-Yuan Chung Yu-Feng Huang	Unqualified Opinion with the Emphasis of Matter and the Other Matters Paragraphs

II. Financial Analysis for the Past Five Years

(I) Financial Analysis –(Parent Company Only)

Item \ Year		Analysis of financial data for the last five years (Note 1)					Financial information for the quarter ended March 31, 2022
		2017	2018	2019	2020	2021	
Financial structure (%)	Debt ratio	55.65	54.79	53.19	49.91	41.94	No information (Note 2)
	Ratio of long-term funds to property, plant and equipment	249.56	500.28	544.21	502.02	694.70	
Solvency (%)	Current ratio	75.21	84.29	48.19	46.50	67.86	
	Quick ratio	40.23	53.64	31.01	30.34	40.70	
	Interest coverage ratio	(59.39)	(36.39)	6.55	(2.78)	1.73	
Operating performance	Receivables turnover (times)	3.54	2.31	4.43	5.21	4.01	
	Average collection days	103	158	82	70	91	
	Inventory turnover (times)	6.00	4.35	13	13	22	
	Payables turnover (times)	18.91	16.35	10.84	8.09	8.55	
	Average turnover days	60	83	28	28	16	
	Property, plant and equipment turnover (times)	1.38	0.70	0.92	0.89	1.05	
	Total assets turnover (times)	0.33	0.15	0.10	0.10	0.11	
Profitability	Return on assets (%)	(28.69)	(18.95)	3.82	(8.70)	0.94	
	Return on equity (%)	(53.22)	(33.81)	7.15	(22.70)	0.91	
	Ratio of pre-tax income to paid-in capital (%)	(76.05)	(42.13)	8.29	(18.58)	0.72	
	Profit margin (%)	(87.17)	(129)	30.29	(100.94)	4.29	
	Earnings per share (NTD)	(7.78)	(6.94)	0.74	(2.17)	0.09	
Cash flow	Cash flow ratio (%)	Note A	26.18	Note A	5.50	註 A	
	Cash flow adequacy ratio (%)	Note A	Note A	Note A	Note A	註 A	
	Cash flow reinvestment ratio (%)	Note A	5.1	Note A	2.96	註 A	
Leverage	Operating leverage	Note B	19.02	Note B	Note B	0.40	
	Financial leverage	0.98	1.58	0.86	0.78	1.29	

Reasons for changes in various financial ratios in the last two years. (If the increase/decrease does not reach 20%, the analysis is not required)

(1) Reasons for changes in financial structure:

Ratio of long-term funds to property, plant and equipment: The ratio increased due to an increase in the amount of shareholders' equity during the current year.

(2) Reasons for changes in solvency:

Current ratio and quick ratio: Due to the decrease in current liabilities at the end of the current period.

Interest coverage ratio: The ratio increased mainly due to net income for the current year.

(3) Reasons for changes in operating performance:

Accounts receivable turnover ratio and average collection days: Due to the increase in accounts receivable at the end of the current period.

Inventory turnover and days sales outstanding: Due to the decrease in the average inventory.

(4) Reasons for changes in profitability:

Since it was net income for the current year, the ratio of each profitability indicator in the analysis increased.

(5) Reasons for changes in cash flow:
It was due to net cash outflow from operating activities for the current year.
(6) Leverage
It was due to operating income for the current year.
Note A: The net cash flow from operating activities was a negative figure, hence no calculation was made.
Note B: Operating loss were incurred, hence no calculation was made.

Note 1: The data for the years above has all been audited by CPAs.

Note 2: As of the publication date, the financial information has not been reviewed by CPAs.

Note 3: Calculation formulas for financial ratios

A. Financial structure

(a) Debt ratio = Total liabilities/Total assets.

(b) Ratio of long-term funds to property, plant and equipment = (Total equity + Non-current liabilities) / Net property, plant and equipment.

B. Solvency

(a) Current ratio = Current assets/Current liabilities.

(b) Quick ratio = (Current assets – Inventories - Prepayments)/Current liabilities.

(c) Interest coverage ratio = Net income before income tax and interest expense/ Interest expense in the current period.

C. Operating performance

(a) Receivables (including accounts receivable and notes receivable arising from operations) turnover = Net sales/ Balance of average receivables for each period (including accounts receivable and notes receivable arising from operations).

(b) Average collection days = 365/Receivables turnover.

(c) Inventory turnover = Cost of sales/Average inventory.

(d) Payables (including accounts payable and notes payable arising from operations) turnover = Cost of sales/Balance of average payables for each period (including accounts payable and notes payable arising from operations).

(e) Average turnover days = 365/Inventory turnover rate.

(f) Property, plant and equipment turnover = Net sales/Average net property, plant and equipment.

(g) Total assets turnover = Net sales/Average total assets.

D. Profitability

(a) Return on assets = [Profit or loss after tax + interest expense x (1-tax rate)] / Average total assets.

(b) Return on equity = Profit or loss after tax/Average total equity.

(c) Profit margin = Profit or loss after tax/Net sales.

(d) Earnings per share = (Profit or loss attributable to owners of the parent company – dividends from preferred stock)/Weighted average number of outstanding shares.

E. Cash flow

(a) Cash flow ratio = Net cash flow from operating activities/Current liabilities.

(b) Net cash flow adequacy ratio = Net cash flow from operating activities in the last five years/(Capital expenditure + Increase in inventories + Cash dividends) in the last five years.

(c) Cash flow reinvestment ratio = (Net cash flow from operating activities – Cash dividends) / (Gross property, plant and equipment + Long-term investment + Other non-current assets + Working capital).

F. Leverage:

(a) Operating leverage = (Net operating revenue – Variable operating costs and expenses) / Operating income.

(b) Financial leverage = Operating income/ (Operating income – Interest expense).

(II) Financial Analysis (Consolidated)

Item \ Year		Analysis of financial data for the last five years (Note 1)					Financial information for the quarter ended March 31, 2022
		2017	2018	2019	2020	2021	
Financial structure (%)	Debt ratio	70.79	74.17	65.16	62.62	50.33	No information (Note 2)
	Ratio of long-term funds to fixed assets	171.80	203.22	216.86	190.06	243.66	
Solvency (%)	Current ratio	131.17	134.27	149.12	111.67	161.04	
	Quick ratio	98.21	104.01	105.23	77.94	123.97	
	Interest coverage ratio	(5.41)	(3.78)	1.34	(0.82)	(1.51)	
Operating performance	Receivables turnover (times)	2.84	2.26	2.69	3.34	3.63	
	Average collection days	128	161	135	109	101	
	Inventory turnover (times)	4.16	4.22	4.65	4.9	4.76	
	Payables turnover (times)	19.45	19.98	33.44	49.19	46.64	
	Average turnover days	87	86	78	74	77	
	Property, plant and equipment turnover (times)	1.63	1.45	1.84	2.23	1.97	
	Total assets turnover (times)	0.51	0.43	0.51	0.63	0.54	
Profitability	Return on assets (%)	(9.85)	(8.37)	1.65	(2.28)	(1.24)	
	Return on equity (%)	(31.79)	(36.17)	0.62	(10.33)	(4.14)	
	Ratio of pre-tax income to paid-in capital (%)	(77.17)	(62.87)	5.14	(17.4)	(9.25)	
	Profit margin (%)	(21.83)	(23.06)	0.36	(5.87)	(3.27)	
	Earnings per share (NTD)	(7.78)	(4.21)	0.74	(2.17)	0.09	
Cash flow	Cash flow ratio (%)	Note A	12.16	9.64	17.98	15.38	
	Cash flow adequacy ratio (%)	3.79	15.84	53.38	77.56	67.61	
	Cash flow reinvestment ratio (%)	Note A	6.86	4.43	12.9	5.3	
Leverage	Operating leverage	Note B	291.94	Note B	Note B	Note B	
	Financial leverage	0.84	(0.03)	0.15	0.47	Note B	

Reasons for changes in various financial ratios in the last two years. (If the increase/decrease does not reach 20%, the analysis is not required)

(1) Reasons for changes in financial structure:

Debt-to-assets ratio: Due to subsidiaries repaying the corporate bonds in the current period, resulting in the reduction of liabilities.

Fixed assets to long term funds ratio: Due to the increase in long-term funds caused by subsidiaries' private placement.

(2) Reasons for changes in solvency:

Current ratio: Due to an decrease in short-term borrowings at the end of the current year and current portion of corporate bonds.

Quick ratio: Due to an decrease in short-term borrowings at the end of the current year and current portion of corporate bonds.

Interest coverage ratio: Mainly due to net loss for the current year and the decrease in interest expense.

(3) Reasons for changes in operating performance:

Receivables turnover (times): N/A.

Payables turnover (times): N/A.

(4) Reasons for changes in profitability:
Due to the decrease in consolidated net loss after tax and the profit or loss attributable to owners of the parent company being net profit.
(5) Reasons for changes in cash flow:
Cash flow ratio: N/A.
Cash flow adequacy ratio: Due to the decrease in net cash flow from operating activities in the current period.
Cash flow reinvestment ratio: Due to the decrease in net cash flow from operating activities in the current period.
(6) Reasons for changes in leverage:
Operating leverage: N/A.
Financial leverage: N/A.
NoteA: The net cash flow from operating activities was a negative figure, hence no calculation was made.
Note B: Operating loss were incurred, hence no calculation was made.

Note 1: The data for 2017 through 2021 has all been audited by CPAs.
Note 2: As of the publication date, the financial information has not been reviewed by CPAs.
Note 3: Calculation formulas for financial ratios

A. Financial structure
(a) Debt ratio = Total liabilities/Total assets.
(b) Ratio of long-term funds to property, plant and equipment = (Total equity + Non-current liabilities) / Net property, plant and equipment.

B. Solvency
(a) Current ratio = Current assets/Current liabilities.
(b) Quick ratio = (Current assets – Inventories - Prepayments)/Current liabilities.
(c) Interest coverage ratio = Net income before income tax and interest expense/Interest expense in the current period.

C. Operating performance
(a) Receivables (including accounts receivable and notes receivable arising from operations) turnover = Net sales/ Balance of average receivables for each period (including accounts receivable and notes receivable arising from operations).
(b) Average collection days = 365/Receivables turnover.
(c) Inventory turnover = Cost of sales/Average inventory.
(d) Payables (including accounts payable and notes payable arising from operations) turnover = Cost of sales/Balance of average payables for each period (including accounts payable and notes payable arising from operations).
(e) Average turnover days = 365/Inventory turnover rate.
(f) Property, plant and equipment turnover = Net sales/Average net property, plant and equipment.
(g) Total assets turnover = Net sales/Average total assets.

D. Profitability
(a) Return on assets = [Profit or loss after tax + interest expense x (1-tax rate)] / Average total assets.
(b) Return on equity = Profit or loss after tax/Average total equity.
(c) Profit margin = Profit or loss after tax/Net sales.
(d) Earnings per share = (Profit or loss attributable to owners of the parent company – dividends from preferred stock)/Weighted average number of outstanding shares.

E. Cash flow
(a) Cash flow ratio = Net cash flow from operating activities/Current liabilities.
(b) Net cash flow adequacy ratio = Net cash flow from operating activities in the last five years/(Capital expenditure + Increase in inventories + Cash dividends) in the last five years.
(c) Cash flow reinvestment ratio = (Net cash flow from operating activities – Cash dividends) / (Gross property, plant and equipment + Long-term investment + Other non-current assets + Working capital).

F. Leverage:
(a) Operating leverage = (Net operating revenue – Variable operating costs and expenses) / Operating income.
(b) Financial leverage = Operating income / (Operating income – Interest expense).

III. The Audit Committee's Review Report

Gigastorage Corporation
Audit Committee's Review Report

The Board of directors has prepared the Company' s 2021 business report, consolidated financial statements, the parent company only financial statements and proposal of deficit compensation. Chung, Ming -Yuan and Huang, Yu-Feng Certified Public Accountants of Deloitte & Touche have audited the consolidated financial statements, the parent company only financial statements, and submitted an audit report.

The above business report, consolidated financial statements, the parent company only financial statements, and proposal of deficit compensation have been reviewed and determined to be correct and accurate by the Company's Audit Committee, as the Audit Committee, hereby submit this report according to Article 14-4 of the Securities and Exchange Act, and Article 219 of the Company Act.

To

2022 Annual General Shareholders' Meeting of Gigastorage Corporation

Gigastorage Corporation

Chair of the Audit Committee:

WANG, MING-LANG

March 30, 2022

IV. Financial Statements for the Most Recent Year:

Please refer to Attachment 1 of this annual report.

V. Financial Statements of the Parent Company only for the Most Recent Year Audited by the CPA:

Please refer to Attachment 2 of this annual report.

VI. In the most recent year and as of the publication date of the annual report, if any financial difficulties occur among the Company and its affiliated companies; their effect on the Company's financial status should be specified: None.

Seven. Review and Analysis of Financial Conditions, Financial Performance, and Risk Management

I. Financial Conditions Analysis

(I) Table of comparative analysis into financial status

Expressed in Thousand NT Dollars

Items \ Year	December 31, 2020	December 31, 2021	Difference	
			Amount	%
Current assets	8,532,002	7,209,513	(1,322,489)	(15.5)
Property, plant and equipment	4,118,971	4,114,623	(4,348)	(0.1)
Intangible assets	424,161	412,600	(11,561)	(2.7)
Other assets	2,602,181	3,035,831	433,650	16.7
Total assets	15,677,315	14,772,567	(904,748)	(5.8)
Current liabilities	7,634,020	4,476,643	(3,157,377)	(41.3)
Non-current liabilities	2,184,614	2,959,719	775,105	35.5
Total liabilities	9,818,634	7,436,362	(2,382,272)	(24.3)
Capital stock	2,859,057	2,859,057	-	-
Capital surplus	250,109	498,574	248,465	99.3
Retained earnings	(401,015)	(362,976)	35,039	8.7
Other equity	(173,047)	(100,090)	72,957	42.2
Non-controlling interests	3,323,577	4,441,640	1,118,063	33.6
Total shareholder equity	5,858,681	7,336,205	1,477,524	25.2

In case of a change over 20% between the preceding and the current term with the amount in the change in excess of NT$30 million, the major reason behind, analysis into the impact:

(1) Current liabilities: Mainly due to the payment of the relevant royalties and interest expenses estimated in the previous period for the reconciliation between the Company and Philips in the current period, and the redemption of CB2 corporate bonds of the subsidiary Giga Solar Materials.

(2) Non-current liabilities: Mainly due to that the unredeemed part of the subsidiary Giga Solar Materials' CB2 corporate bonds were reclassified as non-current and the increase in the Group's long-term bank borrowings.

(3) Capital surplus: Mainly due to the private placement for capital increase of the subsidiary Giga Solar Materials in the current period.

(4) Other equity: Due primarily to the increase in the unrealized gain in the financial assets measured at FVTOCI.

(5) Non-controlling interests : Mainly due to the private placement for capital increase of the subsidiary Giga Solar Materials in the current period.

Note: The financial status of Year 2020 and Year 2021 were provided by means of consolidated financial statements. At the date of issuance of this consolidated financial report, the required market evaluation and other calculations have been completed, and the Consolidated Company has adjusted the original accounting

treatment and provisional sum since the acquisition date, and restated the comparative information.

(II) In case of a significant impact, should explain the countermeasure plans in the future: The aforementioned financial and business status did not pose any significant impact at all.

II. Financial Performance Analysis

(I) Table of comparative analyses on the result of business operation

Expressed in Thousand NT Dollars

Year / Account titles	2020	2021	Amount in increase (decrease)	Ratio of change %
Operating revenues	9,554,735	8,347,818	(1,206,917)	(12.6)
Operating costs	8,323,634	7,683,909	655,354	7.8
Operating gross profit	1,231,101	663,909	(551,563)	(45.9)
Operating expenses	1,034,653	1,006,960	27,693	2.7
Net other income and expenses	(409,885)	254,805	664,690	162.2
Net operating loss	(243,088)	(102,268)	140,820	57.9
Non-operating income and expenses	(254,553)	(162,446)	92,107	36.2
Net income (loss) before tax	(497,641)	(264,714)	232,927	46.8
Income tax expense	63,339	8,943	(54,396)	85.9
Net income (loss)	(560,980)	(273,657)	287,323	51.2
Other comprehensive income	72,028	200,936	128,908	179.0
Total comprehensive income	(488,952)	(72,721)	416,231	85.1

In case of a change over 20% between the preceding and the current term with the amount in the change in excess of NT$30 million, the major reason behind, analysis into the impact:

(1) Decrease in gross profit: Mainly due to the decrease in the sales unit price of conductive paste and the increase in cost of the consolidated company compared with the previous period, resulting in a decrease in gross profit over the previous period.

(2) Net increase in other gains and losses: Due to that the loss for Philips' patent litigation compensation was partially reversed in the current period for the reconciliation between the Company and Philips according to the results of the original judgment of second-instance.

(3) Decrease in net operating loss: Due to that the loss for Philips' patent litigation compensation was partially reversed in the current period for the reconciliation between the Company and Philips according to the results of the original judgment of second-instance.

(4) Decrease in non-operating expenses: Mainly due to the increase in financing costs and the loss from impairment of non-financial assets recognized in the previous period, so it is a net non-operating expense.

Year / Account titles	2020	2021	Amount in increase (decrease)	Ratio of change %
In case of a change over 20% between the preceding and the current term with the amount in the change in excess of NT$30 million, the major reason behind, analysis into the impact: (5) Decrease in net loss before tax and the net loss for the current period: Due to the loss for Philips' patent litigation compensation recognized for the previous period for the reconciliation between the Company and Philips according to the results of the original judgment of second-instance. (6) Increase in other comprehensive income: Mainly due to the increase in the valuation interests of financial assets recognized in the current period. (7) Decrease in comprehensive loss in the current period: Mainly due to the decrease in net loss in the current period and the increase in other comprehensive income.				

Note: The financial performance for Year 2020 and Year 2021 was filled with the data in the consolidated finance.

(II) The potential impact from the anticipated sales volume and the grounds thereof upon the Company's future financial performance and the countermeasures plans:

The Group's main products in the consolidated revenue are solar conductive paste. Therefore, the future sales of the Group are closely related to the development trend of the photovoltaic industry. The world will enter the post-pandemic era in 2022, and the demand for solar energy installations coming off the darkness of the pandemic period is expected to grow rapidly. Many forecasting agencies have estimated that 2022 is the year for an explosive growth, and there should be demand for 200 to 220 GW of modules for the whole year.The current solar system power generation cost has remained stable and is relatively low. Furthermore, after the suppliers through competition to eliminate the weak and retain strong, the supply and demand will be balanced. In an attempt to set up the order in the market anew, the Company shall continually endeavor to boost the conversion efficiency to enhance product competitiveness, and at the same time, through the development of terminal systems and power plant investment, the Company attempts to control downstream demand and accelerate the introduction of the Company's three-in-one (aluminum paste, back silver paste, positive silver paste) strategy so as to expand the Company's space into overall profitability. Moreover, the Group has been vigorously expanding its business horizons in recent years, including notably the reinvestment into its subsidiary Giga Diamond Materials Corporation and domestic related companies, taking account that the competition of solar conductive pastes would become increasingly fierce and as a natural result of the influence of the global solar energy environment and government policies, the performance was not as good when compared with the past. In order to enhance the Company's overall profitability and strengthen its

competitive edge, other than the effort of continuing to strengthen solar cell pastes, the Company equally focused on vertical development of special raw materials required for the pastes, the horizontal development of materials required for energy-saving industries and semiconductor polishing and regenerated wafers, e.g. reinvesting in the electric uses of Tron-e Technology Co., Ltd. into its electronic buses, the cathode materials used in the production of energy storage batteries by the core and energy (Green Energy Electrode, Inc.), the carbon silicon anodes used in the electric vehicles and energy storage used by the Company, and the investment in Giga Diamond Materials Corporation and Hua Hsu Optotech Co., Ltd. The semiconductor-related manufacturing processes of the Company well indicate the Company's sound layout in the energy materials. Along with the continued development of the electric vehicle industry in the future, it is expected that such industry will gradually grow stronger to expand the overall revenue project and effectively strengthen the Company's overall competitive edge. In turn, the Company's overall operation performance can become increasingly steady.

III. Cash Flow Analysis

(I) Liquidity analysis for the most recent year

Expressed in Thousand NT Dollars

Beginning cash balance ①	Annual cash flow from the operating activities②	Annual cash flow resulting from investment and financing activities③	Amounts in cash surplus (shortfall) ①+②+③	Countermeasures toward inadequate cash	
				Investment plans	Wealth management plan
2,693,564	688,755	(355,177)	3,027,142	-	-

1. Operating activities: Mainly due to the continuous control of accounts receivable and inventories and the payment for the Philips settlement in the current period, resulting in a decrease in cash flows compared with the previous period, but there are still net cash flows generated from operating activities.
2. Investment activities: Mainly due to the acquisition of property, plant and equipment in the current period, resulting in net cash used for investing activities.
3. Financing activities: Mainly due to the subsidiary hand private placement for cash capital increase and the increase in long-term bank borrowings, resulting in net cash generated from financing activities.

(II) Improvement plan for liquidity shortfall: Not applicable.

(III) Analysis into liquidity in the cash flow within one upcoming year.

Beginning cash balance①	Net cash flow from operating activities anticipated in entire year.②	Annual cash flow anticipated for investment and financing activities ③	Anticipated surplus (shortage) in cash balance ①＋②+③	Remedial measures against anticipated surplus (shortage) in cash	
				Investment plans	Wealth management plan
3,027,142	1,052,956	430,810	4,510,908	-	-

1. Analyses into changes in cash flows:
   (1) Operating activities: The Company continues to manufacture solar conductive paste products and engage in power plant engineering business. It is estimated that the profit of conductive paste products and the increase in cash from accounts receivable will lead to an increase in net cash flow generated from operating activities.
   (2) Investing activities: It is expected that the increase in expenditure on purchasing production equipment by subsidiaries and the increase in capital increase in joint ventures will result in net cash flow used for investing activities.
   (3) Financing activities: Net cash flow generated from financing activities arising from the completion of the Company's Q1 capital increase and the anticipated cash capital increase, repayment of long-term and short-term borrowings of the subsidiary, etc.
2. Remedial measures toward anticipated cash shortfall and analyses into the liquidity: Nil

IV. The Impact of Major Capital Expenditures in Recent Years on Financial Operations: Nil.

V. Recent Reinvestment Policy, Major Reasons for Profits or Losses, Improvement Plan and Investment Plan for the Following Year :

(I) The reinvestment policies

On the grounds of the Company's long-term operating goals and strategies, the Group's investment policy for the most recent year is primarily focused on investment in photovoltaic materials, domestic solar power plants, electric vehicles, and energy materials. The Company is vigorously developing optoelectronic materials. Dominating the characteristics that call for excessively high capital expenditures and in line with market trends and the Company's core technology in the material field, the Company tries to create a higher rate of return. Currently, the reinvestment company Giga Solar Materials Corporation and Giga Diamond Materials Corporation are both upstream materials in the solar energy industry chains. Giga Solar Materials Corporation invested in Green Energy Electrode, Inc. for the positive electrode materials to be used in the core and Company's electric vehicles and energy storage batteries, and the electric vehicles and carbon-silicon

anodes used in energy storage developed by Giga Solar Materials Corporation began to vigorously deliver samples. The Company is believed the yield benefit from the layout of energy materials. In the days and years ahead it will gradually grow stronger and contribute to the Group's new sources of profit.

(II) Major reasons behind profit or loss and the remedial plans

The Company's investment in Thailand's GAT Company was negatively affected by China's 531 policy, and the demand for solar polysilicon wafers and the unit price decreased significantly. As a result, in Year 2018, in accordance with International Accounting Standards Board (IASB) #36, the Company assessed and listed impairment losses The Company has shut down the Thai GAT silicon business , and sold the GAT plant to others in Year 2020. The transaction was completed at the end of 2021.

The Company's subsidiary HO MI Specialty Materials suffered a small loss in its overall operation in 2021 mainly because 1. The pandemic caused the sharp increase in raw materials and freight costs, reducing the profitability of some products; 2. Some industries had oversupply and slower demand in the second half of the year; 3. At the same time, due to the pandemic situation, the quarantine of clients' personnel and other factors delayed the introduction schedule of products verified by clients. Looking forward to 2022 years, HO MI Specialty Materials will actively expand the relevant customer base of homogeneous products and extend new products to focus on customization of products and services. At the same time, the Company will negotiate with customers to carry out reasonable product price increases to maintain gross profit and keep up with the cost.

The Company's subsidiary Giga Solar Materials has a net loss after tax of NT$445,878 as in 2021. Although the number of solar installations increased slightly in 2021, the reduction in clients' printing weight and the pandemic affected the flow of people and logistics resulted in the decrease in overall shipment and profits of the main product, front-side silver paste, in 2021. Due to the high conversion efficiency and good price-performance ratio of front-side silver products, and that front-side silver paste accounts for a high percentage in the production cost of cells, which has the greatest impact on cell efficiency, customers still prefer efficiency. Giga Solar Materials takes the most appropriate and effective hedging measures for raw materials in various cost control measures to respond to the fluctuation of international silver price quotations. As large-sized solar wafers get thinner, the technical strength of R&D of solar paste companies is getting increasingly tested. Giga Solar Materials is dedicated to research and development of high-performance products, and collaborates with customers to develop more HJT and IBC in addition to the existing PERC and TOPCon products, and will actively develop world-renowned clients to maintain competitive advantage.

During Year 2021, Whole Sun Green Power Co., Ltd., an investee of Giga

Solar Materials Corporation, generated power stably due to power stations under its domination. The operating profit so gained were used to support the operation needs of Giga Solar Materials Corporation. In the future, it would continually face up to the power station operation with a more prudential and conservative policy. Other than the efforts to obtain stable income from high-efficiency power stations, it would further to sell out power stations continually and vigorously in the Philippines in the hope to recover the backlog of construction funds on uncompleted projects. Through such efforts, they attempt to improve the financing its subsidiaries.

In 2021, Giga Diamond Materials, an affiliate invested by Giga Solar Materials, adopted the stock swap approach to acquire 100% share of Hua Hsu Optotec to reinforce its product planning and improve the Group's competitive advantage and business performance. The 2021 consolidated revenue of Giga Diamond Materials increased by more than 200%, and the loss has been controlled. The electroplated diamond wire cutting technology originated in Japan. After the competitors in China rushed into the market, the products are mostly manufactured there, which also speeds up the evolution of the manufacturing process, giving them the price power. Giga Diamond Materials has continued to develop new products in the applications of other cutting wires amid competition. Giga Diamond Materials is expected to gradually expand its product in 2022 to take steps toward the breakeven point.

Green Energy Electrode, an affiliate invested by Giga Solar Materials, mainly manufactures lithium iron phosphate cathode materials for electric vehicles and energy storage batteries. In 2020, Yancheng Core Materials Co., Ltd. and its production line were established in Yancheng, China. Due to the impact of the pandemic and the production having not reached the full capacity in 2021, the company is still operating at a loss. Due to the increasing demand for electric vehicles in the market in China and products having been certified by customers, it is expected that the 2022 revenue will increase significantly, further increasing the Group's profit.

(III) Plans to invest in the one year ahead

The Group is still primarily engaged in the fields of photovoltaic materials, domestic solar power plants and energy materials. Other than its effort to expand the effectiveness of the current reinvestment, it also strives for emerging industries with high growth prospects by exploring new market trends, and continues to develop solar terminal systems and power plant investments. In turn, they would grasp the downstream demand, expand the Company's overall profitability; continue to deploy energy materials, e.g. energy storage battery cathode materials and carbon silicon anode in order to expand the Company's room for overall profitability and in turn, to maximize the Company's benefit.

VI. Risk Analysis and Assessment： The Company Should Analyze and Evaluate the Following Issues in the Latest Fiscal Year and as of the Publication Date of the Annual Report

(I) The impacts of the changes in interest rates, exchange rates, inflation upon the Company's profit and/or loss and the future countermeasures:

1. The impacts of the changes in interest rates

Expressed in Thousand NT Dollars

Items \ Year	2020	2021
Interest expense	91,442	83,194
Net income(loss) before tax	(497,641)	(264,714)
The percentage of interest expense to the net income(loss) before tax (%)	18.38	31.43

Sources: The combined financial statement duly audited by the certified public accountants.

In Year 2020 & 2021, the combined interest expense of the loans borrowed from the banks came to NT$91,442 thousand and NT$83,194 thousand respectively. Both the Company and its subsidiaries have maintained very sound and close ties with correspondent banks. In the future, they shall continually be watchful of the changes in the interest rates and the trend of the global economic development and will vigorously try to negotiate with the correspondent banks to lower interest rates to adopt countermeasures as appropriate in real time to avoid risks linked up with rising interest rates. Accordingly, the changes in interest rates would pose an insignificant impact upon the Company and its subsidiaries in terms operating revenues and profitability.

2. The impacts of the changes in exchange rates

Expressed in Thousand NT Dollars

Items \ Year	2020	2021
Income (loss) in foreign exchanges	2,550	(81,839)
Net income (loss) before tax	(497,641)	(264,714)
The percentage of income (loss) in foreign exchanges to the net income before tax (%)	0.51	3.23

Sources: The combined financial statement duly audited by the certified public accountants.

The exchange gains (losses) of the Company and its subsidiaries in 2020 and 2021 were NT$ 2,550 thousands and NT$ (81,839) thousands, respectively. The exchange gains in 2020 accounted for only 0.51% of the net

loss before tax because the fluctuation of US dollar was relatively small and net asset position in US dollar held by Giga Solar Materials decreased. The increase in foreign exchange loss in 2021 accounted for 3.23% of the net loss before tax, which was due to the large fluctuations in the exchange rate of the US dollar and the Philippine peso. Overall, changes in exchange rates have a certain impact on the profit and loss of the Company and its subsidiaries. The 2021 exchange loss increased significantly, mainly due to the depreciation of the Philippine peso and the US dollar against the Taiwan dollar, which resulted in substantial unrealized exchange losses of the subsidiary Whole Sun Green Power. The exchange losses were not generated from sales of goods and were unrealized. After Whole Sun Green Power sells the power station in the Philippines and repays the loans in US dollar, the impact of exchange rate fluctuations will be reduced. The sales and purchases of the subsidiary Giga Solar Materials are mostly denominated in US dollars, and because it takes a long time to collect payments from its subsidiaries, it presents a net foreign currency asset position in US dollars, and exchange rate changes have a certain degree of impact on the Company's profits. Giga Solar Materials Corporation adopted the relevant countermeasures as enumerated below:

(1) Its Department of Finance closely watches the political and economic update in the international community and maintain very close ties with the financial institutions to collect exchange rate related updates in real time so as to firmly dominate the trend in changes in exchange rates and future pulsation.

(2) The financial staff, closely based on the future exchange rate trend, tries to maintain sound foreign exchange position and buy and sell foreign currencies in due time at their discretion so as to minimize the impact from changes in exchange rates upon the company's profitability.

(3) They duly offset the items of assets in U.S. dollars and liabilities in U.S. dollars among themselves to assure sound hedging effect for the assets among changes in exchange rates.

Giga Solar Materials Corporation has adopted such natural hedging method and bill discounting to collect accounts receivable as early as possible to minimize position exposing to risks and, in turn, to minimize the impact from fluctuation in U.S. dollars upon the Group's net profit.

3. Impact from inflation

The Company and its subsidiaries primarily engage in manufacture of

photoelectric materials and products where the prices of their raw materials & materiel are subject to little impact of inflation. Besides, the Company, as well, closely watches the fluctuation of prices of their raw materials & materiel to launch procurement in real time. That would significantly minimize the impact of inflation upon the Company's profitability.

(II) Business undertakings into highly risky, high leverage, loaning funds to others, endorsements/guarantees and derivative financial instruments related transactions, major reasons behind profit or loss and the future countermeasures:

The Company and its subsidiaries do not engage in business undertakings into highly risky, high leverage. To assure maximum possible utilization of resources, the Company did loan funds to its subsidiaries and render endorsements/guarantees to subsidiaries. All such undertakings have been conducted exactly in accordance with the Handling Procedures for Loaning of Funds and Making of Endorsements/Guarantees. In terms of transaction in derivative financial instruments, the Company aims at the purpose of evading foreign exchange related risks and engages in such transaction exactly in accordance with the Procedures for the Acquisition or Disposal of Assets and derivative financial instruments related rules. Moreover, on a regular basis, the Company reports to its Board of Directors about the performance and the profit and/or loss. The aforementioned information concerned has been promulgated into the Market Observation Post System (MOPS) readily accessible to investors.

(III) The future research & development plans and the expenses anticipated to be invested into research & development:

The future R&D plans of the Company and its subsidiaries are described as follows:

Energy materials

1. Development of high-efficiency solar cell paste: Electronic paste is mainly used for the improvement of the efficiency of solar conductive paste to improve the conversion efficiency of solar cells.
2. Development plans for photovoltaic ribbon M10, G12, etc.
3. The energy storage materials are lithium battery anode and silicon-oxygen materials, which can improve the energy density of lithium batteries, reduce the unit of specific energy, and achieve the important goal of lightweight batteries.
4. Development of electrodes for automotive lithium battery materials.

Biomedical and electronic materials:

5. Low temperature curing materials. Photoelectric and power semiconductor solid crystal heat dissipation applications, continuous blood glucose monitoring applications, solar cell applications, high-reliability automotive electronics and vapor chamber bonding materials.
6. Manufacture and process development for 12-inch test-grade semiconductor silicon wafers.
7. Development and design of micro-scale heat dissipation key components.
8. Diamond thin film deposition technology with hot filament chemical vapor/microwave plasma chemical vapor methods.

As estimated by the Company that Year 2022 it would invest NT$330,000 thousand in terms of annual R&D expenses. with the expansion of business scale in the future, the annual R&D expenses will be gradually increased to enhance competitive edge toward the target products and stabilize the Company and its market position and for its subsidiaries.

(IV) The potential impact brought by changes in major policies at home and abroad and changes in laws upon the Company's properties and business operation and the countermeasures thereof:

Both the Company and its subsidiaries are closely watchful of the development trends of solar energy and changes in laws in all countries throughout the world to firmly dominate the changes in the market ambiance. Through such efforts, they try to minimize the potential impact brought by changes in major policies at home and abroad and changes in laws upon the Company and its subsidiaries in terms of properties and business operation.

(V) Effect on the company's financial operations of developments in science and technology (including cybersecurity risk) as well as industrial change, and measures to be taken in response:

The novel coronavirus pandemic has rewritten the global affairs and technology trends. With the consensus in international affairs, post-pandemic social norms and environmental protection, and policy support, electric autonomous vehicles, cloud services and green energy power generation will become the trend of future industrial development. The Company and its subsidiaries have kept track of industry changes and market trends and the development and changes relevant technologies.

In order to promote cybersecurity-related policies, implement related incident reporting and contingency measures, the Company and its subsidiaries regularly assess cybersecurity risks, implement relevant education and training, and formulate audits for the implementation of cybersecurity maintenance plans to rigorously put risk management of cybersecurity into practice.

The Company and its subsidiaries have not yet experienced major impacts on the financial condition due to technology or industry changes as of the most

recent years and the date of the publication of annual report.

(VI) The potential impact brought by changes in the corporate image upon the Company in risk management and the countermeasures thereof:

Since the Company and its subsidiaries came into being into business operation, they have vigorously tried to strengthen the business management for the Company and its subsidiaries and have faithfully complied with the laws and ordinances concerned so as to continually uphold decent corporate image. In the latest fiscal year and as of the publication date of the annual report, there has not been any significant change in corporate image that would become a crisis to the enterprise.

(VII) The benefit anticipated from corporate merger/acquisition (M&A), the potential risk and the countermeasures: Nil .

(VIII) Benefit anticipated to be yielded from factory expansion, the potential risk and countermeasures:

In 2021, Giga Solar Materials purchased the plants in Taichung Industrial Park and Hsinchu Industrial Park. The investment is meant for expanding the semiconductor manufacturing process of its subsidiary Giga Diamond Materials and the mass production capacity for Giga Solar Materials' battery materials.

(IX) The potential risk to be cast by centralized procurement or sales and the countermeasures:

Both the Company and all its subsidiaries have maintained very friendly and close ties with its suppliers. Toward the major raw materials to be procured, they maintain at least two or more supply sources. During Year 2020, nevertheless, the aggregate total procurement from the top suppliers even came to approximately 62%, suggesting an excessively concentration risk against which the Company and all its subsidiaries have adopted the following countermeasures:

1. They place purchase orders toward the suppliers based on the estimated requirements volume six months beforehand and, on a monthly basis, they check and update the volume of substantial need in the ensuing month.
2. The adopt the foundry OEM model and the leasing silver ingot model to minimize the turnover and inventory time.
3. Whenever their new customers or new purchase orders come into being, they would try to find out other appropriate suppliers.
4. They continually without an interruption try to look for new suppliers to lower their dependency upon the two aforementioned suppliers.

After the Company and all its subsidiaries expand their business operation scale and horizons, they have spared on effort to find out new suppliers. Toward the existent customers, they do not rule out the opportunities for adoption of Second Source with sample offering for verification. At the moment, the photovoltaic markets are developing upward to high conversion efficiency battery know-how. In the phase when next generation new products would be introduced into the markets, it would suggest a golden time to introduce the second sources toward existent customers. This would bring out even better efficiency whenever other supplies are adopted. We firmly believe that customers take great pleasure in adopting our products.

In terms of sales performance, the customer bases of the Company and its subsidiaries have been virtually scattered. In Year 2020 and Year 2021 there were not customer that would account for more than 20% of the total sales volume to form a risk of concentrated sales.

(X) The potential impact and risks to be incurred by directors and supervisors and top 10 shareholders who would massively transfer and replace equity and the countermeasures:

In the latest fiscal year and as of the publication date of the annual report, the Company's directors and supervisors and top 10 shareholders have not massively transferred and replaced equity.

(XI) The impact and risks from changes in the managerial powers upon the Company and the Company's countermeasures:

In the latest fiscal year and as of the publication date of the annual report, the Company proves free of any chances in managerial power.

(XII) In terms of litigious & non-litigious issues, should expressly enumerate the significant litigation, non-litigation events implicated by the Company, the Company's directors and supervisors, general managers, substantial responsible persons, key shareholders holding more than 10% and the affiliated companies which have been judged with final decisions or those outstanding litigious & non-litigious events and administrative cases the outcome of which might impose a significant impact upon the shareholder equity or securities prices. The Company should disclose the facts, target amounts, starting date, major contents in dispute, key litigation people involved and the settlement as of the publication date of the annual report.

Koninklijke Philips N.V. (hereinafter referred to as "Philips") filed a

civil lawsuit against the Company on April 28, 2014, claiming that the DVD-R and DVD-RW products manufactured and sold by the Company had infringed Patent No. 82864 (hereinafter referred to as "Patent in Dispute"), demanding the Company to compensate NT$10 million (in New Taiwan dollars, as equally applicable hereinafter) and the interest calculated at 5% per annum from the day following the service of the complaint to the day of settlement. Subsequently on May 13, 2015, Phillips expanded the claim for damages up to NT$1.05 billion The Intellectual Property Court rendered the first instance judgment on March 2016, ordering the Company to pay Phillips a sum of NT$10.5 million plus interest starting from June 25, 2015 until the date of payment at 5% per annum. In response to the amount rendered in the aforementioned judgment, the Company has provided an amount of NT$10.5 million counter-guarantee which has been lodged.

Subsequently the issue was appealed up to the 2nd and 3rd trials and was returned by the 3rd trial for a retrial. The Intellectual Property Court rendered on May 14, 2020 Civil Judgment Year 2018 Min-Zhuan-Shang-Geng-(I)-Zi 4 ordering the Company to further pay Phillips NT$498.85447 million plus interest starting from June 25, 2015 to the date of payment at 5% per annum. On the payment ordered above, Phillips demanded provisional execution after Phillips provides a guarantee in an amount equivalent to NT$136.63 million or issues letter issued by the bank in an equivalent amount. The Company, on the other hand, provides for Phillips security amounting to NT$498.85447 million as guarantee advance for Phillips to be exempted from provisional execution. In response to the amount rendered in the present Judgment, the Company already lodged NT$498.85447 million security with Taiwan Hsinchu District Court. Later in September 2020, the Company was approved of replacement of the security collateral and accordingly, the aforementioned amount in cash was replaced with a letter of guarantee of the equivalent amount. For the parts where the Company and Phillips were a loser, both the Company and Phillips duly appeared to the Supreme Court.

The Company has formally signed a confidential settlement agreement with Philips on April 28, 2021. According to the agreement, Philips withdrew all enforcement of the case on May 12, and the Company and Philips withdrew the civil and administrative litigation of third-instance on May 13, 2021.

On June 3 the same year, the Company retrieved the letter of guarantee with a face value of NT$409,885,447 issued by North Hsinchu Branch of Shanghai Commercial and Savings Bank, which was deposited at the court,

and, on June 21, 2021 retrieved the security deposit for procedural purposes of first-instance, NT$ 10.5 million in cash, and the interest of NT$ 56,148 from security deposit for retrial from Hsinchu District Court, and has received part of the judgment fee refunded by the Supreme Administrative Court and the Supreme Court.

In summary, all litigation and non-litigation proceedings between the company and Philips have been concluded.

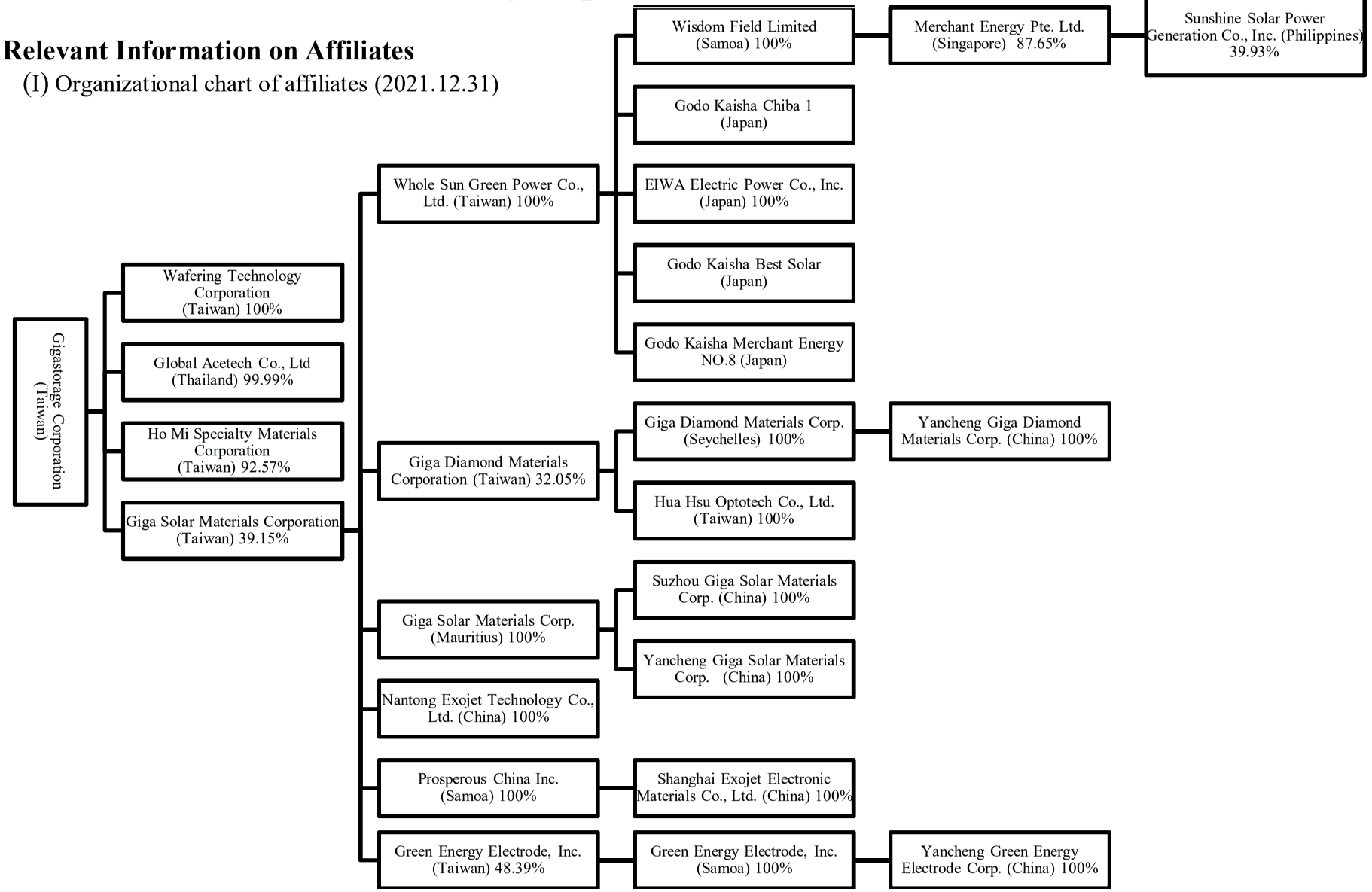
(XIII) Other significant risks and countermeasures: Nil.

VII. Other Important Matters : Nil .

Eight.Special Disclosures

I. Relevant Information on Affiliates

(I) Organizational chart of affiliates (2021.12.31)



(II) Basic information on affiliates and the industries they covered

Unit: In NTD/Foreign Currency (Thousand) Date: December 31, 2021

Company Name	Date of Incorporation	Address	Paid-in Capital	Principal Business
Wafering Technology Corporation	2007.02	No. 3, Gongye 1st Road, Hukou Township, Hsinchu County	269,961	Solar energy business
Giga Solar Materials Corporation	2003.07	1F, No. 3, Gongye 1st Road, Hsinchu Industrial Park, Hukou Township, Hsinchu County	758,834	Precision chemical materials, industrial plastic products
NEW ELITE INVESTMENTS LIMITED	(Note 1)	Offshore Chambers, P.O.Box 217,Apia, Samoa	-	General investment
GLOBAL ACETECH CO.,LTD	2006.06	300 Moo 7., Tombol Thatoom., Amphur Srimaphaphot., Prachinburi 25140 , Thailand	THB295,750	Solar energy business
Ho Mi Specialty Materials Corporation	2012.02	No. 3, Gongye 1st Road, Hsinchu Industrial Park, Hukou Township, Hsinchu County	101,000	Precision chemical materials
Green Energy Electrode, Inc.	2009.03	1F, No. 3, Gongye 1st Road, Hsinchu Industrial Park, Hukou Township, Hsinchu County	327,732	Manufacturing and trading of energy materials
Giga Solar Materials Corp.(Mauritius)	2011.01	Level 3.Alexander House,35 Cybercity,Ebene,Mauritius.	USD 17,900 CNY35,000	General investment
Suzhou Giga Solar Materials Corp.	2011.07	3F, Building 3, No. 38, Beiguandu Road, Yuexi Street, Wuzhong District, Suzhou City, Jiangsu Province	USD3,000	Photovoltaic process debugging service
Whole Sun Green Power Co., Ltd.	2012.01	No. 18, Ziqiang Rd., Hukou Township, Hsinchu County , Taiwan (R.O.C.)	1,265,169	Solar energy business
Wisdom Field Limited (Samoa)	2012.11	Offshore Chambers, P.O. Box 217, Apia, Samoa	USD 37,110	General investment
EIWA Electric Power Co., Inc.	2013.08	Fukushima, Japan	￥26,000	Solar energy business
Merchant Energy Pte. Ltd	2015.10	152 Beach Road #14-03 Gateway East Singapore (189721)	USD34,000	General investment
Sunshine Solar Power Generation Company Inc. (Philippines)	2015.12	17th Floor, Lepanto Building, Paseo de Roxas, Makati City, Philippines	PHP1,325,342	Solar energy business
Giga Diamond Materials Corp.	2015.12	1F, No. 3, Gongye 1st Road, Hsinchu Industrial Park, Hukou Township, Hsinchu County	1,143,870	Manufacturing and trading of metal wire products
Yancheng Giga Solar Materials Corp.	2016.01	No. 108, Wutaishan Road, Yancheng Economic Development Zone, Jiangsu Province	USD 14,900 CNY35,000	Photovoltaic process debugging service
Giga Diamond Materials Corporation	2016.01	1st Floor, #5 DEKK House, De Zippora Street, Providence	USD 19,200	General investment

Company Name	Date of Incorporation	Address	Paid-in Capital	Principal Business
(Seychelles)		Industrial Estate, Maché, Republic of Seychelles		
Yancheng Giga Diamond Materials Corp.	2016.06	No. 108, Wutaishan Road, Yancheng Economic Development Zone, Jiangsu Province	USD 19,200	Production, manufacturing and sales of wire materials
Hua Hsu Optotech Co., Ltd.	2010.01	No. 8, 10th Road, Taichung Industrial Park, Xitun District, Taichung City	81,000	Wafer surface treatment, silicon material processing, auxiliary materials for solar energy and silicon materials, OEM, etc.
Green Energy Electrode,Inc(Samoa)	2018.08	Level2, Lotemau Centre Building, Vaea Street,Apia, Samoa	USD 6,000	General investment
Yancheng Green Energy Electrode Corp.	2019.02	No. 108, Building 5, Wutaishan Road, Yancheng Economic Development Zone, Jiangsu Province	USD 6,000	Manufacturing and trading of energy materials
Prosperous China Inc.Prosperous China Inc. (Note 3)	2000.08	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa.	USD 500	General investment
Nantong Exojet Technology Co., Ltd. (Note 2)	2016.12	No. 333-1, Yantai Road, Binjiang Street, Haimen City	USD 5,000	Manufacturing and sales of thick film materials for passive components
Shanghai Exojet Electronic Materials Co., Ltd.	2001.05	538 Jindu Road, Minhang District, Shanghai	USD 350	Manufacturing and sales of thick film materials for passive components

Note 1: As Godo Kaisha Best Solar, Godo Kaisha Chiba 1, and Godo Kaisha Merchant Energy No.8 are investees by the Company under a Japanese TK-GK structure, Giga Solar Materials Corporation has no voting rights in said companies, so they are not included in the table above. However, according to the contracts signed with them, Giga Solar Materials Corporation has the economic beneficial interests in them, and these entities have to consult the Giga Solar Materials Corporation in advance for any major decisions to be made, so they are included in the Group.

Note 2: Haimen Exojet Technology Co., Ltd. has completed the change registration on April 22, 2021, and changed its name to Nantong Exojet Technology Co., Ltd.

(III) Information on directors, supervisors, and presidents of affiliates

Unit: Share; %; Date: December 31, 2021

Company Name	Title	Name or Representative	Number of Shares	
			Held	Percentage
Wafering Technology Corporation	Director/ Chairman Director Director Supervisor	Representative of Gigastorage Corporation: Chen, Chi-Ming Representative of Gigastorage Corporation: Tsai, Lii-Chuan Representative of Gigastorage Corporation: Lin, Jiang-Ching Representative of Gigastorage Corporation: Huang, Wen-Jui	26,996,112	100.00%

Company Name	Title	Name or Representative	Number of Shares	
			Held	Percentage
Giga Solar Materials Corporation	Director/ Chairman	Representative of Gigastorage Corporation: Chen, Chi-Ming	29,708,902	39.15%
	Director	Representative of Gigastorage Corporation: Chen, Chi-Hsing		
	Director	Representative of Gigastorage Corporation: Lin, Jiang-Ching		
	Director	Representative of Chunru Investment: Su-Hui Chen	335,340	0.44%
	Director	Representative of Sincere Holding Company: Hsu,Chin-Jung	4,686,000	6.02%
	Director	Huang, Wen-Jui	145,002	0.19%
	Director	Representative of Hyield Venture Capital Co., Ltd. : Wu,I-Tso	8,000,000	10.54%
	Independent Director	Lo, Shih-Wei	0	0.00%
	Independent Director	Chang, Wen-Ming		
	Independent Director	Chiu, Hsin-Fu		
	Independent Director	Li, Hui-Lung		
GLOBAL ACETECH CO.,LTD	Director	Representative of Gigastorage Corporation: Tsai, Ming-Jiunn	29,574,997	99.99%
	Director	Representative of Gigastorage Corporation: Chen, Chi-Ming		
	Director	Representative of Gigastorage Corporation: Tsai, Lii-Chuan		
Ho Mi Specialty Materials Corporation	Director/ Chairman	Representative of Gigastorage Corporation: Tsai, Lii-Chuan	9,350,000	92.57%
	Director	Representative of Gigastorage Corporation: Chen, Chi-Ming		
	Director	Representative of Gigastorage Corporation: Chung, Kao-Yuan		
	Supervisor	Huang, Wen-Jui	0	0.00%
Green Energy Electrode, Inc.	Director/ Chairman	Yang, Sheng-Ju	500,000	1.53%
	Director	Chen, Chi-Ming	500,000	1.53%
	Director	Huang, Chen-Sheng	240,000	0.73%
	Supervisor	Representative of Giga Solar Materials Corporation: Huang, Wen-Jui	15,858,067	48.39%
Giga Solar Materials Corp.(Mauritius)	Director	Representative of Gigasolar Materials Corporation: Chen, Chi-Ming	18,700,000	100.00%
Suzhou Giga Solar Materials Corp.	Director	Representative of Giga Solar Materials Corporation: Chen, Chi-Ming	-	100.00%
	Director	Representative of Giga Solar Materials Corporation: Huang, Wen-Jui		
	Director	Representative of Giga Solar Materials Corporation: Chen, Yi-Chou		
	Supervisor	Representative of Giga Solar Materials Corporation: Chen, Yuan-Yu		
Whole Sun Green Power Co., Ltd.	Director	Representative of Gigasolar Materials Corporation: Chen, Chi-Ming	126,516,924	100.00%
	Director	Representative of Gigasolar Materials Corporation: Huang, Wen-Jui		
	Director	Representative of Gigasolar Materials Corporation: Yen, Kuang-Fu		
	Supervisor	Representative of Gigasolar Materials Corporation: Lin, Jiang-Ching		

Company Name	Title	Name or Representative	Number of Shares	
			Held	Percentage
Wisdom Field Limited (Samoa)	Director	Representative of Whole Sun Green Power Co., Ltd.: Chen, Chi-Ming	37,110,000	100.00%
EIWA Electric Power Co., Inc.	Director Director	Representative of Whole Sun Green Power Co., Ltd.: Chen, Chi-Ming Representative of Whole Sun Green Power Co., Ltd.: Huang, Wen-Jui	-	100.00%
Giga Diamond Materials Corp.	Director/ Chairman Director Director Director Independent Director Independent Director Independent Director	Representative of Giga Solar Materials Corporation: Huang, Wen-Jui Chen, Chi-Ming Wu, Hsi-Kun Li,Jui-Chu Lo, Shih-Wei Lin, Po-Wen Kan, Chiung-Yao	36,658,046 3,880,000 1,982,668 0 0 0 0	32.05% 3.39% 1.73% 0.00% 0.00% 0.00% 0.00%
Merchant Energy Pte. Ltd.	Director Director Director Director Director Director	Representative of Wisdom Filed Limited Chen Chi Ming Tsai Lii Chyuan Huang Wen Jui Yen Meng Heng Low Shanyi Representative of Titan Solar Limited Hsieh Edward Yuan-I	–	87.65% 12.35%
Sunshine Solar Power Generation Company Inc. (Philippines)	Director	Philip King Yap/ Clark LawtonYap/ Chase Leonard S. Yap/ Veronica Abordo/ Merchant Energy Pte. Ltd.	-	39.93%
Yancheng Giga Solar Materials Corp.	Director Director Director Supervisor	Representative of Giga Solar Materials Corporation: Chen, Chi-Ming Representative of Giga Solar Materials Corporation: Huang , Wen-Jui Representative of Giga Solar Materials Corporation: Liang, Hsing-Kuo Representative of Giga Solar Materials Corporation: Chen, Yuan-Yu	-	100.00%
Giga Diamond Materials Corporation (Seychelles)	Director	Representative of Giga Diamond Materials Corp.: Huang , Wen-Jui	19,200,000	100.00%
Yancheng Giga Diamond Materials Corp.	Director Director Director Supervisor	Representative of Giga Diamond Materials Corp.: Chen, Chi-Ming Representative of Giga Diamond Materials Corp.: Huang, Wen-Jui Representative of Giga Diamond Materials Corp.: Chen, Yi-Chou Representative of Giga Diamond Materials Corp.: Chen,Yuan-Yu	-	100.00%
Hua Hsu Optotech Co., Ltd.	Director/ Chairman Director Director Supervisor	Representative of Giga Diamond Materials Corp.: Liu, Hsiang-Yi Representative of Giga Diamond Materials Corp.: Liu, Hsiang-Lin Representative of Giga Diamond Materials Corp.: Huang, Wen-Jui Representative of Giga Diamond Materials Corp.: Liu,Hui-Ta	8,100,000	100.00%
Green Energy Electrode,Inc(Samoa)	Director	Representative of Green Energy Electrode, Inc.: Yang, Sheng-Ju	6,000	100.00%

Company Name	Title	Name or Representative	Number of Shares	
			Held	Percentage
Yancheng Green Energy Electrode, Inc	Director Director Director Supervisor	Representative of Green Energy Electrode, Inc.: Yang, Sheng-Ju Representative of Green Energy Electrode, Inc.: Huang, Chen-Sheng Representative of Green Energy Electrode, Inc.: Li, Ming-Tsung Representative of Green Energy Electrode, Inc.: Huang, Wen-Jui	-	48.39%
Prosperous China Inc. (Note 3)	Director	Representative of Giga Solar Materials Corporation: Ko, Tsung-Hsi	500,000	100.00%
Shanghai Exojet Jiar Electronic Materials Co., Ltd.	Director	Representative of Giga Solar Materials Corporation: Chin-Lai Chen	-	100.00%
Nantong Exojet Technology Co., Ltd. (Note 2)	Director	Representative of Giga Solar Materials Corporation: Chin-Lai Chen	-	100.00%

Note 1: As Godo Kaisha Best Solar, Godo Kaisha Chiba 1, and Godo Kaisha Merchant Energy No.8 are investees by the Company under a Japanese TK-GK structure, Giga Solar Materials Corporation has no voting rights in said companies, so they are not included in the table above. However, according to the contracts signed with them, Giga Solar Materials Corporation has the economic beneficial interests in them, and these entities have to consult the Giga Solar Materials Corporation in advance for any major decisions to be made, so they are included in the Group.

Note 2: Haimen Exojet Technology Co., Ltd. has completed the change registration on April 22, 2021, and changed its name to Nantong Exojet Technology Co., Ltd.

(IV) Overview of operations of affiliates

Unit: NTD thousand

Company Name	Year	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenue	Operating Income (Loss)	Income(Loss) After Tax for Current Period	Earnings per Share (NTD)
Wafering Technology Corporation	2021	269,961	423,867	92,246	331,620	33,470	7,313	27,787	1.03
Giga Solar Materials Corporation	2021	758,834	9,628,784	3,219,669	6,409,115	4,535,376	(157,184)	(375,458)	(5.34)
GLOBAL ACETECH CO.,LTD (THB thousand)	2021	295,750	32,494	18,049	14,445	-	(7,004)	(3,782)	(0.13)
Ho Mi Specialty Materials Corporation	2021	101,000	118,256	28,532	89,724	113,842	(861)	(1,083)	(0.11)
Whole Sun Green Power Co., Ltd.	2021	1,265,169	1,625,519	144,852	1,480,667	28,368	11,159	3,139	0.02
EIWA Electric Power Co., Inc.	2021	15,070	442,524	411,728	30,796	-	(7,799)	18,307	N/A
Godo Kaisha Best Solar (Note 1)	2021	44,939	150,563	103,749	46,814	31,147	10,573	7,708	N/A
Godo Kaisha Chiba 1 (Note1)	2021	62,788	49,184	764	48,420	-	(862)	(963)	N/A
Godo Kaisha Merchant Energy NO.8 (Note 1)	2021	69,325	1,309,451	1,173,636	135,815	198,253	78,942	51,967	N/A
Wisdom Filed Limited	2021	1,173,221	461,922	-	461,922	(44,511)	(44,511)	(47,736)	N/A
Merchant Energy Pte. Ltd	2021	930,951	274,785	524	274,261	(53)	(53,482)	(50,783)	(1.49)
Sunshine Solar Power Generation Company Inc. (Philippines)	2021	814,827	703,740	635,021	68,719	-	(9,887)	(56,689)	N/A
Green Energy Electrode, Inc.	2021	327,732	286,916	9,404	277,512	1,475	(16,578)	(42,229)	(1.29)
Green Energy Electrode, Inc. (Samoa)	2021	176,342	138,264	8,304	129,960	-	-	(25,365)	(4.23)
Yancheng Green Energy Electrode Corp.	2021	176,342	262,308	132,355	129,953	92,018	(32,437)	(25,365)	N/A
Giga Diamond Materials Corp.	2021	1,143,870	799,206	133,915	665,291	-	(21,097)	(104,098)	(0.99)

Giga Diamond Materials Corporation (Seychelles)	2021	594,542	-	125,199	(125,199)	-	-	(121,897)	(6.35)
Hua Hsu Optotech Co., Ltd.	2021	81,000	621,977	507,618	114,359	1,846,132	93,123	83,576	10.32
Yancheng Giga Diamond Materials Corporation	2021	594,542	463,767	588,965	(125,198)	43,572	(94,055)	(121,897)	N/A
Giga Solar Materials Corp. (Mauritius)	2021	565,410	872,764	-	872,764	-	-	(140,186)	(7.83)
Suzhou Giga Solar Materials Corp.	2021	88,625	83,292	1,609	81,683	-	(5,223)	(3,739)	N/A
Yancheng Giga Solar Materials Co., Ltd.	2021	638,350	2,302,516	1,553,550	748,966	1,815,292	(153,234)	(140,392)	N/A
Prosperous China Inc.	2021	18,904	19,031	-	19,031	-	-	277	N/A
Shanghai Exojet Electronic Materials Co., Ltd.	2021	13,686	18,983	16	18,967	-	(322)	277	N/A
Nantong Exojet Technology Co., Ltd. (Note 2)	2021	154,128	90,858	7,785	83,073	104,674	(7,042)	(9,428)	N/A

Note 1: As Godo Kaisha Best Solar, Godo Kaisha Chiba 1, and Godo Kaisha Merchant Energy No.8 are investees by the Company under a Japanese TK-GK structure, Giga Solar Materials Corporation has no voting rights in said companies, so they are not included in the table above. However, according to the contracts signed with them, Giga Solar Materials Corporation has the economic beneficial interests in them, and these entities have to consult the Giga Solar Materials Corporation in advance for any major decisions to be made, so they are included in the Group.

Note 2: Haimen Exojet Technology Co., Ltd. has completed the change registration on April 22, 2021, and changed its name to Nantong Exojet Technology Co., Ltd.

(V) Consolidated financial statements of affiliates:

Considering that the companies to be included into the consolidated financial statements of affiliates under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" were the same as those to be included into the consolidated financial statements of the parent and subsidiaries under IAS 27 for 2021 (from January 1, 2021 to December 31, 2021), and the relevant information to be disclosed in the consolidated financial statements of the affiliates has already disclosed in said consolidated financial statements of the parent and subsidiaries, no consolidated financial statements of affiliates were prepared separately.

(VI) Affiliation Report: None.

II. Handling of Privately Placed Securities in the Most Recent Year and as of the Date of Publication of the Annual Report, (the date and amount approved by the shareholders' meeting or the board of directors, the basis and reasonableness of the price set, the method selected by specific persons, the necessary reasons for the private placement, and the subscribers, qualifications, number of shares subscribed for, relationship with the Company, participation in the operations of the Company, actual subscription (or conversion) price, difference between actual subscription (or conversion) price and the price set, impact of private placement on

shareholders' equity, as well as the fund utilization status, implementation progress of the plan, and effect of the plan from the completion of a fund utilization plan after the share payment or proceeds are fully received shall be disclosed): N/A.

III. Status of Holding or Disposing of the Company's Stocks by Subsidiaries in the Most Recent Year and as of the Date of Publication of the Annual Report: None.

IV. Other Necessary Supplementary Explanations: None**.**

V. In the Most Recent Year and as of the Printing Date of the Annual Report, the Occurrence of the Matters that have a Significant Impact on Shareholders' Equity or Securities Prices as Specified in Article 36 Paragraph 3, Item 2 of the Securities and Exchange Act: None.

Attachment Ű

Stock Code: 2406

Gigastorage Corporation and Subsidiaries

Consolidated Financial Statements for the Years End December 31, 2021 and 2020 and Independent Auditor's Report

Address: No. 3, Industrial 1st Road, Hukou Township, Hsinchu County

TEL: (03)598-5510

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.

REPRESENTATION LETTER

For the fiscal year of 2021 (From January 1 to December 31, 2021), the entities which should be included in the consolidated financial statements of Gigastorage Corporation pursuant to the "Guidelines for the Preparation of Consolidated Business Report, Consolidated Financial Statements and Relationship Report of Affiliates" are the same as those that should be included in the consolidated financial statements of the parent and subsidiaries pursuant to the International Financial Reporting Standards 10, and relevant information to be disclosed in the consolidated financial statements of affiliates has already been disclosed in the consolidated financial statements of the parent and subsidiaries. Therefore, the Gigastorage Corporation and subsidiaries will not prepare separate consolidated financial statements for affiliates.

Very truly yours,

GIGASTORAGE CORPORATION

By

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CHEN, CHI-MING

Chairman

March 30, 2022

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders
Gigastorage Corporation:

Audit Opinion

We have audited the consolidated balance sheet of Gigastorage Corporation and its subsidiaries as of December 31, 2021 and 2020, and the consolidated comprehensive income statements, consolidated statement of changes in shareholders' equity, consolidated cash flow statements, and notes to the consolidated financial statements (including significant accounting policies) for the years then ended.

In our opinion, based on our audits and the reports of other independent auditors (please refer to the Other Matters paragraph), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Gigastorage Corporation and its subsidiaries as of December 31, 2021 and 2020, and its consolidated financial performance and cash flows for the years ended December 31 2021 and 2020, in conformity with the requirements of regulations governing the preparation of financial statements by securities issuers and International Financial Reporting Standards, International Accounting Standards, and Interpretations endorsed and issued into effect by the Financial Supervisory Commission

Basis of Opinion

We conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and the Generally Accepted Auditing Standards. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the consolidated financial statements. We are independent of Gigastorage Corporation and its subsidiaries in accordance with the Code of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other independent auditors, we believed that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matters of the 2021 consolidated financial statements of Gigastorage Corporation and its subsidiaries were as follows:

Authenticity of revenues

The sales revenues of Gigastorage Corporation and its subsidiaries are mainly from the sales of solar conductive plasma and silicon excipients, which account for 85% of the consolidated revenues. The sales revenues of solar conductive plasma and silicon excipients changed significantly in 2021 (see Note 23), and the customer portfolio changed in the past two years; therefore, we have included the authenticity of the aforementioned revenues as a key audit matter.

We have performed the following key audit procedures:

1. We assessed the effectiveness of the design and implementation of internal control practices related to sales transactions by understanding the related internal control systems and operating procedures related to the sales transaction cycle.
2. To confirm the authenticity of revenue, we selected samples from the sales details, reviewed the original customer orders, shipping documents or export declarations and sales invoices, and examined whether there were any abnormalities in the receivable collections and the customers to whom the sales were made.

Other Matters

The financial statements of certain equity-method investees have not been audited by us, but by other independent auditors. Therefore, of our opinions on the consolidated financial statements referred to above, the amounts included in the financial statements were based on the audit reports of other independent auditors. As of December 31, 2021 and 2020, the above-mentioned investments under the equity method amounted to NT$1,347,041 thousand and NT$1,040,119 thousand, or 9.12% and 6.64% of total assets, respectively; the share of investment losses recognized under the equity method amounted to NT$1,957 thousand and NT$293 thousand, or (0.74)% and (0.06)% of net loss before tax, respectively for the years ended December 31, 2021 and 2020.

The financial statements of certain subsidiaries included in the consolidated financial statements of Gigastorage Corporation prepared in accordance with different financial reporting framework have not been audited by us, but have been audited by other independent auditors in accordance with different auditing standards. The financial statements of the aforementioned

companies have been converted into adjusted financial statements that conform to the regulations governing the preparation of financial statements by securities issuers and International Financial Reporting Standards, International Accounting Standards, and Interpretations endorsed and issued into effect by the Financial Supervisory Commission, and we have performed the requisite audit procedures. Therefore, of our opinions on the consolidated financial statements referred to above, the amounts included in the financial statements were based on the audit reports of other independent auditors and the result of additional audit procedures performed in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and relevant provisions of auditing standards generally accepted in the Republic of China. As of December 31, 2021 and 2020, the companies above had a total asset of NT$26,911 thousand and NT$108,647 thousand, representing 0.18% and 0.69% of the consolidated total assets, respectively. The operating revenues for the years ended December 31, 2021 and 2020 were NT$0 and NT$2,199 thousand, representing 0% and 0.02% of consolidated operating revenues, respectively.

Gigastorage Corporation has prepared its parent company only financial statements for the years ended December 31, 2021 and 2020, and we have issued an unqualified audit opinion with emphasis of matter and other matters paragraphs on record for reference.

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

The responsibility of management is to prepare fairly presented consolidated financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards interpretations, and announcements of interpretations recognized and published by the Financial Supervisory Commission and maintain necessary internal control related to the preparation of consolidation of financial statements in order to ensure material misstatement caused by fraud or error does not exist in the consolidated financial statements.

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

Those in charge of corporate governance (including the Auditing Committee) are responsible for overseeing the reporting process of the financial statements of Gigastorage Corporation and its subsidiaries.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted accounting principles will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. Misstatements are considered material, individually or in 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We also performed the following tasks:

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information or the entities or business activities of Gigastorage Corporation and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of Gigastorage Corporation and its subsidiaries. We remain solely responsible for our audit opinion.

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

We also provide those in charge of governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to affect our independence, and other matters (including related protective measures).

From the matters communicated with those in charge of corporate governance, we determine those matters that were of most significance in the audit of the 2021 consolidated financial statements of Gigastorage Corporation and its subsidiaries and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Huang, Yu-Feng and Chung, Ming-Yuan.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 30, 2022

Notice to Readers

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

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

Gigastorage Corporation and Subsidiaries

Consolidated Balance Sheet

December 31, 2021 and 2020

Unit: NTD thousands

Code	Assets	December 31, 2021 Amount	%	December 31, 2020 (revised and audited) Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 3,027,142	21	$ 2,693,564	17
1140	Contract assets – current (Notes 4, 23 and 36)	189,595	1	178,548	1
1110	Financial assets at fair value through profit or loss – current (Notes 4 and 7)	-	-	56,706	1
1150	Notes receivable, net (Notes 4, 9, 18 and 37)	276,999	2	730,928	5
1170	Accounts receivable, net (Notes 4, 9 and 23)	1,127,463	8	1,771,528	11
1180	Accounts receivable–related party,net(Notes 4, 9, 23 and 36)	135,703	1	95,894	1
1200	Other receivables (Notes 4 and 9)	25,675	-	45,598	-
1210	Other receivables – related party (Notes 4, 9 and 36)	1,879	-	2,155	-
1220	Current income tax assets (Notes 4 and 25)	17,522	-	16,830	-
130X	Inventories (Notes 4, 10 and 35)	1,331,762	9	1,904,542	12
1460	Proceeds from disposal of non-current assets held for sale (Notes 4 and 30)	19,128	-	37,719	-
1410	Prepayments (Note 17)	942,691	6	679,395	4
1479	Other current assets (Notes 17 and 37)	38,658	-	277,818	2
1476	Other financial assets (Note 37)	75,296	1	40,777	-
11XX	Total current assets	7,209,513	49	8,532,002	54
	Non-current assets				
1510	Financial assets at fair value through profit or loss – non-current (Notes 4 and 7)	38,281	-	94,296	1
1517	Financial assets at fair value through other comprehensive income – non-current (Notes 4 and 8)	513,308	4	342,485	2
1550	Investments accounted for using the equity method (Notes 4 and 12)	1,352,365	9	1,040,119	7
1600	Property, plant and equipment (Notes 4, 13, 29, 36 and 37)	4,114,623	28	4,118,971	26
1755	Right-of-use assets (Notes 4 and 14)	190,351	1	170,637	1
1760	Investment property (Notes 4, 15 and 37)	110,807	1	113,062	1
1780	Intangible assets (Notes 4, 16 and 29)	412,600	3	424,161	3
1840	Deferred tax assets (Notes 4 and 25)	179,197	1	143,103	1
1990	Other non-current assets (Notes 17, 36 and 37)	628,137	4	675,147	4
1980	Other financial assets – non-current (Note 37)	23,385	-	23,332	-
15XX	Total non-current assets	7,563,054	51	7,145,313	46
1XXX	Total assets	$ 14,772,567	100	$ 15,677,315	100

Code	Liabilities and equity	December 31, 2021 Amount	%	December 31, 2020 (revised and audited) Amount	%
	Current liabilities				
2100	Short-term borrowings (Notes 18 and 37)	$ 2,369,937	16	$ 3,157,068	20
2110	Short-term notes and bills payable (Notes 18 and 37)	199,338	2	-	-
2150	Notes payable	15,070	-	790	-
2170	Accounts payable	161,565	1	152,024	1
2180	Accounts payable – related party (Note 36)	8	-	1,705	-
2200	Other payables (Notes 20 and 38)	305,178	2	915,880	6
2220	Other payables – related party (Note 36)	1,660	-	3,026	-
2230	Current income tax liabilities (Notes 4 and 25)	24,051	-	24,220	-
2280	Lease liabilities – current (Notes 4 and 14)	19,903	-	13,783	-
2321	Corporate bonds due or subject to exercise of right of sale within one year (Notes 19 and 37)	-	-	1,710,199	11
2322	Long-term borrowings due within one year (Notes 18 and 37)	487,677	3	328,886	2
2323	Long-term payables due within one year	-	-	65,163	1
2399	Other current liabilities (Notes 10, 20, 23, 35 and 36)	892,256	6	1,261,276	8
21XX	Total current liabilities	4,476,643	30	7,634,020	49
	Non-current liabilities				
2530	Corporate bonds payable (Notes 19 and 37)	335,058	2	-	-
2540	Long-term borrowings (Notes 18 and 37)	2,364,175	16	2,007,720	13
2572	Deferred tax liabilities (Notes 4 and 25)	30,356	-	31,494	-
2580	Lease liabilities – non-current (Notes 4 and 14)	119,180	1	113,453	1
2640	Net defined benefit liabilities – non-current (Notes 4 and 21)	25,748	-	27,927	-
2645	Deposits received	85,202	1	4,020	-
25XX	Total non-current liabilities	2,959,719	20	2,184,614	14
2XXX	Total liabilities	7,436,362	50	9,818,634	63
	Equity attributable to shareholders of the company (Notes 4, 22, 27 and 32)				
	Capital stock				
3110	Ordinary share capital	2,859,057	19	2,859,057	18
3200	Capital surplus	498,574	4	250,109	2
	Retained earnings				
3310	Legal reserve	14,689	-	14,689	-
3320	Special reserve	155,982	1	155,982	1
3350	(Accumulated profits or losses) Unappropriated earnings	(533,647)	(3)	(571,686)	(4)
3400	Other equity	(100,090)	(1)	(173,047)	(1)
31XX	Total shareholders' equity of the company	2,894,565	20	2,535,104	16
36XX	Non-controlling interests (Notes 4, 22 and 32)	4,441,640	30	3,323,577	21
3XXX	Total equity	7,336,205	50	5,858,681	37
1XXX	Total liabilities and equity	$ 14,772,567	100	$ 15,677,315	100

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

(Please refer to the audit report dated March 30, 2022 of Deloitte and Touche)

Chairperson: Chen, Chi-Ming Managerial officer: Chen, Chi-Ming Accounting officer: Tsai, Jyh- Pyng

Gigastorage Corporation and Subsidiaries
Consolidated Comprehensive Income Statement
January 1 to December 31, 2021 and 2020

(In thousands of NT$, but earnings per share is in NT$)

Code		2021 Amount	2021 %	2020 Amount	2020 %
4000	Net operating revenues (Notes 4, 23 and 36)	$ 8,347,818	100	$ 9,554,735	100
5000	Operating costs (Notes 10, 24 and 36)	7,683,909	92	8,323,634	87
5900	Operating gross profits	663,909	8	1,231,101	13
5910	Unrealized profits on sales	(14,022)	-	(29,651)	-
5950	Realized operating gross profits	649,887	8	1,201,450	13
	Operating expenses (Notes 9, 16 and 24)				
6100	Marketing expenses	257,653	3	257,497	3
6200	Administration expenses	435,586	5	432,214	5
6300	R&D expenses	318,943	4	318,379	3
6450	Expected credit (reversal gains) impairment losses	(5,222)	-	26,563	-
6000	Total	1,006,960	12	1,034,653	11
6500	Net other income and expenses (Note 38)	254,805	3	(409,885)	(4)
6900	Net operating loss	(102,268)	(1)	(243,088)	(2)
	Non-operating income and expenses				
7100	Interest income (Notes 24 and 36)	4,261	-	3,347	-
7010	Other income (Notes 15, 24, 28 and 36)	101,553	1	96,859	1
7060	Share of profits or losses of affiliates and joint ventures accounted for using the equity method (Notes 4 and 12)	1,941	-	293	-
7050	Financial costs (Notes 24 and 36)	(105,281)	(1)	(272,427)	(3)
7020	Other gains and losses (Notes 13, 16, 19 and 24)	(164,920)	(2)	(82,625)	(1)
7000	Total	(162,446)	(2)	(254,553)	(3)
7900	Net loss before tax	(264,714)	(3)	(497,641)	(5)
7950	Income tax expense (Notes 4 and 25)	(8,943)	-	(63,339)	(1)
8200	Net loss for the year	(273,657)	(3)	(560,980)	(6)

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Code		2021 Amount	2021 %	2020 Amount	2020 %
	Other comprehensive income				
8310	Items not to be reclassified as profit or loss:				
8311	Remeasurement of defined benefit plan	$ 344	-	($ 4,219)	-
8316	Unrealized gains or losses on investments in equity instruments measured at fair value through other comprehensive income	255,121	3	71,440	1
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of financial statements of foreign operations	(65,437)	(1)	6,552	-
8399	Income tax related to items that may be reclassified (Note 25)	10,908	-	(1,745)	-
8300	Other comprehensive income for the year (net after tax)	200,936	2	72,028	1
8500	Total comprehensive income for the year	($ 72,721)	(1)	($ 488,952)	(5)
	Net income(loss) attributable to:				
8610	Shareholders of the company	$ 24,796	-	($ 535,475)	(6)
8620	Non-controlling interests	(298,453)	(3)	(25,505)	-
8600		($ 273,657)	(3)	($ 560,980)	(6)
	Total comprehensive income attributable to:				
8710	Shareholders of the company	$ 110,745	1	($ 491,307)	(5)
8720	Non-controlling interests	(183,466)	(2)	2,355	-
8700		($ 72,721)	(1)	($ 488,952)	(5)
	Earnings per share (Note 26)				
9750	Basic	$ 0.09		($ 2.17)	
9850	Diluted	$ 0.09		($ 2.17)	

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

(Please refer to the audit report dated March 30, 2022 of Deloitte and Touche)

Chairperson: Chen, Chi-Ming Managerial officer: Chen, Chi-Ming Accounting officer: Tsai, Jyh- Pyng

Gigastorage Corporation and Subsidiaries

Consolidated Statement of Changes in Shareholders' Equity

January 1 to December 31, 2021 and 2020

Units: NTD thousands, unless otherwise stated

Code		Equity attributable to shareholders of the company										
		Capital stock			Retained earnings			Other equity				
		Number of shares (in thousands)	Amount	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings (Accumulated profits or losses)	Exchange differences on translation of financial statements of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Total	Non-controlling interests	Total equity
A1	Balance as of January 1, 2020	205,906	$ 2,059,057	$ 211,927	$ -	$ 23,784	$ 146,887	($ 114,115)	($ 145,597)	$ 2,181,943	$ 2,816,926	$ 4,998,869
	Appropriation and distribution of 2019 earnings											
B1	Legal reserve	-	-	-	14,689	-	(14,689)	-	-	-	-	-
B3	Special reserve	-	-	-	-	132,198	(132,198)	-	-	-	-	-
O1	Cash dividends to shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	(65,011)	(65,011)
E1	Cash capital increase	80,000	800,000	(117,249)	-	-	(6,248)	-	-	676,503	-	676,503
N1	Share-based payments	-	-	1,432	-	-	-	-	-	1,432	-	1,432
C7	Changes in affiliates and joint ventures recognized under the equity method	-	-	1,935	-	-	-	-	-	1,935	1,759	3,694
D1	Net loss for 2020	-	-	-	-	-	(535,475)	-	-	(535,475)	(25,505)	(560,980)
D3	Other comprehensive income for 2020	-	-	-	-	-	(2,069)	1,533	44,704	44,168	27,860	72,028
D5	Total comprehensive income for 2020	-	-	-	-	-	(537,544)	1,533	44,704	(491,307)	2,355	(488,952)
H3	Organization restructuring	-	-	-	-	-	(6,659)	-	-	(6,659)	6,659	-
M5	Disposal of equity in subsidiaries (Note 32)	-	-	26,034	-	-	-	15,258	3,935	45,227	245,210	290,437
M7	Changes in ownership interest in subsidiaries (Notes 22 and 32)	-	-	126,030	-	-	-	-	-	126,030	315,679	441,709
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	(21,235)	-	21,235	-	-	-
Z1	Balance as of December 31, 2020	285,906	2,859,057	250,109	14,689	155,982	(571,686)	(97,324)	(75,723)	2,535,104	3,323,577	5,858,681
O1	Cash dividends to shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	(77,887)	(77,887)
D1	Net income (loss) for 2021	-	-	-	-	-	24,796	-	-	24,796	(298,453)	(273,657)
D3	Other comprehensive income for 2021	-	-	-	-	-	(1,025)	(25,841)	112,815	85,949	114,987	200,936
D5	Total comprehensive income for 2021	-	-	-	-	-	23,771	(25,841)	112,815	110,745	(183,466)	(72,721)
M5	Disposal of equity in subsidiaries (Note 32)	-	-	26,481	-	-	-	152	(109)	26,524	17,628	44,152
M7	Changes in ownership interest in subsidiaries (Notes 22 and 32)	-	-	204,909	-	-	-	208	-	205,117	1,323,945	1,529,062
N1	Subsidiary share based payment transactions	-	-	16,545	-	-	-	-	-	16,545	24,412	40,957
C7	Changes in affiliates and joint ventures recognized under the equity method	-	-	530	-	-	-	-	-	530	13,431	13,961
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	14,268	-	(14,268)	-	-	-
Z1	Balance as of December 31, 2021	285,906	$ 2,859,057	$ 498,574	$ 14,689	$ 155,982	($ 533,647)	($ 122,805)	$ 22,715	$ 2,894,565	$ 4,441,640	$ 7,336,205

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

(Please refer to the audit report dated March 30, 2022 of Deloitte and Touche)

Chairperson: Chen, Chi-Ming

Managerial officer: Chen, Chi-Ming

Accounting officer: Tsai, Jyh- Pyng

Gigastorage Corporation and Subsidiaries

Consolidated Cash Flow Statement

January 1 to December 31, 2021 and 2020

Unit: NTD thousands

Code		2021	2020
	Cash flow from operating activities:		
A10000	Net loss before tax for the year	($ 264,714)	($ 497,641)
A20000	Adjustments:		
A20010	Income or expenses having no effect on cash flows		
A20100	Depreciation expense	318,478	310,427
A20200	Amortization expense (including amortization of other non-current assets)	12,190	12,365
A20300	Expected credit (reversal gains) impairment losses	(5,222)	26,563
A20400	Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(3,171)	3,750
A20900	Financial costs	105,281	272,427
A21200	Interest income	(4,261)	(3,347)
A21300	Dividend income	(2,107)	(1,008)
A21900	Share-based remuneration costs	40,957	1,432
A22300	Share of affiliates and joint ventures accounted for using the equity method	(1,941)	(293)
A22500	Loss on disposal and scrapping of property, plant and equipment	30,129	4,127
A23100	Loss on disposal of investment	9	-
A23200	Loss on disposal of investment accounted for using the equity method	-	444
A23700	Impairment loss on non-financial assets	147	54,028
A23800	Loss on decline in value of inventories (reversal gain)	13,702	(23,657)
A23900	Unrealized profits in affiliated companies	14,022	29,651
A24100	Unrealized foreign currency exchange loss	44,791	88,691
A24200	Loss (gain) on buyback or redemption of corporate bonds	24,861	(444)
A29900	Compensation loss from expected litigation loss (gain from reversal) (Note 38)	(254,805)	409,885
A29900	Contingent Consideration Income	-	(20,549)

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Code		2021	2020
A30000	Net changes in assets/liabilities related to operating activities.		
A31125	Contract assets	($ 11,047)	$ 126,873
A31130	Notes receivables	453,929	730,157
A31150	Accounts receivables	662,481	(586,426)
A31160	Accounts receivable – related party	(39,809)	(54,860)
A31180	Other receivables	19,934	13,511
A31190	Other receivables – related party	276	(16,073)
A31200	Inventories	72,561	356,520
A31230	Prepayments	(263,296)	97,447
A31240	Other current assets	(11,434)	(10,598)
A32130	Notes payable	(120)	(15,365)
A32150	Accounts payable	9,443	(11,703)
A32160	Accounts payable – related party	(1,697)	937
A32180	Other payables	(353,243)	63,456
A32190	Other payables – related party	(1,366)	(11,229)
A32230	Other current liabilities	117,497	102,974
A32240	Net defined benefit liabilities	(1,835)	(608)
A33000	Cash inflow from operating activities	720,620	1,451,864
A33100	Interests received	4,263	3,629
A33500	Income tax paid	(36,128)	(82,970)
AAAA	Net cash inflow from operating activities	688,755	1,372,523
	Cash flow from investment activities:		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(5,000)	(3,816)
B00020	Disposal of financial assets measured at fair value through other comprehensive income	89,149	12,177
B00100	Acquisition of Financial assets at fair value through profit or loss	-	(249,489)
B00200	Disposal of Financial assets at fair value through profit or loss	115,892	352,051
B01800	Acquisition of investment accounted for using the equity method	(265,350)	(107,901)
B02000	Increase in prepayments for investments	-	(62,152)
B02700	Acquisition of property, plant and equipment	(749,147)	(96,835)
B02800	Proceeds from disposal of property, plant and equipment	12,364	9,709
B03700	Decrease (increase) in refundable deposits	405,700	(495,140)
B04500	Acquisition of intangible assets	(597)	(650)
B05000	Cash inflow from merger	-	60,245
B06600	Decrease (increase) in other financial assets	(34,572)	193,054
B06800	Decrease (increase) in other non-current assets	13,075	(288,815)
B07600	Dividends received	18,600	1,008
BBBB	Net cash outflow from investment activities	(399,886)	(676,554)

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Code		2021	2020
	Cash flow from financing activities:		
C00200	Increase (decrease) in short-term borrowings	($ 772,928)	$ 355,394
C00500	Increase in short-term notes and bills payable	199,315	-
C01300	Repayment of corporate bonds	(1,472,065)	(1,358,908)
C01600	Borrowing of long-term loans	1,227,105	326,840
C01700	Repayment of long-term loans	(537,985)	(249,498)
C01900	Decrease in other borrowings	-	(563)
C03100	Increase (decrease) in guarantee deposits received	81,182	(952)
C04020	Repayment of lease principal	(11,538)	(11,484)
C04600	Cash capital increase	-	676,503
C05500	Disposal of equity in subsidiaries (Note 32)	44,152	290,437
C05600	Interests paid	(108,710)	(100,486)
C05800	Payment of cash dividends from non-controlling interests	(77,887)	(65,011)
C05800	Change in non-controlling interests (Note 32)	1,524,265	-
C09900	Other financing activities	(4,951)	1,222
CCCC	Net cash inflow (outflow) from financing activities	89,955	(136,506)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(45,246)	(49,555)
EEEE	Net increase (decrease) in cash and cash equivalents	333,578	509,908
E00100	Balance of cash and cash equivalents at the beginning of the year	2,693,564	2,183,656
E00200	Balance of cash and cash equivalents at the end of the year	$ 3,027,142	$ 2,693,564

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

(Please refer to the audit report dated March 30, 2022 of Deloitte and Touche)

Chairperson: Chen, Chi-Ming Managerial officer: Chen, Chi-Ming Accounting officer:Tsai, Jyh- Pyng

Gigastorage Corporation and Subsidiaries
Notes to Consolidated Financial Statements
January 1 to December 31, 2021 and 2020
(Units: NTD thousands, unless otherwise stated)

1. Company History

Gigastorage Corporation (hereinafter referred to as the "Company") was established on March 26, 1997 and began operations on December 1, 1997. The Company is engaged in the manufacturing of computers and peripherals, international trade, manufacturing and reproduction of data storage media, manufacturing and trading of electronic materials, components and silicon wafers, energy technology services, and non-public power generation. The Company's shares are listed and traded on Taiwan Stock Exchange.

The consolidated financial statements are presented in NTD, the functional currency of the Company.

The Company and its subsidiaries are hereinafter collectively referred to as the Consolidated Company.

2. Date and Procedures for Approval of Consolidated Financial Statements

The consolidated financial statements were approved by the board meeting on March 28, 2022.

3. Application of New and Revised Standards and Interpretation

(1) First-time application of International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IAS"), Interpretations ("IFRICs") and Interpretations ("SICs") (hereinafter referred to as "IFRSs") endorsed by the Financial Supervisory Commission ("FSC") and issued to be effective

The adoption of the IFRSs endorsed and issued into effect by the FSC will not result in significant changes in the Consolidated Company's accounting policies.

(2) IFRSs endorsed by the FSC in 2022.

New, Revised or Amended Standards and Interpretations	Effective date of IASB publication
"Annual improvement of IFRSs 2018-2020"	January 1, 2022 (Note 1)
Amendment to IFRS 3 "Reference to Conceptual Frameworks"	January 1, 2022 (Note 2)
Amendment to IAS 16 "Property, plant and equipment: price before reaching the intended state of use"	January 1, 2022 (Note 3)
Amendment to IAS 37 "Onerous Contracts – Cost of Performing Contracts."	January 1, 2022 (Note 4)

Note 1: Amendments to IFRS 9 apply to exchanges or modification of terms of financial liabilities in annual reporting periods after 1 January 2022; amendments to IAS 41 "Agriculture" apply to fair value measurements in annual reporting periods after 1 January 2022; amendments to IFRS 1 "First application of IFRSs" apply retrospectively to annual reporting periods after 1 January 2022.

Note 2: This amendment applies to business mergers for which the acquisition date falls within the annual reporting period after January 1, 2022.

Note 3: This amendment applies to plant, property and equipment that begins to operate in the manner such as location and condition expected by management after January 1, 2021.

Note 4: This amendment applies to contracts with unfulfilled obligations as of January 1, 2022.

1. Amendment to IAS 16 "Property, plant and equipment: price before reaching the intended state of use"

   The amendment provides that the sale price of output items of property, plant and equipment produced to bring them to the location and condition necessary to meet management's expectations for the manner in which they will be operated is not appropriate as a deduction to the cost of those assets. The above-mentioned output items shall be measured according to IAS 2 "Inventory," and the sales price and cost shall be recognized in profit or loss according to the applicable standards.

The amendment applies to plant, property and equipment in the location and condition necessary to achieve management's intended mode of operation after January 1, 2021, and the information of the comparative period shall be restated when the amendment is first applied by the Consolidated Company.

In addition to the above impacts, the Consolidated Company will continue to evaluate the effect of the amendment to other IFRSs on the financial positions and performance of the Consolidated Company to the date the consolidated financial statements are approved and released, and will make appropriate disclosure after the evaluation.

(3) The IFRSs released by the IASB but not yet endorsed and issued for implementation by the FSC

New, Revised or Amended Standards and Interpretations	Effective date of IASB publication (Note 1)
Amendment to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Affiliate or Joint Venture."	Undecided
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendment to IAS 1 "Classification of Liabilities as Current or Noncurrent"	January 1, 2023
Amendment to IAS 1 "Disclosure of Accounting Policies."	January 1, 2023 (Note 2)
Amendment to IAS 8 "Definition of Accounting Estimates."	January 1, 2023 (Note 3)
Amendment to IAS 12 "Deferred income tax relating to assets and liabilities arising from a single transaction"	January 1, 2023 (Note 4)

Note 1: Unless otherwise stated, the aforementioned new/amended/revised standards or interpretation
are effective for annual reporting periods beginning after the respective dates.

Note 2: This amendment will be applicable for annual reporting periods beginning after January 1, 2023.

Note 3: This amendment applies to changes in accounting estimates and changes in accounting policies that occur in annual reporting periods beginning after January 1, 2023.

Note 4: Other than the recognition of deferred tax on temporary differences in lease and decommissioning obligations on January 1, 2022, the amendment applies to transactions occurring after January 1, 2022.

1. Amendment to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Affiliate or Joint Venture."

   The amendment provides that if the Consolidated Company sells or contributes an asset to an affiliate (or joint venture), or if the Consolidated Company loses control of a subsidiary but retains significant influence (or joint control) over the subsidiary, the Consolidated Company shall recognize all of the gains or losses from such transactions if the aforementioned asset or subsidiary meets the definition of "business" in "business merger" under IFRS 3.

   In addition, if the Consolidated Company sells or contributes an asset to an affiliate (or joint venture), or if the Consolidated Company loses control of a subsidiary but retains significant influence (or joint control) over the subsidiary, the Consolidated Company shall recognize gains and losses from such transactions only to the extent that they are not related to the investor's interest in the affiliate (or joint venture), i.e. they are eliminated to the extent of the Consolidated Company's share of such gains and losses if the aforementioned asset or subsidiary does not meet the definition of "business" in "business merger" under IFRS 3.

2. Amendment to IAS 1 "Classification of Liabilities as Current or Noncurrent"

   The amendment aims to clarify whether a liability is classified as non-current; the Consolidated Company should assess whether it has the right to defer settlement at the end of the reporting period for at least 12 months after the reporting period. If the Consolidated Company has such a right as of the end of the reporting period, the liability is classified as non-current whether or not the Consolidated Company exercises its right to defer settlement of a liability. The amendment aims to clarify if the Consolidated Company is required to comply with certain conditions in order to have the right to defer settlement of a liability. The Consolidated Company must have complied with specific conditions as of the end of the reporting period, even if the lender tests whether the Consolidated Company has complied with those conditions at a later date.

   The amendment provides the purpose to clarify that settlement refers to the transfer to the counterparty of cash, other economic resources or equity

instruments of the Consolidated Company that results in the extinguishment of the liability. However, if the terms of the liability may result in transferring the Consolidated Company's equity instruments at the option of the counterparty, and if the option is separately recognized in equity in accordance with IAS 32, "Financial Instruments: Presentation," the above-mentioned provisions do not affect the classification of the liability.

3. Amendment to IAS 1 "Disclosure of Accounting Policies."

The amendment specifies that the Consolidated Company shall determine the material accounting policy information to be disclosed based on the definition of materiality. Accounting policy information is considered material if it could reasonably be expected to affect the decisions of the primary users of the general-purpose financial statements based on those financial statements. The amendment also clarifies:

- Accounting policy information related to immaterial transactions, other events or circumstances is immaterial and the Consolidated Company is not required to disclose such information.
- The Consolidated Company may determine that related accounting policy information is material because of the nature of the transactions, other events or circumstances, even if the amount is not material.
- Not all accounting policy information related to significant transactions, other events or circumstances is material.

In addition, the amendment provides examples of accounting policy information that may be material if it relates to significant transactions, other events or circumstances and under the following circumstances, the information may be material:

(1) A change in the Consolidated Company's accounting policy during the reporting period that results in a material change in financial statement information;

(2) The Consolidated Company selects applicable accounting policies from among the options permitted by the standards;

(3) Due to the lack of specific standards, the Consolidated Company establishes accounting policies in accordance with IAS 8 "Accounting Policies, Changes and Errors in Accounting Estimates";

(4) The Consolidated Company discloses the relevant accounting policies that require the application of significant judgments or assumptions; or

(5) that it involves complex accounting requirements when users of financial statements rely on such information to understand such significant transactions, other events or circumstances.

4. Amendment to IAS 8 "Definition of Accounting Estimates."

The amendment explicitly specifies that accounting estimate represents the monetary amounts in the financial statements that are subject to measurement uncertainty. In applying accounting policies, the Consolidated Company may need to measure financial statement items using monetary amounts that are not directly observable but must be estimated, and therefore measurement techniques and input values are required to create accounting estimates for this purpose. The effect of changes in measurement techniques or input values on accounting estimates that are not corrections of prior period errors are accounted for as changes in accounting estimates.

In addition to the above effects, the Consolidated Company will continue to evaluate the effect of the amendment to other IFRSs on the financial positions and performance of the Consolidated Company to the date the consolidated financial statements are approved and released, and will make appropriate disclosure after the evaluation.

4. Summary of Significant Accounting Policies

(1) Compliance Statement

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs approved and published by the FSC.

(2) Basis of preparation

The consolidated financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Statements by Securities Issuers.

The evaluation of fair value could be classified into Level 1 to Level 3 by the observable intensity and importance of the related input value:

1. Level 1 input value: refers to the quotation of the same asset or liability in an active market as of the evaluation (before adjustment).

2. Level 2 input value: refers to the direct (the price) or indirect (inference of price) observable input value of asset or liability further to the quotation of Level 1.
3. Level 3 input value: the unobservable input value of asset or liability.

(3) Standards in differentiating current and noncurrent assets and liabilities

Current assets include:

1. Assets held primarily for trading purposes;
2. Assets expected to be realized within 12 months of the balance sheet date; and
3. 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).

Current liabilities include:

1. Liabilities held primarily for trading purposes;
2. Liabilities due for settlement within 12 months after the balance sheet date (current liabilities even if a long-term refinancing or rescheduling agreement is completed after the balance sheet date and before the financial statements are authorized for issuance), and
3. Liabilities whose settlement deadline cannot be unconditionally deferred until at least 12 months after the balance sheet date. If the terms of the liability, at the option of the counterparty, result in the settlement of the liability by the issuance of equity instruments, the classification is not affected.

Those that are not current assets or liabilities above are classified as noncurrent assets or liabilities.

(4) Basis of consolidation

Principles for the Preparation of Consolidated Statements

The consolidated financial statements include the financial statements of the Company and entities controlled by the Company (subsidiaries). The consolidated comprehensive income statements include the operating profits or losses of the acquired or disposed subsidiaries for the period from the date of acquisition or up to the date of disposal. The subsidiaries' financial statements have been properly adjusted to make the accounting policies consistent with the accounting policies of the Consolidated Company. In preparing the consolidated financial statements, all inter-company transactions, account balances, gains and losses have been eliminated.

The total comprehensive income of the subsidiaries is attributable to shareholders of the Company and non-controlling interests, even if the non-controlling interests become a loss balance as a result.

When a change in the Consolidated Company's ownership interest in a subsidiary does not result in a loss of control, it is treated as an equity transaction. The carrying amounts of the Consolidated Company and non-controlling interests have been adjusted to reflect the changes in their relative interests in subsidiaries. The difference between the adjustment of the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity attributable to shareholders of the Company.

When the Consolidated Company loses control over a subsidiary, the gain or loss on disposal is the difference between (1) the aggregate of the fair value of the consideration received and the fair value of the remaining investment in the subsidiary at the date of loss of control, and (2) the aggregate of the assets (including goodwill) and liabilities and non-controlling interests of the subsidiary at the carrying amount at the date of loss of control. All amounts recognized in other comprehensive income related to the subsidiary are accounted for on the same basis as if the Consolidated Company had directly disposed of the related assets or liabilities.

Subsidiaries Included in Consolidated Financial Statements

Entities covered by the consolidated financial statements are as follows:

			Shareholding percentage	
Investor name	Subsidiary name	Principal business	December 31, 2021	December 31, 2020
The Company.	Global Acetech Co., Ltd.(Note 12)	Solar Energy Related Business	99.99%	99.99%
	Giga Solar Materials Corporation (Notes 5 and 6)	Precision chemical materials, industrial plastic products	39.15%	45.13%
	Ho Mi Specialty Materials Corporation	Precision chemical materials	92.57%	92.57%
	Wafering Technology Corporation	Solar Energy Related Business	100.00%	100.00%
Wafering Technology Corporation	Giga Solar Materials Corporation (Notes 5 and 6)	Precision chemical materials, industrial plastic products	0.66%	1.04%
	Giga Diamond Materials Corporation (Notes 1, 10 and 11)	Manufacturing of metal wire products, manufacturing of electronic components, trading and other related businesses	0.03%	0.04%
Giga Solar Materials Corporation	Green Energy Electrode, Inc. (Notes 1)	Manufacturing and trading of energy materials	48.39%	50.39%
	Giga Solar Materials Corporation (Mauritius)	General investment	100.00%	100.00%
	Whole Sun Green Power Co., Ltd.	Solar Energy Related Business	100.00%	100.00%
	Giga Diamond Materials Corporation (Notes 1, 10 and 11)	Manufacturing of metal wire products, manufacturing of electronic components, trading and other related businesses	32.05%	36.67%

(Continued on next page)

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Investor name	Subsidiary name	Principal business	Shareholding percentage December 31, 2021	Shareholding percentage December 31, 2020
Giga Solar Materials Corporation	Prosperous China Inc. (Note 7)	General investment	100.00%	100.00%
	Nantong Exojet Technology Co., Ltd. (Note 7)	Manufacturing and sales of thick film materials for passive components	100.00%	100.00%
Prosperous China Inc.	Shanghai Exojet Electronic Materials Co., Ltd. (Note 7)	Manufacturing and sales of thick film materials for passive components	100.00%	100.00%
Green Energy Electrode Inc.	Green Energy Electrode, Inc.(Samoa)	General investment	100.00%	100.00%
Green Energy Electrode, Inc.(Samoa)	Yancheng Green Energy Electrode Crop. (Note 8)	Lithium battery material manufacturing, research and development, and lithium-ion battery technology development and consulting services	100.00%	100.00%
Giga Solar Materials Corporation (Mauritius)	Suzhou Giga Solar Materials Corporation	Photovoltaic process testing and technical services, etc.	100.00%	100.00%
	Yancheng Giga Solar Materials Corporation	Photovoltaic process testing and technical services, etc.	100.00%	100.00%
Whole Sun Green Power Co., Ltd.	Eiwa Electric Power Co., Inc.	Solar Energy Related Business	100.00%	100.00%
	Wisdom Field Limited (Samoa)	General investment	100.00%	100.00%
	Godo Kaisha Best Solar	Solar Energy Related Business	(Note 2)	(Note 2)
	Godo Kaisha Chiba 1(Note 9)	Solar Energy Related Business	(Note 2)	(Note 2)
	Preparatory Office of Whole Sun No.2 Co., Ltd. (Note 3)	Solar Energy Related Business	—	—
	Godo Kaisha Merchant Energy NO.8	Solar Energy Related Business	(Note 2)	(Note 2)
Wisdom Field Limited (Samoa)	Merchant Energy PTE., Ltd.	General investment	87.65%	87.65%
Merchant Energy PTE., Ltd.	Sunshine Solar Power Generation Co., Inc.(Note 4)	Solar Energy Related Business	39.93%	39.93%
Giga Diamond Materials Corporation	Giga Diamond Materials Corporation (Seychelles)	General investment	100.00%	100.00%
	Hua Hsu Optotech Co., Ltd. (Note 10)	Wafer surface treatment, silicon processing, silicon materials for solar energy, OEM business, etc.	100.00%	51.85%
Giga Diamond Materials Corporation (Seychelles)	Yancheng Giga Diamond Materials Corporation	Manufacturing and sale of wire materials, etc.	100.00%	100.00%

The significant changes in consolidated entities are described below:

Note 1: Although the Consolidated Company does not hold more than 50% of the voting rights in Green Energy Electrode Inc. and Giga Diamond Materials Corporation, the Consolidated Company included them in the consolidated entities after considering the absolute number, relative size and distribution of voting rights held by other shareholders and judging that the Consolidated Company has the substantial ability to direct the relevant activities of the entities.

Note 2: Whole Sun Green Power Co., Ltd. invested in Godo Kaisha Best Solar, Godo Kaisha Chiba 1 and Godo Kaisha Merchant Energy No.8 under the TK-GK structure of Japan; although not holding voting rights, the economic beneficial rights granted to the Consolidated Company according

to the contracts are 95%, 100% and 100% respectively, and the Consolidated Company was given the right to be consulted in advance for major decisions. Therefore, they are included in the consolidated entities.

Note 3: Whole Sun Green Power Co., Ltd. set up its preparatory office of Whole Sun No.2 Co., Ltd. in August 2017 and made a share capital payment of NT$$2,500 thousand, The new entity is still in the preparatory stage and has not yet completed establishment, and the share capital payment was fully returned in February 2020.

Note 4: Although the Consolidated Company does not hold more than 50% of the voting rights in Sunshine Solar Power Generation Co., Inc., but has the significant economic benefit interest and it is therefore included in the consolidated entities.

Note 5: On June 30, 2020, the board meeting of the subsidiary, Giga Solar Materials Corporation resolved to exchange 22.1 ordinary shares of the subsidiary, Exojet Technology Corporation for each ordinary share of Giga Solar Materials Corporation in order to integrate resources, optimize resource allocation under the sharing of management, technology, talents and resources, enhance overall operational efficiency, and focus on the development and application of new products. 2,208 thousand rights shares were issued with a par value of NT$10 per share for a capital increase of NT$22,080 thousand. The case was declared effective on November 23, 2020 and December 10, 2020 by the Financial Supervisory Commission and the Investment Committee of the Ministry of Economic Affairs respectively. The book-close date of the merger was set as December 25, 2020.

Note 6: The Company and its subsidiaries sold a total of 3,468,000 shares of Giga Solar Materials Corporation from January to December 2020, and the consolidated shareholding decreased from 53.21% to 46.17% because of the capital increase of Giga Solar Materials Corporation on December 25, 2020. A total of 206,000 shares of Giga Solar Materials Corporation were sold from January to December 2021. Due to the capital increase of the subsidiary on June 29, 2021, the consolidated shareholding ratio decreased from 46.17% to 39.81%. Since the remaining shareholdings are widely dispersed, it is assessed that the Company still has control over Giga Solar

Materials Corporation, considering the absolute number, relative size and distribution of voting rights held by other shareholders.

Note 7: The subsidiary Giga Solar Materials Corporation acquired its reinvestment businesses Haimen Exojet Technology Corporation and Changhua Co., Ltd. and its subsidiary Shanghai Exojet Technology Corporation due to the merger of Exojet Technology Corporation on December 25, 2020. Haimen Exojet Technology Corporation completed the change registration on April 22, 2021 and was renamed Nantong Exojet Technology Co., Ltd.

Note 8: Green Energy Electrode Inc. invested US$3.5 million in Yancheng Green Energy Electrode Crop. with the self-owned funds of Green Energy Electrode Inc.(Samoa) as an investment enterprise in the third region approved by the Investment Committee of the Ministry of Economic Affairs in April 2021, and the investment has completed.

Note 9: On July 6, 2021, the board meeting of Whole Sun Green Power Co., Ltd. decided to increase the investment in Godo Kaisha Chiba 1. The investment amount was JPY80 million, and the investment has been completed.

Note 10: On July 29, 2021, the board meeting of Giga Diamond Materials Corporation decided that in order to strengthen the closer operation with Hua Hsu Optotec Co., Ltd. to improve synergy, it planned to issue new shares and pay cash to the shareholders of Hua Hsu Optotec Co., Ltd. for share conversion, and acquire 100% of the shares of Hua Hsu Optotec Co., Ltd. The book-close date was October 1, 2021, and the registration of changes was completed on October 25, 2021. After the share conversion, the Company's shareholding ratio of Giga Diamond Materials Corporation decreased from 35.35% to 32.08%.

Note 11: In October 2021 and December 2021, the board meeting of Giga Diamond Materials Corporation resolved to reduce its capital to make up for losses and issue new shares. The book-close dates for capital reduction and capital increase were January 13, 2022 and February 23, 2022 respectively, and the Company's shareholding ratio increased from 32.08% to 34.72% after the capital decrease and increase.

Note 12: Global Acetech Co., Ltd. reduced its capital by THB 32,500 thousand in cash on September 1, 2021.

(5) Business merger

Business merger is accounted for by the acquisition method. Acquisition-related costs are recognized as expenses in the year in which the costs are incurred and the labor services are obtained.

Goodwill is measured as the aggregate of the fair value of the transfer consideration, amount of non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree at the acquisition date over the net amount of the identifiable assets acquired and liabilities assumed at the date acquisition date.

The non-controlling interest in the acquiree that has a current ownership interest in the acquiree and is entitled to a proportionate share of the acquiree's net assets upon liquidation is measured as its proportionate share of the recognized amount of the acquiree's identifiable net assets. Other non-controlling interests are measured at fair value.

When the consideration transferred by the Consolidated Company in a business merger includes assets or liabilities arising from a contingent consideration agreement, the contingent consideration is measured at fair value at the acquisition date and is paid as part of the consideration transferred in exchange for the acquiree. Changes in the fair value of the contingent consideration are adjusted retroactively to the acquisition cost with a corresponding adjustment to goodwill if the change is a measurement period adjustment. Measurement period adjustments are adjustments resulting from obtaining additional information on facts and circumstances existing at the date of acquisition during the "measurement period" (which shall not exceed one year from the date of acquisition).

The subsequent treatment of changes in the fair value of contingent consideration that are not measurement period adjustments will depend on the classification of the contingent consideration. Contingent consideration is measured at fair value on subsequent balance sheet dates, with changes in fair value recognized in profit or loss.

If the measurement of the identifiable assets acquired and liabilities assumed as a result of a business merger is not yet complete, a provisional amount is recognized at the balance sheet date, and retroactive adjustments or additional assets or liabilities are recognized in the measurement period to reflect new information obtained about facts and circumstances existing at the date of acquisition.

(6) Foreign currency

When each entity prepares its financial report, transactions in currencies other than the entity's functional currency (foreign currency) shall be converted into functional currency records according to the exchange rate on the transaction date.

Foreign currency monetary items are translated at the closing rate on each balance sheet date. The exchange differences arising from the settlement of monetary items or translating monetary items are recognized in profit or loss in the period in which they occur.

The foreign non-currency items measured at fair value are translated in accordance with the exchange rate on the fair value determination date and the exchange difference is booked as profit or loss in the period. However, for the changes in fair value recognized in other comprehensive income, the exchange difference is recorded in other comprehensive income.

The foreign non-currency items measured at historical cost are translated in accordance with the exchange rate on the transaction date without the need for a retranslation.

Upon preparation of the consolidated financial reports, the assets and liabilities of overseas operating institutions (including the subsidiaries or affiliates in the countries of business operation or those using currencies different from the Company's) were converted to New Taiwan dollars based on the exchange rate quoted on every balance sheet date. Income and expense items are translated at the average exchange rate for the period and the exchange differences are booked in other comprehensive income and attributed to shareholders' equity and non-controlling interests of the Company, respectively.

(7) Inventories

Inventory includes raw materials, supplies, finished goods and work-in-process. Inventory is valued in accordance with the lower of cost or net realizable value. When comparing cost and net realizable value, except for the homogeneous inventories, it is based on the itemized lower of cost or net realizable value. Net realizable value refers to the estimated sale price under normal circumstances net of the estimated cost needed to completion and the estimated expenses needed to consummate the sale. The cost of inventory is calculated using the weighted average method.

(8) Investments in affiliates and joint ventures

The term “affiliate” as set forth herein denotes an enterprise which has significant effect upon the Consolidated Company but is not a subsidiary or a joint venture. A joint venture is a joint agreement between the Consolidated Company and another company with joint control and rights to the net assets.

The Consolidated Company adopts the equity method for investment in affiliates.

Under the equity method, investments in affiliates and joint ventures are originally recognized at cost; the book value after the acquisition date fluctuates along with the distribution of profit or loss from the affiliates and joint ventures and other comprehensive income by the Consolidated Company. In addition, changes in equity in affiliated companies and joint ventures are recognized on a proportional basis to shareholdings.

The excess of the acquisition cost over the Consolidated Company’s share of the net fair value of the identifiable assets and liabilities of the affiliates and joint ventures at the acquisition date is recorded as goodwill, which is included in the carrying amount of the investment and is not amortized; the excess of the Consolidated Company’s share of the net fair value of the identifiable assets and liabilities of the affiliates and joint ventures at the acquisition date over the acquisition cost is recorded as gain or loss for the period.

If the Consolidated Company does not subscribe for new shares of an affiliate or joint venture in proportion to its shareholding, resulting in a change in the Consolidated Company’s shareholding and an increase or decrease in the net equity of the investment, the increase or decrease is adjusted to capital surplus – change in net worth in affiliates and joint ventures accounted for using the equity method and investments accounted for using the equity method. However, if the ownership interest in an affiliate or joint venture is reduced as a result of subscription or acquisition without proportionate shareholding, the amount recognized in other comprehensive income related to the affiliate or joint venture is reclassified in proportion to the reduction on the same basis as that required for the direct disposal of the related assets or liabilities of the affiliate or joint venture; if the former adjustment is charged to capital surplus and the balance of capital surplus from investments accounted for using the equity method is insufficient, the difference is charged to retained earnings.

When the Consolidated Company's share of losses in an affiliate or joint venture equals or exceeds its equity interest in the affiliate (including the carrying amount of the affiliate or joint venture under the equity method and other long-term equity interests that are in substance a component of the Consolidated Company's net investment in the affiliate), the Consolidated Company shall cease to recognize further losses. The Consolidated Company recognizes additional losses and liabilities only to the extent that legal obligations, constructive obligations or payments on behalf of affiliates have been incurred.

The Consolidated Company assesses impairment by comparing the recoverable amount to the carrying amount of an investment as a whole (including goodwill) as a single asset. The impairment loss recognized is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of impairment loss can be recognized to the extent that the recoverable amount of the investment subsequently increases.

The Consolidated Company ceases to adopt the equity method from the date its investment ceases to be an affiliate or joint venture, and its retained equity interest in the affiliate or joint venture is measured at fair value. The difference between the fair value and the disposal price and the carrying amount of the investment on the date of cessation of the equity method is recognized in profit or loss for the period. In addition, all amounts recognized in other comprehensive income related to the affiliate and joint venture are accounted for on the same basis as if the Consolidated Company had directly disposed of the related assets or liabilities and joint ventures. If an investment in affiliates and joint ventures becomes a joint venture or an investment in joint venture becomes an investment in affiliates and joint ventures, the Consolidated Company continues to use the equity method without remeasuring the retained equity interest.

Gains or losses from upstream, downstream and side-stream transactions with affiliates and joint ventures are recognized in the consolidated financial statements only to the extent that they are not related to the Consolidated Company's equity interest in the affiliates and joint ventures

(9) Property, plant and equipment

Property, plant, and equipment shall be recognized based on cost. Subsequent costing shall be measured on the cost net of accumulated depreciations and accumulated impairments.

Except for owned land, which is not depreciated, other property, plant and equipment are depreciated separately over their useful lives on a straight-line basis for each significant component. The Consolidated Company reviews the estimated useful lives, residual values and depreciation methods at least at the end of each year and defers the effect of changes in applicable accounting estimates.

When property, plant and equipment is derecognized, the difference between the net disposal price and the carrying amount of the asset is recognized in profit or loss.

(10) Investment property

Investment property refers to real estate held for the purpose of earning rent or capital appreciation or both. Investment property also includes land held for future use that is currently undetermined.

Self-owned investment property is initially measured at cost (including transaction costs) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Investment property is depreciated on a straight-line basis.

When investment property is derecognized, the difference between the net disposal price and the carrying amount of the asset is recognized in profit or loss.

(11) Goodwill

Goodwill acquired through a business merger is measured at cost based on the amount of goodwill recognized on the acquisition date and subsequently measured at cost less accumulated impairment.

For purposes of impairment tests, goodwill is allocated to each cash-generating unit or group of cash-generating units from which the Consolidated Company expects to benefit as a result of the merger.

The cash-generating units to which goodwill is allocated are tested annually (and whenever there is an indication that the units may be impaired) for impairment by comparing the carrying amount of the units that contain goodwill with their recoverable amounts. If goodwill allocated to a cash-generating unit arises from a business merger during the year, the unit should be tested for impairment before the end of the year. If the recoverable amount of a cash-generating unit to which goodwill is allocated is less than its carrying amount, the impairment loss is calculated by first reducing the carrying amount of the allocated goodwill of the cash-generating unit and then reducing the carrying amount of each asset in proportion to the carrying amount of the other assets in the unit. Any impairment loss

is recognized directly as loss for the period. Impairment losses attributable to goodwill must not be reversed in subsequent periods.

Upon disposal of an operation within a cash-generating unit to which goodwill is allocated, the amount of goodwill associated with the disposed operation is included in the carrying amount of the operation to determine the disposal gain or loss.

(12) Intangible assets

1. Acquired separately

   Intangible assets with finite useful lives acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment. Intangible assets are amortized on a straight-line basis over their useful lives. The Consolidated Company reviews the estimated useful lives, residual values and amortization methods at least at the end of each year and defers the effect of changes in applicable accounting estimates. Intangible assets with indefinite useful lives are stated at cost less accumulated impairment.

2. Acquired through business merger

   Intangible assets acquired through business merger are recognized at fair value at the acquisition date and separately from goodwill, and are subsequently measured in the same manner as intangible assets acquired separately.

3. Derecognition

   When intangible assets are derecognized, the difference between the net disposal price and the carrying amount of the assets is recognized in profit or loss for the period.

(13) Impairment of property, plant and equipment, right-of-use assets, investment property and intangible assets

The Consolidated Company assesses on each balance sheet date whether there is any indication that the property, plant and equipment, right-of-use assets, investment property and intangible assets (other than goodwill) may have been impaired. If there is any indication of impairment, the recoverable amount of the asset should be estimated. If the recoverable amount of an individual asset cannot be estimated, the Consolidated Company is to estimate the recoverable amount of the respective cash-generating unit. Shared assets are allocated to individual cash-generating units on a reasonably consistent basis.

Intangible assets with indefinite useful lives and not yet available for use are tested for impairment at least annually and whenever there is an indication of impairment.

The recoverable amount is the higher of the fair value less costs to sell and its value in use. When the recoverable amount of an individual asset or a cash-generating unit is less than its carrying amount, the carrying amount of the asset or cash-generating unit should be reduced to its recoverable amount. The impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the adjusted recoverable amount, provided that the increased carrying amount does not exceed the carrying amount (net of amortization or depreciation) that would have become if the impairment loss had not been recognized in prior years for that asset or cash-generating unit. Reversal of impairment loss is recognized in profit or loss.

(14) Non-current assets held for sale

The carrying amount of the disposal group is classified as held for sale when it is expected to be recovered primarily through sale transactions rather than through continued use. Disposal groups that meet this classification must be available for immediate sale in their current state and their sale must be highly probable. A sale is considered highly probable when the appropriate level of management is committed to a plan to sell the asset and the sale transaction is expected to close within one year from the date of classification.

If control over a subsidiary is lost upon disposal, all assets and liabilities of the subsidiary are classified as held for sale, regardless of whether a non-controlling interest in the subsidiary is retained after the disposal.

Disposal groups classified as held for sale are measured at the lower of carrying amount or fair value less costs to sell, and depreciation on such assets is discontinued.

(15) Financial instruments

When the Consolidated Company has become a party to the instrument contract, the financial assets and financial liabilities are to be recognized in the consolidated balance sheet.

For the initial recognition of the financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through profit or loss, it is measured at fair value plus transaction cost that is directly attributable to

the acquisition or issuance of financial assets or financial liabilities. The transaction cost directly attributable to the acquisition or issuance of financial assets or financial liabilities that are measured at fair value through profit or loss is immediately recognized in profit or loss.

1. Financial assets

   The regular transaction of financial assets is recognized and derecognized in accordance with the trade date accounting.

   (1) Type of measurement

   The types of financial assets held by the Consolidated Company are financial assets at fair value through profit or loss, financial assets at amortized cost, and investments in equity instruments at fair value through other comprehensive income.

   A. Financial assets at fair value through profit or loss

   Financial assets at fair value through profit or loss are financial assets mandatorily measured at fair value through profit or loss. Financial assets mandatorily measured at fair value through profit or loss include investments in equity instruments investments not designated by the Consolidated Company as being measured at fair value through other comprehensive income, and investments in debt instruments not qualified for classification as being measured at amortized cost or at fair value through other comprehensive income.

   Financial assets at fair value through profit or loss are measured at fair value, while dividends, interests and gains or losses arising from remeasurement are recognized in other gains and losses. Please refer to Note 35 for the determination of fair value.

   B. Financial assets at amortized cost

   The Consolidated Company's financial assets, if meeting both of the following conditions, are classified as financial assets at amortized cost:

   a. Financial assets held under a particular mode of operation and the purpose of holding is for the collection of contractual cash flows; and

b. The terms of the contracts give rise to cash flows at specified dates that are solely for the payment of principal and interest on the outstanding principal amount.

Financial assets (including cash and cash equivalents, accounts receivable measured at amortized cost), after initial recognition, are measured at their total carrying amount determined using the effective interest method, less amortized cost of any impairment loss, with any foreign currency exchange gain or loss recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial assets, except for the following two cases.

a. Interest income on financial assets that are credit-impaired upon acquisition or creation is calculated using the credit-adjusted effective interest rate multiplied by the amortized cost of the financial assets.

b. Interest income on financial assets that are not credit-impaired upon acquisition or creation but become credit-impaired subsequently is calculated using the effective interest rate multiplied by the amortized cost of the financial assets from the next reporting period after the impairment.

Credit-impaired financial assets are those for which the issuer or the debtor has experienced significant financial difficulties, defaulted, or where it is probable that the debtor will declare bankruptcy or other financial reorganization, or where an active market for the financial assets has disappeared due to financial difficulties.

Cash equivalents include time deposits that are highly liquid, readily convertible into fixed amount of cash with minimal risk of changes in value within twelve months from the acquisition date and are used to meet short-term cash commitments.

C. Investment in equity instruments at fair value through other comprehensive income

The Consolidated Company may make an irrevocable choice at the time of initial recognition for designating the investment of equity instruments not available-for-sale and not recognized by the acquirer

under corporate merger and acquisition or with consideration at fair value through other comprehensive income for measurement.

Investment in equity instruments at fair value through other comprehensive income is measured at fair value. Subsequent changes in fair value will be recognized as other comprehensive income and accumulated into other equity. In the disposition of assets, accumulated gains or loss shall be directly transferred to retained earnings without classification as profit or loss.

The dividend of the investment of equity instruments at fair value through other comprehensive income shall be recognized as income when the right of the Consolidated Company in the collection of dividends is ascertained, unless the dividend is obviously representing the recovery of the cost of investment in part.

(2) Impairment of financial assets and contract assets

The Consolidated Company at each balance sheet date assesses the impairment loss of financial assets (including accounts receivable) at amortized cost and contract assets according to the expected credit loss.

An allowance is recognized for losses on accounts receivable and contract assets based on expected credit losses over the life. Other financial assets are first evaluated to determine whether there is a significant increase in credit risk since initial recognition. If there is no significant increase, an allowance for loss is recognized based on the expected credit loss over 12 months, and if there is a significant increase, an allowance for loss is recognized based on the expected credit loss over the duration.

Expected credit loss is a weighted average credit loss based on the risk of default. Expected credit loss in a 12-month period represents the expected credit loss arising from possible defaults of the financial instruments within 12 months after the reporting date, and the ongoing expected credit loss represents the expected credit loss arising from all possible defaults of the financial instruments during the expected life of the financial instruments.

For internal credit risk management purposes, the Consolidated Company, without considering the collateral, determines the following

circumstances indicating that a default has occurred on the financial instrument:

A. There is internal or external information showing that the debtor has been unable to pay off the debt.

B. Payments are overdue for more than 90 days, unless there is reasonable and supporting information showing that the delayed default benchmark is more appropriate.

The carrying amount of all financial assets is reduced through an allowance account

(3) The derecognition of financial assets

The Consolidated Company has financial assets derecognized only when the contractual rights from the cash flows of a financial asset become invalid or when the financial assets are transferred, and almost all the risks and rewards of the asset ownership have been transferred to other enterprises.

When a particular entry of financial assets measured at amortized cost is removed, the difference between its book value and consideration shall be recognized as income. When particular equity instruments measured at fair value through comprehensive income are entirely derecognized, the accumulated gains of loss shall be directly transferred to retained earnings without being classified as profit or loss.

2. Equity instruments

The debt and equity instruments issued by the Consolidated Company are classified as financial liabilities or equity pursuant to the contractual agreements and the definition of financial liabilities and equity instruments.

Equity instruments issued by the Consolidated Company are recognized for an amount after deducting the direct issuing cost from the proceeds collected.

The retrieval of the Company's own equity instruments is recognized and deducted under equity. The Company's equity purchased, sold, issued, or cancelled is not recognized in the profit or loss.

3. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

(2) Derecognition of financial liabilities

When derecognizing financial liabilities, the difference between the carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized as profit or loss.

4. Convertible corporate bonds

The compound financial instruments (convertible corporate bonds) issued by the Consolidated Company are classified as financial liabilities and equity respectively in the original recognition according to the substance of the contractual agreement and the definition of financial liabilities and equity instruments.

In the original recognition, the fair value of the liability is estimated according to the prevailing market interest rate of a similar non-convertible instrument; also, it is measured at the amortized cost that is calculated according to the effective interest method before the conversion or maturity date. The liability of an embedded non-equity derivative is measured at fair value.

The conversion right classified as equity is equal to the remaining amount of the fair value of the compound instrument as a whole less the fair value of the separately determined liability component, which is recognized in equity net of the income tax effect and is not subsequently measured. When the conversion right is exercised, its related liability component and the amount in equity will be transferred to share capital and capital surplus – issue premium. If the conversion right of convertible corporate bonds has not been exercised on the maturity date, the amount recognized in equity will be transferred to capital surplus – issue premium.

Transaction costs related to the issuance of convertible bonds are allocated to the liability (included in the carrying amount of the liability) and the equity component (included in equity) of the instrument in proportion to the total allocation price.

The components of conversion rights contained in convertible bonds issued by the Consolidated Company are classified as derivative financial liabilities if the conversion rights are not settled by exchanging a fixed amount of cash or other financial assets for a fixed number of the Consolidated Company's own equity instruments.

On initial recognition, the derivative portion of convertible bonds is measured at fair value, and the original carrying amount of the non-derivative portion of financial liabilities is the balance after separation of embedded derivatives. In subsequent periods, non-derivative financial liabilities are measured at amortized cost using the effective interest method and derivative financial liabilities are measured at fair value with changes in fair value recognized in profit or loss. Transaction costs related to the issuance of convertible bonds are allocated to the non-derivative financial liability portion of the instrument (included in the carrying amount of the liability) and the derivative financial liability portion (included in profit or loss) in proportion to their relative fair values.

(16) Hedging instruments

The Consolidated Company uses precious metal borrowing contracts for fair value hedge.

Changes in the fair value of hedging instruments designated and qualifying as fair value hedge and changes in the fair value of the hedged item attributable to the risk being hedged are recognized immediately in profit or loss and are recognized in the consolidated comprehensive income statement under the line item relating to the hedged item.

The Consolidated Company defers the cessation of hedge accounting only when the hedging relationship no longer meets the requirements for hedge accounting, including when the hedging instrument has expired, been sold, unbundled by contract or exercised.

(17) Provision for liabilities

The amount recognized as provision for liabilities is the best estimate of the amount required to settle the obligation at the balance sheet date, taking into account the risk and uncertainty of the obligation. The provision for liabilities is measured as the present value of the discounted estimated cash flows to settle the obligation.

(18) Recognition of revenues

The Consolidated Company, after identifying the performance obligations, had the transaction price amortized to each performance obligation and recognized as income when the performance obligations were fulfilled.

1. Merchandise sales revenues

   The Consolidated Company recognizes revenue when the promised product is delivered to the customer and the customer obtains control (i.e. the customer's ability to direct the use of the product and obtain substantially all of the residual benefits of the product), based on the price stated in the contract.

   The credit period for goods sold by the Consolidated Company is 30 to 180 days. For most contracts, the accounts receivable are recognized when the control of the goods is transferred and there is the right to unconditionally receive the consideration. Such accounts receivable are usually short term and have no significant financial components.

2. Revenues from power plant design and construction projects

   For real estate construction contracts in which the real estate is under the control of the customer during the construction process, the Company recognizes revenue gradually over time. Since the cost of construction is directly related to the degree of completion of contractual obligations, the Company measures the progress of completion based on the proportion of the actual cost invested to the expected total cost. The Company recognizes contract assets over time during the construction process and reclassifies them as accounts receivable upon billing. If the amount received exceeds the amount of revenue recognized, the difference is recognized as a contract liability. The retention money withheld by the customer under the terms of the contract are intended to ensure the Company's completion of all contractual obligations and are recognized as contract assets until the Company's performance of the contract is completed.

   If the outcome of the performance obligation cannot be measured reliably, revenue is recognized only to the extent that the costs incurred to satisfy the performance obligation are expected to be recovered.

(19) Lease

The Consolidated Company assesses whether the contract is (or includes) a lease on the effective contract date.

1. The Consolidated Company is the lessor

   A lease is classified as a capital lease when the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of the asset to the lessee. All other leases are classified as operating leases.

Under operating leases, lease payments, net of lease incentives, are recognized as income on a straight-line basis over the relevant lease period.

2. The Consolidated Company is the lessee

Right-of-use assets and lease liabilities are recognized at the lease inception date, except for leases of low-value underlying assets to which the recognition exemption applies and short-term leases for which lease payments are recognized as expenses on a straight-line basis over the lease period.

Right-of-use assets are initially measured at cost (the original measured amount of the lease liability) and subsequently at cost less accumulated depreciation and accumulated impairment loss, adjusted for the remeasurement of the lease liability. The right-of-use assets are expressed separately in the consolidated balance sheet.

The right-of-use assets are depreciated on a straight-line basis over the period starting from the lease inception date to the end of their useful lives or the expiration of the lease period, whichever is sooner.

The lease liability was originally measured at the present value of the lease payments (both fixed and substantively constant). If the implicit interest rate of the lease is readily determinable, the lease payments are discounted using that rate. If that rate is not readily determinable, the lessee's incremental borrowing rate is used.

Subsequently, the lease liability is measured on an amortized cost basis using the effective interest method, and the interest expense is apportioned over the lease term. If a change in the index used to determine lease payments during the lease term results in a change in future lease payments, the Consolidated Company remeasures the lease liability and adjusts the right-of-use asset accordingly. However, if the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasurement amount is recognized in profit or loss. The lease liabilities are expressed separately in the consolidated balance sheet.

Rentals under leases that do not depend on changes in indices or rates are recognized as expense in the period in which they are incurred.

(20) Government subsidies

Government subsidies are recognized when there is reasonable assurance that the enterprise will comply with the conditions attached to the government subsidy and that the subsidy will be received.

Government subsidies related to income are recognized in other income on a systematic basis over the period in which the related costs for which they are intended to compensate are recognized as expenses by the Company.

Government subsidies are recognized in profit or loss in the period in which they become collectible if they are intended to compensate for expenses or losses already incurred or to provide immediate financial support to the Company and have no future related costs.

(21) Share-based payment agreement

1. Transfer of treasury shares by subsidiaries to their employees

   When a subsidiary transfers to its employees the treasury shares bought back, the shares are measured at the fair value of equity instruments on the grant day, and the capital reserve – treasury shares trading is adjusted accordingly. If the vesting is made immediately on the grant date, the full cost is recognized on the grant date. When a subsidiary handles employee subscription to treasury shares, the date on which the number of shares transferred to the employee is confirmed shall be the grant date.

2. Employee stock options and shares with restricted employee rights granted to employees

   Employee stock options are recognized as expense on a straight-line basis over the vesting period based on the fair value of the equity instruments at the grant date and the best estimate of the number expected to be vested, with an adjustment to capital surplus – employee stock options at the same time. If the vesting is made immediately on the grant date, the full cost is recognized on the grant date. The Company reserves shares for employee subscription at the time of cash capital increase and recognizes the date as the grant date when the number of shares to be subscribed by employees is confirmed.

   The Consolidated Company shall revise the estimated number of employee stock options expected to be vested on each balance sheet date. If the original estimated quantity is revised, the affected amount is recognized as profit or

loss, so that the accumulated expenses reflect the revised estimate, and the capital reserve – employee stock option is adjusted accordingly.

When the Consolidated Company restricted employee rights shares, the other rights and interests (remuneration not earned by employees) are recognized on the date of grant, and the capital reserve – restricted employee rights shares is adjusted at the same time. If it is a paid issue and it is agreed that the amount of consideration must be returned when the employee leaves the company, the relevant payables shall be recognized. When an employee leaves the company within the vested period, he/she does not need to return the dividends received. The dividends shall be recognized as expenses when declaring the distribution of dividends, and the capital reserve – restricted employee rights shares shall be adjusted at the same time.

3. Employee stock options granted to the employees of subsidiaries

   Employee stock options granted to employees of subsidiaries for settlement with the Company's equity instruments are considered as capital contributions to the subsidiaries and are measured at the fair value of the equity instruments at the date of grant and recognized as an increase in the carrying amount of the investment in the subsidiary during the vesting period, with a corresponding adjustment to capital surplus – employee stock options. If the vesting is made immediately on the grant date, the full cost is recognized on the grant date.

(22) Employee benefits

1. Short-term employee benefits

   Liabilities relating to short-term employee benefits are measured by the non-discounted amount of the expected payment in exchange for employee services.

2. Post-employment benefits

   Under defined contribution pension plan, the pension amount appropriated during the service years of the employees is recognized as an expense.

   The defined benefit cost (including service cost, net interest and remeasurement) of defined benefit pension plan is actuarially determined using the projected unit credit method. Service cost (including current service cost) and net interest on net defined benefit liabilities (assets) are recognized as employee benefit expense as incurred. Remeasurements (including actuarial gains and losses and return on plan assets, net of interest) are recognized in

other comprehensive income and included in retained earnings as incurred and are not reclassified to profit or loss in subsequent periods.

The net defined benefit liability (asset) represents the deficit (remaining) of the defined benefit pension plan appropriation. The net defined benefit asset may not exceed the present value of refunds of appropriations from the plan or reductions in future appropriations.

(23) Income tax

Income tax expense is the sum of the current income tax and deferred income tax.

1. Current income tax

   The Consolidated Company determines income (loss) for the period in accordance with the regulations enacted by the income tax reporting jurisdictions and calculates income tax payable (recoverable) accordingly.

   Additional Income tax on unappropriated earnings calculated in accordance with the ROC Income Tax Act is recognized in the year in which resolutions are made at the shareholders' meeting.

   The adjustment to prior years' income tax payable is booked as current period's income tax.

2. Deferred tax

   Deferred tax is calculated on temporary differences between the carrying amounts of assets and liabilities and the tax bases used to compute taxable income.

   Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which income tax credits can be utilized, such as deductions for temporary differences, loss carryforwards and investment tax credits.

   Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, affiliates, except where the Consolidated Company can control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for deductible temporary differences associated with such investments only to the extent that it is probable that sufficient taxable income will be available to allow the

temporary differences to be realized and to the extent that a reversal is expected in the foreseeable future.

The carrying amount of deferred tax assets is reviewed on each balance sheet date and reduced to the extent that it is no longer probable that sufficient tax assets will be available to allow recovery of all or part of the asset. part of the asset should be adjusted down. Deferred tax assets that are not recognized as such initially are reviewed on each balance sheet date and the carrying amount is increased to the extent that it is probable that future taxable income will be available to recover all or part of the assets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled or the asset is realized, which are based on tax rates and tax laws that have been legislated or substantively legislated on the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequence resulting from the book value of the assets or liabilities expected to be recovered or liquidated on the balance sheet date.

3. Current and deferred tax

Current and deferred income taxes are recognized in the profit or loss, except for the current and deferred income taxes related to the items recognized in other comprehensive income or directly included in the equity are recognized in other comprehensive income or directly included in the equity.

5. Significant Accounting Judgments and Estimations, and Main Sources of Assumption Uncertainties

When adopting accounting policies, the Consolidated Company's management is required to make judgments, estimates and assumptions that are based on historical experience and other factors that are not readily apparent from other sources Actual results may differ from estimates.

The Consolidated Company takes the recent development of COVID-19 in Taiwan and its possible impact on the economic environment into the consideration of major accounting estimates such as cash flow estimation, growth rate, discount rate and profitability. The management will continue to review the estimates and basic assumptions. If a revision of an estimate affects only the current period, it is recognized in the period in which it is revised. If a revision of an accounting estimate affects both

the current and future periods, it is recognized in the period in which it is revised and in the future periods.

Significant Accounting Judgments

No

Estimations, and Main Sources of Assumption Uncertainties

(1) Impairment of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs to complete the production and the estimated costs to complete the sale, which are based on current market conditions and historical sales experience of similar products. Changes in market conditions may materially affect the results of these estimates.

(2) Impairment of Investments in affiliates

When there is an indication that an investment in an affiliate may be impaired and the carrying amount may not be recoverable, the Consolidated Company assesses the impairment of the investment immediately. The Consolidated Company's management assesses impairment based on future cash flow projections of the affiliates, including assumptions on sales growth and capacity utilization as estimated by the affiliates' internal management. The Consolidated Company also considers the relevant market and industry conditions to determine the reasonableness of its relevant assumptions.

(3) Estimate of goodwill impairment

In determining whether goodwill is impaired, the value in use of the cash-generating unit to which goodwill is allocated is estimated. For value-in-use calculations, management should estimate the future cash flows expected to be generated from the cash-generating units and determine the appropriate discount rate to be used in the present value calculation. If actual cash flows are less than expected, a significant impairment loss may occur.

6. Cash and Cash Equivalents

	December 31, 2021	December 31, 2020
Cash on hand and petty cash	$ 1,456	$ 1,861
Checking and demand deposit accounts	3,004,970	2,666,222
Time deposits	20,716	25,400
Cash in transit	-	81
	$ 3,027,142	$ 2,693,564

7. Financial Instruments at Fair Value Through Profit or Loss

	December 31, 2021	December 31, 2020
Financial assets		
Mandatorily measured at fair value through profit or loss		
Non-derivative financial assets		
- Stocks	$ 11,997	$ 65,185
- Funds	26,284	85,817
	$ 38,281	$151,002
Current	$ -	$ 56,706
Non-current	38,281	94,296
	$ 38,281	$151,002

The Company's financial assets at fair value through profit or loss are not provided as guarantee.

8. Financial Assets Measured at Fair Value Through Other Comprehensive Income

	December 31, 2021	December 31, 2020
Investment in equity instruments – non-current		
Listed (emerging) company stocks		
Long Time Tech. Co., Ltd.	$256,160	$309,824
Unlisted (emerging) company stocks		
Big Sun Energy Technology Inc.	25,625	25,625
Prorit Corporation	13,798	13,798
New Land Packing Corporation	59,726	59,726
Phoenix Battery Corporation	5,000	-
Adjustments to the valuation of financial assets at fair value through other comprehensive income	152,999	(66,488)
	$513,308	$342,485

The Consolidated Company invests in the ordinary shares of the Company listed above for medium- to long-term strategic purposes and expects to earn a profit from the long-term investment. The Consolidated Company's management believes that it would be inconsistent with the aforementioned long-term investment plan to include short-term fair value fluctuations of these investments in profit or loss, and has therefore

elected to designate these investments as measured at fair value through other comprehensive income.

On August 10, 2020, the Consolidated Company participated in the rights shares of New Land Packing Corporation for NT$3,816 thousand, and acquired 382 thousand shares.

In December 2021, the Consolidated Company participated in the rights shares of Phoenix Battery Corporation for NT$5,000 thousand, and acquired 500 thousand shares.

The Consolidated Company's financial assets at fair value through other comprehensive income are not provided as guarantee.

Due to its investment strategy, the Consolidated Company sold and derecognized certain investments in equity instruments at fair value through other comprehensive income. The Information related to the derecognition in 2021 and 2020 is as follows.

	2021	2020
Fair value at the date of derecognition.	$ 89,149	$ 12,177
Accumulated gain (loss) on disposal of retained earnings transferred from other equity	14,268	(21,235)

9. Notes Receivable, Accounts Receivable and Other Receivables

	December 31, 2021	December 31, 2020
Notes Receivables		
Measured at amortized cost		
Total carrying amount – incurred as a result of operations	$ 276,999	$ 730,928
Less: allowance for loss	-	-
	$ 276,999	$ 730,928
Accounts Receivables		
Measured at amortized cost		
Total book value	$ 1,350,897	$ 2,003,545
Less: allowance for loss	(223,434)	(232,017)
	1,127,463	1,771,528
Accounts receivable – related party	135,703	95,894
Less: allowance for loss	-	-
	135,703	95,894
	$ 1,263,166	$ 1,867,422

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	December 31, 2021	December 31, 2020
Other Receivables		
Tax refund receivable	$ 20,829	$ 24,503
Other receivables – other	22,795	39,045
Less: allowance for loss	(17,949)	(17,950)
	25,675	45,598
Other receivables – related party	1,879	2,155
	$ 27,554	$ 47,753

(1) Notes receivables

The Consolidated Company entered into a contract with a financial institution for the discounting of certain notes receivable with recourse. Although the Consolidated Company transferred the contractual rights of cash flow of these notes receivable, the Consolidated Company still had to bear the credit risk of uncollectability of these notes receivable according to the contract, and did not meet the conditions of financial assets derecognition. Information related to the transaction is as follows.

	December 31, 2021		
Transaction counterparty	Amount Transferred	Amount advanced (Note)	Interest range
Industrial Bank	$ 3,041	$ 3,041	2.45%~2.70%
Agricultural Bank of China	1,228	1,228	3.06%
	$ 4,269	$ 4,269	

Note: Please refer to Notes 18 and 37 for information on short-term borrowings and short-term loans and related guarantees.

(2) Accounts receivables

The Consolidated Company's notes and accounts receivable are not provided as guarantee.

The average credit period of the Consolidated Company's product sales ranges from 30 to 180 days.

Each unit of the Consolidated Company manages credit risk in accordance with its policies, procedures and controls over credit risk. The credit risk of all counterparties is evaluated by taking into account the financial condition of the counterparties, the ratings of credit rating agencies, historical transaction experience, the current economic environment and the Consolidated Company's internal rating standards. The Consolidated Company also uses certain credit enhancement tools (such as

advance receipts) at appropriate times to reduce the credit risk of specific counterparties.

The Finance Department manages the credit risk of bank deposits, fixed-income securities and other financial instruments in accordance with the Consolidated Company's policies. Since the Consolidated Corporation's counterparties are determined by internal control procedures and are creditworthy banks and investment-grade financial institutions, corporate organizations and government agencies, there is no significant credit risk.

The Consolidated Company recognizes an allowance for losses on accounts receivable based on expected credit losses over the life of the receivables. Expected credit losses for the duration are calculated using a reserve matrix, which takes into account the customer's past default history and current financial condition, the economic situation of the industry, as well as industry outlook. Accounts receivable are classified into groups by considering the credit rating of counterparties, regions and industries, and a reserve matrix is used to measure the allowance for loss.

If there is evidence that the counterparty is in serious financial difficulty and the Consolidated Company cannot reasonably expect to recover the amount, the Consolidated Company shall directly write off the related accounts receivable but shall engage in recourse activities and recognize the amount recovered in profit or loss as a result of the recourse. The Consolidated Company measured the allowance for losses on notes and accounts receivable based on the reserve matrix as follows.

December 31, 2021

1. Group 1

	Not past due	0–30 days past due	31–120 days past due	121–270 days past due	Over 270 days past due	Total
Expected credit impairment loss	-	-	-	-	100%	
Total book value	$203,010	$ -	$ 2,109	$ -	$ 25,143	$230,262
Allowance for loss (expected credit loss during the life)	-	-	-	-	(25,143)	(25,143)
Amortized cost	$203,010	$ -	$ 2,109	$ -	$ -	$205,119

2. Group 2

	Not past due	0–60 days past due	61–120 days past due	Over 120 days past due	Total
Expected credit impairment loss	0~9%	0~35%	0~3%	3~100%	
Total book value	$ 1,128,200	$ 137,452	$ 47,188	$ 220,497	$ 1,533,337
Allowance for loss (expected credit loss during the life)	(7,394)	(4,513)	(1,058)	(185,326)	(198,291)
Amortized cost	$ 1,120,806	$ 132,939	$ 46,130	$ 35,171	$ 1,335,046

December 31, 2020

1. Group 1

	Not past due	Past due 0–30 days	Past due 31–120 days	Past due 121–270 days	Past due Over 270 days	Total
Expected credit impairment loss	-	-	0~7%	0~22%	0~100%	
Total book value	$129,559	$ -	$ 2,890	$ 2,362	$ 28,826	$163,637
Allowance for loss (expected credit loss during the life)	(284)	-	(196)	(362)	(28,801)	(29,643)
Amortized cost	$129,275	$ -	$ 2,694	$ 2,000	$ 25	$133,994

2. Group 2

	Not past due	Past due 0–60 days	Past due 61–120 days	Past due over 120 days	Total
Expected credit impairment loss	0~1%	0~1%	-	84~100%	
Total book value	$ 2,444,664	$ 12,854	$ 14,321	$ 194,891	$ 2,666,730
Allowance for loss (expected credit loss during the life)	(10,762)	(25)	-	(191,587)	(202,374)
Amortized cost	$ 2,433,902	$ 12,829	$ 14,321	$ 3,304	$ 2,464,356

Information on changes in allowance for losses on notes and accounts receivable is as follows:

	2021	2020
Balance at the beginning of the year	$232,017	$206,305
Add: Provision (reversal) of impairment loss for the year	(5,222)	26,563
Less: Actual write off for the year	-	(58)
Foreign currency translation differences	(3,361)	(793)
Balance at the end of the year	$223,434	$232,017

The changes in the allowance for loss as of December 31, 2021 and 2020 were due to the combined effect of changes in notes and accounts receivable and the net increase in total carrying amount for different aging risk groups.

10. Inventories

	December 31, 2021	December 31, 2020
Raw materials (Note)	$ 960,686	$ 1,419,097
Work in process	180,694	222,628
Finished goods	188,075	261,791
Merchandise Inventory	2,307	1,026
	$ 1,331,762	$ 1,904,542

Note: As of December 31, 2021 and 2020, the valuation gains (losses) of the borrowed silver ingots were NT$(1,728) thousand and NT$132,213 thousand, respectively.

The operating costs related to inventories in 2021 and 2020 were NT$7,683,909 thousand and NT$8,323,634 thousand respectively. Operating costs include inventory (loss on falling price) recovery gain of NT$(13702) thousand and NT$23,657 thousand. The above-mentioned recovery of net realizable value of inventory is recognized as recovery benefits because the factors that previously caused the net realizable value of inventory to be lower than the cost have disappeared.

The Consolidated Company has a contract with a raw material supplier to borrow silver ingots for production, which is repayable in kind within one year plus interest. As of December 31, 2020 and 2019, the Consolidated Company had NT$560,853 thousand and NT$1,094,208 thousand respectively of silver ingots borrowed and outstanding, which were recorded under inventory and other current liabilities, respectively, and interest expense was appropriately estimated.

No guarantee has been provided for the Consolidated Company's inventory.

(11) Subsidiaries

(1) Information on subsidiaries with significant non-controlling interests

Subsidiary name	Company and Country of Operation	Percentage of ownership interests and voting rights held in non-controlling interests	
		December 31, 2021	December 31, 2020
Giga Solar Materials Corporation	Taiwan	60.19%	53.83%

The following aggregated financial information for each subsidiary has been prepared using amounts before elimination of intercompany transactions:

Giga Solar Materials Corporation and Its Subsidiaries

	December 31, 2021	December 31, 2020
Current assets	$ 6,166,601	$ 7,348,822
Non-current assets	6,227,929	5,850,452
Current liabilities	(3,070,447)	(5,396,798)
Non-current liabilities	(2,313,504)	(2,011,820)
Equity	$ 7,010,579	$ 5,790,656

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	December 31, 2021	December 31, 2020
Equity attributable to:		
Shareholders of the company	$ 3,833,734	$ 2,473,573
Non-controlling interests in Giga Solar Materials Corporation	2,575,381	2,823,192
Non-controlling interests in subsidiaries of Giga Solar Materials Corporation	601,464	493,891
	$ 7,010,579	$ 5,790,656
Operating revenues	$ 7,632,452	$ 8,834,835
Net income (loss) for the year	($ 445,878)	$ 68,124
Other comprehensive income	204,057	43,162
Total comprehensive income	($ 241,821)	$ 111,286
Net income (loss) attributable to:		
Shareholders of the Company	($ 147,470)	$ 87,146
Non-controlling interests in Giga Solar Materials Corporation	(227,988)	113,093
Non-controlling interests in subsidiaries of Giga Solar Materials Corporation	(70,420)	(132,115)
	($ 445,878)	$ 68,124
Total comprehensive income attributable to:		
Shareholders of the Company	($ 67,135)	$ 106,401
Non-controlling interests in Giga Solar Materials Corporation	(103,790)	138,082
Non-controlling interests in subsidiaries of Giga Solar Materials Corporation	(70,896)	(133,197)
	($ 241,821)	$ 111,286

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	December 31, 2021	December 31, 2020
Cash flow		
Operating activities	$ 915,847	$ 1,096,552
Investment activities	(572,210)	127,396
Financing activities	(44,999)	(530,975)
Effect of exchange rate changes on cash and cash equivalents	(43,531)	(46,503)
Net cash inflow	$ 255,107	$ 646,470

(12) Investment Accounted for Using the Equity Method

	December 31, 2021	December 31, 2020
Investment in affiliate	$ 1,252,490	$ 965,115
Investment in joint venture	99,875	75,004
	$ 1,352,365	$ 1,040,119

(1) Investment in affiliate

Investee name	December 31, 2021	December 31, 2020
Affiliates of no materiality		
Tron Energy Technology Corporation	$ 550,117	$ 422,257
Whole Max Green Power Co., Ltd.	446,746	443,611
UJGIGA Co., Ltd.	55,453	19,008
Ri Yun Green Energy Corporation	47,933	41,784
Tron Giga (Yancheng) Energy Co., Ltd.	42,114	38,455
Yusheng Energy Co., Ltd.	110,127	-
	$ 1,252,490	$ 965,115

Company name	Business nature	Main Business Location	Percentage of ownership interests and voting rights held	
			December 31, 2021	December 31, 2020
Tron Energy Technology Corporation	Electric buses, diesel buses/battery systems/energy storage systems	Taoyuan City	12.73%	13.89%
Whole Max Green Power Co., Ltd.	Solar Energy Related Business	Hukou Township, Hsinchu County	39%	39%
Tron Giga (Yancheng) Energy Co., Ltd.	Battery module, battery pack and battery` component assembly	Yancheng City, Jiangsu Province	49%	49%

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Company name	Business nature	Main Business Location	Percentage of ownership interests and voting rights held	
			December 31, 2021	December 31, 2020
Ri Yun Green Energy Corporation	Solar Energy Related Business	Taipei City	30%	30%
UJGIGA Co., Ltd.	Solar Energy Related Business	Kaohsiung City	49%	49%
Yusheng Energy Co., Ltd.	Renewable energy relate business	Taipei City	26.13%	-

Due to the provision of important technical information and serving as a director of Tron Energy Technology Corporation, the Consolidated Company has gained significant impact on Tron Energy Technology Corporation. On January 9, 2020, the board meeting of Subsidiary Giga Solar Materials Corporation resolved to participate in the cash capital increase of Tron Energy Technology Corporation and prepaid investment amounted to $62,152 thousand. The Consolidated Company again invested in Tron Energy Technology Corporation in August 2021 with an investment amount of NT$72,450 thousand, for a total of NT$134,602 thousand and totally acquired 1,795 thousand shares with a shareholding ratio of 12.73%. The book-close date of the rights shares was August 27, 2021, and the change registration was completed on October 19, 2021. Considering that the Consolidated Company holds one seat of its directors, it is judged that it still has significant influence. The goodwill of the company acquired is NT$293,538 thousand, which is the cost of investing in affiliated enterprises.

In response to the adjustment of the Group’s business plan, the Board of Directors of the Company approved the investment in Whole Max Green Power Co., Ltd. on November 10, 2020, and acquired 42,510 thousand shares of Whole Max Green Power Co., Ltd. from Subsidiary Whole Sun Green Power Co., Ltd. After the completion of this equity transaction, the Company and Subsidiary Wafering Technology Corporation hold 31% and 8% of the shares of Whole Max Green Power Co., Ltd., respectively, and the shareholding percentage of the Consolidated Company remains unchanged at 39%.

On March 31, 2020, the Consolidated Company invested NT$5,292 thousand in UJGIGA Co., Ltd. and acquired 529,200 shares, representing a 49% shareholding. It again invested UJGIGA Co., Ltd. on November 16, 2020, April 16, 2021 and December 25, 2021, with an investment amount of NT$7,840 thousand, NT$16,268 thousand and NT$19,992 thousand respectively, and acquired 784,000 shares, 1,626,800 shares and 1,992,000 shares respectively, with a shareholding ratio of 49% consistently.

On April 30, 2020, the Company invested NT$8,769 thousand in Ri Yun Green Energy Corporation and acquired 876,900 shares, representing a 30% shareholding. Subsequently, on December 7, 2020 and December 27, 2021, the Company further invested NT$7,500 thousand and NT$6,300 thousand in Ri Yun Green Energy Corporation and acquired 750,000 and 630,000 shares, representing a 30% shareholding.

The subsidiary, Giga Solar Materials Corporation (Mauritius) invested in Tron Giga (Yancheng) Energy Co., Ltd. on November 14, 2019, with a 59.51% shareholding, Since the Consolidated Company only held one of the three seats on the Board of Directors of Tron Giga (Yancheng) Energy Co., Ltd., it is recognized that the Consolidated Company does not have control over Tron Giga (Yancheng) Energy Co., Ltd. and is therefore evaluated under the equity method. The Consolidated Company subscribed to the rights shares of Tron Giga (Yancheng) Energy Co., Ltd. but not in proportion to its shareholding on December 15, 2020, resulting in the shareholding ratio dropping from 59.51% to 49.00%.

On November 26, 2021, the Consolidated Company invested NT$110,000 thousand in Yusheng Energy Co., Ltd. and acquired 11,000,000 shares, representing a 26.13% shareholding. The change registration was completed on January 4, 2022. Considering that the Consolidated Company holds one seat of its directors, it is judged that it still has significant influence.

The aggregate financial information of the Consolidated Company's investments in the aforementioned affiliates, which are not material to the Consolidated Company, based on their respective shares, is presented below:

	2021	2020
Net income from continuing operations for the year	$ 3,272	$ 2,224
Other comprehensive income	(625)	613
Total comprehensive income	$ 2,647	$ 2,837

(2) Investment in joint venture

	December 31, 2021	December 31, 2020
Affiliates of no materiality		
Giga Solar Green Power Co., Ltd.	$ 62,298	$ 57,434
Ligao Optoelectronics Co., Ltd. Ltd.	32,253	17,570
Jieshuo Co., Ltd.	4,981	-
Shuoyitai Green Energy Co., Ltd.	343	-
	$ 99,875	$ 75,004

The Consolidated Company's ownership interest in the joint venture and the percentage of voting rights as of the balance sheet date are as follows:

Company name	Business nature	Main Business Location	Percentage of ownership interests and voting rights held	
			December 31, 2021	December 31, 2020
Giga Solar Green Power Co., Ltd.	Solar Energy Related Business	Hukou Township, Hsinchu County	50%	50%
Ligao Optoelectronics Co., Ltd.	Solar Energy Related Business	Hukou Township, Hsinchu County	50%	50%
Jieshuo Co., Ltd.	Development of solar energy and energy storage systems	Hukou Township, Hsinchu County	49.9%	-
Shuoyitai Green Energy Co., Ltd.	Development, installation and holding of energy storage systems	Hukou Township, Hsinchu County	35%	-

On August 24, 2020, the Company further invested NT$42,500 thousand in Giga Solar Green Power Co., Ltd. The Company acquired 4,250,000 shares with a 50% shareholding. Later on November 17, 2020 and December 30, 2021, the Company further invested NT$25,000 thousand and NT$10,000 thousand in Giga Solar Green Power Co., Ltd. and acquired 2,500,000 and 249,975 shares, representing a 50% shareholding.

On August 6, 2020, Wafering Technology Corporation further invested in Ligao Optoelectronics Co., Ltd. with an investment amount of NT$11,000 thousand, and acquired a total of 3,180,000 shares after the investment, representing a 50% shareholding. On March 29, 2021, it further invested NT$25,000 thousand in Ligao

Optoelectronics Co., Ltd. After the investment, it totally acquired 5,680,000 shares, representing a 50% shareholding.

The Company invested in Jieshuo Co., Ltd. jointly with other companies on November 15, 2021, with an investment amount of NT$4,990 thousand and acquired 499,000 shares in total, with a shareholding ratio of 49.9%, and completed the change registration on November 29, 2021. According to the joint venture agreement, the major operations of Jieshuo shares are jointly led by all investors.

The Company invested in Shuoyitai Green Energy Co., Ltd. jointly with other companies on August 25, 2021, with an investment amount of NT$350 thousand and acquired 35,000 shares in total with a shareholding ratio of 35%, and completed the change registration on September 11, 2021. According to the joint venture agreement, the major operations of Shuoyitai Green Energy Co., Ltd. shares are jointly led by all investors.

The aggregate financial information of the Consolidated Company's investments in the aforementioned joint ventures, which are not material to the Consolidated Company, based on their respective shares, is presented below:

	2021	2020
Net losses from continuing operations for the year	($ 1,331)	($ 1,931)
Other comprehensive income	-	-
Total comprehensive income	($ 1,331)	($ 1,931)

Jieshuo Co., Ltd. and Shuoyitai Green Energy Co., Ltd. are individual insignificant joint ventures, and their financial reports have not been audited by CPAs; however, the management of the Consolidated Company believes that these individual insignificant financial reports of the joint venture companies will not have significant differences if audited by CPAs.

For information on the business nature, principal place of operations and country of registration of the above affiliates and joint ventures, please refer to Exhibit 8, "Information on Investees."

The Consolidated Company's affiliates and joint ventures have no pledges as loan guarantees.

13. Property, Plant and Equipment

	December 31, 2021	December 31, 2020
Self-use	$ 4,114,623	$ 4,118,732

(1) Self-use

	Land	Houses and buildings	Machinery equipment	Office equipment	R&D equipment	Miscellaneous equipment	Unfinished construction and equipment to be accepted	Total
Costs								
Balance as of January 1, 2021	$ 910,310	$ 2,092,990	$ 2,709,994	$ 32,289	$ 664,500	$ 141,169	$ 827,586	$ 7,378,838
Addition	302,278	22,011	110,449	469	9,154	6,989	108,316	559,666
Sale or scrap	-	(3,136)	(113,318)	(6)	(7,133)	(11,718)	-	(135,311)
Transfer	(21,145)	5,928	288,898	-	(267,705)	-	-	5,976
Net exchange difference	(60,574)	(7,176)	(162,209)	(43)	-	(1,012)	(76,996)	(308,010)
Balance as of December 31, 2021	$ 1,130,869	$ 2,110,617	$ 2,833,814	$ 32,709	$ 398,816	$ 135,428	$ 858,906	$ 7,501,159
Accumulated depreciation and impairment								
Balance as of January 1, 2021	$ 18,019	$ 936,675	$ 1,072,397	$ 29,115	$ 548,649	$ 111,911	$ 543,101	$ 3,259,867
Depreciation	-	82,746	160,568	1,464	40,387	11,041	-	296,206
Sale or scrap	-	(3,136)	(78,124)	(6)	(1,818)	(9,734)	-	(92,818)
Impairment	-	-	147	-	-	-	-	147
Transfer	-	(286)	254,866	-	(254,866)	-	-	(286)
Net exchange difference	-	(950)	(27,891)	(28)	-	(650)	(47,061)	(76,580)
Balance as of December 31, 2021	$ 18,019	$ 1,015,049	$ 1,381,963	$ 30,545	$ 332,352	$ 112,568	$ 496,040	$ 3,386,536
Net as of December 31, 2020 and January 1, 2021	$ 892,291	$ 1,156,315	$ 1,637,597	$ 3,174	$ 115,851	$ 29,258	$ 284,485	$ 4,118,971
Net as of December 31, 2021	$ 1,112,850	$ 1,095,568	$ 1,451,851	$ 2,164	$ 66,464	$ 22,860	$ 362,866	$ 4,114,623
Costs								
Balance as of January 1, 2020	$ 622,182	$ 2,051,627	$ 2,664,745	$ 33,020	$ 742,658	$ 135,998	$ 1,059,711	$ 7,309,941
Addition	-	9,659	64,239	291	4,731	7,050	3,561	89,531
Acquired through business merger	-	6,664	22,962	469	8,915	23	-	39,033
Disposal	-	(617)	(39,733)	(249)	(130,700)	(2,456)	-	(173,755)
Transfer	289,594	14,748	(12,892)	(1,260)	38,896	-	(237,010)	92,076
Net exchange difference	(1,466)	10,909	10,673	18	-	554	1,324	22,012
Balance as of December 31, 2020	$ 910,310	$ 2,092,990	$ 2,709,994	$ 32,289	$ 664,500	$ 141,169	$ 827,586	$ 7,378,838
Accumulated depreciation and impairment								
Balance as of January 1, 2020	$ 18,019	$ 882,584	$ 966,317	$ 28,628	$ 596,984	$ 100,379	$ 541,813	$ 3,134,724
Depreciation	-	77,112	155,249	1,629	46,762	13,487	-	294,239
Disposal	-	(480)	(26,169)	(242)	(130,672)	(2,356)	-	(159,919)
Impairment	-	-	2,671	-	6,410	-	-	9,081
Transfer	-	(22,157)	(29,570)	(921)	29,165	-	-	(23,483)
Net exchange difference	-	(384)	3,899	21	-	401	1,288	5,225
Balance as of December 31, 2020	$ 18,019	$ 936,675	$ 1,072,397	$ 29,115	$ 548,649	$ 111,911	$ 543,101	$ 3,259,867
Net as of December 31, 2019 and January 1, 2020	$ 604,163	$ 1,169,043	$ 1,698,428	$ 4,392	$ 145,674	$ 35,619	$ 517,898	$ 4,175,217
Net as of December 31, 2020	$ 892,291	$ 1,156,315	$ 1,637,597	$ 3,174	$ 115,851	$ 29,258	$ 284,485	$ 4,118,971

Due to the poor sales of diamond lines in the market, the subsidiary Giga Diamond Materials Corporation expects a decrease in future cash inflow for equipment used to produce specific products. As a result, the recoverable amount of RMB11,794 thousand and RMB19,328 thousand was less than the carrying amount in 2021 and 2020, respectively. In addition, the carrying amount of NT$6,410 thousand of the test equipment for the production of specific products had not been used for more than one year, resulting in a recoverable amount of NT$0 in 2020; therefore, an impairment loss of NT$147 thousand and NT$9,081 thousand was recognized in 2021 and 2020, respectively. The impairment loss was included in other gains and losses in the consolidated comprehensive income statement.

Subsidiary Giga Diamond Materials Corporation determined the recoverable amount of this equipment at fair value less costs of disposal. The related fair value was determined by the cost method, and the main assumptions include the evaluation of physical wear and economic wear, which was a Level 3 fair value measurement.

Depreciation expense is provided on a straight-line basis over the following useful lives:

Houses and buildings	3 to 56 years
Machinery equipment	1 to 20 years
Office equipment	3 to 6 years
R&D equipment	1 to 11 years
Transportation equipment	5 to 6 years
Other equipment	3 to 16 years

The significant components of the Consolidated Company's buildings are mainly the main structure, electrical, mechanical and air-conditioning equipment, which have a useful life of 25 to 56 years and 3 to 11 years, respectively.

Please refer to Note 37 for the cases in which the Consolidated Company provided property, plant and equipment as collaterals.

14. Lease Agreements

(1) Right-of-use assets

	December 31, 2021	December 31, 2020
Book value of right-of-use assets		
Land	$ 96,001	$108,679
Houses and buildings	93,421	60,133
Transportation equipment	929	1,825
	$190,351	$170,637

	2021	2020
Addition of right-of-use assets	$ 83,445	$ 595
Depreciation expense of right-of-use assets		
Land	$ 5,489	$ 5,834
Houses and buildings	13,336	6,854
Transportation equipment	896	896
	$ 19,721	$ 13,584

(2) Lease liabilities

	December 31, 2021	December 31, 2020
Book value of lease liabilities		
Current	$ 19,903	$ 13,783
Non-current	$119,180	$113,453

The discount rate range for lease liabilities is as follows:

	December 31, 2021	December 31, 2020
Land	2.60%	2.60%
Houses and buildings	1.50%~2.00%	1.50%~2.00%
Transportation equipment	1.35%~5.88%	1.35%~5.88%

(3) Major Lease Activities and Terms

Some of the Consolidated Company's real estate lease agreements include lease extension options. In determining the lease period, the non-cancellable period of the right to use the subject asset is combined with the period covered by the lease extension option that is reasonably certain to be exercised by the Consolidated Company. The use of these options allows for maximum flexibility in the operation of management contracts. The majority of the lease extension options available are exercisable by the Consolidated Company only. The Consolidated Company re-evaluates the lease period when a material event or significant change in circumstances occurs after the commencement date (that is within the control of the lessee and affects whether the Consolidated Company can be reasonably certain that it will exercise an option not previously included in the determination of the lease period).

(4) Information on other lease

Please refer to Note 15 for the Consolidated Company's investment property agreements.

	2021	2020
Short-term lease expense	$ 9,033	$ 6,974
Total cash outflow from leases	$ 23,183	$ 21,153

The Consolidated Company has elected to apply the exemption from recognition to transportation equipment and office equipment that qualify as short-term leases and other equipment that qualifies as low-value asset leases and does not recognize the related right-of-use assets and lease liabilities for these leases.

15. Investment Property

Investment property is the Consolidated Company's own investment property. The Consolidated Company enters into commercial property leases for its own investment properties. The leases include provisions for annual rental adjustments based on market conditions.

	Land	Houses and buildings	Total
Costs			
January1, 2021	$ 66,003	$ 121,859	$ 187,862
Transfer from Property, plant and equipment	116	466	582
December 31, 2021	$ 66,119	$ 122,325	$ 188,444
Accumulated depreciation and impairment			
January1, 2021	$ -	$ 74,800	$ 74,800
Depreciation expense	-	2,551	2,551
From Property, plant and equipment	-	286	286
December 31, 2021	$ -	$ 77,637	$ 77,637
Net book value			
December 31, 2021	$ 66,119	$ 44,688	$ 110,807
Costs			
January 1, 2020	$ 71,368	$ 143,457	$ 214,825
Transfer to Property, plant and equipment	(5,365)	(21,598)	(26,963)
December 31, 2020	$ 66,003	$ 121,859	$ 187,862
Accumulated depreciation and impairment			
January 1, 2020	$ -	$ 84,991	$ 84,991
Depreciation expense	-	2,604	2,604
Transfer to Property, plant and equipment	-	(12,795)	(12,795)
December 31, 2020	$ -	$ 74,800	$ 74,800
Net book value			
December 31, 2020	$ 66,003	$ 47,059	$ 113,062

	2021	2020
Rental income from investment property	$ 12,007	$ 9,785
Less: Direct operating expenses of investment properties that generate rental income in the current year	(2,551)	(2,604)
Total	$ 9,456	$ 7,181

Investment property is depreciated on a straight-line basis over the following useful lives:

Houses and buildings	2 to 37 years

The land purchased by the Consolidated Company is located in the Xuejia Section, Zhongzhou Section and Beimen Lihu Section of Tainan City, and was used for the installation of solar power plants. Because it is agricultural land, the land is registered in the name of an individual with a land registration contract, and Whole Sun Green Power Co., Ltd., a subsidiary of the Consolidated Company, is the right holder for the setting.

Please refer to Note 37 for the cases in which the Consolidated Company provided investment properties as collaterals.

The Consolidated Company does not measure its investment property at fair value, but only discloses information about its fair value, which is in Level 3 of the fair value hierarchy. The fair value of investment properties held by the Consolidated Company was NT$215,303 thousand and NT$197,902 thousand as of December 31, 2021 and 2020, respectively. The aforementioned fair values were determined by using the cash flow analysis method and considering both the cost method and the income method, respectively, and the main input values used and their quantitative information were as follows:

	December 31, 2021	December 31, 2020
Discount rate	2.04%	2.04%
Capitalization rate of income	4.77%	5.14%

(16) Intangible Assets

	Computer software	Goodwill	Technical royalty	Customer relationship	Total
Costs					
Balance as of January 1, 2021	$ 13,042	$ 368,104	$ 57,143	$ 113,575	$ 551,864
Addition	597	-	-	-	597
Decrease	-	-	-	-	-
Balance as of December 31, 2021	$ 13,639	$ 368,104	$ 57,143	$ 113,575	$ 552,461
Accumulated amortization and impairment					
Balance as of January 1, 2021	$ 11,564	$ 32,495	$ 57,143	$ 26,501	$ 127,703
Amortization	800	-	-	11,358	12,158
Balance as of December 31, 2021	$ 12,364	$ 32,495	$ 57,143	$ 37,859	$ 139,861

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	Computer software	Goodwill	Technical royalty	Customer relationship	Total
Net as of December 31, 2020 and January 1, 2021	$ 1,478	$ 335,609	$ -	$ 87,074	$ 424,161
Net as of December 31, 2021	$ 1,275	$ 335,609	$ -	$ 75,716	$ 412,600
Costs					
Balance as of January 1, 2020	$ 13,047	$ 91,401	$ 57,143	$ 113,575	$ 275,166
Acquired through business merger	-	276,703	-	-	276,703
Addition	650	-	-	-	650
Transfer	-	-	-	-	-
Decrease	(39)	-	-	-	(39)
Reclassification	(598)	-	-	-	(598)
Net exchange difference	(18)	-	-	-	(18)
Balance as of December 31, 2020	$ 13,042	$ 368,104	$ 57,143	$ 113,575	$ 551,864
Accumulated amortization and impairment					
Balance as of January 1, 2020	$ 11,267	$ 3,371	$ 57,143	$ 15,143	$ 86,924
Amortization	952	-	-	13,358	12,310
Decrease	(39)	-	-	-	(39)
Reclassification	(598)	-	-	-	(598)
Transfer	-	-	-	-	-
Impairment	-	29,124	-	-	29,124
Net exchange difference	(18)	-	-	-	(18)
Balance as of December 31, 2020	$ 11,564	$ 32,495	$ 57,143	$ 26,501	$ 127,703
Net as of December 31, 2019 and January 1, 2020	$ 1,780	$ 88,030	$ -	$ 98,432	$ 188,242
Net as of December 31, 2020	$ 1,478	$ 335,609	$ -	$ 87,074	$ 424,161

Summary of amortization by function.

	2021	2020
Administration expenses	$ 12,158	$ 12,310

Amortization expense is provided on a straight-line basis over the following useful lives:

Computer software	2 to 5 years
Technical royalty	10 years
Customer relationship	10 years

On September 1, 2018, Subsidiary Giga Diamond Materials Corporation acquired 51.85% of the shares of Hua Hsu Optotech Co., Ltd. The related goodwill of NT$88,030 thousand was mainly attributable to the benefit from the expected growth of operating revenue of the product. The business condition of the product of Hua Hsu Optotech Co., Ltd. continued to decline. As of December 31, 2020, the Consolidated Company evaluated that the recoverable amount of Hua Hsu Optotech Co., Ltd. of NT$258,642 thousand was greater than the carrying amount of NT$232,898 thousand. However, in the second quarter of 2020, after evaluation, the recoverable amount of NT$317,593 thousand was less than the carrying amount of NT$346,717 thousand, so an impairment loss of NT$29,124 thousand was recognized. The goodwill impairment loss shall not be reversed in subsequent periods. The impairment loss was included in other gains and losses in the consolidated comprehensive income statement.

The recoverable amount was greater than the carrying amount in 2021, so no impairment loss was recognized.

The Consolidated Company determines the recoverable amount of this goodwill based on the value in use, and the relevant value in use is determined based on the discounted value of the expected future cash flow of the cash-generating unit. The discount rates used in the daily assessment of December 31, 2021, December 31, 2020, and June 30, 2020 are 12.6%, 12.8% and 13.3% respectively. The main assumptions include profitability, net working capital, sustainable growth rate during the financial forecast period and discount rate, etc., which belong to Level 3 of fair value measurement.

The Consolidated Company obtained an appraisal report in 2021. According to the report, the fair value of the property, plant and equipment, inventories and other payables of Exojet Technology Corporation and its subsidiaries on the acquisition date increased by NT$7,102 thousand, and the Consolidated Company has adjusted the original accounting and provisional amounts from the acquisition date and restated the comparative information.

	Acquisition date (tentative price)	Acquisition date (fair value)
Goodwill adjustment	$283,805	$276,703
Property, plant and equipment	38,794	39,033
Inventories	26,914	37,046
Other payables	14,255	17,524

17. Prepayments and Other Assets

	December 31, 2021	December 31, 2020
Tax overpaid retained	$ 452,487	$ 441,236
Prepayments for goods	372,974	108,764
Long-term prepaid expenses	289,650	289,650
Prepayments for equipment	200,409	16,328
Refundable deposits	148,909	554,609
Input tax	75,109	99,256
Prepaid expenses	38,235	26,210
Prepayments for investments (Note 12)	-	62,152
Others	31,713	34,155
	$ 1,609,486	$ 1,632,360
Current	$ 981,349	$ 957,213
Non-current	628,137	675,147
	$ 1,609,486	$ 1,632,360

18. Borrowing

(1) Short-term borrowings

	Interest range (%)	December 31, 2021	December 31, 2020
Secured borrowings			
Bank borrowings (Note 1)	1.50~4.50	$ 716,077	$ 1,282,063
Unsecured borrowings			
Line of credit borrowing (Note 2).	0.73~1.55	1,653,860	1,875,005
		$ 2,369,937	$ 3,157,068

Note 1: As of December 31, 2021, the amount of secured bank borrowings that were discounted notes receivable was NT$4,269 thousand (see Note 9), and the effective interest rate was 2.45%–3.06% per annum as of December 31, 2021.

Note 2: The restrictions on the borrowing contract are as follows:

(1) Giga Solar Materials Corporation is subject to the restriction that it cannot borrow money if it has a loss of up to one-half of its capital.

(2) If the Company's shareholding in Giga Solar Materials Corporation is less than 35% and 40% on December 31, 2021 and 2020 respectively, the line of loan agreements shall cease to be utilized.

Please refer to Note 37 to the consolidated financial statements for collaterals for short-term borrowings of the Consolidated Company.

(2) Short-term notes and bills payable

	December 31, 2021	December 31, 2020
Commercial promissory notes payable	$200,000	$ -
Less: Discount of short-term notes and bills payable	(662)	-
	$199,338	$ -

The outstanding short-term notes and bills payable are as follows:

December 31, 2021

Guarantee/ acceptance agency	Face value	Discounted value	Book value	Interest range	Collateral	Book value of collateral
Commercial promissory notes payable						
International Bills Finance	$200,000	($ 662)	$199,338	1.38%	Shares of Giga Solar Materials Corporation	$194,258

Please refer to Note 37 to the consolidated financial statements for collaterals for short-term notes and bills payable of the Consolidated Company.

(3) Long-term borrowings

Creditor	December 31, 2021	Interest rate (%)	Repayment period and method
Secured loan from Shinsei Trust & Banking Co., Ltd.	$ 1,126,321	1.500	Starting from June 29, 2018, repay the loan in 32 installments of 6 months, with interest payable once every 6 months.
Secured loan from the Shanghai Commercial Bank	630,000	1.58	Starting from July 29, 2021, repay the loan in 20 installments of 3 months each, with the interest payable once every month.
Secured loan from Chang Hwa Commercial Bank	250,000	1.000	Starting from February 15, 2023, repay the loan in 16 installments of 3 months each, with the interest payable once every month.
Secured loan from Taiwan Cooperative Bank	211,219	1.090	Starting from June 7, 2020, repay the loan in 16 installments of 3 months each, with the interest payable once every month.
Secured loan from Xingong Branch, Land Bank of Taiwan	200,000	1.58	Starting from January 6, 2021, repay the loan in 10 installments of 6 months, with interest payable once every month.
Credit loan from The Shanghai Commercial Bank	93,500	1.43	Starting from October 26, 2019, repay the loan in 20 installments of 3 months, with interest payable once every month.
Secured loan from the Shanghai Commercial Bank	86,880	3.030	Starting from November 11, 2021, repay the loan in 8 installments of 3 months each from the 13th month onward, with interest payable once every 3 months. .
Secured loan from Taiwan Cooperative Bank	70,031	1.090	Starting from June 7, 2020, repay the loan in 16 installments of 3 months each, with the interest payable once every month.

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Creditor	December 31, 2021	Interest rate (%)	Repayment period and method
Credit loan from Agricultural Bank of Taiwan	$ 28,000	1.25	Starting from January 30, 2021, repay the loan in 40 installments of 1 month each, with the interest payable once every month.
Secured loan from E.Sun Commercial Bank	27,197	1.730	Starting from August 22, 2019, repay the loan in 180 installments of 1 month each, with interest payable once every month.
Secured loan from E.Sun Commercial Bank	23,608	1.730	Starting from June 10, 2019, repay the loan in 180 installments of 1 month each, with interest payable once every month.
Credit loan from Tokyo Branch, Chang Hwa Commercial Bank	22,898	2.600	Starting from September 4, 2015, repay the loan in 84 installments of 1 month each, with interest payable once every month.
Secured loan from E.Sun Commercial Bank	15,997	1.730	Starting from April 20, 2020, repay the loan in 180 installments of 1 month each, with interest payable once every month.
Secured loan from E.Sun Commercial Bank	15,932	1.730	Starting from March 17, 2020, repay the loan in 180 installments of 1 month each, with interest payable once every month.
Secured loan from the Shanghai Commercial Bank	15,743	1.500	Starting from November 22, 2021, repay the loan in 60 installments of 1 month each, with the interest payable once every month.
Secured loan from E.Sun Commercial Bank	12,499	1.730	Starting from March 17, 2020, repay the loan in 180 installments of 1 month each, with interest payable once every month.
Secured loan from E.Sun Commercial Bank	8,922	1.730	Starting from April 20, 2020, repay the loan in 180 installments of 1 month each, with interest payable once every month.
Secured loan from the Shanghai Commercial Bank	3,936	1.500	Starting from November 22, 2021, repay the loan in 60 installments of 1 month each, with the interest payable once every month.
Secured loan from Chang Hwa Commercial Bank	2,400	2.000	Starting from September 25, 2020, repay the loan in 60 installments of 1 month each, with the interest payable once every month.
Secured loan from Fubon Bank (China)	1,836	4.500	Starting from May 31, 2021, repay the loan in 6 installments of 6 months each, with the interest payable once every month.
Secured loan from the Shanghai Commercial Bank	1,771	1.000	Starting from November 22, 2021, repay the loan in 60 installments of 1 month each, with the interest payable once every month.
Secured loan from Land Bank of Taiwan	1,476	1.000	Starting from August 5, 2020, repay the loan in 60 installments of 1 month each, with the interest payable once every month. .
Secured loan from Land Bank of Taiwan	741	1.500	Starting from August 5, 2020, repay the loan in 60 installments of 1 month each, with the interest payable once every month.
Secured loan from Chang Hwa Commercial Bank	600	2.000	Starting from September 25, 2020, repay the loan in 60 installments of 1 month each, with the interest payable once every month.

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Creditor	December 31, 2021	Interest rate (%)	Repayment period and method
Secured loan from the Shanghai Commercial Bank	$ 196	1.000	Starting from November 22, 2021, repay the loan in 60 installments of 1 month each, with the interest payable once every month.
Secured loan from Land Bank of Taiwan	149	2.200	Starting from August 5, 2020, repay the loan in 60 installments of 1 month each, with the interest payable once every month.
Less: Long-term loans due within one year	(487,677)		
	$ 2,364,175		

Creditor	December 31, 2020	Interest rate (%)	Repayment period and method
Secured loan from Shinsei Trust & Banking Co., Ltd. Borrowing	$ 1,387,406	1.500	Starting from June 29, 2018, repay the loan in 32 installments of 6 months, with interest payable once every 6 months.
Secured loan from Taiwan Cooperative Bank	305,094	1.350	Starting from June 7, 2020, repay the loan in 16 installments of 3 months, with interest payable once every 3 months.
Secured loan from Xingong Branch, Land Bank of Taiwan	250,000	1.580	Starting from January 6, 2021, repay the loan in 10 installments of 6 months, with interest payable once every month.
Credit loan from The Shanghai Commercial Bank	127,500	1.430	Starting from October 26, 2019, repay the loan in 20 installments of 3 months, with interest payable once every month.
Secured loan from Taiwan Cooperative Bank	101,156	1.350	Starting from June 7, 2020, repay the loan in 16 installments of 3 months, with interest payable once every 3 months.
Credit loan from Tokyo Branch, Chang Hwa Commercial Bank	37,358	2.600	Starting from September 4, 2015, repay the loan in 84 installments of 1 month each, with interest payable once every month.
Secured loan from E.Sun Commercial Bank	29,358	1.730	Starting from August 22, 2019, repay the loan in 180 installments of 1 month each, with interest payable once every month.
Secured loan from E.Sun Commercial Bank	25,510	1.730	Starting from June 10, 2019, repay the loan in 180 installments of 1 month each, with interest payable once every month.
Secured loan from E.Sun Commercial Bank	17,205	1.730	Starting from April 20, 2020, repay the loan in 180 installments of 1 month each, with interest payable once every month.
Secured loan from E.Sun Commercial Bank	17,142	1.730	Starting from March 17, 2020, repay the loan in 180 installments of 1 month each, with interest payable once every month.
Secured loan from E.Sun Commercial Bank	13,449	1.730	Starting from March 17, 2020, repay the loan in 180 installments of 1 month each, with interest payable once every month.
Secured loan from E.Sun Commercial Bank	9,595	1.730	Starting from April 20, 2020, repay the loan in 180 installments of 1 month each, with interest payable once every month.
Secured loan from Mega International Commercial Bank	9,040	1.495	Starting from December 14, 2021, repay the loan in 25 installments of 1 month, with interest payable once every month.
Credit loan from Chang Hwa Commercial Bank	3,040	2.000	Starting from May 25, 2020, repay the loan in 60 installments of 1 month, with interest payable once every month.
Credit loan from Lan Bank of Taiwan	1,870	1.000	Starting from August 5, 2020, repay the loan in 60 installments of 1 month, with interest payable once every month.
Credit loan from Lan Bank of Taiwan	936	1.500	Starting from August 5, 2020, repay the loan in 60 installments of 1 month, with interest payable once every month.

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Creditor	December 31, 2020	Interest rate (%)	Repayment period and method
Credit loan from Chang Hwa Commercial Bank	$ 760	2.000	Starting from May 25, 2020, repay the loan in 60 installments of 1 month, with interest payable once every month.
Credit loan from Lan Bank of Taiwan	187	2.200	Starting from August 5, 2020, repay the loan in 60 installments of 1 month, with interest payable once every month.
Less: Long-term loans due within one year	(328,886)		
	$ 2,007,720		

Note 1: The Consolidated Company entered into a loan agreement with Mega International Commercial Bank in accordance with the "Ministry of Economic Affairs' Guidelines on Capital Relief Loans and Interest Subsidies for Businesses with Operating Difficulties Affected by Severe and Special Infectious Pneumonia" and applied for interest subsidy based on the two-year fixed term savings interest rate of Chunghwa Post Co. The maximum subsidized interest is NT$220 thousand, and the interest rate is calculated by adding 0.65% interest to the floating interest rate of the two-year fixed term deposits of Chunghwa Post Co.

Note 2: For collaterals for long-term borrowings of the Consolidated Company, please refer to Note 37.

19. Corporate Bonds Payable

	December 31, 2021	December 31, 2020
Domestic unsecured convertible bonds (1)	$ 339,700	$ 1,756,400
Less: Discount on corporate bonds payable	(4,642)	(46,201)
Less: portion classified as due within one year	-	(1,710,199)
	$ 335,058	$ -

(1) On January 25, 2018, the subsidiary Giga Solar Materials Corporation issued its second domestic unsecured convertible bonds with the following major terms:

1. Face value: NT$100 thousand
2. Issue price: 100%
3. Total face value of issue: NT$2,000,000 thousand.
4. Coupon rate: 0%.
5. Bond period: five years (January 25, 2018 to January 25, 2023)

6. Repayment method: Except for early conversion or sale by bondholders or early redemption by Giga Solar Materials Corporation, Giga Solar Materials Corporation will repay the bonds in cash at face value in one lump sum upon maturity.
7. Redemption right of the corporate bonds: If the closing price of Giga Solar Materials Corporation's ordinary shares exceeds the prevailing conversion price by 30% (inclusive) or more for 30 consecutive business days from the day after the first month of issuance until the 40th day after the end of the issuance period, or if the outstanding balance of the bonds is less than 10% of the original issue amount, Giga Solar Materials Corporation may redeem the outstanding bonds at face value in cash.
8. Redemption right of bondholders: The benchmark date for the redemption of the convertible corporate bonds by bondholders is three years after the issuance (January 25, 2021). Bondholders can request the Company to redeem 103.80% of the face value of the bonds in cash, and request the Taipei Exchange via letter to announce the exercise of the redemption right of the convertible corporate bondholders 30 days before the benchmark date for the redemption (December 26, 2020).
9. Conversion:
   (1) Bondholders may, from the day after the expiration of one month after the issuance date to 10 days before the expiration date, apply to Giga Solar Materials Corporation for conversion into ordinary shares of Giga Solar Materials Corporation in accordance with the provisions of relevant laws and regulations. As of December 31, 2021, bondholders have requested the conversion of a total of one lot of corporate bonds with a face value of NT$100 thousand, and requested the conversion into 432 ordinary shares of Giga Solar Materials Corporation. The capital increase benchmark date was May 14, 2021, and the change registration was completed on June 11, 2021.
   (2) Conversion price: The conversion price at issuance was set at NT$253.31 per share.

(3) Adjustment to conversion price

A. After the issuance of corporate bonds, the conversion price shall be adjusted when the number of issued (or private placement) ordinary shares of Giga Solar Materials Corporation increases (including, but not limited to, rights shares, capital increase from earnings, capital increase from capital surplus, issuance of new shares for merger or for acquiring shares of other companies, stock split and rights shares to sponsor the issuance of overseas depositary receipts, by way of subscription or private placement), except for the conversion of ordinary shares by issuing various marketable securities with conversion options of ordinary shares.

B. If the ratio of cash dividends to the current price per share exceeds 1.5%, the conversion price shall be reduced by the ratio of the current price per share on the ex-dividend date after the bonds are issued.

C. If, after the issuance of this convertible bond, Giga Solar Materials Corporation reissues (or private placement) various securities with conversion or subscription rights to ordinary shares at a conversion or subscription price lower than the current price per share, Giga Solar Materials Corporation shall adjust the conversion price.

After the issuance of this convertible bond, the Company shall adjust the conversion price in the event of a reduction in the number of ordinary shares of Giga Solar Materials Corporation that is not due to a capital reduction for the retirement of treasury stock.

(4) The conversion price as of December 31, 2021 was NT$218.44 per share.

(5) Giga Solar Materials Corporation repurchased or redeemed corporate bonds on the open market according to the market price or by executing the put option of the bondholders. As of December 31, 2021, a total of 16,602 corporate bond certificates were repurchased or redeemed, with a face value of NT$1,660,200 thousand. Giga Solar Materials Corporation apportioned the repurchase or redemption price to the liability component and the equity component and apportioned the difference between the amount of the liability component and its book value, and recognized other (losses) gains of NT$(24,861) thousand and NT$444 thousand respectively from January 1 to December 31 in 2021 and 2020.

(2) On June 21, 2017, the Company issued its 4th domestic secured convertible bonds with the following major terms:

1.Face value: NT$100 thousand

2.Issue price: 100%

3.Total face value of issue: NT$1,200,000 thousand.

4.Coupon rate: 0%.

5. Bond period: 3 years (June 21, 2017 to June 21, 2020)

6. Repayment method: Except for early conversion by bondholders or early redemption by the Company, the Company will repay the bonds in cash at 103.03% of the face value of the bonds upon maturity.

7. Redemption right of the bonds: If the closing price of the Company's ordinary shares exceeds the prevailing conversion price by 30% (inclusive) or more for 30 consecutive business days from the day after the 3 months of issuance until the 40th day after the end of issuance period, or if the outstanding balance of the bonds is less than 10% of the original issue amount, the Company may redeem the outstanding bonds at face value in cash.

8. Rights of sale of bondholders: None.

9. Conversion:

(1) The bondholders may request the Company to convert the bonds into shares of the Company's ordinary shares from the day after the third month after the issue date (September 22, 2017) until the maturity date (June 21, 2020), in accordance with the relevant laws and regulations.

(2) Conversion price: The conversion price at issuance was set at NT$22 per share.

(3) Adjustment to conversion price

A. After the issuance of corporate bonds, the conversion price shall be adjusted when the number of issued (or private placement) ordinary shares of the Company increases (including, but not limited to, rights shares, capital increase from earnings, capital increase from capital surplus, issuance of new shares for merger or for acquiring shares of other companies, stock split and rights shares to sponsor the issuance of overseas depositary receipts, etc. by way of subscription or private placement), except for the conversion of ordinary shares by issuing

various marketable securities with conversion options of ordinary shares.

B. If the ratio of cash dividends to the current price per share exceeds 1.5%, the conversion price shall be reduced by the ratio of the current price per share on the ex-dividend date after the bonds are issued.

C. If, after the issuance of this convertible bond, the Company reissues (or private placement) various securities with conversion or subscription rights to ordinary shares at a conversion or subscription price lower than the current price per share, the Company shall adjust the conversion price.

D. After the issuance of the convertible bonds, the Company shall adjust the conversion price in the event of a reduction in the number of ordinary shares due to a capital reduction other than the retirement of treasury stock.

(4) The fourth domestic secured convertible bonds have not been converted or redeemed. The corporate bonds were fully repaid on July 6, 2020, with a total repayment amount of NT$1,236,360 thousand.

20. Other Payables and Other Current Liabilities

	December 31, 2021	December 31, 2020
Salaries and bonuses payable	$ 75,139	$ 68,728
Payable on machinery and equipment	34,298	12,111
Premiums payable	13,903	14,305
Due redemption amount of corporate bonds payable	-	43,000
Remuneration payable to directors and employees	-	26,584
Litigation fees payable	-	535,991
Others	181,838	215,161
	$ 305,178	$ 915,880
Financial liabilities for hedging (Note)	$ 560,853	$ 1,094,208
Contract liabilities	302,886	126,606
Other advance receipts	21,954	31,032
Others	6,563	9,430
	$ 892,256	$ 1,261,276

Note: The financial liabilities for hedging are silver ingot borrowing liabilities. Since the Consolidated Company has contracts with raw material suppliers to borrow

silver ingots for production, the fair value of the financial liabilities is hedged by using precious metal borrowing contracts to mitigate the risk of changes in the fair value of the financial liabilities due to changes in international precious metal prices. Please refer to Notes 10 and 35.

21. Post-employment Benefit Plan

(1) Defined contribution plan

The pension system of the Company and its domestic subsidiaries in the Consolidated Company under the "Labor Pension Act" is a government-administered defined contribution pension plan with contributes 6% of employees' monthly salaries contributed to the personal accounts at the Bureau of Labor Insurance.

In accordance with local government regulations, subsidiaries in Mainland China contribute a certain percentage of employees' salaries to the pension insurance fund, which is paid to the relevant government departments and deposited in separate account for each employee.

The Consolidated Company's other foreign subsidiaries contribute pension funds to the related pension management business in accordance with local laws and regulations.

(2) Defined benefit plan

The pension system of the Company and its domestic subsidiaries in the Consolidated Company under the "Labor Standards Act" is a government-administered defined benefit pension plan. The employee's pension is calculated based on the bases of years of service and the average monthly salary at the time of approval of retirement. Two bases are granted for each year of service up to (including) 15 years, and one base is granted for each year of service over 15 years, subject to a maximum accumulation of 45 bases. The companies appropriate 2% of employees' monthly salaries to pension funds, which is deposited by the Supervisory Committee of Labor Retirement Reserve in the name of the Committee into a special account at the Bank of Taiwan. Before the end of the year, if the balance in the special account is estimated to be insufficient to pay for employees who are expected to meet the retirement requirements in the following year, the difference will be made up in one lump sum by the end of March of the following year. The management of the special account is entrusted to the Bureau of Labor Funds, the Ministry of Labor. The Consolidated Company has no right to influence the investment management strategy.

The subsidiary Whole Sun Green Power Co., Ltd. reached an agreement with the Company's employees on the old pension scheme in November 2021 in accordance with the Labor Standard Act and Labor Pension Act, settled the old pension based seniority, and cancelled the account in accordance with the Labor Pension Reserve Allocation and Management Measures. As of March 28, 2022, the change registration has not been completed.

The amounts included in the consolidated balance sheets for defined benefit plan are shown below:

	December 31, 2021	December 31, 2020
Present value of defined benefit obligations	$ 55,466	$ 55,326
Fair value of plan assets	(29,718)	(27,399)
Net defined benefit liabilities	$ 25,748	$ 27,927

The changes in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
January 1, 2020	$ 48,234	($ 24,741)	$ 23,493
Financial costs for the period	12	-	12
Financial costs			
Interest expense (income)	412	(208)	204
Service income from the previous period	-	-	-
Recognized in profit or loss	424	(208)	216
Remeasurement			
Actuarial gains			
- Actuarial gains and losses from changes in demographic assumptions	145	-	145
- Changes in financial assumptions	4,176	(627)	3,549
- Adjustments through experiences	700	-	700

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	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
- Remeasurement of defined benefit assets	$ -	($ 175)	($ 175)
Recognized in other comprehensive income	5,021	(802)	4,219
Employer appropriation	-	(824)	(824)
Benefits paid	-	-	-
Acquired through business merger	1,647	(824)	823
December 31, 2020	55,326	(27,399)	27,927
Financial costs for the period	59	-	59
Financial costs			
Interest expense (income)	233	(116)	117
Service income from the previous period	-	-	-
Recognized in profit or loss	292	(116)	176
Remeasurement			
Actuarial (gains) losses			
- Actuarial gains and losses from changes in demographic assumptions	224	-	224
- Changes in financial assumptions	(3,476)	(277)	(3,753)
- Adjustments through experiences	3,280	-	3,280
- Remeasurement of defined benefit assets	-	(95)	(95)
Recognized in other comprehensive income	28	(372)	(344)
Employer appropriation	-	(2,011)	(2,011)
Employer appropriation	(180)	180	-
December 31, 2021	$ 55,466	($ 29,718)	$ 25,748

The Consolidated Company is exposed to the following risks as a result of the pension system under the "Labor Standards Act":

1. Investment risk: The Bureau of Labor Funds, Ministry of Labor invests the labor pension fund in domestic and foreign equity securities, debt securities, and bank deposits through its own management or entrusted third parties, but the amount allocated to the Consolidated Company's plan assets is based on the income at a rate no less than the local bank's 2-year time deposit rate.
2. Interest rate risk: A decrease in interest rates on government bonds will increase the present value of the defined benefit obligation, but the return on debt investment in plan assets will also increase, which will have a partially offsetting effect on the net defined benefit obligation.
3. Salary Risk: The present value of the defined benefit obligation is calculated by reference to the future salary of the plan member. Therefore, increases in plan member's salary will result in an increase in the present value of the defined benefit obligation.

The present value of the Consolidated Company's defined benefit obligation was actuarially determined by a qualified actuary and the significant assumptions at the measurement date were as follows.

	December 31, 2021	December 31, 2020
Discount rate	0.77%~0.82%	0.42%~0.43%
Expected rate of salary increase	3.00%	3.00%

The amount by which the present value of the defined benefit obligation would increase (decrease) if there are reasonable possible changes in significant actuarial assumptions, with all other assumptions held constant, is as follows

	December 31, 2021	December 31, 2020
Discount rate		
Increase by 0.5%	($ 4,224)	($ 4,609)
Decrease by 0.5%	$ 4,632	$ 5,082
Expected rate of salary increase		
Increase by 0.5%	$ 4,511	$ 4,924
Decrease by 0.5%	($ 4,162)	($ 4,519)

The sensitivity analysis above may not reflect actual changes in the present value of the defined benefit obligation because the actuarial assumptions may be correlated and changes in only one assumption are not feasible.

	December 31, 2021	December 31, 2020
Amount expected to be appropriated within 1 year	$ 934	$ 842
Average duration to maturity of defined benefit obligation	15–17 years	16–21 years

22. Equity

(1) Ordinary share capital

	December 31, 2021	December 31, 2020
Authorized number of shares (in thousands)	500,000	500,000
Authorized capital stock	$ 5,000,000	$ 5,000,000
Number of shares issued and fully paid (in thousands)	285,906	285,906
Capital stock issued	$ 2,859,057	$ 2,859,057

The issued ordinary shares has a face value of NT$10 per share and each share is entitled to one voting right and receiving dividends.

On November 12, 2019, the board meeting approved the issuance of 80,000 thousand shares with a par value of NT$10 per share as rights shares for the repayment of bank loans and the repayment of the principal and interest due on the fourth domestic secured convertible bonds. The capital increase was reported as effective on February 14, 2020. The book-close date for the rights shares was June 29, 2020, and the subscription price per share was NT$8.5. The total paid-in share payment of NT$680,000 thousand has been fully received.

In order to meet the demand of repaying bank loans, the board meeting decided to issue 65,000 thousand new shares by cash capital increase on November 1, 2021. The benchmark date of the cash capital increase was February 24, 2022. The subscription price per share was NT$25, and the total amount of share capital received was NT$1,625,000 thousand, which has been fully collected.

(2) Capital surplus

	December 31, 2021	December 31, 2020
For loss make-up, payment in cash or capitalization as equity (1)		
Stock issuance premium	$ 1,432	$ 1,432
Differences between equity price and carrying amount arising from actual acquisition or disposal of subsidiaries	52,515	26,034
Only for loss make-up		
Recognition of changes in ownership interest in subsidiaries (2)	372,807	151,353
Changes in net equity of affiliates accounted for using the equity method	2,465	1,935
Not for any purpose		
Others	69,355	69,355
	$498,574	$250,109

1. Such capital surplus may be used to make up for losses or, when the Company has no losses, to distribute cash or to capitalize equity, provided that the capitalization is limited to a certain percentage of the paid-in capital each year.
2. This type of capital surplus represents the effect of equity transactions recognized for changes in the Company's equity when the Company has not actually acquired or disposed of ownership interest in the subsidiary. Among them, the Company's subsidiary Giga Diamond Materials Corporation disposed of the trust shares of its resigned employees in accordance with the trust agreement in 2021 and 2020, and the remaining amounts after deducting the amount to be distributed and returned to the employees were NT$4,797 thousand and NT$1222 thousand respectively, which is deemed to be a reissue after Giga Diamond Materials Corporation called back the shares. The Company included them in the capital reserve according to the shareholding ratio – changes in ownership interests of subsidiaries, with amounts of NT$1,538 thousand and NT$448 thousand respectively.

(3) Retained earnings and dividend policy

In accordance with the Company's earnings distribution policy as stipulated in the Articles of Association, if there is any net earnings in the Company's annual final accounts, the Company shall first pay tax, make up for accumulated losses and then set aside 10% as legal reserve in accordance with the law. If the accumulated legal reserve has reached the Company's paid-in capital, the Company may no longer set aside legal reserve. The remainder shall be set aside and reversed from special reserve as provided by law or by the competent authority. If there are still remaining earnings, the board of directors shall prepare a proposal for distribution of the remainder together with the accumulated unappropriated earnings as dividends to shareholder, and submit it to the shareholders' meeting for resolution on the distribution.

The shareholders' meeting held on July 26, 2021 approved the amendment of the Company's policy on the distribution of dividends to shareholders, which is subject to the Company's current and future investment environment, capital requirements, domestic and external competition, and capital budget, with the interests of shareholders and the Company's long-term financial planning taken into account. If the distributable earnings for the year reaches 5% of the paid-in capital, dividends shall be paid at a percentage of not less than 20% of the distributable earnings for the year; if the distributable earnings for the year does not reach 5% of the paid-in capital, no dividends may be paid. The percentage of cash dividends paid each year shall not be less than 20% of the total amount of cash and stock dividends paid in that year. The aforementioned dividend distribution percentage may be adjusted based on financial, business and operational considerations.

Please refer to Note 24(7) for the Company's policy on employee and director remuneration distribution under the Company's Articles of Association.

The legal reserve should be appropriated until the balance reaches the Company's total paid-in capital. Legal reserve may be used to make up for losses. If the Company has no losses, the excess of legal reserve over 25% of the paid-in capital may be distributed in cash in addition to capitalization as equity.

On July 26, 2021, the shareholders' meeting of the Company passed a resolution to amend the Articles of Association to specify that when the special reserve is allocated from the net deduction of other equity accumulated in the previous period, if the undistributed surplus in the previous period is insufficient to allocate, the after-tax

net income plus items other than the after-tax net income of the current period will be added into the undistributed surplus of the current period for the allocation. Before the amendment to the Articles of Association, the Company shall allocate the undistributed earnings from the previous period according to law.

The earnings distribution proposal for 2020 was approved at the general shareholders' meeting of the Company on July 26, 2021 as follows:

	2020
	Proposal for loss make-up
Losses to be made up at the beginning of the year	$ -
Remeasurement of defined benefit plan	(2,069)
Adjustment of cash capital increase	(6,248)
Net losses for 2020	(535,475)
Disposal of equity instruments at fair value through other comprehensive income	(21,235)
Organization restructuring	(6,659)
Losses to be made up at the end of the year	($571,686)

The earnings distribution proposal for 2019 was approved at the regular shareholders' meeting of the Company on June 9, 2020 as follows:

	2020
Legal reserve	$ 14,689
Special reserve	$132,198

The loss compensation proposal for 2021 as proposed by the board meeting on March 28, 2022 is as follows:

	2021
	Proposal for loss make-up
Losses to be made up at the beginning of the year	($571,686)
Remeasurement of defined benefit plan	(1,025)
Net income for 2021	24,796
Disposal of equity instruments at fair value through other comprehensive income.	14,268
Losses to be made up at the end of the year	($533,647)

The loss compensation proposal for 2021 is pending the resolution of the shareholders' meeting scheduled to be held on June 24, 2022.

(4) Special reserve

	2021	2020
Balance at the beginning of the year	$155,982	$ 23,784
Provision of special reserve		
2019 earnings distribution	-	132,198
Balance at the end of the year	$155,982	$155,982

As of December 31, 2021 and 2020, the amount of special reserve first utilized was NT$23,784 thousand.

(5) Other equity items

1. Exchange differences on translation of financial statements of foreign operations

	2021	2020
Balance at the beginning of the year	($ 97,324)	($114,115)
Generated in the year		
Translation differences on translation of foreign operations	(25,841)	1,533
Disposal of partial interest in a subsidiary	152	15,258
Change in recognition of ownership interest in subsidiaries	208	-
Balance at the end of the year	($122,805)	($ 97,324)

2. Unrealized valuation gains or losses on financial assets measured at fair value through other comprehensive income

	2021	2020
Balance at the beginning of the year	($ 75,723)	($145,597)
Generated in the year		
Unrealized gain or loss		
Equity instruments	112,815	44,704
Disposal of partial interest in a subsidiary	(109)	3,935
Transfer of accumulated gain or loss on disposal of equity instruments to retained earnings	(14,268)	21,235
Balance at the end of the year	$ 22,715	($ 75,723)

(6) Non-controlling interests

	2021	2020
Balance at the beginning of the year	$ 3,323,577	$ 2,816,926
Net losses for the year attributable to non-controlling interests	(298,453)	(25,505)
Other comprehensive attributable to non-controlling interests		
Exchange differences on translation of financial statements of foreign operations	(34,705)	4,198
Unrealized losses on financial assets measured at fair value through other comprehensive income	142,306	26,736
Tax effects of other comprehensive income	6,017	(924)
Actuarial loss of defined benefit plan	1,369	(2,150)
Changes in ownership interest in affiliates	13,431	1,759
Changes in ownership interest in subsidiaries (Note 32)	1,323,945	315,679
Disposal of partial interest in a subsidiary (Note 32)	17,628	245,210
Organization restructuring (Note 12)	-	6,659
Cash dividends to shareholders of subsidiaries	(77,887)	(65,011)
Subsidiary share based payment transactions	24,412	-
	$ 4,441,640	$ 3,323,577

23. Revenues

(1) Description of Customer Contract

Revenue recognition for the Consolidated Company is recognized at a point in time.

Information on revenue from customer contracts is as follows:

	2021	2020
Revenue from customer contracts		
Merchandise sales revenues	$ 8,078,680	$ 9,277,648
Other operating revenues	269,138	277,087
	$ 8,347,818	$ 9,554,735

Breakdown of revenue from customer contracts

Product type	2021	2020
Revenues from sales of conductive paste	$ 5,304,075	$ 7,932,869
Revenues from sales of silicon products	1,890,860	621,836
Revenues from sales of electricity	252,949	263,997
Revenues from construction projects	224,111	312,991
Others	675,823	423,042
	$ 8,347,818	$ 9,554,735

(2) Contract balance

	December 31, 2021	December 31, 2020	January 1, 2020
Accounts receivable (Note 9)	$ 1,127,463	$ 1,771,528	$ 1,175,599
Accounts receivable – related party	$ 135,703	$ 95,894	$ 41,422
Contract assets			
Power Plant Construction Contract	$ 189,595	$ 178,548	$ 314,199
Less: allowance for loss	-	-	-
Contract assets – current	$ 189,595	$ 178,548	$ 314,199
Contract liabilities			
Power Plant Construction Contract	$ 22,194	$ 3,339	$ 4,443
Merchandise Sales	280,692	123,267	52,426
Contract liabilities – current (included in other current liabilities)	$ 302,886	$ 126,606	$ 56,869

The change in contract assets is mainly due to the difference between the point at which the performance obligation is satisfied and the point at which the customer pays. The amount of contract liabilities from the beginning of 2020 recognized as revenue and other revenue were NT$4,443 thousand and NT$2,303 thousand respectively. The amount of contract liabilities from the beginning of 2021 recognized as revenue and other revenue were NT$759 thousand and NT$15 thousand respectively.

(3) Customer contracts not yet fully performed

The allocated transaction prices and the expected timing of recognition as revenue for the outstanding performance obligations are as follows:

	December 31, 2021	December 31, 2020
Power Plant Construction Contract		
Performed in 2021	$ -	$ 91,376
Performed in 2022	47,097	-
	$ 47,097	$ 91,376

24. Net Income from Continuing Operations

(1) Interest income

	2021	2020
Bank deposits	$ 4,247	$ 3,005
Others	14	342
	$ 4,261	$ 3,347

(2) Other income

	2021	2020
Rental income		
Investment property (Note 15)	$ 12,007	$ 9,785
Others	6,065	2,307
Dividend income	2,107	1,008
Government subsidy income (Note 28)	220	24,317
Others	81,154	59,442
	$101,553	$ 96,859

(3) Other gains and losses

	2021	2020
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	$ 3,171	($ 3,750)
Loss on disposal of investment	(9)	-
Impairment loss on non-financial assets	(147)	(54,028)
Loss (gain) on repurchase of corporate bonds	(24,861)	444
Loss from disposal of property, plant and equipment	(30,129)	(4,127)
Net foreign currency exchange gain (loss)	(81,839)	2,550
Loss on disposal of investment accounted for using the equity method	-	(444)
Other losses	(31,106)	(23,270)
	($164,920)	($ 82,625)

(4) Financial costs

	2021	2020
Interest on Bank Borrowings	$ 83,194	$ 91,442
Interest on borrowed silver ingots	10,412	7,922
Amortization of discount on corporate bonds payable	5,777	23,956
Interest on lease liabilities	2,612	2,695
Interest on borrowings from related parties	2,023	1,342
Amortization of long-term payables	1,224	30,005
Increase on short-term notes and bills payable	23	-
Imputed interest on deposit and others (Note 38)	16	115,065
	$105,281	$272,427

(5) Depreciation and amortization

	2021	2020
Summary of depreciation by function.		
Operating costs	$170,543	$161,007
Operating expenses	147,935	149,420
	$318,478	$310,427

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	2021	2020
Summary of amortization by function. (Note)		
Operating costs	$ 36	$ -
Operating expenses	12,154	12,365
	$ 12,190	$ 12,365

Note: Including the amortization of other non-current assets.

(6) Employee benefit expenses

	2021	2020
Short-term employee benefits	$466,710	$439,788
Post-employment benefits		
Defined contribution plan	17,869	13,756
Defined benefit plan (Note 21)	136	255
Share-based payments		
Settlement of interests	40,957	1,432
Other employee benefits	22,852	25,723
Total employee benefit expenses	$548,524	$480,954
Summary by function.		
Operating costs	$178,569	$150,431
Operating expenses	369,955	330,523
	$548,524	$480,954

(7) Remuneration for employees and directors

In accordance with the Company's Articles of Association, the remuneration for employees shall not be less than 4% and not more than 8%, and the remuneration for directors shall not be more than 3%.

In 2021 and 2020, no remuneration for employees and directors was estimated due to a cumulative loss.

If there is a change in the amount of the consolidated financial statements after the date of its issuance, the amount is adjusted in the following year in accordance with the rules related to changes in accounting estimates.

The estimated remuneration for employees and directors for 2019 was approved by the board meeting on March 27, 2020 as follows:

Estimated percentage

	2019
Remuneration for employees	4%
Remuneration for directors	3%

Amount

	2019
Remuneration for employees	$ 7,345
Remuneration for directors	5,509

There was no difference between the actual amount of the remuneration of employees and directors and supervisors paid for 2019 and the amount recognized in the consolidated financial statements in 2019.

Please refer to the "Market Observation Post System" of the Taiwan Stock Exchange for information on the remuneration for employees and directors resolved by the board of directors of the Company.

25. Income Tax

(1) Income tax recognized in profit or loss

The major components of income tax expense are as follows:

	2021	2020
Current income tax		
Generated in the year	$ 35,758	$ 28,428
Adjustments for prior years	(491)	1,458
	35,267	29,886
Deferred tax generated in the year	(26,324)	33,453
Income tax expense recognized in profit or loss	$ 8,943	$ 63,339

The reconciliation of accounting income to income tax expense is as follows:

	2021	2020
Net losses before tax from continuing operations	($264,714)	($497,641)
Income tax benefit of net loss before tax calculated at the statutory tax rate	($141,179)	($ 99,528)
Benefit from tax exemption	(15,225)	(26,976)
Non-deductible expenses due to tax purposes	59,869	7,016
Basic tax difference payable	914	4,874
Unrecognized loss carryforwards and deductible temporary differences	104,888	180,987
Effects of different tax rates applicable to consolidated entities	-	(4,683)

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	2021	2020
Adjustments to current income tax expenses of previous years	($ 491)	$ 1,458
Others	167	191
	$ 8,943	$ 63,339

(2) Income tax recognized in other comprehensive income

	2021	2020
Deferred tax		
Generated in the period		
- Translation differences on translation of foreign operations	$ 10,908	($ 1,745)

(3) Current income tax assets and liabilities

	December 31, 2021	December 31, 2020
Current income tax assets		
Tax refund receivable	$ 17,522	$ 16,830
Current income tax liabilities		
Income tax payable	$ 24,051	$ 24,220

(4) Deferred tax assets and liabilities

The changes in deferred tax assets were as follows:

	Balance at the beginning of the year	Recognized in profits (losses)	Recognized in other comprehensive income	Balance at the end of the year
2021				
Temporary difference				
Allowance for doubtful accounts in excess of limit	$ 33,446	$ 1,811	$ -	$ 35,257
Impairment of bond investments without active markets	17,644	-	-	17,644
Investment accounted for using the equity method	(27,640)	(2,163)	-	(29,803)
Interest compensation on corporate bonds payable	13,033	(13,033)	-	-
Unrealized inter-company transactions between entities	5,353	(1,803)	-	3,550

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	Balance at the beginning of the year	Recognized in profits (losses)	Recognized in other comprehensive income	Balance at the end of the year
Fair value adjustments resulting from business merger	$ 695	$ -	$ -	$ 695
Net defined benefit liabilities – non-current	(101)	(52)	-	(153)
Allowance for decline in value of inventories and slow moving losses	18,841	(12,535)	-	6,306
Unrealized exchange gain and loss	(3,753)	7,211	-	3,458
Exchange differences on translation of financial statements of foreign operations	47,265	-	10,908	58,173
Unused tax losses	-	46,692	-	46,692
Investment tax credit	6,826	196	-	7,022
Deferred income tax (expense) income		$ 26,324	$ 10,908	
Deferred tax assets	$ 111,609			$ 148,841
Information expressed in the balance sheet is as follows.				
Deferred tax assets	$ 143,103			$ 179,197
Deferred tax liabilities	$ 31,494			$ 30,356
2020				
Temporary difference				
Allowance for doubtful accounts in excess of limit	$ 29,946	$ 3,500	$ -	$ 33,446
Impairment of bond investments without active markets	17,644	-	-	17,644
Investment accounted for using the equity method	(24,103)	(3,537)	-	(27,640)
Interest compensation on corporate bonds payable	9,013	4,020	-	13,033
Unrealized inter-company transactions between entities	10,725	2,542	-	5,353

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	Balance at the beginning of the year	Recognized in profits (losses)	Recognized in other comprehensive income	Balance at the end of the year
Fair value adjustments resulting from business merger	$ 695	$ -	$ -	$ 695
Net defined benefit liabilities – non-current	533	(634)	-	(101)
Allowance for decline in value of inventories and slow moving losses	4,885	13,956	-	18,841
Unrealized exchange gain and loss	271	(4,024)	-	(3,753)
Exchange differences on translation of financial statements of foreign operations	41,096	-	(1,745)	47,265
Unused tax losses	56,102	(56,102)	-	-
Investment tax credit	-	6,826	-	6,826
Deferred income tax (expense) income		($ 33,453)	($ 1,745)	
Deferred tax assets	$ 146,807			$ 111,609
Information expressed in the balance sheet is as follows.				
Deferred tax assets	$ 170,910			$ 143,103
Deferred tax liabilities	$ 24,103			$ 31,494

(5) Deductible temporary differences and unused loss carryforwards for deferred tax assets not recognized in consolidated balance sheets

	December 31, 2021	December 31, 2020
Loss carryforwards		
Expires in 2021	$ 61,787	$ 79,397
Expires in 2022	594,684	597,744
Expires in 2023	539,838	539,191
Expires in 2024	513,150	515,464
Expires in 2025	536,457	525,949
Expires in 2026	42,078	56,684
Expires in 2027	807,700	828,477
Expires in 2028	1,219,754	1,243,202
Expires in 2029	803,729	773,315
Expires in 2030	146,575	108,995
Expires in 2031	478,778	-
	$ 5,744,530	$ 5,268,418
Deductible temporary difference	$ 2,168,693	$ 4,157,975

(6) Total amount of temporary differences related to investments for which no deferred income tax liabilities were recognized

No deferred tax liability has been recognized for the income tax payable on the unappropriated earnings of foreign subsidiaries that may arise upon their repatriation. The Company has decided not to distribute the unappropriated earnings of its subsidiaries in the foreseeable future. As of December 31, 2021 and 2020, the amount of taxable temporary differences not recognized as deferred tax liabilities was NT$381,555 thousand and NT$358,869 thousand, respectively.

(7) The status of income tax assessment

The Company's income tax returns have been assessed by the tax authorities up to 2019.

26. Earnings Per Share

Unit: NTD per share

	2021	2020
Basic earnings per share	$ 0.09	($ 2.17)
Diluted earnings per share	$ 0.09	($ 2.17)

The weighted-average number of ordinary shares and net income (loss) used in the calculation of earnings per share are as follows:

Net income (loss) for the year

	2021	2020
Net income (loss) attributable to owners of the Company	$ 24,796	($535,475)
Impact of potential ordinary shares with dilutive effect:		
Effect of potential ordinary shares of subsidiaries	-	-
Net income (loss) used in the calculation of diluted net income(loss) per share	$ 24,796	($535,475)

Number of shares

Unit: Thousand shares

	2021	2020
Weighted-average number of ordinary shares used in the calculation of basic earnings per share	285,906	246,454
Impact of potential ordinary shares with dilutive effect:		
Remuneration for employees	-	-
Weighted-average number of ordinary shares used in the calculation of basic earnings per share	285,906	246,454

If the Consolidated Company may choose to pay employees' remuneration in shares or cash, when calculating the diluted earnings per share, it is assumed that the employees' remuneration will be issued in shares, and when the potential ordinary shares have a dilutive effect, they will be included in the weighted average number of outstanding shares for the calculation of the diluted earnings per share. The dilutive effect of these potential ordinary shares will also continue to be considered in the calculation of diluted earnings per share before the resolution on the number of shares awarded to employees in the following year.

27. Share-based Payment Agreement

(1) Rights shares reserved for employee subscription

In November 2021 and June 2020, the board meetings respectively resolved to issue rights shares, and reserved 15% and 10% of the total number of new shares respectively for subscription by employees in accordance with the Company Act. The recipients include employees of the Company and its subsidiaries who meet certain criteria. Warrant holders may immediately exercise the stock options in accordance with the measures for the issue and exercise of employee stock options after being granted the employee stock option warrants. In February 2022 and June 2020, the Company granted 1,331 and 2,863 units of employee stock options respectively, and each unit is entitled to 1,000 shares of ordinary shares. The stock options have a duration of 0.02 and 0.03 year, and the exercise price is NT$25 and NT$8.50 per share respectively.

Information on employee stock options of the Consolidated Company is as follows:

	January 1 to December 31, 2020	
Employee stock options	Unit	Weighted average exercise price (NT$)
In circulation at the beginning of the year	-	$ -
Granted in the year	2,863	8.5
Exercised in the year	(2,863)	8.5
In circulation at the end of the year	-	
Exercisable at the end of the year	-	
Weighted average fair value of stock options granted during the year (NT$)	$ 0.5	

The Consolidated Company used the Black-Scholes valuation model for the employee stock options granted in June 2020, and the input values used in the valuation model were as follows:

	June 2019
Share price on the grant date	NT$9
Exercise price	NT$8.5
Expected volatility	3.06%
Duration	0.03 year
Expected rate of dividend	-
Risk-free interest rate	0.4549%

From January 1 to December 31, 2020, the Consolidated Company recognized remuneration costs of NT$1,432 thousand.

(2) Transfer of treasury shares of subsidiaries to employees

Giga Solar Materials Corporation transferred 750 thousand treasury shares to employees through the resolution of the extraordinary shareholders' meeting on September 30, 2021. The transferees were the current employees of Giga Solar Materials Corporation, and the transfer price was NT$125. The stock options on the transfer of the treasury shares to employees have been fully executed on November 24, 2021.

Unit: Thousand shares

Date of approval of the extraordinary shareholders' meeting	Grant date	Actual number of shares transferred	Fair value on the grant date
September 30, 2021	November 19, 2021	750	$54

Giga Solar Materials Corporation used the Black-Scholes valuation model for the employee stock options granted in November 2021, and the input values used in the valuation model were as follows:

	November 19, 2021
Share price on the grant date	NT$179
Exercise price	NT$125
Expected volatility	20.24%
Duration	0.01 year
Expected rate of dividend	3.5%
Risk-free interest rate	0.3117%

In the Black Scholes valuation model, the expected volatility is the share price in the sample range of the most recent period equivalent to the expected duration of the stock option, and is estimated by the standard deviation of the stock return in that period.

From January 1 to December 31, 2021, the Consolidated Company recognized a remuneration cost of NT$40,500 thousand.

(3) Employee stock options granted to the employees of subsidiaries

Ho Mi Specialty Materials Co., Ltd. issued 900,000 employee stock option certificates by resolution of the board meeting in August 2021, and handled them in accordance with the regulations on the issuance and subscription of employee stock option certificates. The company decided to issue employee stock option certificates on September 1, 2021, which can be executed 100% within two years. Each unit may subscribe to 1000 ordinary shares. The stock options have a duration of 2.25 years and the exercise price is NT$10 per share.

(4) Employee stock options granted to the employees of subsidiaries

On December 16, 2021, Giga Diamond Materials Corporation decided to issue rights shares through the resolution of the board meeting, and reserved 15% of the total amount of new shares to be subscribed by employees. After being granted the

employee stock option certificates, the certificate holders may immediately exercise the share subscription in accordance with the regulations on the issuance and subscription of employee stock option certificates, and the date of grant was February 18, 2022.

(5) Employee stock options granted to the employees of subsidiaries

The extraordinary shareholders' meeting of Giga Diamond Materials Corporation decided on October 29, 2021 to issue new shares with restricted employee rights, with a total amount of NT$20,000 thousand. It is planned to issue 2,000 thousand shares at an issue price of NT$0 per share, which is pending submission to the competent authority for approval.

Information on the employee stock options is as follows:

	2021	
Employee stock options	Unit	Weighted average exercise price (NT$)
Outstanding at the beginning of the year	-	$ -
Grant in the year	900	10
Exercise in the year	-	10
Abandonment in the year	(5)	-
Outstanding at the end of the year	895	
Exercisable at the end of the year	-	
Weighted average fair value of stock options granted during the year (NT$)	$ 3.12	

Ho Mi Specialty Materials Corporation used the Black-Scholes valuation model for the employee stock options granted in September 2021, and the input values used in the valuation model were as follows:

	September 2021
Share price on the grant date	NT$11.88
Exercise price	NT$10
Expected volatility	31.19%
Duration	2.25 years
Expected rate of dividend	-
Risk-free interest rate	0.1993%

The Consolidated Company recognized a remuneration cost of NT$457 thousand in 2021.

28. Government Subsidies

In addition to those disclosed in other notes, the Consolidated Company received the following government subsidies:

On May 14, 2020, the Consolidated Company applied for the Industrial Development Bureau of the Ministry of Economic Affairs to subsidize the salaries and working capital of the manufacturing and technical service industries affected by severe and special infectious pneumonia, which were approved and disbursed after examination and approval, and a total of NT$22,444 thousand was approved. In 2020, NT$22,262 thousand of government subsidy income was recognized and NT$22,262 thousand of grant was received.

In accordance with the "Notice to the Ministry of Economic Affairs for Handling Applications for Salary and Operating Capital Subsidies for Enterprises in Hardship Affected by Severe and Special Infectious Pneumonia in the Manufacturing and Technical Service Industries," the Industrial Development Bureau of the Ministry of Economic Affairs may revoke or annul the subsidies and recover all or part of the amount paid if the agreed items are not complied with.

29. Business Merger

Acquisition of Exojet Technology Corporation

On June 30, 2020, the board of directors of the subsidiary, Giga Solar Materials Corporation resolved to exchange 22.10 shares of ordinary shares of the subsidiary, Exojet Technology Corporation for each ordinary shares of Giga Solar Materials Corporation in order to integrate resources, optimize resource allocation under the sharing of management, technology, talents and resources, enhance overall operational efficiency, and focus on the development and application of new products and issued 2,208 thousand new shares with a par value of NT$10 per share for a capital increase of NT$22,080 thousand, with the book-close date of December 25, 2020.

Exojet Technology Corporation is mainly engaged in the development, blending and manufacturing of pastes for new generation electronic and optoelectronic components.

(1) Transfer pricing

Issue of equity instruments

The subsidiary Giga Solar Materials Corporation issued 2,208 thousand ordinary shares with a face value of NT$10 as consideration for Exojet Technology

Corporation The aggregate fair value of these ordinary shares, determined based on the closing price on the acquisition date, was NT$440,487 thousand.

(2) Assets acquired and liabilities assumed on the consolidation date

	Provisional price	Fair value
Cash and cash equivalents	$ 60,245	$ 60,245
Accounts receivables	44,765	44,765
Inventories	26,914	37,046
Other current assets	19,370	19,370
Property, plant and equipment	38,794	39,033
Other non-current assets	2,843	2,843
Subtotal	192,931	203,302
Short-term borrowings	(15,328)	(15,328)
Notes and accounts payable	(3,312)	(3,312)
Other payables	(14,255)	(17,524)
Other current liabilities	(2,531)	(2,531)
Other non-current liabilities	(823)	(823)
Subtotal	(36,249)	(39,518)
	$156,682	$163,784

At the date of issuance of this consolidated financial report, the required market evaluation and other calculations have been completed, and the Consolidated Company has adjusted the original accounting treatment and provisional sum since the acquisition date, and restated the comparative information.

(3) Goodwill arising from Merger

	Provisional price	Fair value
Transfer pricing	$440,487	$440,487
Less: Fair value of identifiable net assets	(156,682)	(163,784)
Goodwill	$283,805	$276,703

The goodwill arising from the acquisition of Exojet Technology Corporation was mainly due to the control premium. In addition, the consideration paid for the merger includes the expected consolidation effect of the merger, revenue growth, future market development, and the value of Exojet Technology Corporation’s employees. However, these benefits do not qualify for recognition as identifiable intangible assets and are therefore not recognized separately.

(4) Net cash inflow from acquisition of Exojet Technology Corporation

	Fair value
Consideration paid in cash	$ -
Add: Balance of cash and cash equivalents acquired	60,245
Net cash inflow	$ 60,245

(5) Effect of business mergers on operating results

From the date of merger (December 25, 2020) to December 31, 2020, Exojet Technology Corporation did not yet generate revenues and net income to the Consolidated Company. Had the merger occurred at the beginning of 2020, the proposed consolidated operating revenues and net income for 2020 would have been NT$9,726,488 thousand and NT$(565,313) thousand, respectively. These amounts do not reflect the actual revenues and operating results that would have been generated by the Consolidated Company if the business merger had been completed at the beginning of the year of acquisition and should not be used as a projection of future operating results.

In preparing the proposed consolidated operating income and net income of the acquisition of Exojet Technology Corporation from the beginning of the Consolidated Company's accounting year of the acquisition date, the management has taken into account the following factors:

1. Depreciation is calculated based on the fair value of plant and property at the time of the initial accounting for the business merger, rather than the carrying amount recognized in the pre-acquisition financial statements; and
2. The cost of borrowing is estimated based on the Consolidated Company's capital position, credit rating and debt-to-equity ratio after the merger.

30. Non-current Assets Held for Sale

On September 10, 2020, Global Acetech Co., Ltd. decided to sell some assets by resolution of the shareholders' meeting, and signed a contract for the sale of land, houses, buildings and other ancillary equipment with Xiangfu-Metal (Thailand) Co., Ltd. on September 29, 2020. The book value of the assets sold was THB 39,784 thousand, and the sale price was THB 50,200 thousand, which was collected in three phases. Because the sale price is expected to exceed the book amount of relevant net assets, when these units are classified as non-current assets for sale, there is no impairment loss that should be recognized. The transfer procedure has been completed before the end of 2021

Global Acetech Co., Ltd. decided to sell some assets by resolution of the shareholders' meeting on March 21, 2021, and signed a land sale contract with the Great Star Precision Screw Co., Ltd. on March 31, 2021. The book value of the assets sold was THB 23,096 thousand, and the sale price was THB 27,600 thousand which was collected in three phases. Because the sale price is expected to exceed the book amount

of relevant net assets, when these units are classified as non-current assets for sale, there is no impairment loss that should be recognized. As of March 28, 2022, the deposit of THB 19,600 thousand has been received.

31. Disposal of Subsidiaries

New Elite Investments Limited, a subsidiary of the Company, was approved for its application for cancellation of registration on September 14, 2020, and returned the remaining share prices on October 20, 2020.

(1) Consideration received

	New Elite Investments Limited
Cash	$ 1,876

(2) Analysis of assets and liabilities over which controls have been lost

	New Elite Investments Limited
Current assets – cash	$ 1,876

(3) Gain (loss) from disposal of subsidiaries

	New Elite Investments Limited
Consideration received	$ 1,876
Net assets disposed of	(1,876)
Cumulative translation differences of net assets of subsidiaries reclassified from equity to profit or loss due to loss of control over the subsidiary	(444)
Loss on disposal	($ 444)

(4) Net cash inflow from disposal of subsidiaries

	New Elite Investments Limited
Consideration received in cash	$ 1,876
Less: Cash balance disposed of	(1,876)
	$ -

32. Equity Transactions with Non- controlling Interests

The subsidiaries Giga Solar Materials Corporation and Wafering Technology Corporation did not subscribe to the rights shares of Giga Diamond Materials Corporation according to the shareholding ratio on February 3, 2021, resulting in the shareholding ratio decreasing from 36.71% to 35.35%. On October 1, 2021, Giga Diamond Materials Corporation exchanged all the shares of the remaining shareholders of its subsidiary Hua Hsu Optotech Co., Ltd. by issuing new shares and paying cash, resulting in the reduction of the shareholding ratio of Giga Solar Materials Corporation and Wafering Technology Corporation from 35.35% to 32.08%.

On February 13, 2021, the subsidiary Giga Solar Materials Corporation did not subscribe to the rights shares of the subsidiary Green Energy Electrode Inc. according to the shareholding ratio, resulting in the shareholding ratio decreasing from 50.39% to 48.39%.

The Company and its subsidiary Wafering Technology Corporation sold a total of 206 thousand shares of Giga Solar Materials Corporation in 2021. Due to the capital increase of Giga Solar Materials Corporation on June 29, 2021 and the resolution of the extraordinary shareholders' meeting on September 30, 2021, the Company transferred 750 thousand treasury shares to employees. The book-close date of share subscription was November 11, 2021, and the objects were the current employees of Giga Solar Materials Corporation, so the consolidated shareholding ratio decreased to 39.81%.

Since the above transaction did not change the Company's control over the subsidiary, the Company treated it as an equity transaction.

	Giga Diamond Materials Corporation	Green Energy Electrode Inc.	Giga Solar Materials Corporation	Hua Hsu Optotech Co., Ltd.	Total
Cash consideration received	$ 77,433	$ 120,782	$ 1,381,902	($ 11,700)	$ 1,568,417
The carrying amount of the subsidiary's net assets that should be transferred to non-controlling interests based on the relative changes in equity.	(75,365)	(118,573)	(1,154,540)	6,905	(1,341,573)
Adjustments to other equity items attributed to shareholders of the Company					
- Exchange differences on translation of financial statements of foreign operations	(229)	21	(152)	-	(360)
- Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	-	-	109	-	109
Equity transaction differences	$ 1,839	$ 2,230	$ 227,319	($ 4,795)	$ 226,593

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	Giga Diamond Materials Corporation	Green Energy Electrode Inc.	Giga Solar Materials Corporation	Hua Hsu Optotech Co., Ltd.	Total
Adjustment account of equity transaction differences					
Capital surplus – Recognition of changes in ownership interest in subsidiaries	$ 1,839	$ 2,230	$ 200,838	($ 4,795)	$ 200,112
Capital surplus – Differences between equity price and carrying amount arising from actual acquisition or disposal of subsidiaries	-	-	26,481	-	26,481
	$ 1,839	$ 2,230	$ 227,319	($ 4,795)	$ 226,593

The Consolidated Company sold 3,468,000 shares of Giga Solar Materials Corporation from January to December of 2020, and Giga Solar Materials Corporation issued new shares to merge with Exojet Technology Corporation in December 2020, resulting in a decrease in the shareholding ratio from 53.21% to 46.17%. Because the Company is a domestic listed company, the shareholding of the remaining shares is very scattered. Considering the absolute number, relative size and distribution of voting rights held by other shareholders, it is evaluated that the Company still has control over Giga Solar Materials Corporation.

Since the above transaction did not change the Company's control over the subsidiary, the Company treated it as an equity transaction.

Consideration received	$732,146
The carrying amount of the subsidiary's net assets that should be transferred to non-controlling interests based on the relative changes in equity.	(560,889)
Adjustments to other equity items attributed to shareholders of the Company	
- Exchange differences on translation of financial statements of foreign operations	(15,258)
- Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	(3,935)
Equity transaction differences	$152,064

Adjustment account of equity transaction differences	
Capital surplus – Differences between equity price and carrying amount arising from actual acquisition or disposal of subsidiaries	$ 26,034
Capital surplus – Recognition of changes in ownership interest in subsidiaries	126,030
	$152,064

33. Information on Cash Flow

(1) Changes in liabilities from financing activities

January 1 to December 31, 2021

			Non-Cash Changes					
	January1, 2021	Cash flow	Lease changes	Gain on repurchase of corporate bonds	Interest expense and amortization of discount	Conversion of corporate bonds into ordinary shares	Exchange rate changes	December 31, 2021
Short-term borrowings	$ 3,157,068	($ 772,928)	$ -	$ -	$ -	$ -	($ 14,203)	$ 2,369,937
Short term notes and bills payable	-	199,315	-	-	23	-	-	199,338
Long-term borrowings	2,336,606	689,120	-	-	-	-	(173,874)	2,851,852
Deposits received	4,020	81,182	-	-	-	-	-	85,202
Corporate bonds payable	1,710,199	(1,418,518)	-	37,701	5,777	(101)	-	335,058
Long-term payables	65,163	(53,547)	-	(12,840)	1,224	-	-	-
Lease liabilities	127,236	(11,538)	31,521	-	-	-	(8,136)	139,083
	$ 7,400,292	($ 1,286,914)	$ 31,521	$ 24,861	$ 7,024	($ 101)	($ 196,213)	$ 5,980,470

January 1 to December 31, 2020

			Non-Cash Changes							
	January 1, 2020	Cash flow	Lease changes	Gain on repurchase of corporate bonds	Amortization of discount	Amortization of interest expense	Contingent Consideration Income	Absorptive merger	Exchange rate changes	December 31, 2020
Short-term borrowings	$ 2,770,246	$ 355,394	$ -	$ -	$ -	$ -	$ -	$ 15,328	$ 16,100	$ 3,157,068
Long-term borrowings	2,251,671	77,342	-	-	-	5,912	-	-	1,681	2,336,606
Deposits received	4,972	(952)	-	-	-	-	-	-	-	4,020
Corporate bonds payable	3,005,165	(1,318,478)	-	(444)	23,956	-	-	-	-	1,710,199
Long-term payables	96,700	(40,993)	-	-	30,005	-	(20,549)	-	-	65,163
Lease liabilities	136,877	(11,484)	(571)	-	-	-	-	2,233	181	127,236
	$ 8,265,631	($ 939,171)	($ 571)	($ 444)	$ 53,961	$ 5,912	($ 20,549)	$ 17,561	$ 17,962	$ 7,400,292

34. Capital Risk Management

The Consolidated Company conducts capital management to ensure that the Group's enterprises are able to maximize shareholder returns by optimizing debt and equity balances while continuing to operate. There were no significant changes in the Consolidated Company's overall strategy.

The Consolidated Company's capital structure consists of net debt (i.e. borrowings less cash) and equity (i.e. capital stock, capital surplus, retained earnings, other equity items and non-controlling interests).

35. Financial Instruments

(1) Fair value information – financial instruments not measured at fair value

December 31, 2021

		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
- Convertible corporate bonds	$ 335,058	$ 373,670	$ -	$ -	$ 373,670

December 31, 2020

	Book value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
- Convertible corporate bonds	$ 1,710,199	$ 1,809,970	$ -	$ -	$ 1,809,970

(2) Fair value information – financial instruments measured at fair value on a recurring basis

The Consolidated Company does not have assets that are not measured at fair value on a recurring basis. The fair value hierarchy of assets and liabilities measured at fair value on a recurring basis is presented below:

1. Fair value hierarchy.

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Funds	$ -	$ -	$ 26,284	$ 26,284
Stocks	11,997	-	-	11,997
Total	$ 11,997	$ -	$ 26,284	$ 38,281
Financial assets measured at fair value through other comprehensive income				
Investment in equity instruments	$ 119,639	$ 341,220	$ 52,449	$ 513,308

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Funds	$ 56,706	$ -	$ 29,111	$ 85,817
Stocks	65,185	-	-	65,185
Total	$ 121,891	$ -	$ 29,111	$ 151,002
Financial assets measured at fair value through other comprehensive income				
Investment in equity instruments	$ 124,746	$ 173,280	$ 44,459	$ 342,485

There was no transfer between Level 1 and Level 2 fair value measurements in 2021and 2020.

2. Reconciliation of financial instruments measured at fair value in Level 3

2021

	Assets	
	Measured at fair value through profit or loss	Measured at fair value through other comprehensive income
	Funds	Stocks
Balance at the beginning of the year	$ 29,111	$ 44,459
Total income (loss) recognized during the year.		
Recognized in profit or loss (reported in "Other gains and losses")	(2,827)	-
Recognized in other comprehensive income (reported in "unrealized gains or losses on investments in equity instruments measured at fair value through other comprehensive income")	-	2,990
Addition	-	5,000
Balance at the end of the year	$ 26,284	$ 52,449

2020

	Assets		
	Measured at fair value through profit or loss		Measured at fair value through other comprehensive income
	Stocks	Funds	Stocks
Balance at the beginning of the year	$ 431,693	$ 30,309	$ 10,210
Total income (loss) recognized during the year.			
Recognized in profit or loss (reported in "Other gains and losses")	-	(1,198)	-

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	Assets		
	Measured at fair value through profit or loss		Measured at fair value through other comprehensive income
	Stocks	Funds	Stocks
Recognized in other comprehensive income (reported in "unrealized gains or losses on investments in equity instruments measured at fair value through other comprehensive income")	$ -	$ -	$ 30,537
Addition	-	-	3,816
Disposal	(431,693)	-	(104)
Balance at the end of the year	$ -	$ 29,111	$ 44,459

3. Valuation techniques and input values for Level 2 fair value measurement

Type of financial instruments	Valuation techniques and input values
Investment in equity instruments	Equity instruments measured at fair value through other comprehensive income or loss in Level 2 of the fair value hierarchy are subject to restrictions on transfer or sale, and their fair values are based on quoted prices in active markets for similar unrestricted equity instruments, after discounted prices taken into account.

4. Valuation techniques and input values for Level 3 fair value measurement

The following table presents the significant unobservable input values to the Consolidated Company's fair value hierarchy for assets measured at fair value on a recurring basis within Level 3 of the fair value hierarchy:

December 31, 2021

	Valuation techniques	Significant Unobservable Input Values	Quantitative Information	Relationship between input value and fair value	Sensitivity analysis of the relationship between input value and fair value
Financial assets					
Measured at fair value through profit or loss					
Funds	Asset method	Discount for lack of liquidity	30%	The higher the degree of illiquidity, the lower the fair value estimate	When the percentage of illiquidity increases (decreases) by 1%, the Consolidated Company's income or loss would decrease/increase by NT$375 thousand.

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	Valuation techniques	Significant Unobservable Input Values	Quantitative Information	Relationship between input value and fair value	Sensitivity analysis of the relationship between input value and fair value
Measured at fair value through other comprehensive income					
Stocks	Market method	Discount for lack of liquidity	30%	The higher the degree of illiquidity, the lower the fair value estimate	When the percentage of illiquidity increases (decreases) by 5%, the Consolidated Company's income or loss would decrease/increase by NT$907 thousand to NT$2,479 thousand.

December 31, 2020

	Valuation techniques	Significant Unobservable Input Values	Quantitative Information	Relationship between input value and fair value	Sensitivity analysis of the relationship between input value and fair value
Financial assets					
Measured at fair value through profit or loss					
Funds	Asset method	Discount for lack of liquidity	30%	The higher the degree of illiquidity, the lower the fair value estimate	When the percentage of illiquidity increases (decreases) by 1%, the Consolidated Company's income or loss would decrease/increase by NT$416 thousand.
Measured at fair value through other comprehensive income					
Stocks	Market method	Discount for lack of liquidity	30%	The higher the degree of illiquidity, the lower the fair value estimate	When the percentage of illiquidity increases (decreases) by 5%, the Consolidated Company's income or loss would decrease/increase by NT$512 thousand to NT$2,651 thousand.

The Consolidated Company's finance and investment departments are responsible for conducting fair value tests to ensure that the valuation results approximate market conditions, that the sources of information are independent, reliable, consistent with other resources and representative of realizable prices, and that changes in the value of assets and liabilities that are subject to remeasurement or re-evaluation in accordance with the Consolidated Company's accounting policies are analyzed at each reporting date to ensure that the valuation results are reasonable.

(3) Type of Financial instruments

	December 31, 2021	December 31, 2020
Financial assets		
Measured at fair value through profit or loss		
Mandatorily measured at fair value through profit or loss	$ 38,281	$ 151,002
Financial assets at amortized cost (Note 1)	4,821,622	5,933,882
Financial assets measured at fair value through other comprehensive income	513,308	342,485
Financial liabilities		
Measured at amortized cost (Note 2)	6,253,926	8,242,045
Financial liabilities for hedging	560,853	1,094,208

Note 1: The balance consisted of financial assets measured at amortized cost, such as cash and cash equivalents, notes and accounts receivable and accounts receivable – related party, other receivables, other receivables – related party, and refundable deposits.

Note 2: The balance consisted of financial liabilities measured at amortized cost, including short-term borrowings, notes payable, accounts payable, other payables, bonds payable, long-term borrowing, long-term bank borrowings due within one year, corporate bonds due or subject to exercise of right of sale within one year, long-term payables and deposits received.

(4) Objectives and Policies of Financial Risk Management

The Consolidated Company's major financial instruments include investments in equity instruments, accounts receivable, accounts payable, corporate bonds payable, borrowings and lease liabilities. The Consolidated Company's financial management department provides services to each business unit, coordinates the operation of access to domestic financial markets, and monitors and manages financial risks associated with the Consolidated Company's operations through internal risk reports that analyze risk exposures based on risk degree and breadth. These risks include market risk (which includes exchange rate risk, interest rate risk and other price risks), credit risk and liquidity risk.

The Consolidated Company uses derivative financial instruments to hedge its exposure in risk in order to mitigate the impact of these risks. The use of derivative financial instruments is governed by the policies approved by the Consolidated Company's board of directors, which are the written principles for exchange rate risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of surplus circulating capital. Internal auditors review policy compliance and risk limits on an ongoing basis. The Consolidated Company does not trade in financial instruments (including derivative financial instruments) for speculative purposes.

The financial management department reports to the board of directors of the Consolidated Company on a quarterly basis.

1. Market risk

   The main financial risks to which the Consolidated Company is exposed as a result of its operating activities are changes in foreign currency exchange rates (see (1) below) and changes in interest rates (see (2) below). The Consolidated Company engages in various derivative financial instruments to manage its exposure to foreign currency exchange rate and interest rate risk.

   There have been no changes in the Consolidated Company's exposure to market risk of financial instruments and the way it manages and measures such exposures.

   (1) Exchange rate risk

   The Consolidated Company's exposure to exchange rate risk relates primarily to operating activities (when revenues or expenses are denominated in currencies different from the Consolidated Company's functional currency) and net investments in foreign operations.

   A portion of the Consolidated Company's foreign currency receivables and payables are denominated in the same currency, in which case, a natural hedge is created. The Consolidated Company does not apply hedge accounting because the aforementioned natural hedge and the management of exchange rate risk by means of swap contracts do not meet the requirements of hedge accounting; in addition, the net investment in foreign operations is a strategic investment and therefore the Consolidated Company does not hedge it.

The carrying amounts of monetary assets and monetary liabilities denominated in a currency other than the functional currency (including monetary items denominated in a currency other than the functional currency that have been written off in the consolidated financial statements) and the carrying amounts of derivatives with exchange rate risk exposure as of the balance sheet date are described in Note 39.

Sensitivity analysis

The Consolidated Company is primarily affected by fluctuations in the exchange rates of USD, JPY and RMB.

The following table details the sensitivity analysis of the Consolidated Company when the exchange rate of the NTD (functional currency) increases and decreases by 1% against each relevant foreign currency. The sensitivity analysis includes only foreign currency monetary items in circulation and adjusts their period-end translation by a 1% change in exchange rates. The positive numbers in the following table represent the increase in net income before tax if the NTD weakens by 1% against the respective currencies, and the negative numbers for the same amount represent the decrease in net income before tax if the NTD strengthens by 1% against the respective currencies.

	Impact of USD		Impact of JPY		Impact of RMB	
	2021	2020	2021	2020	2021	2020
Gain (loss)	$ 9,842	$ 18,000	$ 523	$ 259	$ 17,689	$ 29,899

(2) Interest rate risk

Interest rate risk arises because entities within the Consolidated Company borrow funds at both fixed and floating rates. The Consolidated Company manages interest rate risk by maintaining an appropriate mix of fixed and floating rates; however, hedge accounting is not applied because the Company does not meet the requirements for hedge accounting.

The carrying amounts of financial assets and financial liabilities exposed to interest rate risk as of the balance sheet date were as follows:

	December 31, 2021	December 31, 2020
Fair value interest rate risk		
- Financial assets	$ 99,717	$ 43,006
- Financial liabilities	474,141	1,837,435
Cash flow interest rate risk		
- Financial assets	3,024,649	2,712,806
- Financial liabilities	5,421,127	5,493,674

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk of derivative and non-derivative instruments as of the balance sheet date. For floating rate assets (liabilities), the analysis assumes that the amount of the liability outstanding at the balance sheet date is outstanding during the reporting period. The rate of change used in reporting interest rates internally to key management is a 1% basis point increase or decrease in interest rates, which also represents management's assessment of the range of reasonably possible changes in interest rates.

If the floating rate had increased/decreased by 1%, with all other variables held constant, the Company's net income before tax would have decreased/increased by NT$21,971 thousand and NT$27,809 thousand for 2021 and 2020, respectively.

(3) Other price risk

The fair value of the Company's listed, OTC (emerging) and unlisted equity securities may be affected by the uncertainty of the future value of these underlying securities. The Company's listed, OTC (emerging) and unlisted equity securities are included in the fair value measurement through profit or loss and fair value measurement through other comprehensive income, respectively. The Consolidated Company manages the price risk of equity securities by diversifying its investments and setting limits on its investments in equity securities, both individually and in the aggregate. Portfolio information on equity securities is provided to the Consolidated Company's senior management on a regular

basis, and the Board of Directors is required to review and approve all investment decisions on equity securities.

Sensitivity analysis

In 2021 and 2020, the Consolidated Company's profit or loss would increase/decrease by NT$3,828 thousand and NT$15,100 thousand, respectively, if the price of equity securities in listed, OTC (emerging) and unlisted companies that are mandatorily measured at fair value through profit or loss increased/decreased by 10%. In 2021 and 2020, the Consolidated Company's equity would increase/decrease by NT$51,331 thousand and NT$34,248 thousand, respectively, if the price of equity securities in listed (emerging) companies that are measured at fair value through other comprehensive income increased/decreased by 10%.

The Consolidated Company entered into precious metal borrowing contracts with suppliers at prices based on international precious metal market quotations plus a margin. In order to manage the precious metal price risk of the inventory, the Consolidated Company uses international precious metal borrowing contracts with the same nominal number as a fair value risk hedge for the components of precious metal price risk contained in the inventory. Based on historical experience, changes in the fair value of the designated components of precious metals price risk cover, on average, price changes in the contracts as a whole, and therefore market price risk is not material.

Hedge accounting

The Consolidated Company uses precious metal borrowing contracts for fair value hedge to mitigate the risk of fair value of financial liabilities arising from changes in international precious metal prices. The fair value of precious metal borrowing transactions as of the balance sheet date is estimated based on the market price of precious metals.

The aforementioned precious metal borrowing transactions are subject to the same conditions as the related financial liabilities. The Consolidated Company uses a qualitative assessment to determine that the value of the precious metal borrowing transactions and the hedged financial liabilities will systematically change inversely due to changes in the prices of the hedged international precious metals. The hedge ineffectiveness of the

hedge relationship arises primarily from the effect of the credit risk between the Consolidated Company and the counterparty on the fair value of the precious metal borrowing transactions. This credit risk does not affect changes in the fair value of international precious metal prices attributable to the hedged item. There were no other sources of hedge ineffectiveness during the hedge period.

Information on the Consolidated Company's international precious metals price risk hedge is summarized as follows:

December 31, 2021

Hedging instruments	Contract amount	Expiration Period	Line item on the balance sheet	Book value Liabilities	Change in fair value of hedging instruments used to assess hedge ineffectiveness during the year
Fair value hedge					
Precious metal borrowing contract	$ 563,655	—	Financial liabilities for hedging	$ 560,853	$ 1,728

Hedged items	Book value Assets	Cumulative fair value adjustment Assets	Change in value of hedged items used to assess hedge ineffectiveness during the year Value changes
Fair value hedge			
Inventories	$ 560,853	$ 1,728	($ 1,728)

December 31, 2020

Hedging instruments	Contract amount	Expiration Period	Line item on the balance sheet	Book value Liabilities	Change in fair value of hedging instruments used to assess hedge ineffectiveness during the year
Fair value hedge					
Precious metal borrowing contract	$ 961,995	—	Financial liabilities for hedging	$1,094,208	($ 132,213)

Hedged items	Book value Assets	Cumulative fair value adjustment Assets	Change in value of hedged items used to assess hedge ineffectiveness during the year Value changes
Fair value hedge			
Inventories	$ 1,094,208	$ 132,213	$ 132,213

2. Credit risk

Credit risk refers to the risk of financial loss due to default on contract obligations by the counterparties. The Consolidated Company's credit risk is attributable to operating activities (mainly accounts receivable and notes) and financial activities (mainly bank deposits and various financial instruments).

Each unit of the Consolidated Company manages credit risk in accordance with its policies, procedures and controls over credit risk. The credit risk of all counterparties is evaluated by taking into account the financial condition of the counterparties, the ratings of credit rating agencies, historical transaction experience, the current economic environment and the Consolidated Company's internal rating standards. The Consolidated Company also uses certain credit enhancement tools (such as advance receipts) at appropriate times to reduce the credit risk of specific counterparties.

As of December 31, 2021 and 2020, the percentages of receivables from the top ten customers to the Consolidated Company's total receivables were 46% and 45%, respectively, and the credit concentration risk of the remaining receivables was relatively insignificant.

The Finance Department manages the credit risk of bank deposits, fixed-income securities and other financial instruments in accordance with the Consolidated Company's policies. Since the Consolidated Corporation's counterparties are determined by internal control procedures and are creditworthy banks and investment-grade financial institutions, corporate organizations and government agencies, there is no significant credit risk.

3. Liquidity risk

The Consolidated Company manages and maintains sufficient positions of cash and cash equivalents to support the Group's operations and mitigate the impact of cash flow fluctuations. The Consolidated Company's management monitors the use of bank financing lines and ensures compliance with the terms of the loan agreements.

The Company's financial position as of December 31, 2021 was subject to the liquidity risk of current liabilities exceeding current assets. In order to improve its operating condition, the Company has been actively transforming and increasing its domestic power plant construction project business and wafer processing business in order to continuously improve its operations and increase profitability. At the same time, the Company has disposed of some of its long-term investments and completed the renewal of its bank loan facilities, and continues to negotiate and sign new long-term secured loan facilities with banks to meet short-term capital needs and improve liquidity risk.

Limit, to meet short-term capital needs and improve liquidity risk.

In order to meet the demand of repaying bank loans, the board meeting decided to issue 65,000 thousand rights shares on November 1, 2021. The book-close date of the rights shares was February 24, 2022 with a face value of NT$10. The subscription price per share was NT$25, and the total amount of share capital received was NT$1,625,000 thousand, which has been fully collected to meet the demand for repayment of bank loans and improve liquidity risk.

Bank loans are an important source of liquidity for the Consolidated Company. See (2) below for a description of the Consolidated Company's unused financing lines.

(1) Liquidity and interest rate risk of non-derivative financial liabilities

The analysis of the remaining contractual maturities of non-derivative financial liabilities has been prepared based on the undiscounted cash flows (including principal and estimated interest) of the financial liabilities based on the earliest possible date on which the Consolidated Company could be required to make repayment. Therefore, bank loans that the Consolidated Company may be required to repay immediately are shown in the earliest period of the below table, without regard to the probability that the bank will enforce the right immediately; the maturity

analysis of other non-derivative financial liabilities is prepared based on the contractual repayment dates.

The undiscounted interest amount of interest cash flows paid at floating interest rates is derived from the curve of the yield rate at the balance sheet date.

December 31, 2021

	Less than 1 year	1–3 years	4–5 years	More than 5 years	Total
Accounts payable	$ 481,821	$ -	$ -	$ -	$ 481,821
Borrowing	3,174,363	866,740	533,284	919,405	5,493,792
Corporate bonds	-	339,700	-	-	339,700
Lease liabilities	22,844	42,773	28,009	65,253	158,879
	$ 3,679,028	$ 1,249,213	$ 561,293	$ 984,658	$ 6,474,192

Further information on the maturity analysis of the financial liabilities above is as follows:

	Less than 1 year	1–5 years	5–10 years	10–15 years	15–20 years	More than 20 years
Floating interest rate	$2,608,039	$ -	$ -	$ -	$ -	$ -
Fixed interest rate	566,324	1,739,724	612,514	306,891	-	-
Lease liabilities	22,844	70,782	65,253	-	-	-
	$3,197,207	$1,810,506	$ 677,767	$ 306,891	$ -	$ -

December 31, 2020

	Less than 1 year	1–3 years	4–5 years	More than 5 years	Total
Accounts payable	$ 1,067,130	$ -	$ -	$ -	$ 1,067,130
Borrowing	3,796,336	775,759	315,199	974,715	5,862,009
Corporate bonds	1,756,400	-	-	-	1,756,400
Lease liabilities	13,785	26,406	25,841	80,519	146,551
Long-term payables	66,743	-	-	-	66,743
	$ 6,700,394	$ 802,165	$ 341,040	$ 1,055,234	$ 8,898,833

Further information on the maturity analysis of the financial liabilities above is as follows:

	Less than 1 year	1–5 years	5–10 years	10–15 years	15–20 years	More than 20 years
Floating interest rate	NT$3,451,049	$ —	$ —	$ —	$ —	$ —
Fixed interest rate	2,168,430	1,090,958	611,623	363,092	—	—
Lease liabilities	13,785	52,247	80,519	—	—	—
	$5,633,264	$1,143,205	$ 692,142	$ 363,092	$ —	$ —

(2) Financing line limit

	December 31, 2021	December 31, 2020
Unsecured bank overdraft limit (Revisited every year)		
- Amount used	$ 1,948,342	$ 2,171,575
- Amount unused	1,898,502	1,381,330
	$ 3,846,844	$ 3,552,905

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	December 31, 2021	December 31, 2020
Secured bank overdraft limit		
- Amount used	$ 3,809,192	$ 3,855,560
- Amount unused	1,144,677	354,130
	$ 4,953,869	$ 4,209,690

36. Related Party Transactions

All transactions, account balances, incomes and expenses between the Company and its subsidiaries, which are related parties of the Company, are eliminated upon consolidation and are therefore not disclosed in this note. In addition to those disclosed in other notes, the transactions between the Consolidated Company and other related parties are as follows:

(1) Name and relationship of related party

Name of related party	Relationship with the Consolidated Company
Whole Max Green Power Co., Ltd.	Affiliated enterprise
Ya Fei Solar Energy Co., Ltd.	Affiliated enterprise
Hunjin Enterprise Inc.	Affiliated enterprise
Jiahe Energy Co., Ltd.	Affiliated enterprise
Whole Wing Energy Co., Ltd.	Affiliated enterprise
Whole Fund Energy Co., Ltd.	Affiliated enterprise
Yuandeng Solar Energy Co., Ltd.	Affiliated enterprise
Tron Giga (Yancheng) Energy Co., Ltd.	Affiliated enterprise
Tron Energy Technology Corporation	Affiliated enterprise
Landian Solar Energy Co., Ltd.	Affiliated enterprise
Lanjing Volt Co., Ltd.	Affiliated enterprise
Huiqun Energy Co., Ltd.	Affiliated enterprise
UJGIGA Co., Ltd.	Affiliated enterprise
Yiguang Energy Co., Ltd.	Affiliated enterprise (Note 1)
Yijia Energy Co., Ltd.	Affiliated enterprise (Note 1)
Yichia Energy Co., Ltd.	Affiliated enterprise (Note 1)
Yijshin Energy Co., Ltd.	Affiliated enterprise (Note 1)
Yihui Energy Co., Ltd.	Affiliated enterprise (Note 1)
Ligao Optoelectronics Co., Ltd.	Joint venture
Lichao Optoelectronics Co., Ltd.	Joint venture (Note 2)

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Name of related party	Relationship with the Consolidated Company
Suefu Co., Ltd.	Joint venture (Note 2)
Giga Solar Green Power Co., Ltd.	Joint venture
Giga Solar No.1 Co., Ltd.	Joint venture (Note 3)
Giga Solar No.2 Co., Ltd.	Joint venture (Note 3)
Giga Solar No.3 Co., Ltd.	Joint venture (Note 3)
Shuoyitai Green Energy Co., Ltd.	Joint venture (Note 4)
Jieshuo Co., Ltd.	Joint venture (Note 5)
Long Time Tech. Co., Ltd.	Related party in substance
Jiangmen Long Time Electronic Materials Corporation	Related party in substance
Shanggao Long Time Tech. Co., Ltd.	Related party in substance
Wu, Xi-Lun	Related party in substance
Li, Ming-Zong	Related party in substance

Note 1: Whole Max Green Power Co., Ltd. holds 100% of Yiguang Energy Co., Ltd., Yijia Energy Co., Ltd., Yichia Energy Co., Ltd., Yihsin Energy Co., Ltd. and Yihui Energy Co., Ltd., and is listed as an affiliated enterprise after evaluation.

Note 2: Ligao Optoelectronics Co., Ltd. owned 100% of Lichao Optoelectronics Co., Ltd. and Suefu Co., Ltd., and is listed as a joint venture after evaluation.

Note 3: Giga Solar Green Power Co., Ltd. owned 100% of Giga Solar No.1 Co., Ltd., Giga Solar No.2 Co., Ltd. and Giga Solar No.3 Co., Ltd., and is listed as a joint venture after evaluation.

Note 4: The Company increased its capital in August 2021 and holds 35% of Shuoyitai Green Energy Co., Ltd., and it is listed as a joint venture after evaluation.

Note 5: The Company increased its capital in November 2021 and holds 49.9% of Jieshuo Co., Ltd., and it is listed as a joint venture after evaluation.

(2) Operating revenues

Account item	Type/name of related party	2021	2020
Sales revenues	Affiliated enterprise	$ 18,466	$ 17,055
	Related party in substance	378	-
		$ 18,844	$ 17,055

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Account item	Type/name of related party	2021	2020
Revenues from construction projects	Affiliated enterprise Yuandeng Solar Energy Co., Ltd.	$ -	$ 11,168
Revenues from construction projects	Joint venture Giga Solar Green Power Co., Ltd.	$ 91,662	$ 181,607
	Ligao Optoelectronics Co., Ltd.	63,137	62,248
	Lichao Optoelectronics Co., Ltd.	55,675	41,802
		$ 210,474	$ 285,657

The above sale prices are agreed upon by both parties and there is no fixed percentage of price increase.

(3) Purchases

Account item	Type/name of related party	2021	2020
Purchases	Related party in substance	$ 8	$ -
	Affiliated enterprise	-	2,955
		$ 8	$ 2,955

The purchase price of the Consolidated Company from a related party shall be negotiated by both parties with reference to the market situation. The payment terms for the Consolidated Company to purchase goods from related parties are equivalent to those of ordinary manufacturers, and the payment period is 60–90 days.

(4) Other income

Account item	Type/name of related party	2021	2020
Other income	Affiliated enterprise	$ 2,927	$ 1,284
	Joint venture	1,477	957
	Related party in substance	238	-
		$ 4,642	$ 2,241

(5) Receivables from related parties

Account item	Type/name of related party	December 31, 2021	December 31, 2020
Accounts receivables	Affiliated enterprise	$ 135,450	$ 88,781
	Related party in substance	253	-
	Joint venture	-	7,113
		$ 135,703	$ 95,894

(Continued on next page)

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Account item	Type/name of related party	December 31, 2021	December 31, 2020
Other receivables	Affiliated enterprise	$ 933	$ 735
	Joint venture	696	1,420
	Related party in substance	250	-
		$ 1,879	$ 2,155

(6) Payables to related parties

Account item	Type/name of related party	December 31, 2021	December 31, 2020
Accounts payable	Related party in substance	$ 8	$ 1,705
Other payables	Related party in substance	$ 1,660	$ -
	Joint venture	-	3,026
		$ 1,660	$ 3,026

(7) Other advance receipts

Account item	Type/name of related party	December 31, 2021	December 31, 2020
Other advance receipts	Joint venture	$ 70	$ 55
	Affiliated enterprise	26	13
		$ 96	$ 68

(8) Prepayments for investments

Account item	Type/name of related party	December 31, 2021	December 31, 2020
Prepayments for investments	Affiliated enterprise Tron Energy Technology Corporation	$ -	$ 62,152

(9) Property, plant and equipment acquired

	Acquisition price	
Type/name of related party	2021	2020
Affiliated enterprise	$ 40	$ 100

(10) Other related party transactions

The Consolidated Company participated in the rights shares of Tron Energy Technology Corporation in August 2021 and increased the investment amount by NT$134,602 thousand. Because it did not subscribe according to the original shareholding ratio, the shareholding ratio decreased from 13.89% to 12.73%.

(11) Lease agreement

Type/name of related party	2021	2020
Rental income		
Affiliated enterprise	$ 6,026	$ 5,892
Joint venture	181	161
	$ 6,207	$ 6,053

The Consolidated Company leases office space to related parties. The lease terms are determined by agreement between the two parties and the rent is collected monthly.

(12) Contract assets

Type/name of related party	2021	2020
Joint venture		
Giga Solar Green Power Co., Ltd.	$ 42,382	$ 7,619
Ligao Optoelectronics Co., Ltd.	9,323	37,578
Lichao Optoelectronics Co., Ltd.	5,564	36,236
Suefu Co., Ltd.	1,873	-
	$ 59,142	$ 81,433

(13) Contract liabilities

Type/name of related party	2021	2020
Affiliated enterprise		
Lanjing Volt Co., Ltd.	$ 1,569	$ 1,569
Landian Solar Energy Co., Ltd.	1,011	1,011
	$ 2,580	$ 2,580
Joint venture		
Lichao Optoelectronics Co., Ltd.	$ 4,462	$ 759

(14) Borrowings from related parties

Interest expense

Type/name of related party	2021	2020
Related party in substance	$ 2,133	$ 1,342

The interest expenses above are mainly incurred by borrowings from substantial related parties for short-term project purposes and short-term working capital needs. The interest expenses in 2021 and 2020 are calculated according to the balance of outstanding loans multiplied by the annual interest rate of 3.50%–4.50%.

(xv) Lending to related parties

Interest income

Type/name of related party	December 31, 2021	December 31, 2020
Joint venture		
Ligao Optoelectronics Co., Ltd.	$ -	$ 15

The lending amount was NT$3,200 thousand on September 8, 2020 and was fully collected on November 30, 2020, with no lending balance on December 31, 2020.

(16) Salary for key management

	2021	2020
Short-term employee benefits	$ 45,760	$ 44,269
Post-employment benefits	1,176	2,579
	$ 46,936	$ 46,848

The remuneration for directors and other key management is determined by the Remuneration Committee based on individual performance and market trends.

37. Pledged Assets

The following assets have been pledged as collateral for financing loans and issuance of corporate bonds, lodgment of collateral for litigation and tariff guarantees for imported raw materials or deposits for performance guarantee of contracts and leases.

Item	December 31, 2021	December 31, 2020	Content of secured debts
Property, plant and equipment (including investment property)	$ 1,640,698	$ 451,181	Bank borrowings
Refundable deposits	148,909	554,609	Processed the lodgment of collateral with the lodgment office of the Hsinchu District Court and the deposit of court cost, etc. for the Philips lawsuit.
Other financial assets – current and non-current	98,681	64,109	Customs bonds, performance bonds, commodity bonds, lease bonds and bank loans
Notes receivables	4,269	-	Bank borrowings 1)
Shares of subsidiaries (Giga Solar Materials Corporation)	1,617,409	1,354,988	Bank loans, short-term bills payable and project performance guarantees
	$ 3,509,966	$ 2,424,887	

38. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) As of December 31, 2021, the unused balance of the letters of credit opened by the Consolidated Company amounted to approximately NT$29,782 thousand.

(2) The Company has entered into the following product licensing agreements with the following companies:

Company name	Payment of royalties for products	Contract Year	Valid period	Calculation of royalties
Industrial Technology Research Institute	Coating-related products	November 2005	20 years	Calculated based on product sales, payable annually

(3) On November 8, 2017, the Consolidated Company's subsidiary, Giga Solar Materials Corporation, resolved by the Board of Directors to merge with E. I. du Pont de Nemours and Company entered into a non-exclusive patent license agreement and paid a license fee to obtain a patent license related to solar conductive plasma.

(4) Heraeus Precious Metals North America Conshohocken LLC. ("Heraeus") filed a civil lawsuit against the subsidiary Giga Solar Materials Corporation at the Taiwan Intellectual Property Court on June 10, 2015, and claimed that the different types of conductive paste products sold by Giga Solar Materials Corporation infringed items 1–7 of the patent scope of its invention patent No. I432539 of the Republic of China ("the patent of Heraeus"), and claimed compensation of NT$10 million. The subsidiary Giga Solar Materials Corporation claimed that the patent of Heraeus was invalid, and Giga Solar Materials Corporation did not infringe the holly's patent. On July 7, 2017, the Intellectual Property Court announced the first-instance judgment dismissed the claim of the plaintiff Heraeus. Heraeus filed a second instance appeal on August 4, 2017, but was rejected by the second instance judgment of the Taiwan Intellectual Property Court on May 23, 2019. Heraeus filed a third instance appeal to the Supreme Court in July 2019, and the Supreme Court rejected the appeal of Heraeus on December 2, 2020.

(5) Sunshine Solar Power Generation Co., Inc., a subsidiary of the Consolidated Company, entered into a construction contract with Meralco Industrial Engineering Services Corporation for a total contract amount of US$4,546 thousand and Philippine peso 117,500 thousand. The accumulated amount paid as of December 31, 2021 was US$3,436 thousand and Philippine peso 11,175 thousand, which were recorded as construction in progress.

(6) The Consolidated Company entered into a contract with a supplier for the purchase of equipment and materials for the construction of a solar power plant at a contract price of US$48,649 thousand. As of December 31, 2021, the cumulative amount paid was US$24,716 thousand. However, due to the delay in the construction of the solar power plant, the Consolidated Company and the supplier are still in the process of negotiating the termination of the contract. The Consolidated Company has assessed that the aforementioned incident does not have a significant impact on the current operations.

(7) Koninklijke Philips Electronics N.V. ("Philips") filed a civil lawsuit against the Company on April 28, 2014, claiming that the DVD-R and DVD-RW products manufactured and sold by the Company infringe upon Philips' patent No. 82864 in the Republic of China ("Patent at Issue"), and requesting the Company to pay compensation of NT$10,000 thousand plus interest at 5% per annum from the day following the service of the complaint to the date of settlement. On May 13, 2015, Philips requested the Taiwan Intellectual Property Court to expand the amount of the original patent infringement lawsuit filed against Philips from NT$10,000 thousand to NT$1,050,000 thousand. On March 29, 2016, the Intellectual Property Court ruled in the first instance that the Company should compensate Philips for NT$10,500 thousand plus interest at 5% per annum from June 25, 2015 to the date of settlement, and dismissed the rest of Philips' claims. The Company and Philips filed appeals to the Intellectual Property Court for the 2nd instance against the judgment of the first trial. The second instance of the Intellectual Property Court ruled on June 29, 2017 that the Company should return NT$1,050,000 thousand to Philips as unjust enrichment, and therefore the Company has already recorded in the accounting books the amount of the second instance judgment plus interest. The Company reappointed professional lawyers to appeal to the Supreme Court against the aforementioned second instance judgment of the Intellectual Property Court. The Supreme Court ruled on September 26, 2018 that the original judgment ordering the Company to pay and dismissing the Company's appeal and the portion related to the court costs were reversed and remanded to the Intellectual Property Court. Therefore, the Company reversed the full amount of the potential compensation from the original intellectual property court's second instance verdict in accordance with the Supreme Court's ruling.

The judgment of the Intellectual Property Court adjudicating the case was pronounced on May 14, 2020. The Intellectual Property Court ruled that the Company should pay Philips an additional NT$409,885 thousand, plus interest at 5% per annum from June 25, 2015 to the date of settlement. The portion of the payment ordered by the judgment may be provisionally executed with a guarantee of NT$136,630 thousand issued by Philips or a promissory note of the same amount by Citibank Taiwan Limited. However, if the Company provides security in advance for Philips with NT$ 409,885 thousand, it is exempted from provisional execution. The Company has estimated and booked the amount of the intellectual property court judgment plus interest.

After receiving the judgment of the Intellectual Property Court on May 25, 2020, the Company lodged NT$409,885 thousand with the Hsinchu District Court as provision of security in advance to be exempted from the provisional execution, and on September 28, 2020, the Company provided a performance guarantee of NT$409,885 thousand from Shanghai Commercial Bank. On September 30, 2020, the Company obtained a ruling from the Intellectual Property Court to replace the original lodgment with the performance guarantee from the Shanghai Commercial Bank and on January 18, 2021, the Company received back the lodgment of NT$409,885 thousand and its interest. The Company pledged 3,183 thousand shares of Giga Solar Materials Corporation’s stock under the performance guarantee contract with Shanghai Commercial Bank and lodged NT$160,000 thousand in a demand deposit reserve account in January 2021.

The Company has officially signed a confidential settlement agreement with Philips on April 28, 2021, which has come into force on April 30, 2021. According to the settlement agreement, both Philips and the Company withdrew their appeal on May 13, 2021; The Company withdrew the Shanghai Commercial Bank guarantee deposited with the court in June 2021, withdrew the NT$160,000 thousand deposited in the demand deposit reimbursement account, and then withdrew the rest of the cash deposited with the court on June 21, 2021. All litigation and non-litigation proceedings between the company and Philips have been concluded.

39. Information on Foreign Currency Assets and Liabilities with Significant Effect

The following information is expressed in aggregate in foreign currencies other than the functional currency of each of the consolidated entities, and the exchange rates disclosed refer to the rates at which such foreign currencies are converted to the functional currency. Information on foreign currency assets and liabilities with significant effect is as follows:

	Foreign currency	Exchange rate	Book value
December 31, 2021			
Financial assets			
Monetary items			
RMB	$ 409,208	4.3440	$ 1,777,600
USD	90,900	27.6800	2,516,112
JPY	221,163	0.2405	53,190
THB	9,877	0.8282	29,852
EUR	36,045	31.3200	309,348
Financial liabilities			
Monetary items			
USD	55,345	27.6800	153,950
JPY	3,555	0.2405	855
THB	17,755	0.8282	14,705
RMB	2,003	4.3440	8,701
December 31, 2020			
Financial assets			
Monetary items			
RMB	686,871	4.3770	3,006,434
USD	107,533	28.4800	3,062,540
JPY	1,101,770	0.2763	304,419
THB	40,333	0.9482	38,244
EUR	128	35.0200	4,483
Financial liabilities			
Monetary items			
USD	44,329	28.4800	1,262,490
JPY	1,008,076	0.2763	278,531
THB	37,793	0.9482	35,835
RMB	3,763	4.3770	16,471

The net foreign currency exchange gain (loss) (realized and unrealized) of the Consolidated Company was NT$(81,839) thousand and NT$2,550 thousand in 2021 and 2020, respectively. Due to the wide variety of the functional currencies of the group

entities with foreign currency transaction, it is not possible to disclose the exchange gains or losses by each currency of significant impact.

40. Additional Disclosure

(1) Information on major transactions and (ii) invested enterprise

1. Lending funds to others (Exhibit 1)
2. Endorsement and guarantee for others (Exhibit 2)
3. Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliated enterprises and joint ventures) (Exhibit 3)
4. Acquisition or sale of the same security with the accumulated cost exceeding NT$300 million or 20% of the Company's paid-in capital. (None)
5. Acquisition of real estate exceeding NT$300 million or 20% of paid-in capital or more. (Exhibit 4)
6. Disposal of real estate exceeding NT$300 million or 20% of paid-in capital or more. (None)
7. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more. (Exhibit 5)
8. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more. (Exhibit 6)
9. Engagement in derivative transactions. (None)
10. Business relationships and significant intercompany transactions between the parent and subsidiaries and between subsidiaries and the amounts involved: (Exhibit 7)
11. Information on Investees (Exhibit 8)

(3) Information on investment in Mainland China

1. The name of the investees in Mainland China, principal business, paid-in capital, investment methods, capital outward and inward remittances, shareholding, investment gains and losses, investment carrying amount at the end of the period, repatriated investment gains and losses, and investment quota for Mainland China. (Exhibit 9)
2. Please refer to the following significant transactions with Mainland China investees directly or indirectly through third regions, as well as their prices, payment terms, and unrealized profits or losses: (Exhibits 1 and 2 and Note 7)
   (1) The amount and percentage of purchases and the related ending balance and percentage of payables.

(2) The amount and percentage of sales and the related ending balance and percentage of receivables.

(3) The amount of property transactions and the amount of resulting gains or losses.

(4) The ending balance of endorsement guarantee of bills or the provision of collateral and its purpose.

(5) The maximum balance, ending balance, interest rate range and total current interest amount of financial accommodation

(6) Other transactions that have a significant effect on the current profit or loss or financial position, such as the provision or receipt of services.

(4) Information on major shareholders: Name, number and percentage of shares held by shareholders with 5% or more of the shares. (None)

41. Segment Information

The reportable segments of the Consolidated Company are strategically managed business units that provide different products and services and earn revenues and incur expenses. Since each strategic business unit requires different technology and marketing strategies, the operating decision maker manages and monitors the operating results of each business unit separately to make decisions on resource allocation and performance evaluation.

The reportable segments of the Consolidated Company are as follow:

1. The Silicon Products Division is engaged in the production, processing and sale of solar silicon wafers, solar silicon accessories and wafers, as well as the manufacturing and sale of diamond wires.
2. The Photovoltaic Materials Division is mainly engaged in the research and development, manufacturing and sales of solar conductive plasma.
3. The Solar Power Plant Division is mainly engaged in solar power plant construction, solar power plant power generation and electricity sales.

The Consolidated Company aggregated the business divisions of Gigastorage Corporation, Giga Diamond Materials Corporation, Yancheng Giga Diamond Materials Corporation, and Hua Hsu Optotech Co., Ltd. and consolidated their relevant information into the reportable segment of Silicon Products Division, since management determines that these divisions have similar economic characteristics and meet most of the aggregation criteria,

The profits or losses of the reportable segments of the Consolidated Company are measured at operating profits before tax and are used as the basis for performance evaluation. The accounting policies of the business divisions are the same as those described in the summary of significant accounting policies in Note 4; however, non-operating income and gains, non-operating expenses and losses, and income taxes in the consolidated financial statements are managed on a group basis and are not allocated to the business divisions.

Transfer pricing between business divisions of the Consolidated Company is based on similar regular transactions with external third parties or markets.

(1) Segment Revenue and Operating Results

The revenue and operating results of the Consolidated Company's continuing operations are analyzed by reportable segment as follows:

2021

	Silicon Products Division	Photovoltaic Materials Division	Solar Power Plant Division	Other Divisions	Adjustments and eliminations	Total
Consolidated revenues	$ 1,890,860	$ 5,304,075	$ 477,060	$ 675,823	$ -	$ 8,347,818
Operating costs and expenses	(1,912,068)	(5,625,197)	(393,881)	(773,745)	-	(8,704,891)
Division profits (losses)	($ 21,208)	($ 321,122)	$ 83,179	($ 97,922)	$ -	(357,073)
Other income and expenses						254,805
Interest income						4,261
Share of affiliates and joint ventures accounted for using the equity method						1,941
Other income						101,553
Other gains and losses						(164,920)
Financial costs						(105,281)
Net income before tax from continuing operations						($ 264,714)

2020

	Silicon Products Division	Photovoltaic Materials Division	Solar Power Plant Division	Other Divisions	Adjustments and eliminations	Total
Consolidated revenues	$ 621,836	$ 7,932,869	$ 602,420	$ 397,610	$ -	$ 9,554,735
Operating costs and expenses	(761,330)	(7,590,730)	(505,195)	(530,683)	-	(9,387,938)
Division profits (losses)	($ 139,494)	$ 342,139	$ 97,225	($ 133,073)	$ -	166,797
Other income and expenses						(409,885)
Interest income						3,347
Share of affiliates and joint ventures accounted for using the equity method						293
Other income						96,859
Other gains and losses						(82,625)
Financial costs						(272,427)
Net losses before tax from continuing operations						($ 497,641)

(2) Revenues from major products

	2021	2020
Revenues from sales of conductive paste	$ 5,304,075	$ 7,932,869
Revenues from sales of silicon products	1,890,860	621,836
Revenues from sales of electricity	252,949	263,997
Revenues from construction projects	224,111	312,991
Others	675,823	423,042
	$ 8,347,818	$ 9,554,735

(3) Regional information

Revenues from external customers:

	2021	2020
Taiwan	$ 1,708,796	$ 1,546,121
Mainland China	3,798,248	5,738,272
Other countries	2,840,774	2,270,342
Total	$ 8,347,818	$ 9,554,735

Revenue is aggregated based on the country in which the customer is located.

Non-current assets:

	2021	2020
Taiwan	$ 2,371,673	$ 1,856,319
Mainland China	1,209,933	1,312,308
Japan	1,122,514	1,336,617
Others	614,320	634,428
Total	$ 5,318,440	$ 5,139,672

(4) Information on major customers

Revenues from a single customer amounting to 10% or more of the Consolidated Company's total revenues are listed as follows:

Item	2021	2020
Customer A	$ 1,247,849	$ 225,650
Customer B	949,021	465,162

Gigastorage Corporation and Subsidiaries

Lending Funds to Others

January 1 to December 31, 2021

Exhibit 1

Units: NTD thousands, unless otherwise stated

Number	The lending company of funds	The borrower of funds	Transactions	Related party or not	Highest balance in the period	Balance at the end of the period	Actual amounts drawn	Interest range	Nature of funds lending	Amount of business dealings	Reasons for the necessity of short-term financial accommodation	Provision of allowance for doubtful accounts	Collateral		The limit for individual funds lending	The limit for total funds lending	Remarks
													Name	Value			
0	Gigastorage Corporation	Wafering Technology Corporation	Other receivables	Yes	$ 30,000	$ -	$ -	2.5%	Short-term financial accommodation	$ -	—	$ -	No	$ -	$ 289,457 (Note 2)	$ 1,157,826 (Note 2)	—
1	Giga Solar Materials Corporation	Yancheng Giga Solar Materials Corporation	Other receivables (Note 1)	Yes	1,103,216 (CNY 253,963)	703,568 (CNY 161,963)	703,568 (CNY 161,963)	-	Business dealings	960,771	—	-	No	-	960,771 (Note 2)	2,563,646 (Note 2)	—
2	Whole Sun Green Power Co., Ltd.	Sunshine Solar Power Generation Co., Inc.	Other receivables	Yes	470,105 (USD 16,984)	259,737 (USD 9,384)	259,737 (USD 9,384)	2%	Short-term financial accommodation	-	To meet the operational needs of subsidiary	-	No	-	592,267 (Note 3)	888,400 (Note 3)	—
3	Green Energy Electrode Inc.	Yancheng Green Energy Electrode Crop.	Other receivables	Yes	44,288 (USD 1,600)	44,288 (USD 1,600)	44,288 (USD 1,600)	1%	Short-term financial accommodation	-	To meet the operational needs of subsidiary	-	No	-	55,502 (Note 7)	111,005 (Note 7)	—
		Green Energy Electrode, Inc.(Samoa)	Other receivables	Yes	8,304 (USD 300)	8,304 (USD 300)	8,304 (USD 300)	1%	Short-term financial accommodation	-	To meet the operational needs of subsidiary	-	No	-	55,502 (Note 7)	111,005 (Note 7)	—
4	Green Energy Electrode, Inc.(Smoa)	Yancheng Green Energy Electrode Crop.	Other receivables	Yes	8,304 (USD 300)	8,304 (USD 300)	8,304 (USD 300)	1%	Short-term financial accommodation	-	To meet the operational needs of subsidiary	-	No	-	25,992 (Note 7)	51,984 (Note 7)	—
5	Wisdom Field Limited	Sunshine Solar Power Generation Co., Inc.	Other receivables	Yes	193,760 (USD 7,000)	193,760 (USD 7,000)	193,760 (USD 7,000)	2%	Short-term financial accommodation	-	To meet the operational needs of subsidiary	-	No	-	184,769 (Notes 3 and 8)	277,153 (Note 3)	—
6	Merchant Energy PTE., Ltd.	Sunshine Solar Power Generation Co., Inc.	Other receivables	Yes	130,096 (USD 4,700)	130,096 (USD 4,700)	130,096 (USD 4,700)	2%	Short-term financial accommodation	-	To meet the operational needs of subsidiary	-	No	-	109,704 (Notes 3 and 8)	164,557 (Note 3)	—
7	Eiwa Electric Power Co., Inc.	Giga Solar Materials Corporation	Other receivables	Yes	240,500 (JPY1,000,000)	- (JPY -)	- (JPY -)	1.6%	Short-term financial accommodation	-	To meet the operational needs	-	No	-	615,931 (Note 5)	615,931 (Note 5)	—
8	Giga Diamond Materials Corporation	Yancheng Giga Diamond Materials Corporation	Other receivables	Yes	209,814 (USD 7,580)	157,499 (USD 5,690)	157,499 (USD 5,690)	1%	Short-term financial accommodation	-	To meet the operational needs of subsidiary	-	No	-	266,116 (Note 4)	266,116 (Note 4)	—
		Hua Hsu Optotech Co., Ltd.	Other receivables	Yes	30,000	25,000	25,000	3%	Short-term financial accommodation	-	To meet the operational needs of subsidiary	-	No	-	266,116 (Note 4)	266,116 (Note 4)	—

Note 1: It refers to the other receivables recognized instead due to the fact that the receivables of related parties exceeded a certain period of normal credit extension period, and the loan nature was approved by the board meeting of Giga Solar Materials Corporation on November 11, 2021.

Note 2: The amount of funds lending to individual shall not exceed 10% of the current net worth of the lending company, and the total amount of funds lending shall not exceed 40% of the current net worth of the lending company; for companies that have business dealings with the Company, the amount of individual funds lending shall not exceed the amount of business dealings between the two parties, and the total amount of funds lending from the Company shall not exceed 40% of the Company's net worth.

Note 3: The total amount of funds lending shall not exceed 60% of the net worth of the lending company, and the total amount of funds lending to companies with short-term financial accommodation needs shall not exceed 40% of the net worth of the lending company. If the lending company directly or indirectly owns more than 50% of the voting shares of a subsidiary or a subsidiary that is included as a consolidated entity under IFRSs, the amount of individual funds lending is limited to 40% of the Company's net worth; the amount of individual funds lending to other parties is limited to 10% of the Company's net worth.

Note 4: The total amount of funds lending shall not exceed 40% of the Company's net worth, and the amount of funds lending to individual companies that are affiliated with the Company with short-term financing accommodation needs shall be limited to 40% of the Company's net worth; for other parties, the amount shall not exceed 10% of the Company's net worth.

Note 5: The total amount of funds lending by Eiwa Electric Power Co., Inc. shall be limited to no more than 2% of its most recent net worth. The amount of individual funds lending to the parent company that directly or indirectly holds 100% of its voting shares is limited to 2000% of the Company's net worth. For subsidiaries in which more than 50% of the voting shares are directly or indirectly held and are in needs for short-term financial accommodation as well as those included in the consolidated entities under IFRSs, the amount of individual funds lending is limited to 40% of its most recent net worth.

Note 6: If foreign currencies are involved, they are converted into New Taiwan dollars at the exchange rate on the date of the financial report (the ending exchange rate is 1 RMB = 4.3440 NT$, 1 USD = 27.68 NTD and 1 JPY = 0.2405 NTD).

Note 7: The total amount of funds lending shall not exceed 40% of the Company's most recent net worth, and the amount of funds lending to individual companies that are affiliated with the Company for short-term financing accommodation shall be limited to 20% of the Company's most recent net worth; for other parties, the amount shall not exceed 10% of the Company's most recent net worth.

Note 8: The capital loan and ending balance exceeded the limit; the subsidiary Whole Sun Green Power Co., Ltd. formulated an improvement plan on December 8, 2021 which has been approved by the board meeting, and will complete the improvement according to the planned schedule.

Note 9: NT$748,644 thousand was recognized as other receivables due to the fact that the receivables of Giga Solar Materials Corporations from Yancheng Giga Diamond Materials Corporation exceeded a certain period of normal credit extension period, and the loan nature was approved by the board meeting of Giga Solar Materials Corporation on January 24, 2022.

Gigastorage Corporation and Subsidiaries

Endorsement and Guarantee for Others

January 1 to December 31, 2021

Exhibit 2

Units: NTD thousands, unless otherwise stated

Number	Name of the company providing endorsement and guarantee	Party endorsed and guaranteed		Limit for endorsement and guarantee for a single enterprise	Balance of the maximum endorsement and guarantee for the period	Balance of endorsement and guarantee at the end of the period	Actual amounts drawn	Amount of endorsement and guarantee by property	Percentage of cumulative endorsement and guarantee to net worth of the most recent financial statements (%)	Limit for Maximum Endorsement and Guarantee	Parent company endorsement and guarantee for subsidiary	Subsidiary endorsement and guarantee for parent company	Endorsement and guarantee for Mainland China	Remarks
		Company name	Relationship											
1	Giga Diamond Materials Corporation	Yancheng Giga Diamond Materials Corporation	2	$ 665,291 (Note 1)	$ 208,512	$ 186,792	$ 121,082	$ 129,582	28.08	$ 665,291	Y	—	Y	—

Note 1: According to Giga Diamond Materials Corporation's "Operating Procedures for Endorsements and Guarantee," the total amount of endorsement and guarantee shall not exceed 100% of the net worth of the current period, among which the endorsement and guarantee limit for a single enterprise shall not exceed 10% of the net worth of the current period, except for the subsidiaries directly or indirectly invested by Giga Diamond Materials Corporation. The total amount of endorsements and guarantee by Giga Diamond Materials Corporation and its subsidiaries as a whole shall not exceed 100% of the Company's net worth, and the endorsement and guarantee for a single enterprise shall not exceed 10% of the Giga Diamond Materials Corporation's net worth.

Note 2: If foreign currencies are involved, they are converted into New Taiwan dollars at the exchange rate on the date of the financial report (the ending exchange rate is 1 RMB = 4.3440 NT$, 1 USD = 27.68 NTD and 1 JPY = 0.2405 NTD).

Gigastorage Corporation and Subsidiaries

Marketable Securities Held at the End of the Period

December 31, 2021

Exhibit 3

Units: NTD thousands, unless otherwise stated

.Subsidiaries held	Type of marketable securities	Name of marketable securities	Relationship with the issuer of marketable securities	Booked account	End of the period				Remarks
					Unit	Book value	Shareholding (%)	Fair value	
Gigastorage Corporation	Stocks	Prorit Corporation	—	Financial assets measured at fair value through other comprehensive income – non-current	3,942,205	$ 12,812	1.26	$ 12,812	—
	Stocks	New Land Packing Corporation	—	Financial assets measured at fair value through other comprehensive income – non-current	2,155,410	34,637	11.97	34,637	—
Wafering Technology Corporation	Stocks	Big Sun Energy Technology Inc.	The Company is its corporate director	Financial assets measured at fair value through other comprehensive income – non-current	8,000,000	-	1.98	-	—
Giga Solar Materials Corporation	Stocks	SyneuRx International (Taiwan) Corp.	—	Financial assets at fair value through profit or loss – non-current	245,086	11,997	0.20	11,997	—
	Funds	TIEF Fund, L.P.	—	Financial assets at fair value through profit or loss – non-current	-	26,284	7.45	26,284	—
	Stocks	Long Time Tech. Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income – non-current	8,005,000	460,859	6.65	460,859	—
	Stocks	Big Sun Energy Technology Inc.	—	Financial assets measured at fair value through other comprehensive income – non-current	2,250,000	-	0.56	-	—
Green Energy Electrode Inc.	Stocks	Phoenix Battery Corporation	—	Financial assets at fair value through profit or loss – non-current	500,000	5,000	1.33	5,000	—

Note 1: The marketable securities listed above were not guaranteed or pledged for borrowing or otherwise restricted by contract as of December 31, 2021.

Note 2: For information on investment in subsidiaries and affiliated companies, please refer to Exhibits 8 and 9.

Gigastorage Corporation and Subsidiaries

Acquisition of Real Estate Reaching NT$300 Million or 20% of Paid-in Capital or More.

January 1 to December 31, 2021

Exhibit 4

Unit: NTD thousands

The company which acquired the real estate	Asset name	Date of occurrence	Transaction amount	Consideration payment status	Trading counterparty	Relationship	If the trading counterparty is a related party, the previous transfer information				Reference for price determination	Acquisition purpose and status of use	Other agreed matters
							Owner	Relationship with the issuer	Transfer date	Amount			
The Company.	Land	February 19, 2021	1/6 of NT$2,000,000 thousand	The first installment has been paid, and the total amount is NT$50,000 thousand	Natural person	No	Not applicable	Not applicable	Not applicable	Not applicable	Market price and appraisal report	It is required for participating in the development of the Green Energy Industrial Park and the medium and long-term operation planning of the Group	No
Giga Solar Materials Corporation	Land and buildings	July 6, 2021	$ 315,000	$ 315,000	Yoyo Enterprise Inc.	No	Not applicable	Not applicable	Not applicable	Not applicable	After considering the current market price and negotiating with the seller	For the operation of Giga Solar Materials Corporation and its subsidiaries	No
	Land and buildings	December 15, 2021	840,379	80,000	Energy Pass Incorporation	No	Not applicable	Not applicable	Not applicable	Not applicable	After considering the current market price and negotiating with the seller	For the operation of Giga Solar Materials Corporation and its subsidiaries	No

Gigastorage Corporation and Subsidiaries

Purchases or Sales of Goods from or to Related Parties Reaching NT$100 Million or 20% of Paid-in Capital or More

January 1 to December 31, 2021

Exhibit 5

Units: NTD thousands, unless otherwise stated

Purchase (sales) company	Name of trading counterparty	Relationship	The circumstance of the dealings				The circumstances and reasons why the trading terms are different from those of ordinary transactions		Notes and accounts receivable (payable)		Remarks
			Purchase (sales)	Amount	As a percentage of total purchase (sales)	Credit period	Unit price	Credit period	Balance	As a percentage of total notes and accounts receivable (payable)	
Giga Solar Materials Corporation	Yancheng Giga Solar Materials Corporation	Affiliates of the Company	Sales	$ 959,382	21.15%	Monthly settlement 120–180 days	$ -	—	$ 477,094	46.12%	—

Gigastorage Corporation and Subsidiaries

Receivables from Related Parties Reaching NT$100 Million or 20% of Paid-in Capital or More.

December 31, 2021

Exhibit 6

Units: NTD thousands, unless otherwise stated

Companies recorded as accounts receivables	Name of trading counterparty	Relationship	Balance of receivables from related parties	Turnover rate	Past due receivables from related parties		Amount of receivables from related parties collected during the subsequent period	Provision of allowance for loss
					Amount	Method of processing		
Accounts receivable and other receivables								
Giga Solar Materials Corporation	Yancheng Giga Solar Materials Corporation	Affiliates of the Company	$ 1,444,023	Once	$ 966,929	Ongoing Collections	$ 499,560	$ -
Giga Diamond Materials Corporation	Yancheng Giga Diamond Materials Corporation	Affiliates of the Company	288,589	-	131,090	Ongoing Collections	-	-
Other receivables								
Whole Sun Green Power Co., Ltd.	Sunshine Solar Power Generation Co., Inc.	Affiliates of the Company	269,085	-	-	—	-	-
Wisdom Field Limited (Samoa)	Sunshine Solar Power Generation Co., Inc.	Affiliates of the Company	199,955	-	-	—	-	-
Merchant Energy PTE.,Ltd.	Sunshine Solar Power Generation Co., Inc.	Affiliates of the Company	138,716	-	-	—	-	-
Yancheng Giga Solar Materials Corporation	Tron Giga (Yancheng) Energy Co., Ltd.	Affiliates of the Company	117,440	-	9,997	Ongoing Collections	9,997	-

Gigastorage Corporation and Subsidiaries

Business Relationships and Significant Intercompany Transactions between the Parent and Subsidiaries and the Amounts Involved:

January 1 to December 31, 2021

Exhibit 7

Units: NTD thousands, unless otherwise stated

Number	Name of trading counterparty	Trading counterparty	Relationship with the trading counterparty	Circumstance of the transactions			
				Account	Amount	Terms of Trade	Percentage of total consolidated revenues or total assets
0	Gigastorage Corporation	Giga Solar Materials Corporation	1	Other receivables	$ 3,910	90 days from the monthly cut-off day	0.03%
				Other payables	1,035	90 days from the monthly cut-off day	0.01%
		Ho Mi Specialty Materials Corporation	1	Purchases	1,066	The above purchase prices are agreed upon by both parties and there is no fixed percentage of price increase.	0.01%
		Yancheng Giga Diamond Materials Corporation	1	Other receivables	1,640	90 days from the monthly cut-off day	0.01%
		Hua Hsu Optotech Co., Ltd.	1	Sales revenues	2,319	The above sale prices are agreed upon by both parties and there is no fixed percentage of price increase.	0.03%
		Whole Sun Green Power Co., Ltd.	1	Sales revenues	2,329	The above sale prices are agreed upon by both parties and there is no fixed percentage of price increase.	0.03%
1	Ho Mi Specialty Materials Corporation	Giga Solar Materials Corporation	3	Sales revenues	1,900	The above sale prices are agreed upon by both parties and there is no fixed percentage of price increase.	0.02%
2	Giga Solar Materials Corporation	Yancheng Giga Solar Materials Corporation	3	Sales revenues	959,382	The above sale prices are agreed upon by both parties and there is no fixed percentage of price increase.	11.49%
			3	Accounts receivables	477,094	Monthly settlement 120 – 180 days	3.23%
			3	Other receivables	966,929	According to the contract	6.55%
3	Whole Sun Green Power Co., Ltd.	Sunshine Solar Power Generation Co., Inc.	3	Other receivables	269,085	According to the contract	1.82%
4	Green Energy Electrode Inc.	Green Energy Electrode, Inc.(Samoa)	3	Other receivables	8,304	According to the contract	0.06%
		Yancheng Green Energy Electrode Crop.	3	Other receivables	44,288	According to the contract	0.3%
5	Green Energy Electrode, Inc.(Samoa)	Yancheng Green Energy Electrode Crop.	3	Other receivables	8,304	According to the contract	0.06%
6	Wisdom Field Limited (Samoa)	Sunshine Solar Power Generation Co., Inc.	3	Other receivables	199,955	According to the contract	1.35%
7	Merchant Energy PTE., Ltd.	Sunshine Solar Power Generation Co., Inc.	3	Other receivables	138,716	According to the contract	0.94%
8	Giga Diamond Materials Corporation	Yancheng Giga Diamond Materials Corporation	3	Accounts receivables	8,398	90 days from the monthly cut-off day	0.06%
			3	Other receivables	122,692	90 days from the monthly cut-off day	0.83%
			3	Other receivables	157,499	According to the contract	1.07%
			3	Interest income	1,656	90 days from the monthly cut-off day	0.02%
			3	R&D expenses	93	90 days from the monthly cut-off day	-
		Hua Hsu Optotech Co., Ltd.	3	Other receivables	25,000	According to the contract	0.17%
			3	Interest income	792	90 days from the monthly cut-off day	0.01%
9	Hua Hsu Optotech Co., Ltd.	Yancheng Giga Diamond Materials Corporation	3	Other receivables	2,784	90 days from the monthly cut-off day	0.02%
			3	Operating revenues	224	90 days from the monthly cut-off day	-
			3	Operating costs	114	90 days from the monthly cut-off day	-
			3	Property, plant and equipment	728	According to the contract	-
			3	Accounts payable	33	90 days from the monthly cut-off day	-

Note 1: 1. Representing parent company's transactions to subsidiary

3. Representing subsidiary's transactions to subsidiary

Note 2: Sales prices and property transactions with subsidiaries are not comparable to those of other parties, and the collection period from subsidiaries is 90 days.

Gigastorage Corporation and Subsidiaries

Name of Investee, Location, Etc.

January 1 to December 31, 2021

Exhibit 8

Units: NTD thousands, unless otherwise stated

Investor name	Investee name	Location	Principal Business	Initial investment amount		Holding at the end of the period			Profits (losses) of the investee for the period	Investment gain (loss) recognized in the period	Remarks
				The end of the period	The end of last year	Number of shares	Percentage	Book value			
Gigastorage Corporation	Global Acetech Co., Ltd.	Thailand	Solar Energy Related Business	$ 1,094,992	$ 1,123,004	29,574,997	99.99%	$ 11,962	$ 3,319	$ 3,319	—
	UJGIGA Co., Ltd.	Kaohsiung City	Solar Energy Related Business	33,840	11,640	3,384,000	30%	33,949	379	113	—
	Giga Solar Materials Corporation	Hukou Township, Hsinchu County	Precision chemical materials, industrial plastic products	163,955	164,087	29,708,902	39.15%	2,509,214	(375,458)	(143,756)	(Note 5)
	Ho Mi Specialty Materials Corporation	Hukou Township, Hsinchu County	Precision chemical materials	93,500	93,500	9,350,000	92.57%	83,061	(1,083)	(924)	(Note 5)
	Giga Solar Green Power Co., Ltd.	Hukou Township, Hsinchu County	Solar Energy Related Business	85,000	75,000	8,749,975	50%	86,887	(1,982)	(991)	(Note 5)
	Wafering Technology Corporation	Hukou Township, Hsinchu County	Solar Energy Related Business	180,001	180,001	26,996,112	100%	244,078	6,721	7,418	(Note 5)
	Whole Max Green Power Co., Ltd.	Hukou Township, Hsinchu County	Solar Energy Related Business	366,622	366,622	33,790,000	31%	356,775	50,033	15,511	(Note 5)
	Ri Yun Green Energy Corporation	Taipei City	Solar Energy Related Business	48,300	42,000	4,830,000	30%	47,933	(506)	(151)	—
	Tron Energy Technology Corporation	Taoyuan City	Electric buses, diesel buses/battery systems/energy storage systems	49,950	-	666,000	1.11%	48,995	(64,050)	(918)	—
	Shuoyitai Green Energy Co., Ltd.	Hukou Township, Hsinchu County	Development, installation and holding of energy storage systems	350	-	35,000	35%	343	(20)	(7)	(Note 6)
	Jieshuo Co., Ltd.	Hukou Township, Hsinchu County	Development of solar energy and energy storage systems	4,990	-	499,000	49.9%	4,981	(18)	(9)	(Note 6)

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Investor name	Investee name	Location	Principal Business	Initial investment amount		Holding at the end of the period			Profits (losses) of the investee for the period	Investment gain (loss) recognized in the period	Remarks
				The end of the period	The end of last year	Number of shares	Percentage	Book value			
Wafering Technology Corporation	Giga Solar Materials Corporation	Hukou Township, Hsinchu County	Precision chemical materials, industrial plastic products	$ 105,387	$ 143,593	502,000	0.66%	$ 42,399	($ 375,458)	(Note 2)	—
	Giga Diamond Materials Corporation	Hukou Township, Hsinchu County	Manufacturing of metal wire products, manufacturing of electronic components, trading and other related businesses	1,077	1,043	38,114	0.03%	222	(104,098)	(Note 2)	—
	Tron Energy Technology Corporation	Taoyuan City	Electric buses, diesel buses/battery systems/energy storage systems	49,302	31,970	733,200	1.22%	43,865	(64,050)	(Note 2)	—
	Ligao Optoelectronics Co., Ltd.	Hukou Township, Hsinchu County	Solar Energy Related Business	56,800	31,800	5,680,000	50%	47,707	(649)	(Note 2)	—
	Whole Max Green Power Co., Ltd.	Hukou Township, Hsinchu County	Solar Energy Related Business	94,612	94,612	8,720,000	8%	92,071	50,033	(Note 2)	—
	UJGIGA Co., Ltd.	Kaohsiung City	Solar Energy Related Business	21,432	7,372	2,143,200	19%	21,504	379	(Note 2)	—
	Yusheng Energy Co., Ltd.	Taipei City	Renewable energy relate business	50,000	-	5,000,000	11.88%	50,058	228	(Note 2)	—
Giga Solar Materials Corporation	Whole Sun Green Power Co., Ltd.	Hukou Township, Hsinchu County	Solar Energy Related Business	2,723,842	2,723,842	126,516,924	100%	1,480,667	3,139	(Note 2)	—
	Giga Solar Materials Corporation (Mauritius)	Mauritius	General investment	565,410	565,410	17,900,000	100%	854,867	(140,186)	(Note 2)	(Note 5)
	Tron Energy Technology Corporation	Taoyuan City	Electric buses, diesel buses/battery systems/energy storage systems	461,875	399,723	6,244,989	10.40%	457,257	(64,050)	(Note 2)	(Note 5)

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Investor name	Investee name	Location	Principal Business	Initial investment amount		Holding at the end of the period			Investee Profits (losses) for the period	Recognized in the period Investment income (loss)	Remarks
				The end of the period	The end of last year	Number of shares	Percentage	Book value			
Giga Solar Materials Corporation	Giga Diamond Materials Corporation	Hukou Township, Hsinchu County	Manufacturing of metal wire products, manufacturing of electronic components, trading and other related businesses	$ 500,471	$ 477,938	36,658,046	32.05%	$ 222,312	($ 104,098)	(Note 2)	—
	Green Energy Electrode Inc.	Hukou Township, Hsinchu County	Manufacturing and trading of energy materials	216,971	116,754	15,858,067	48.39%	134,863	(42,229)	(Note 2)	—
	Prosperous China Inc.	Samoa	General investment	18,904	18,904	500,000	100%	19,031	277	(Note 2)	—
	Yusheng Energy Co., Ltd.	Taipei City	Renewable energy relate business	60,000	-	6,000,000	14.25%	60,069	228	(Note 2)	—
Green Energy Electrode Inc.	Green Energy Electrode, Inc.(Samoa)	Samoa	General investment	176,342	77,966	6,000,000	100%	129,729	(25,365)	(Note 2)	—
Whole Sun Green Power Co., Ltd.	Eiwa Electric Power Co., Inc.	Fukushima Prefecture, Japan	Solar Energy Related Business	15,070	15,070	-	100%	76,846	18,307	(Note 2)	—
	Godo Kaisha Best Solar	Chiba Prefecture, Japan	Solar Energy Related Business	44,939	44,939	-	- (Note 1)	42,397	7,708	(Note 2)	—
	Godo Kaisha Chiba 1	Wakayama, Japan	Solar Energy Related Business	62,788	42,428	-	- (Note 1)	48,420	(963)	(Note 2)	—
	Godo Kaisha Merchant Energy NO.8	Fukushima Prefecture, Japan	Solar Energy Related Business	69,325	69,325	-	- (Note 1)	135,815	51,967	(Note 2)	—
	Wisdom Field Limited (Samoa)	Samoa	General investment	1,173,221	1,173,221	37,110,000	100%	461,922	(47,736)	(Note 2)	—
Wisdom Field Limited (Samoa)	Merchant Energy PTE., Ltd.	Singapore	General investment	930,951	930,951	29,800,000	87.65%	240,390	(50,783)	(Note 2)	—
Merchant Energy PTE., Ltd.	Sunshine Solar Power Generation Co., Inc.	Philippines	Solar Energy Related Business	814,827	814,827	-	39.93%	100,833	(56,689)	(Note 2)	—
Giga Diamond Materials Corporation	Giga Diamond Materials Corporation (Seychelles)	Sesel	General investment	594,542	594,542	19,200,000	100%	(128,263)	(121,897)	(Note 2)	—
	Hua Hsu Optotech Co., Ltd.	Xitun District, Taichung	Wafer surface treatment, silicon processing, silicon materials for solar energy, OEM business, etc.	235,784	152,712	8,100,000	100%	244,620	83,576	(Note 2)	—

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Note 1: Whole Sun Green Power Co., Ltd. invests in Godo Kaisha Best Solar, Godo Kaisha Chiba 1 and Godo Kaisha Merchant Energy No.8 according to the Japanese TK-GK structure. Although it does not hold voting rights, Whole Sun Green Power Co., Ltd. is endowed with economic beneficial rights and the right to request these parties to consult Whole Sun Green Power Co., Ltd. in advance for major decision-making requests according to the contract.

Note 2: Gains or losses on investments in these companies are included in the investment gain or loss of the subsidiaries.

Note 3: The relevant figures here are presented in NTD. Where foreign currencies are involved, they should be translated into NTD using the exchange rates prevailing at the date of the financial statements.

Note 4: Please refer to Exhibit 9 for information on investees in Mainland China.

Note 5: For the investment gain or loss for the period, taken into account were the unrealized gain or loss on intercompany transactions and the amortization effect of the excess of the fair value of identifiable net assets over their carrying amount at the time of original acquisition.

Note 6: Jieshuo Co., Ltd. and Shuoyitai Green Energy Co., Ltd. are individual insignificant joint ventures, and their financial reports have not been audited by CPAs; however, the management of the Consolidated Company believes that these individual insignificant financial reports of the joint venture companies will not have significant differences if audited by CPAs.

Gigastorage Corporation and subsidiaries

Information on Investment in Mainland China

January 1 to December 31, 2021

Exhibit 9

Units: NTD thousands, unless otherwise stated

Investee name in Mainland China	Principal Business	Paid-in capital	Investment method	Accumulated investment amount remitted from Taiwan at the beginning of the period	Amount of investment remitted or recovered during the period		Accumulated investment amount remitted from Taiwan at the end of the period	Investee Current profit and loss	Shareholding percentage of the Company's direct or indirect investment	Investment gain or loss recognized in the period (Note 2)	Carrying amount of investment at the end of the period	Investment income remitted back as of the end of the period	Remarks
					Remittance	Recovery							
Suzhou Giga Solar Materials Corporation	Photovoltaic process testing and technical services, etc.	$ 88,625 (USD 3,000)	Indirectly invested through an invested enterprise in the third region (Mauritius)	$ 88,625 (USD 3,000)	$ -	$ -	$ 88,625 (USD 3,000)	($ 3,739	100%	($ 3,739)	$ 81,683	$ -	(Note 2)
Yancheng Giga Solar Materials Corporation	Photovoltaic process testing and technical services, etc.	638,350 (USD 14,900+ CNY 35,000) (Note 5)	Indirectly invested through an invested enterprise in the third region (Mauritius)	478,050 (USD 14,900)	-	-	478,050 (USD 14,900)	(140,392	100%	(140,392)	748,966	-	(Note 2)
Yancheng Giga Diamond Materials Corporation	Manufacturing and sale of wire materials, etc.	594,542 (USD 19,200)	Indirectly invested through an invested enterprise in the third region (Seychelles)	594,542 (USD 19,200)	-	-	594,542 (USD 19,200)	(121,897	100%	(121,966)	(125,199)	-	(Note 2)
Yancheng Green Energy Electrode Crop.	Lithium battery material manufacturing, research and development, and lithium-ion battery technology development and consulting services	176,342 (USD 6,000)	Indirectly invested through an invested enterprise in the third region (Samoa)	77,966 (USD 2,500)	98,376 (USD 3,500)	-	176,342 (USD 6,000)	(25,365	100%	(25,365)	129,953	-	(Note 7)
Tron Giga (Yancheng) Energy Co., Ltd.	Battery module, battery pack and battery component assembly	91,071 (USD 1,530+ CNY 10,437) (Note 6)	Indirectly invested through an invested enterprise in the third region (Mauritius)	-	-	-	-	8,052	49%	3,945	42,114	-	-
Nantong Exojet Technology Co., Ltd.	Manufacturing and sales of thick film materials for passive components	154,128 (USD 5,000)	Direct invest in mainland China	154,128 (USD 5,000)	-	-	154,128 (USD 5,000)	(9,428	100%	(9,428)	88,593	-	(Note 2)
Shanghai Exojet Electronics Co., Ltd.	Manufacturing and sales of thick film materials for passive components	13,686 (USD 350)	Indirectly invested through an invested enterprise in the third region (Samoa)	13,686 (USD 350)	-	-	13,686 (USD 350)	277	100%	277	18,963	-	(Note 2)

Company name	Cumulative amount of investment remitted from Taiwan to Mainland China at the end of the period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs	Ceiling on investments in Mainland China imposed by the Investment Commission of the Ministry of Economic Affairs
Giga Solar Materials Corporation	$940,232 (USD23,250+CNY45,437)	$937,902 (USD29,849)	$ 3,845,469
Giga Diamond Materials Corporation	594,542 (USD19,200)	594,542 (USD19,200)	399,174
Green Energy Electrode Inc.	176,342 (USD6,000)	178,833 (USD6,090)	166,507

Note 1: Investment methods are classified into the following three categories; fill in the number of the category that each case belongs to:

1. Invest in Mainland China directly.
2. Invest in Mainland China through companies in third regions. (Please specify the investment company of the third region.)
3. Other methods.

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Note 2: The investment gain or loss recognized in the current period is based on the evaluation of the financial statements audited by CPAs.

Note 3: The translation is based on the exchange rate at the time of remittance.

Note 4: The repatriated investment amount was translated at the prevailing exchange rate, and the investment amount not repatriated was translated at the period end rate of 1:27.68.

Note 5: RMB35,000 thousand represented the direct investment of cash dividends from the earnings of Suzhou Giga Solar Materials Corporation through a third region (Mauritius) into Yancheng Giga Solar Materials Corporation. The process of application to the Investment Commission of the Ministry of Economic Affairs had been completed. The difference between the paid-in capital and the amount approved by the Investment Commission of the Ministry of Economic Affairs is due to the difference between the exchange rate of USD and RMB on the date of application and the date of remittance.

Note 6: RMB10,437 thousand represented the direct investment of cash dividends from the earnings of Suzhou Giga Solar Materials Corporation through a third region (Mauritius) into Tron Giga (Yancheng) Energy Co., Ltd. The process of application to the Investment Commission of the Ministry of Economic Affairs had been completed. The difference between the paid-in capital and the amount approved by the Investment Commission of the Ministry of Economic Affairs is due to the difference between the exchange rate of USD and RMB on the date of application and the date of remittance.

Note 7: Green Energy Electrode Inc. invested US$3.5 million in Yancheng Green Energy Electrode Crop. with the self-owned funds of Green Energy Electrode Inc.(Samoa) as an investment enterprise in the third region approved by the Investment Committee of the Ministry of Economic Affairs in April 2021, and the investment has completed.

Attachment 2

Stock Code: 2406

Gigastorage Corporation

Parent Company Only Financial Statements For the Years Ended December 31, 2021 and 2020 and Independent Auditor's Report

Address: No. 3, Industrial 1st Road, Hukou Township, Hsinchu County

TEL: (03)598-5510

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.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders

Gigastorage Corporation

Audit opinion

We have audited the parent company only balance sheet of Gigastorage Corporation as of December 31, 2021 and 2020, and the parent company only comprehensive income statements, parent company only statement of changes in shareholders' equity, parent company only cash flow statements, and notes to the parent company only financial statements (including significant accounting policies) for the years then ended.

In our opinion, based on our audits and the reports of other independent auditors (please refer to the Other Matters paragraph), the parent company only financial statements referred to above present fairly, in all material respects, the individual financial position of Gigastorage Corporation as of December 31, 2021 and 2020 and its individual financial performance and cash flows for the years ended December 31 2021 and 2020, in conformity with the requirements of regulations governing the preparation of financial statements by securities issuers.

Basis of Opinion

We conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and the Generally Accepted Auditing Standards. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the parent company only financial statements. We are independent of Gigastorage Corporation and its subsidiaries in accordance with the Code of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other independent auditors, we believed that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2021 parent company only financial statements of Gigastorage Corporation and its subsidiaries. These matters were addressed in the content of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinions on those matters.

Key audit matters of the 2021 parent company only financial statements of Gigastorage Corporation were as follows:

Authenticity of revenues

As stated in Note 10 to the parent company only financial statements, investments accounted for using the equity method of Gigastorage Corporation amounted to NT$3,393,237 thousand, or 68% of total assets as of December 31, 2021, and the shares of profits or losses of subsidiaries, affiliates and joint ventures using the equity method was NT$(120,395) thousand, or 581% of net income before tax from January 1, 2021 to December 31, 2021. The financial status and performance of its subsidiaries would significantly affect Gigastorage Corporation.

The sales revenues of Gigastorage Corporation and its subsidiaries are mainly from the sales of solar conductive plasma and silicon excipients, which account for 85% of the consolidated revenues. The sales revenues of solar conductive plasma and silicon excipients changed significantly in 2021 (see Note 19), and the customer portfolio changed in the past two years; therefore, we have included the authenticity of the aforementioned revenues as a key audit matter.

We have performed the following key audit procedures:

1. We assessed the effectiveness of the design and implementation of internal control practices related to sales transactions by understanding the related internal control systems and operating procedures related to the sales transaction cycle.
2. To confirm the authenticity of revenue, we selected samples from the sales details, reviewed the original customer orders, shipping documents or export declarations and sales invoices, and examined whether there were any abnormalities in the receivable collections and the customers to whom the sales were made.

Other Matters

The financial statements of certain equity-method investees have not been audited by us, but by other independent auditors. Therefore, of our opinions on the parent company only financial statements referred to above, the amounts included in the financial statements were based on the audit reports of other independent auditors. As of December 31, 2021 and 2020, the above-mentioned investments under the equity method amounted to NT$1,347,041 thousand and NT$1,040,119 thousand, or 27.02% and 20.55% of total assets, respectively; the share of investment losses recognized under the equity method amounted to NT$1,957 thousand and NT$293 thousand, or 9.44% and (0.06)% of net income (loss) before tax, respectively for the years ended December 31, 2021 and 2020.

The financial statements of certain equity-method investees prepared in accordance with different financial reporting framework have not been audited by us, but have been audited by other independent auditors in accordance with different auditing standards. The above-mentioned financial statements have been converted into adjusted financial statements that conform to the

regulations governing the preparation of financial statements by securities issuers and we have performed the requisite audit procedures. Therefore, of our opinions on the parent company only financial statements referred to above, the amounts included in the financial statements were based on the audit reports of other independent auditors and the result of additional audit procedures performed in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and relevant provisions of auditing standards generally accepted in the Republic of China. As of December 31, 2021 and 2020, the above-mentioned investments under the equity method amounted to NT$11,962 thousand and NT$40,923 thousand, or 0.24% and 0.81% of total assets, respectively; the share of investment losses recognized under the equity method amounted to NT$3,319 thousand and NT$(6,406) thousand, or 16% and 1.21% of net income (loss) before tax, respectively for the years 2021 and 2020.

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

The management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Statements by Securities Issuers, and for such internal control as the management determines is necessary to enable the preparation of the parent company only financial statements to be free from material misstatement whether due to fraud or error.

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

Those in charge of corporate governance (including the Auditing Committee) are responsible for overseeing the reporting process of the financial statements of Gigastorage Corporation.

Auditor's Responsibilities for the Audit of the Parent company only financial statements

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

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

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

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

We also provide those in charge of governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all

relationships and other matters that may reasonably be thought to affect our independence, and other matters (including related protective measures).

From the matters communicated with those in charge of corporate governance, we determine those matters that were of most significance in the audit of the 2021 parent company only financial statements of Gigastorage Corporation and its subsidiaries and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Huang, Yu-Feng and Chung, Ming-Yuan.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 30, 2022

Notice to Readers

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

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

Gigastorage Corporation

Parent Company Only Balance Sheet

December 31, 2021 and 2020

Unit: NTD thousands

Code	Assets	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current assets				
1100	Cash (Notes 4 and 6)	$ 179,549	4	$ 116,979	2
1140	Contract assets – current (Notes 4, 20 and 30)	167,117	3	170,113	3
1150	Notes receivable, net (Notes 4 and 8)	13,440	-	4,693	-
1170	Accounts receivable, net (Notes 4, 8 and 20)	143,625	3	90,684	2
1180	Accounts payable – related party, net (Notes 4, 8, 20 and 30)	19,111	1	9,627	-
1200	Other receivables (Notes 4 and 8)	3,615	-	2,572	-
1210	Other receivables – related parties (Notes 4, 8 and 30)	7,310	-	8,060	-
1220	Current income tax assets (Notes 4 and 22)	32	-	27	-
130X	Inventories (Notes 4 and 9)	18,411	-	31,201	1
1410	Prepayments (Note 15)	318,838	7	325,691	7
1476	Other financial assets – current (Notes 4 and 31)	16,214	-	15,003	-
1479	Other current assets (Notes 15, 31 and 32)	4,315	-	252,254	5
11XX	Total current assets	891,577	18	1,026,904	20
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income – non-current (Notes 4 and 7)	47,449	1	44,459	1
1550	Investments using the equity method (Notes 4, 10, 30 and 31)	3,393,237	68	3,199,373	63
1600	Property, plant and equipment (Notes 4, 11, 30 and 31)	361,554	7	402,231	8
1755	Right-of-use assets (Notes 4 and 12)	23,863	1	27,740	1
1760	Investment property (Notes 4, 13 and 31)	167,077	3	166,154	3
1780	Intangible assets (Notes 4 and 14)	932	-	915	-
1980	Other financial assets – non-current (Notes 4 and 31)	-	-	1,200	-
1990	Other non-current assets (Notes 4, 15, 18, 31 and 32)	100,450	2	192,701	4
15XX	Total non-current assets	4,094,562	82	4,034,773	80
1XXX	Total assets	$ 4,986,139	100	$ 5,061,677	100

Code	Liabilities and equity	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current liabilities				
2100	Short-term borrowings (Notes 16 and 31)	$ 737,257	15	$ 1,490,814	30
2110	Short-term notes and bills payable (Notes 16 and 31)	199,338	4	-	-
2150	Notes payable	104	-	648	-
2170	Accounts payable	79,598	1	47,054	1
2180	Accounts payable – related party (Note 30)	189	-	1,111	-
2200	Other payables (Notes 17 and 32)	30,988	1	570,183	11
2220	Other payables – related party (Note 29)	1,035	-	959	-
2230	Current income tax liabilities (Notes 4 and 22)	-	-	4,039	-
2280	Lease liabilities – current (Notes 4, 12 and 30)	3,673	-	3,752	-
2322	Long-term borrowings due within one year (Notes 16 and 31)	236,000	5	84,000	2
2399	Other current liabilities (Notes 17, 20 and 30)	25,514	-	5,670	-
21XX	Total current liabilities	1,313,696	26	2,208,230	44
	Non-current liabilities				
2540	Long-term borrowings (Notes 16 and 31)	715,500	14	293,500	6
2580	Lease liabilities – non-current (Notes 4, 12 and 30)	20,721	1	24,394	-
2645	Deposits received	41,657	1	449	-
25XX	Total non-current liabilities	777,878	16	318,343	6
2XXX	Total liabilities	2,091,574	42	2,526,573	50
	Equity (Notes 4, 19, 24 and 26)				
	Capital stock				
3110	Ordinary share capital	2,859,057	57	2,859,057	56
3200	Capital surplus	498,574	10	250,109	5
	Retained earnings				
3310	Legal reserve	14,689	-	14,689	-
3320	Special reserve	155,982	3	155,982	3
3350	Unappropriated earnings (Accumulated profit or loss)	(533,647)	(10)	(571,686)	(11)
3400	Other equity	(100,090)	(2)	(173,047)	(3)
3XXX	Total equity	2,894,565	58	2,535,104	50
	Total liabilities and equity	$ 4,986,139	100	$ 5,061,677	100

The accompanying notes are an integral part of the parent company only financial statements.

(Please refer to the audit report dated March 30, 2022 of Deloitte and Touche)

Chairperson: Chen, Chi-Ming Managerial officer: Chen, Chi-Ming Accounting officer: Tsai, Jyh- Pyng

Gigastorage Corporation

Parent Company Only Comprehensive Income Statement

January 1 to December 31, 2021 and 2020

(In thousands of NT$, but Earnings per share is in NT$)

Code		2021 Amount	2021 %	2020 Amount	2020 %
4000	Net operating revenues (Notes 20 and 30)	$ 576,818	100	$ 530,454	100
5000	Operating cost (Notes 9, 14, 21 and 30)	550,685	95	438,594	83
5900	Operating gross profits	26,133	5	91,860	17
5910	Unrealized profits on sales	(47,313)	(8)	(31,685)	(6)
5920	Realized sales profits	31,685	5	13,098	3
5950	Realized operating gross profits	10,505	2	73,273	14
	Operating expenses (Notes 8, 14, 21 and 30)				
6100	Marketing expenses	11,846	2	7,762	2
6200	Administration expenses	115,524	20	117,860	22
6300	R&D expenses	16,455	3	53,742	10
6450	Expected credit reversal gain	(1,177)	-	(382)	-
6000	Total	142,648	25	178,982	34
6500	Net other income and expenses (Note 32)	254,805	44	(409,885)	(77)
6900	Net operating income (loss)	122,662	21	(515,594)	(97)
	Non-operating income and expenses				
7100	Interest income (Note 21)	499	-	173	-
7010	Other income (Notes 21, 25 and 30)	49,967	9	63,044	12
7060	Share of profits or losses of subsidiaries, affiliates and joint ventures using the equity method (Notes 4 and 10)	(120,395)	(21)	77,380	15
7050	Financial costs (Notes 21 and 30)	(28,181)	(5)	(140,283)	(27)
7020	Other gains and losses (Notes 4 and 21)	(3,814)	(1)	(16,137)	(3)
7000	Total	(101,924)	(18)	(15,823)	(3)

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Code		2021 Amount	2021 %	2020 Amount	2020 %
7900	Net income (loss) before tax	$ 20,738	3	($ 531,417)	(100)
7950	Income tax gains (expense) (Notes 4 and 22)	4,058	1	(4,058)	(1)
8200	Net income (loss) for the year	24,796	4	(535,475)	(101)
	Other comprehensive income				
8310	Items not to be reclassified as profit or loss:				
8311	Remeasurement of defined benefit plan	(1,931)	-	(60)	-
8316	Unrealized gains or losses on investments in equity instruments measured at fair value through other comprehensive income	2,990	-	30,537	6
8331	Remeasurement of defined benefit plans of subsidiaries recognized under the equity method	906	-	(2,009)	(1)
8336	Other comprehensive income of subsidiaries recognized under the equity method is measured at fair value.	109,825	19	14,167	3
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of financial statements of foreign operations	(4,268)	-	(1,950)	(1)
8381	Exchange differences on translation of financial statements of foreign operations of subsidiaries recognized under the equity method	(21,573)	(4)	3,483	1
8300	Other comprehensive income for the year (net after tax)	85,949	15	44,168	8
8500	Total comprehensive income for the year	$ 110,745	19	($ 491,307)	(93)
	Earnings per share (Note 23)				
9750	Basic	$ 0.09		($ 2.17)	
9850	Diluted	$ 0.09		($ 2.17)	

The accompanying notes are an integral part of the parent company only financial statements.

(Please refer to the audit report dated March 30, 2022 of Deloitte and Touche)

Chairperson: Chen, Chi-Ming Managerial officer: Chen, Chi-Ming Accounting officer: Tsai, Jyh- Pyng

Gigastorage Corporation

Parent Company Only Statement of Changes in Shareholders' Equity

January 1 to December 31, 2021 and 2020

Unit: NTD thousands

Code		Capital stock		Capital surplus	Retained earnings			Other equity		Total equity
		Number of shares (in thousands)	Amount		Legal reserve	Special reserve	Unappropriated earnings (Accumulated profits or losses)	Exchange differences on translation of financial statements of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	
A1	Balance as of January 1, 2020	205,906	$ 2,059,057	$ 211,927	$ -	$ 23,784	$ 146,887	($ 114,115)	($ 145,597)	$ 2,181,943
	Appropriation and distribution of 2019 earnings									
B1	Legal reserve	-	-	-	14,689	-	(14,689)	-	-	-
B3	Special reserve	-	-	-	-	132,198	(132,198)	-	-	-
E1	Cash capital increase	80,000	800,000	(117,249)	-	-	(6,248)	-	-	676,503
N1	Share-based payment (Note 24)	-	-	1,432	-	-	-	-	-	1,432
C7	Changes in affiliates and joint ventures recognized under the equity method	-	-	1,935	-	-	-	-	-	1,935
D1	Net loss for 2020	-	-	-	-	-	(535,475)	-	-	(535,475)
D3	Other comprehensive income for 2020	-	-	-	-	-	(2,069)	1,533	44,704	44,168
D5	Total comprehensive income for 2020	-	-	-	-	-	(537,544)	1,533	44,704	(491,307)
H3	Organization restructuring	-	-	-	-	-	(6,659)	-	-	(6,659)
M5	Disposal of equity in subsidiaries (Note 26)	-	-	26,034	-	-	-	15,258	3,935	45,227
M7	Changes in ownership interest in subsidiaries (Notes 19 and 26)	-	-	126,030	-	-	-	-	-	126,030
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	(2,093)	-	2,093	-
Q1	Disposal of equity instruments at fair value through other comprehensive income by a subsidiary	-	-	-	-	-	(19,142)	-	19,142	-
Z1	Balance as of December 31, 2020	285,906	2,859,057	250,109	14,689	155,982	(571,686)	(97,324)	(75,723)	2,535,104
O1	Subsidiary share based payment transactions	-	-	16,545	-	-	-	-	-	16,545
D1	Net income for 2021	-	-	-	-	-	24,796	-	-	24,796
D3	Other comprehensive income for 2021	-	-	-	-	-	(1,025)	(25,841)	112,815	85,949
D5	Total comprehensive income for 2021	-	-	-	-	-	23,771	(25,841)	112,815	110,745
M5	Disposal of equity in subsidiaries (Note 26)	-	-	26,481	-	-	-	152	(109)	26,524
M7	Changes in ownership interest in subsidiaries (Notes 19 and 26)	-	-	204,909	-	-	-	208	-	205,117
C7	Changes in affiliates and joint ventures recognized under the equity method	-	-	530	-	-	-	-	-	530
Q1	Disposal of equity instruments at fair value through other comprehensive income by a subsidiary	-	-	-	-	-	14,268	-	(14,268)	-
Z1	Balance as of December 31, 2021	285,906	$ 2,859,057	$ 498,574	$ 14,689	$ 155,982	($ 533,647)	($ 122,805)	$ 22,715	$ 2,894,565

The accompanying notes are an integral part of the parent company only financial statements.

(Please refer to the audit report dated March 30, 2022 of Deloitte and Touche)

Chairperson: Chen, Chi-Ming Managerial officer: Chen, Chi-Ming Accounting officer: Tsai, Jyh- Pyng

Gigastorage Corporation

Parent Company Only Cash Flow Statement

January 1 to December 31, 2021 and 2020

Unit: NTD thousands

Code		2021	2020
	Cash flow from operating activities:		
A10000	Net income (loss) before tax for the year	$ 20,738	($ 531,417)
A20000	Adjustments:		
A20010	Income or expenses having no effect on cash flows		
A20100	Depreciation expense	47,925	51,504
A20200	Amortization expenses	581	733
A20300	Expected credit reversal gain	(1,177)	(382)
A20400	Net loss on financial assets and liabilities at fair value through profit or loss	-	62
A20900	Financial costs	28,181	140,283
A21200	Interest income	(499)	(173)
A21300	Dividend income	(1,078)	-
A21900	Share-based remuneration costs	-	527
A22300	Share of profits or losses of subsidiaries, affiliates and joint ventures accounted for using the equity method	120,395	(77,380)
A22500	Gain on disposal and scrapping of property, plant and equipment	(112)	(475)
A23200	Loss on disposal of investment accounted for using the equity method	-	444
A23700	Impairment loss on non-financial assets	-	7,046
A23800	Loss on decline in value of inventories (reversal gain)	(11,836)	3,608
A23900	Unrealized profits on sales	47,313	31,685
A24000	Realized sales profits	(31,685)	(13,098)
A24100	Unrealized foreign currency exchange loss	721	1,227
A29900	Compensation loss from expected litigation loss (gain from reversal) (Note 32)	(254,805)	409,885

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Code		2021	2020
A30000	Net changes in assets/liabilities related to operating activities.		
A31125	Contract assets	$ 2,996	$ 69,929
A31130	Notes receivables	(8,747)	(2,123)
A31150	Accounts receivables	(53,451)	(2,074)
A31160	Accounts receivable – related party	(9,484)	(7,172)
A31180	Other receivables	(1,043)	(958)
A31190	Other receivables – related party	738	25,021
A31200	Inventories	24,626	2,519
A31230	Prepayments	6,853	29,145
A31240	Other current assets	(1,947)	(1,854)
A32130	Notes payable	(544)	(2,293)
A32150	Accounts payable	32,741	(3,463)
A32160	Accounts payable – related party	(922)	(6,402)
A32180	Other payables	(272,240)	(2,162)
A32190	Other payables – related party	76	107
A32230	Other current liabilities	19,844	1,561
A32240	Net defined benefit liabilities	(2,922)	(2,684)
A33000	Cash inflow (outflow)from operations	(298,764)	121,176
A33100	Interests received	499	266
A33500	Income tax returned	14	143
AAAA	Net cash inflow (outflow) from operating activities	(298,251)	121,585
	Cash flow from investment activities:		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	-	(3,816)
B00020	Disposal of financial assets measured at fair value through other comprehensive income	-	104
B00200	Disposal of Financial assets at fair value through profit or loss	-	2,411
B01800	Acquisition of investment accounted for using the equity method	(93,790)	(456,151)
B02300	Net cash inflow from disposal of subsidiaries	-	1,876
B02700	Acquisition of property, plant and equipment	(4,178)	(3,193)

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Code		2021	2020
B02800	Proceeds from disposal of property, plant and equipment	$ 176	$ 475
B03800	Decrease (increase) in refundable deposits	423,633	(409,889)
B04500	Acquisition of intangible assets	(598)	-
B06600	Decrease (increase) in other financial assets	(11)	111,075
B06800	Increase in other non-current assets	(89,554)	(1,161)
B07600	Dividends received	65,698	59,466
BBBB	Net cash inflow (outflow) from investment activities	301,376	(698,803)
	Cash flow from financing activities:		
C00100	Increase (decrease) in short-term borrowings	(753,557)	552,853
C00500	Increase in short-term notes and bills payable	199,315	-
C01300	Repayment of corporate bonds	-	(1,236,360)
C01600	Borrowing of long-term loans	740,000	250,000
C01700	Repayment of long-term loans	(166,000)	(34,000)
C03100	Increase (decrease) in guarantee deposits received	41,208	(1,009)
C04020	Repayment of lease principal	(3,752)	(3,695)
C04600	Cash capital increase	-	676,503
C05500	Disposal of equity in subsidiaries (Note 26)	4,877	289,268
C09900	Return of share proceeds from capital reduction of subsidiaries	28,012	-
C05600	Interests paid	(29,209)	(24,236)
CCCC	Net cash outflow from financing activities	60,894	469,324
DDDD	Effect of exchange rate changes on cash	(1,449)	(2,378)
EEEE	Net increase (decrease) in cash and cash equivalents	62,570	(110,272)
E00100	Cash balance at the beginning of the year	116,979	227,251
E00200	Cash balance at the end of the year	$ 179,549	$ 116,979

The accompanying notes are an integral part of the parent company only financial statements.

(Please refer to the audit report dated March 30, 2022 of Deloitte and Touche)

Chairperson: Chen, Chi-Ming Managerial officer: Chen, Chi-Ming Accounting officer: Tsai, Jyh- Pyng

Gigastorage Corporation

Notes to Parent Company Only Financial Statements

January 1 to December 31, 2021 and 2020

(Units: NTD thousands, unless otherwise stated)

1. Company History

Gigastorage Corporation (hereinafter referred to as the "Company") was established on March 26, 1997 and began operations on December 1, 1997. The Company is engaged in the manufacturing of computers and peripherals, international trade, manufacturing and reproduction of data storage media, manufacturing and trading of electronic materials, components and silicon wafers, energy technology services, and non-public power generation. The Company's shares are listed and traded on Taiwan Stock Exchange.

The parent company only financial statements are presented in NTD, the functional currency of the Company.

2. Date and Procedures for Approval of Parent Company Only Financial Statements

The parent company only financial statements were approved by the board meeting on March 28, 2022.

3. Application of New and Revised Standards and Interpretation

(1) First-time application of International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IAS"), Interpretations ("IFRICs") and Interpretations ("SICs") (hereinafter referred to as "IFRSs") endorsed by the Financial Supervisory Commission ("FSC") and issued to be effective

The adoption of the IFRSs endorsed and issued into effect by the FSC will not result in significant changes in the Company's accounting policies.

(2) IFRSs endorsed by the FSC and applicable in 2022.

New, Revised or Amended Standards and Interpretations	Effective date of IASB publication
"Annual improvement of IFRSs 2018-2020"	January 1, 2022 (Note 1)
Amendment to IFRS 3 "Reference to Conceptual Frameworks"	January 1, 2022 (Note 2)
Amendment to IAS 16 "Property, plant and equipment: price before reaching the intended state of use"	January 1, 2022 (Note 3)
Amendment to IAS 37 "Onerous Contracts – Cost of Performing Contracts."	January 1, 2022 (Note 4)

Note 1: Amendments to IFRS 9 apply to exchanges or modification of terms of financial liabilities in annual reporting periods after 1 January 2022; amendments to IAS 41 “Agriculture” apply to fair value measurements in annual reporting periods after 1 January 2022; amendments to IFRS 1 “First application of IFRSs” apply retrospectively to annual reporting periods after 1 January 2022.

Note 2: This amendment applies to business mergers for which the acquisition date falls within the annual reporting period after January 1, 2022.

Note 3: This amendment applies to plant, property and equipment that begins to operate in the manner such as location and condition expected by management after January 1, 2021.

Note 4: This amendment applies to contracts with unfulfilled obligations as of January 1, 2022.

1. Amendment to IAS 16 “Property, plant and equipment: price before reaching the intended state of use”

   The amendment provides that the sale price of output items of property, plant and equipment produced to bring them to the location and condition necessary to meet management’s expectations for the manner in which they will be operated is not appropriate as a deduction to the cost of those assets. The above-mentioned output items shall be measured according to IAS 2 “Inventory,” and the sales price and cost shall be recognized in profit or loss according to the applicable standards.

   The amendment applies to plant, property and equipment in the location and condition necessary to achieve management’s intended mode of operation after January 1, 2021, and the information of the comparative period shall be restated when the amendment is first applied by the Company.

In addition to the impacts above, the Company assesses that the amendments to other standards and interpretations will not have a significant impact on the financial position and financial performance as of the date of issuance of this individual financial report.

(3) The IFRSs released by the IASB but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective date of IASB publication (Note 1)
Amendment to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Affiliate or Joint Venture."	Undecided
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendment to IFRS 17 "First application of IFRS 17 and IFRS 9 – comparative information"	January 1, 2023
Amendment to IAS 1 "Classification of Liabilities as Current or Noncurrent"	January 1, 2023
Amendment to IAS 1 "Disclosure of Accounting Policies."	January 1, 2023 (Note 2)
Amendment to IAS 8 "Definition of Accounting Estimates."	January 1, 2023 (Note 3)
Amendment to IAS 12 "Deferred income tax relating to assets and liabilities arising from a single transaction"	January 1, 2023 (Note 4)

Note 1: Unless otherwise stated, the aforementioned new/amended/revised standards or interpretation
are effective for annual reporting periods beginning after the respective dates.

Note 2: This amendment will be applicable for annual reporting periods beginning after January 1, 2023.

Note 3: This amendment applies to changes in accounting estimates and changes in accounting policies that occur in annual reporting periods beginning after January 1, 2023.

Note 4: Other than the recognition of deferred tax on temporary differences in lease and decommissioning obligations on January 1, 2022, the amendment applies to transactions occurring after January 1, 2022.

1. Amendment to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Affiliate or Joint Venture."

   The amendment provides that if the Company sells or contributes an asset to an affiliate (or joint venture), or if the Company loses control of a subsidiary but retains significant influence (or joint control) over the subsidiary, the Company shall recognize all of the gains or losses from such transactions if the

aforementioned asset or subsidiary meets the definition of "business" in "business merger" under IFRS 3.

In addition, if the Company sells or contributes an asset to an affiliate (or joint venture), or if the Company loses control of a subsidiary but retains significant influence (or joint control) over the subsidiary, the Company shall recognize gains and losses from such transactions only to the extent that they are not related to the investor's interest in the affiliate (or joint venture), i.e. they are eliminated to the extent of the Company's share of such gains and losses if the aforementioned asset or subsidiary does not meet the definition of "business" in "business merger" under IFRS 3.

2. Amendment to IAS 1 "Classification of Liabilities as Current or Noncurrent"

   The amendment aims to clarify whether a liability is classified as non-current; the Company should assess whether it has the right to defer settlement at the end of the reporting period for at least 12 months after the reporting period. If the Company has such a right as of the end of the reporting period, the liability is classified as non-current whether or not the Company exercises its right to defer settlement of a liability. The amendment aims to clarify if the Company is required to comply with certain conditions in order to have the right to defer settlement of a liability. The Company must have complied with specific conditions as of the end of the reporting period, even if the lender tests whether the Company has complied with those conditions at a later date.

   The amendment provides the purpose to clarify that settlement refers to the transfer to the counterparty of cash, other economic resources or equity instruments of the Company that results in the extinguishment of the liability. However, if the terms of the liability may result in transferring the Company's equity instruments at the option of the counterparty, and if the option is separately recognized in equity in accordance with IAS 32, "Financial Instruments: Presentation," the above-mentioned provisions do not affect the classification of the liability.

3. Amendment to IAS 1 "Disclosure of Accounting Policies."

   The amendment specifies that the Company shall determine the material accounting policy information to be disclosed based on the definition of materiality. Accounting policy information is considered material if it could reasonably be expected to affect the decisions of the primary users of the

general-purpose financial statements based on those financial statements. The amendment also clarifies:

- Accounting policy information related to immaterial transactions, other events or circumstances is immaterial and the Company is not required to disclose such information.
- The Company may determine that related accounting policy information is material because of the nature of the transactions, other events or circumstances, even if the amount is not material.
- Not all accounting policy information related to significant transactions, other events or circumstances is material.

In addition, the amendment provides examples of accounting policy information that may be material if it relates to significant transactions, other events or circumstances and under the following circumstances, the information may be material:

(1) A change in the Company's accounting policy during the reporting period that results in a material change in financial statement information;
(2) The Company selects applicable accounting policies from among the options permitted by the standards;
(3) Due to the lack of specific standards, the Company establishes accounting policies in accordance with IAS 8 "Accounting Policies, Changes and Errors in Accounting Estimates";
(4) The Company discloses the relevant accounting policies that require the application of significant judgments or assumptions; or
(5) that it involves complex accounting requirements when users of financial statements rely on such information to understand such significant transactions, other events or circumstances.

4. Amendment to IAS 8 "Definition of Accounting Estimates."

The amendment explicitly specifies that accounting estimate represents the monetary amounts in the financial statements that are subject to measurement uncertainty. In applying accounting policies, the Company may need to measure financial statement items using monetary amounts that are not directly observable but must be estimated, and therefore measurement techniques and input values are required to create accounting estimates for this purpose. The effect of changes in measurement techniques or input values on accounting

estimates that are not corrections of prior period errors are accounted for as changes in accounting estimates.

In addition to the above effects, the Company will continue to evaluate the effect of the amendment to other standards on the financial positions and performance of the Company to the date the parent company only financial statements are approved and released, and will make appropriate disclosure after the evaluation.

4. Summary of Significant Accounting Policies

(1) Compliance Statement

The parent company only financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Statements by Securities Issuers.

(2) Basis of preparation

This individual financial report is prepared on a historical cost basis, except for financial instruments at fair value and net defined benefit liabilities recognized at the present value less net defined benefit liabilities recognized at the fair value of plan assets.

The evaluation of fair value could be classified into Level 1 to Level 3 by the observable intensity and importance of the related input value:

1. Level 1 input value: refers to the quotation of the same asset or liability in an active market as of the evaluation (before adjustment).
2. Level 2 input value: refers to the direct (the price) or indirect (inference of price) observable input value of asset or liability further to the quotation of Level 1.
3. Level 3 input value: the unobservable input value of asset or liability.

When preparing the parent company only financial statements, the Company processed the investment in subsidiaries and associates under the equity method. In order to make the same the current profit or loss, other comprehensive income and equity in the parent company only financial statements as the current year's profit or loss, other comprehensive income and equity attributable to the owners of the Company in the consolidated financial statements, certain accounting differences between the individual basis and consolidated basis are adjusted for "investments using the equity method," "share of profit or loss of subsidiaries, affiliates and joint ventures using the equity method," "share of other comprehensive income of subsidiaries, affiliates and joint ventures using the equity method" and related equity items.

(3) Standards in differentiating current and noncurrent assets and liabilities

Current assets include:

1. Assets held primarily for trading purposes;
2. Assets expected to be realized within 12 months of the balance sheet date; and
3. Cash (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).

Current liabilities include:

1. Liabilities held primarily for trading purposes;
2. Liabilities due for settlement within 12 months after the balance sheet date (current liabilities even if a long-term refinancing or rescheduling agreement is completed after the balance sheet date and before the financial statements are authorized for issuance), and
3. Liabilities whose settlement deadline cannot be unconditionally deferred until at least 12 months after the balance sheet date. If the terms of the liability, at the option of the counterparty, result in the settlement of the liability by the issuance of equity instruments, the classification is not affected.

Those that are not current assets or liabilities above are classified as noncurrent assets or liabilities.

(4) Foreign currency

For the transactions conducted in a currency other than the business entity's functional currency (foreign currency), it is to be translated to the functional currency in accordance with the exchange rate on the transaction date when preparing financial statements.

Foreign currency monetary items are translated at the closing rate on each balance sheet date. The exchange differences arising from the settlement of monetary items or translating monetary items are recognized in profit or loss in the period in which they occur.

The foreign non-currency items measured at fair value are translated in accordance with the exchange rate on the fair value determination date and the exchange difference is booked as profit or loss in the period. However, for the changes in fair value recognized in other comprehensive income, the exchange difference is recorded in other comprehensive income.

The foreign non-currency items measured at historical cost are translated in accordance with the exchange rate on the transaction date without the need for a retranslation.

When preparation of the individual financial report, the assets and liabilities of overseas operating institutions (including the subsidiaries in the countries of business operation or those using currencies different from the Company's) were converted to New Taiwan dollars based on the exchange rate quoted on every balance sheet date. Income and expense items are translated at the average exchange rate for the period and the exchange differences are booked in other comprehensive income.

(5) Inventories

Inventory includes raw materials, supplies, finished goods and work-in-process. Inventory is valued in accordance with the lower of cost or net realizable value. When comparing cost and net realizable value, except for the homogeneous inventories, it is based on the itemized lower of cost or net realizable value. Net realizable value refers to the estimated sale price under normal circumstances net of the estimated cost needed to completion and the estimated expenses needed to consummate the sale. The cost of inventory is calculated using the weighted average method.

(6) Investments in subsidiaries

The Company adopts the equity method for investment in subsidiaries.

A subsidiary is an entity (including a structured entity) over which the Company has control.

Under the equity method, investments in subsidiaries are originally recognized at cost; the book value after the acquisition date fluctuates along with the distribution of profit or loss from the subsidiaries and other comprehensive income by the Company. Additionally, the change in the interests the Company holds in subsidiaries is recognized pro rata to the shareholding percentages.

When a change in the Company's ownership interest in a subsidiary does not result in a loss of control, it is treated as an equity transaction. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary (including the carrying amount of the subsidiary under the equity method and other long-term interests that are in substance a component of the

Company's net investment in the subsidiary), the Company continues to recognize losses in proportion to its equity in the subsidiary.

The excess of the acquisition cost over the Company's share of the net fair value of the identifiable assets and liabilities of the subsidiaries constituting the business at the acquisition date is recorded as goodwill, which is included in the carrying amount of the investment and is not amortized; the excess of the Company's share of the net fair value of the identifiable assets and liabilities of the subsidiaries constituting the business at the acquisition date over the acquisition cost is recorded as gain or loss for the period.

The Company assesses impairment based on the cash-generating units as a whole in the financial statements and compares their recoverable amounts with their book values. If the amount of recoverable assets increased in the future, the reversal of impairment shall be recognized as income. The book value of the reversal of impaired assets shall not exceed the book value before recognition for impairment net of amortization. Impairment losses attributable to goodwill must not be reversed in subsequent periods.

When control over a subsidiary is lost, the Company measures its remaining investment in the subsidiary at fair value at the date of loss of control. The difference between the fair value of the remaining investment and the carrying amount of the investment at the date of loss of control, if any, is recognized in profit or loss for the period. In addition, all amounts recognized in other comprehensive income related to the subsidiary are accounted for on the same basis as if the Company had directly disposed of the related assets or liabilities.

Unrealized gains or losses on downstream transactions with subsidiaries are eliminated in the parent company only financial statements. Gains or losses from upstream and side-stream transactions with subsidiaries are recognized in the parent company only financial statements only to the extent that they are not related to the Company's equity interest in the subsidiary.

(7) Investments in affiliates and joint ventures

The term "affiliate" as set forth herein denotes an enterprise which has significant effect upon the Company but is not a subsidiary or a joint venture.

A joint venture is a joint agreement between the Company and another company with joint control and rights to the net assets.

The Company adopts the equity method for investment in affiliates.

Under the equity method, investments in affiliates and joint ventures are originally recognized at cost; the book value after the acquisition date fluctuates along with the distribution of profit or loss from the affiliates and joint ventures and other comprehensive income by the Company. In addition, changes in equity in affiliated companies and joint ventures are recognized on a proportional basis to shareholdings.

The Company assesses impairment by comparing the recoverable amount to the carrying amount of an investment as a whole (including goodwill) as a single asset. The impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of impairment loss can be recognized to the extent that the recoverable amount of the investment subsequently increases.

Gains or losses from upstream, downstream and side-stream transactions with affiliates and joint ventures are recognized in the parent company only financial statements only to the extent that they are not related to the Company's equity interest in the affiliates and joint ventures

(8) Property, plant and equipment

Property, plant, and equipment shall be recognized based on cost. Subsequent costing shall be measured on the cost net of accumulated depreciations and accumulated impairments.

Except for owned land, which is not depreciated, other property, plant and equipment are depreciated separately over their useful lives on a straight-line basis for each significant component. The Company reviews the estimated useful lives, residual values and depreciation methods at least at the end of each year and defers the effect of changes in applicable accounting estimates.

When property, plant and equipment is derecognized, the difference between the net disposal price and the carrying amount of the asset is recognized in profit or loss.

(9) Investment property

Investment property refers to real estate held for the purpose of earning rent or capital appreciation or both. Investment property also includes land held for future use that is currently undetermined.

Self-owned investment property is initially measured at cost (including transaction costs) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Investment property is depreciated on a straight-line basis.

When investment property is derecognized, the difference between the net disposal price and the carrying amount of the asset is recognized in profit or loss.

(10) Intangible assets

1. Acquired separately

   Intangible assets with finite useful lives acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment. Intangible assets are amortized on a straight-line basis over their useful lives. The Company reviews the estimated useful lives, residual values and amortization methods at least at the end of each year and defers the effect of changes in applicable accounting estimates. Intangible assets with indefinite useful lives are stated at cost less accumulated impairment.

2. Derecognition

   When intangible assets are derecognized, the difference between the net disposal price and the carrying amount of the assets is recognized in profit or loss for the period.

(11) Impairment of property, plant and equipment, right-of-use assets, investment property and intangible assets

The Company assesses on each balance sheet date whether there is any indication that the property, plant and equipment, right-of-use assets, investment property and intangible assets (other than goodwill) may have been impaired. If there is any indication of impairment, the recoverable amount of the asset should be estimated. If the recoverable amount of an individual asset cannot be estimated, the Company is to estimate the recoverable amount of the respective cash-generating unit. Shared assets are allocated to individual cash-generating units on a reasonably consistent basis.

Intangible assets with indefinite useful lives and not yet available for use are tested for impairment at least annually and whenever there is an indication of impairment.

The recoverable amount is the higher of the fair value less costs to sell and its value in use. When the recoverable amount of an individual asset or a cash-generating unit is less than its carrying amount, the carrying amount of the asset or cash-generating unit should be reduced to its recoverable amount. The impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the adjusted recoverable amount, provided that the increased carrying amount does not exceed the carrying amount (net of amortization or depreciation) that would have become if the impairment loss had not been recognized in prior years for that asset or cash-generating unit. Reversal of impairment loss is recognized in profit or loss.

(12) Financial instruments

When the Company has become a party to the instrument contract, the financial assets and financial liabilities are to be recognized in the parent company only balance sheet.

For the initial recognition of the financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through profit or loss, it is measured at fair value plus transaction cost that is directly attributable to the acquisition or issuance of financial assets or financial liabilities. The transaction cost directly attributable to the acquisition or issuance of financial assets or financial liabilities that are measured at fair value through profit or loss is immediately recognized in profit or loss.

1. Financial assets

The regular transaction of financial assets is recognized and derecognized in accordance with the trade date accounting.

(1) Type of measurement

The types of financial assets held by the Company are financial assets at fair value through profit or loss, financial assets at amortized cost, and investments in equity instruments at fair value through other comprehensive income.

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets mandatorily measured at fair value through profit or loss. Financial assets mandatorily measured at fair value through profit or loss include investments in equity instruments investments not designated by the Consolidated Company as being measured at fair value through other comprehensive income, and investments in debt instruments not qualified for classification as being measured at amortized cost or at fair value through other comprehensive income.

Financial assets at fair value through profit or loss are measured at fair value, while dividends, interests and gains or losses arising from remeasurement are recognized in other gains and losses. Please refer to Note 35 for the determination of fair value.

B. Financial assets at amortized cost

The Company's financial assets, if meeting both of the following conditions, are classified as financial assets at amortized cost:

a. Financial assets held under a particular mode of operation and the purpose of holding is for the collection of contractual cash flows; and

b. The terms of the contracts give rise to cash flows at specified dates that are solely for the payment of principal and interest on the outstanding principal amount.

Financial assets (including cash, accounts receivable measured at amortized cost), after initial recognition, are measured at their total carrying amount determined using the effective interest method, less amortized cost of any impairment loss, with any foreign currency exchange gain or loss recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial assets, except for the following two cases.

a. Interest income on financial assets that are credit-impaired upon acquisition or creation is calculated using the credit-adjusted effective interest rate multiplied by the amortized cost of the financial assets.

b. Interest income on financial assets that are not credit-impaired upon acquisition or creation but become credit-impaired subsequently is calculated using the effective interest rate multiplied by the amortized cost of the financial assets from the next reporting period after the impairment.

Credit-impaired financial assets are those for which the issuer or the debtor has experienced significant financial difficulties, defaulted, or where it is probable that the debtor will declare bankruptcy or other

financial reorganization, or where an active market for the financial assets has disappeared due to financial difficulties.

C. Investment in equity instruments at fair value through other comprehensive income

The Company may make an irrevocable choice at the time of initial recognition for designating the investment of equity instruments not available-for-sale and not recognized by the acquirer under corporate merger and acquisition or with consideration at fair value through other comprehensive income for measurement.

Investment in equity instruments at fair value through other comprehensive income is measured at fair value. Subsequent changes in fair value will be recognized as other comprehensive income and accumulated into other equity. In the disposition of assets, accumulated gains or loss shall be directly transferred to retained earnings without classification as profit or loss.

The dividend of the investment of equity instruments at fair value through other comprehensive income shall be recognized as income when the right of the Company in the collection of dividends is ascertained, unless the dividend is obviously representing the recovery of the cost of investment in part.

(2) Impairment of financial assets and contract assets

The Company at each balance sheet date assesses the impairment loss of financial assets (including accounts receivable) at amortized cost and contract assets according to the expected credit loss.

An allowance is recognized for losses on accounts receivable and contract assets based on expected credit losses over the life. Other financial assets are first evaluated to determine whether there is a significant increase in credit risk since initial recognition. If there is no significant increase, an allowance for loss is recognized based on the expected credit loss over 12 months, and if there is a significant increase, an allowance for loss is recognized based on the expected credit loss over the duration.

Expected credit loss is a weighted average credit loss based on the risk of default. Expected credit loss in a 12-month period represents the

expected credit loss arising from possible defaults of the financial instruments within 12 months after the reporting date, and the ongoing expected credit loss represents the expected credit loss arising from all possible defaults of the financial instruments during the expected life of the financial instruments.

For internal credit risk management purposes, the Company, without considering the collateral, determines the following circumstances indicating that a default has occurred on the financial assets:

A. There is internal or external information showing that the debtor has been unable to pay off the debt.

B. Payments are overdue for more than 90 days, unless there is reasonable and supporting information showing that the delayed default benchmark is more appropriate.

The carrying amount of all financial assets is reduced through an allowance account

(3) The derecognition of financial assets

The Company has financial assets derecognized only when the contractual rights from the cash flows of a financial asset become invalid or when the financial assets are transferred, and almost all the risks and rewards of the asset ownership have been transferred to other enterprises.

When a particular entry of financial assets measured at amortized cost is removed, the difference between its book value and consideration shall be recognized as income. When particular equity instruments measured at fair value through comprehensive income are entirely derecognized, the accumulated gains of loss shall be directly transferred to retained earnings without being classified as profit or loss.

2. Equity instruments

The debt and equity instruments issued by the Company are classified as financial liabilities or equity pursuant to the contractual agreements and the definition of financial liabilities and equity instruments.

Equity instruments issued by the Company are recognized for an amount after deducting the direct issuing cost from the proceeds collected.

The retrieval of the Company's own equity instruments is recognized and deducted under equity. The Company's equity purchased, sold, issued, or cancelled is not recognized in the profit or loss.

3. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

(2) Derecognition of financial liabilities

When derecognizing financial liabilities, the difference between the carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized as profit or loss.

(13) Provision for liabilities

The amount recognized as provision for liabilities is the best estimate of the amount required to settle the obligation at the balance sheet date, taking into account the risk and uncertainty of the obligation. The provision for liabilities is measured as the present value of the discounted estimated cash flows to settle the obligation.

(14) Recognition of revenues

The Company, after identifying the performance obligations, had the transaction price amortized to each performance obligation and recognized as income when the performance obligations were fulfilled.

1. Merchandise sales revenues

The Company recognizes revenue when the promised product is delivered to the customer and the customer obtains control (i.e. the customer's ability to direct the use of the product and obtain substantially all of the residual benefits of the product), based on the price stated in the contract.

The credit period for product sold by the Company is 30 to 120 days. Most of the contracts are recognized as accounts receivable when control of the product is transferred and the right to receive unconditional consideration is available. These accounts receivable are usually of short duration and do not have significant financial components.

2. Revenues from power plant design and construction projects

For real estate construction contracts in which the real estate is under the control of the customer during the construction process, the Company recognizes revenue gradually over time. Since the cost of construction is

directly related to the degree of completion of contractual obligations, the Company measures the progress of completion based on the proportion of the actual cost invested to the expected total cost. The Company recognizes contract assets over time during the construction process and reclassifies them as accounts receivable upon billing. If the amount received exceeds the amount of revenue recognized, the difference is recognized as a contract liability. The retention money withheld by the customer under the terms of the contract are intended to ensure the Company's completion of all contractual obligations and are recognized as contract assets until the Company's performance of the contract is completed.

If the outcome of the performance obligation cannot be measured reliably, revenue is recognized only to the extent that the costs incurred to satisfy the performance obligation are expected to be recovered.

(15) Lease

The Company assesses whether the contract is (or includes) a lease on the effective contract date.

1. The Company is the lessor

   A lease is classified as a capital lease when the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of the asset to the lessee. All other leases are classified as operating leases.

   Under operating leases, lease payments, net of lease incentives, are recognized as income on a straight-line basis over the relevant lease period.

2. The Company is the lessee

   Right-of-use assets and lease liabilities are recognized at the lease inception date, except for leases of low-value underlying assets to which the recognition exemption applies and short-term leases for which lease payments are recognized as expenses on a straight-line basis over the lease period.

   Right-of-use assets are initially measured at cost (the original measured amount of the lease liability) and subsequently at cost less accumulated depreciation and accumulated impairment loss, adjusted for the remeasurement of the lease liability. The right-of-use assets are expressed separately in the parent company only balance sheet.

The right-of-use assets are depreciated on a straight-line basis over the period starting from the lease inception date to the end of their useful lives or the expiration of the lease period, whichever is sooner.

The lease liability was originally measured at the present value of the lease payments (both fixed and substantively constant). If the implicit interest rate of the lease is readily determinable, the lease payments are discounted using that rate. If that rate is not readily determinable, the lessee's incremental borrowing rate is used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expense is amortized over the lease period. If a change in the index used to determine lease payments during the lease term results in a change in future lease payments, the Company remeasures the lease liability and adjusts the right-of-use asset accordingly. However, if the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasurement amount is recognized in profit or loss. The lease liabilities are expressed separately in the parent company only balance sheet.

(16) Government subsidies

Government subsidies are recognized when there is reasonable assurance that the enterprise will comply with the conditions attached to the government subsidy and that the subsidy will be received.

Government subsidies related to income are recognized in other income on a systematic basis over the period in which the related costs for which they are intended to compensate are recognized as expenses by the Company.

Government subsidies are recognized in profit or loss in the period in which they become collectible if they are intended to compensate for expenses or losses already incurred or to provide immediate financial support to the Company and have no future related costs.

(17) Share-based payment agreement

1. Employee stock options granted to the employees of the Company

   Employee stock options are recognized as expense on a straight-line basis over the vesting period based on the fair value of the equity instruments at the grant date and the best estimate of the number expected to be vested, with an adjustment to capital surplus – employee stock options at the same time. If the vesting is made immediately on the grant date, the full cost is recognized on

the grant date. The Company reserves shares for employee subscription at the time of cash capital increase and recognizes the date as the grant date when the number of shares to be subscribed by employees is confirmed.

2. Employee stock options granted to the employees of subsidiaries

   Employee stock options granted to employees of subsidiaries for settlement with the Company's equity instruments are considered as capital contributions to the subsidiaries and are measured at the fair value of the equity instruments at the date of grant and recognized as an increase in the carrying amount of the investment in the subsidiary during the vesting period, with a corresponding adjustment to capital surplus – employee stock options.

(18) Employee benefits

1. Short-term employee benefits

   Liabilities relating to short-term employee benefits are measured by the non-discounted amount of the expected payment in exchange for employee services.

2. Post-employment benefits

   Under defined contribution pension plan, the pension amount appropriated during the service years of the employees is recognized as an expense.

   The defined benefit cost (including service cost, net interest and remeasurement) of defined benefit pension plan is actuarially determined using the projected unit credit method. Service cost (including current service cost) and net interest on net defined benefit liabilities (assets) are recognized as employee benefit expense as incurred. Remeasurements (including actuarial gains and losses and return on plan assets, net of interest) are recognized in other comprehensive income and included in retained earnings as incurred and are not reclassified to profit or loss in subsequent periods.

   The net defined benefit liability (asset) represents the deficit (remaining) of the defined benefit pension plan appropriation. The net defined benefit asset may not exceed the present value of refunds of appropriations from the plan or reductions in future appropriations.

(19) Income tax

Income tax expense is the sum of the current income tax and deferred income tax.

1. Current income tax

   The Company determines income (loss) for the period in accordance with the regulations enacted by the income tax reporting jurisdictions and calculates income tax payable (recoverable) accordingly.

   Additional Income tax on unappropriated earnings calculated in accordance with the ROC Income Tax Act is recognized in the year in which resolutions are made at the shareholders' meeting.

   The adjustment to prior years' income tax payable is booked as current period's income tax.

2. Deferred tax

   Deferred tax is calculated on temporary differences between the carrying amounts of assets and liabilities and the tax bases used to compute taxable income.

   Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which income tax credits can be utilized, such as deductions for temporary differences, loss carryforwards and investment tax credits.

   Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, affiliates, except where the Company can control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for deductible temporary differences associated with such investments only to the extent that it is probable that sufficient taxable income will be available to allow the temporary differences to be realized and to the extent that a reversal is expected in the foreseeable future.

   The carrying amount of deferred tax assets is reviewed on each balance sheet date and reduced to the extent that it is no longer probable that sufficient tax assets will be available to allow recovery of all or part of the asset. part of the asset should be adjusted down. Deferred tax assets that are not recognized as such initially are reviewed on each balance sheet date and the carrying amount

is increased to the extent that it is probable that future taxable income will be available to recover all or part of the assets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled or the asset is realized, which are based on tax rates and tax laws that have been legislated or substantively legislated on the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequence resulting from the book value of the assets or liabilities expected to be recovered or liquidated on the balance sheet date.

3. Current and deferred tax

Current and deferred income taxes are recognized in the profit or loss, except for the current and deferred income taxes related to the items recognized in other comprehensive income or directly included in the equity are recognized in other comprehensive income or directly included in the equity.

5. Significant Accounting Judgments and Estimations, and Main Sources of Assumption Uncertainties

When adopting accounting policies, the Company's management is required to make judgments, estimates and assumptions that are based on historical experience and other factors that are not readily apparent from other sources Actual results may differ from estimates.

The Company takes the recent development of COVID-19 in Taiwan and its possible impact on the economic environment into the consideration of major accounting estimates such as cash flow estimation, growth rate, discount rate and profitability. The management will continue to review the estimates and basic assumptions. If a revision of an estimate affects only the current period, it is recognized in the period in which it is revised. If a revision of an accounting estimate affects both the current and future periods, it is recognized in the period in which it is revised and in the future periods.

Significant Accounting Judgments

No

Estimations, and Main Sources of Assumption Uncertainties

(1) Impairment of Investments in affiliates

When there is an indication that an investment in an affiliate may be impaired and the carrying amount may not be recoverable, the Company assesses the impairment of the investment immediately. The Company's management assesses impairment

based on future cash flow projections of the affiliates, including assumptions on sales growth and capacity utilization as estimated by the affiliates' internal management. The Company also considers the relevant market and industry conditions to determine the reasonableness of its relevant assumptions.

6. Cash

	December 31, 2021	December 31, 2020
Cash on hand and petty cash	$ 451	$ 468
Demand deposits	179,098	116,430
Cash in transit	-	81
	$179,549	$116,979

7. Financial Assets Measured at Fair Value through Other Comprehensive Income

	December 31, 2021	December 31, 2020
Investment in equity instruments – non-current		
Unlisted (emerging) company stocks		
Prorit Corporation	$ 13,798	$ 13,798
New Land Packing Corporation	59,726	59,726
Adjustments to the valuation of financial assets at fair value through other comprehensive income	(26,075)	(29,065)
	$ 47,449	$ 44,459

The Company invests in the common stock of the Company listed above for medium- to long-term strategic purposes and expects to earn a profit from the long-term investment. The Company's management believes that it would be inconsistent with the aforementioned long-term investment plan to include short-term fair value fluctuations of these investments in profit or loss, and has therefore elected to designate these investments as measured at fair value through other comprehensive income.

On August 10, 2020, the Company participated in the cash capital increase of New Land Packing Corporation by NT$3,816 thousand, and acquired 382 thousand shares.

The Company's financial assets at fair value through other comprehensive income are not provided as guarantee.

The Company derecognized certain investments in equity instruments measured at fair value through other comprehensive income. The Information related to the derecognition in 2020 is as follows.

	2020
Fair value at the date of derecognition.	$ 104
Accumulated loss on disposal of retained earnings transferred from other equity	(2,093)

8. Notes Receivable, Accounts Receivable and Other Receivables

	December 31, 2021	December 31, 2020
Notes receivables		
Measured at amortized cost		
Total carrying amount – incurred as a result of operations	$ 13,440	$ 4,693
Less: allowance for loss	-	-
	$ 13,440	$ 4,693
Accounts receivables		
Measured at amortized cost		
Accounts receivables	$145,992	$ 94,228
Less: allowance for loss	(2,367)	(3,544)
	143,625	90,684
Accounts receivable – related party	19,111	9,627
	$162,736	$100,311
Other receivables		
Other receivables – other	$ 3,615	$ 2,572
Other receivables – related party	7,310	8,060
	$ 10,925	$ 10,632

(1) Notes and accounts receivable

The Company's notes and accounts receivable are not provided as guarantee.

The average credit period of the Company's product sales ranges from 30 to 120 days.

Each unit of the Company manages credit risk in accordance with its policies, procedures and controls over credit risk. The credit risk of all counterparties is evaluated by taking into account the financial condition of the counterparties, the ratings of credit rating agencies, historical transaction experience, the current economic environment and the Company's internal rating standards. The Company

also uses certain credit enhancement tools (such as advance receipts) at appropriate times to reduce the credit risk of specific counterparties.

The Finance Department manages the credit risk of bank deposits, fixed-income securities and other financial instruments in accordance with the Company's policies. Since the Corporation's counterparties are determined by internal control procedures and are creditworthy banks and investment-grade financial institutions, corporate organizations and government agencies, there is no significant credit risk.

The Company recognizes an allowance for losses on accounts receivable based on expected credit losses over the life of the receivables. Expected credit losses for the duration are calculated using a reserve matrix, which takes into account the customer's past default history and current financial condition, the economic situation of the industry, as well as industry outlook. Because the Company's credit loss history shows that there is no significant difference in loss patterns among different customer segments, the reserve matrix does not further differentiate between customer segments and only sets the expected credit loss rate based on the number of days past due on accounts receivable.

If there is evidence that the counterparty is in serious financial difficulty and the Company cannot reasonably expect to recover the amount, the Company shall directly write off the related notes and accounts receivable but shall engage in recourse activities and recognize the amount recovered in profit or loss as a result of the recourse. The Company measured the allowance for losses on notes and accounts receivable based on the reserve matrix as follows.

December 31, 2021

	Not past due	0–30 days past due	31–120 days past due	121–270 days past due	Over 270 days past due	Total
Expected credit impairment loss	-	-	-	-	23~100%	
Total book value	$ 175,934	$ -	$ 242	$ -	$ 2,367	$ 178,543
Allowance for loss (expected credit loss during the life)	-	-	-	-	(2,367)	(2,367)
Amortized cost	$ 175,934	$ -	$ 242	$ -	$ -	$ 176,176

December 31, 2020

	Not past due	0–30 days past due	31–120 days past due	121–270 days past due	Over 270 days past due	Total
Expected credit impairment loss	0~1%	0~16%	7~19%	22~31%	30~100%	
Total book value	$ 101,440	$ -	$ 2,776	$ 1,581	$ 2,751	$ 108,548
Allowance for loss (expected credit loss during the life)	(274)	-	(195)	(349)	(2,726)	(3,544)
Amortized cost	$ 101,166	$ -	$ 2,581	$ 1,232	$ 25	$ 105,004

Information on changes in allowance for losses on notes and accounts receivable is as follows:

	2021	2020
Balance at the beginning of the year	$ 3,544	$ 3,926
Add: Reversal impairment loss for the year	(1,177)	(382)
Less: Actual write off for the year	-	-
Balance at the end of the year	$ 2,367	$ 3,544

The changes in the allowance for loss as of December 31, 2021 and 2020 were due to the combined effect of changes in notes and accounts receivable and the net increase in total carrying amount for different aging risk groups.

9. Inventories

	December 31, 2021	December 31, 2020
Raw materials	$ 14,502	$ 13,942
Work in process	340	-
Finished goods	3,569	17,259
	$ 18,411	$ 31,201

The operating costs related to inventories were NT$550,685 thousand and NT$438,594 thousand from January 1 to December 31, 2021 and2020, respectively. Operating costs consisted of NT$(11,836) thousand and NT$3,608 thousand of loss from inventory falling prices (reversal gain). The above-mentioned recovery of net realizable value of inventory is recognized as recovery benefits because the factors that previously caused the net realizable value of inventory to be lower than the cost have disappeared.

No guarantee has been provided for the Company's inventory.

10. Investment Accounted for Using the Equity Method

	December 31, 2021	December 31, 2020
Investments in subsidiaries	$ 2,832,447	$ 2,728,333
Investment in affiliate	485,552	405,579
Investment in joint venture	75,238	65,461
	$ 3,393,237	$ 3,199,373

(1) Investments in subsidiaries

	December 31, 2021	December 31, 2020
Giga Solar Materials Corporation	$ 2,521,416	$ 2,405,116
Wafering Technology Corporation	215,762	198,484
Ho Mi Specialty Materials Corporation	83,307	83,810
Global Acetech Co., Ltd.	11,962	40,923
	$ 2,832,447	$ 2,728,333

Company name	Business nature	Main Business Location	Percentage of ownership interests and voting rights held	
			December 31, 2021	December 31, 2020
Giga Solar Materials Corporation	Solar Energy Related Business	Hukou Township, Hsinchu County	39.15%	45.13%
Wafering Technology Corporation	Solar Energy Related Business	Hukou Township, Hsinchu County	100%	100%
Ho Mi Specialty Materials Corporation	Solar Energy Related Business	Hukou Township, Hsinchu County	92.57%	92.57%
Global Acetech Co., Ltd.	Solar Energy Related Business	Thailand	99.99%	99.99%

Please refer to Note 31 for the amount set as a guarantee for borrowing by the investee subsidiary.

(2) Investment in affiliate

Investee name	December 31, 2021	December 31, 2020
Affiliates of no materiality		
Wole Max Green Power Co., Ltd.	$354,675	$352,159
Tron Energy Technology Corporation	48,995	-
Ri Yun Green Energy Corporation	47,933	41,784
UJGIGA Co., Ltd.	33,949	11,636
	$485,552	$405,579

Company name	Business nature	Main Business Location	Percentage of ownership interests and voting rights held	
			December 31, 2021	December 31, 2020
Wole Max Green Power Co., Ltd.	Solar Energy Related Business	Hukou Township, Hsinchu County	31%	31%
Tron Energy Technology Corporation	Electric buses, diesel buses/battery systems/energy storage systems	Taoyuan City	1.11%	-
Ri Yun Green Energy Corporation	Solar Energy Related Business	Taipei City	30%	30%
UJGIGA Co., Ltd.	Solar Energy Related Business	Kaohsiung City	30%	30%

On November 27, 2020 and December 30, 2020, the Company invested NT$195,300 thousand and NT$171,322 thousand, respectively, in Wole Max Green Power Co., Ltd. and acquired 33,790,000 shares, representing a 31% shareholding,

The Company invested in the rights shares of Tron Energy Technology Corporation in August 2021 with an investment amount of NT$49,950 thousand, and acquired 666,000 shares in total with a shareholding ratio of 1.11%, and completed the change registration on October 19, 2021. Considering that Giga Solar Materials Corporation , a subsidiary of the Company, holds one seat of its directors, it is judged that has significant influence.

On April 30, 2020, the Company invested NT$8,769 thousand in Ri Yun Green Energy Corporation and acquired 876,900 shares, representing a 30% shareholding Later on December 7, 2020, the Company invested NT$7,500 thousand in Ri Yun Green Energy Corporation and acquired 750,000 shares, representing a 30% shareholding. Later on December 27, 2021, the Company invested NT$6,300 thousand in Ri Yun Green Energy Corporation and acquired 630,000 shares, representing a 30% shareholding.

On March 31, 2020, the Consolidated Company invested NT$5,292 thousand in UJGIGA Co., Ltd. and acquired 529,200 shares, representing a 49% shareholding. It again invested UJGIGA Co., Ltd. on November 16, 2020, April 16, 2021 and December 10, 2021, with an investment amount of NT$468 thousand, NT$9,960 thousand and NT$12,240 thousand respectively, and acquired 46,800 shares, 996,000 shares and 1,224,000 shares respectively, with a shareholding ratio of 30% consistently.

The aggregate financial information of the Company's investments in the aforementioned affiliates, which are not material to the Company, based on their respective shares, is presented below:

	2021	2020
Net income (loss) from continuing operations for the year	$ 14,555	($ 5,441)
Other comprehensive income	-	-
Total comprehensive income	$ 14,555	($ 5,441)

(3) Investment in joint venture

	December 31, 2021	December 31, 2020
Affiliates of no materiality		
Giga Solar Green Power Co., Ltd.	$ 69,914	$ 65,461
Jieshuo Co., Ltd.	4,981	-
Shuoyitai Green Energy Co., Ltd.	343	-
	$ 75,238	$ 65,461

The Company's ownership interest in the joint venture and the percentage of voting rights as of the balance sheet date are as follows:

Company name	Business nature	Main Business Location	Percentage of ownership interests and voting rights held	
			December 31, 2021	December 31, 2020
Giga Solar Green Power Co., Ltd.	Solar Energy Related Business	Hukou Township, Hsinchu County	50%	50%
Jieshuo Co., Ltd.	Development of solar energy and energy storage systems	Hukou Township, Hsinchu County	49.9%	-
Shuoyitai Green Energy Co., Ltd.	Development, installation and holding of energy storage systems	Hukou Township, Hsinchu County	35%	-

On August 24, 2020, the Company further invested NT$42,500 thousand in Giga Solar Green Power Co., Ltd. The Company acquired 4,250,000 shares with a 50% shareholding. Later on November 17, 2020, the Company further invested NT$25,000 thousand in Giga Solar Green Power Co., Ltd. and acquired 2,500,000 shares with a 50% shareholding. On December 30, 2021, the Company further invested NT$10,000 thousand in Giga Solar Green Power Co., Ltd. and acquired 1,000,000 shares and 249,975 shares of stock dividends, with a 50% shareholding.

The Company invested in Jieshuo Co., Ltd. jointly with other companies on November 15, 2021, with an investment amount of NT$4,990 thousand and acquired 499,000 shares in total, with a shareholding ratio of 49.9%, and completed the change registration on November 29, 2021. According to the joint venture agreement, the major operations of Jieshuo shares are jointly led by all investors.

The Company invested in Shuoyitai Green Energy Co., Ltd. jointly with other companies on August 25, 2021, with an investment amount of NT$350 thousand and acquired 35,000 shares in total with a shareholding ratio of 35%, and completed the change registration on September 11, 2021. In January 2022, the Company further invested NT$24,050 thousand in Shuoyitai Green Energy Co., Ltd. and acquired 2,400,500 shares with a 35% shareholding. According to the joint venture agreement, the major operations of Shuoyitai Green Energy Co., Ltd. shares are jointly led by all investors.

The aggregate financial information of the Company's investments in the aforementioned joint ventures, which are not material to the Company, based on their respective shares, is presented below:

	2021	2020
Net income (loss) from continuing operations for the year	($ 1,007)	$ 2,710
Other comprehensive income	-	-
Total comprehensive income	($ 1,007)	$ 2,710

The Company's affiliates and joint ventures have no pledges as loan guarantees.

Jieshuo Co., Ltd. and Shuoyitai Green Energy Co., Ltd. are individual insignificant joint ventures, and their financial reports have not been audited by CPAs; however, the management of the Consolidated Company believes that these individual insignificant financial reports of the joint venture companies will not have significant differences if audited by CPAs.

(11) Property, Plant and Equipment

	December 31, 2021	December 31, 2020
Self-use	$361,554	$402,231

(1) Self-use

	Land	Houses and buildings	Machinery equipment	Office equipment	Transportation equipment	R&D equipment	Other equipment	Total
Costs								
Balance as of January 1, 2021	$ 118,236	$ 865,125	$ 178,521	$ 20,647	$ 140	$ 309,591	$ 30,004	$ 1,522,264
Addition	-	1,170	420	278	-	2,490	-	4,358
Disposal	-	(3,136)	(41,561)	-	-	-	(2,868)	(47,565)
Transfer	(2,584)	(10,404)	248,754	-	-	(248,754)	-	(12,988)
Balance as of December 31, 2021	$ 115,652	$ 852,755	$ 386,134	$ 20,925	$ 140	$ 63,327	$ 27,136	$ 1,466,069
Accumulated depreciation and impairment								
Balance as of January 1, 2021	$ 18,019	$ 656,204	$ 126,126	$ 20,122	$ 140	$ 269,912	$ 29,510	$ 1,120,033
Depreciation	-	17,033	15,460	287	-	5,168	421	38,369
Disposal	-	(3,136)	(41,497)	-	-	-	(2,868)	(47,501)
Transfer	-	(6,386)	239,934	-	-	(239,934)	-	(6,386)
Balance as of December 31, 2021	$ 18,019	$ 663,715	$ 340,023	$ 20,409	$ 140	$ 35,146	$ 27,063	$ 1,104,515
Net as of December 31, 2020 and January 1, 2021	$ 100,217	$ 208,921	$ 52,395	$ 525	$ -	$ 39,679	$ 494	$ 402,231
Net as of December 31, 2021	$ 97,633	$ 189,040	$ 46,111	$ 516	$ -	$ 28,181	$ 73	$ 361,554
Costs								
Balance as of January 1, 2020	$ 114,176	$ 847,985	$ 177,905	$ 20,504	$ 720	$ 345,472	$ 30,826	$ 1,537,588
Addition	-	992	580	143	-	1,478	-	3,193
Disposal	-	(195)	(142)	-	(580)	(37,795)	(822)	(39,534)
Transfer	4,060	16,343	178	-	-	436	-	21,017
Balance as of December 31, 2020	$ 118,236	$ 865,125	$ 178,521	$ 20,647	$ 140	$ 309,591	$ 30,004	$ 1,522,264
Accumulated depreciation and impairment								
Balance as of January 1, 2020	$ 18,019	$ 628,715	$ 112,320	$ 19,749	$ 720	$ 298,968	$ 29,362	$ 1,107,853
Depreciation	-	18,001	13,948	373	-	8,739	970	42,031
Disposal	-	(195)	(142)	-	(580)	(37,795)	(822)	(39,534)
Transfer	-	9,683	-	-	-	-	-	9,683
Balance as of December 31, 2020	$ 18,019	$ 656,204	$ 126,126	$ 20,122	$ 140	$ 269,912	$ 29,510	$ 1,120,033
Net as of December 31, 2019 and January 1, 2020	$ 96,157	$ 219,270	$ 65,585	$ 755	$ -	$ 46,504	$ 1,464	$ 429,735
Net as of December 31, 2020	$ 100,217	$ 208,921	$ 52,395	$ 525	$ -	$ 39,679	$ 494	$ 402,231

The Company did not perform impairment testing for 2021 and 2020 as there was no indication of impairment.

Depreciation expense is provided on a straight-line basis over the following useful lives:

Houses and buildings	1 to 56 years
Machinery equipment	1 to 11 years
Office equipment	5 years
R&D equipment	1 to 11 years
Other equipment	2 to 10 years

The significant components of the Company's buildings are mainly the main structure, electrical, mechanical and air-conditioning equipment, which have a useful life of 1 to 56 years and 1 to 11 years, respectively.

Please refer to note 31 for the Company's property, plant and equipment provided as collaterals.

12. Lease Agreements

(1) Right-of-use assets

	December 31, 2021	December 31, 2020
Book value of right-of-use assets		
Houses and buildings	$ 23,473	$ 26,827
Transportation equipment	390	913
	$ 23,863	$ 27,740

	2021	2020
Depreciation expense of right-of-use assets		
Houses and buildings	$ 3,354	$ 3,354
Transportation equipment	523	523
	$ 3,877	$ 3,877

Other than the above additions and depreciation expense recognized, there were no significant subleases or impairments of the Company's right-of-use assets from January 1 to December 31, 2021 and 2020.

(2) Lease liabilities

	December 31, 2021	December 31, 2020
Book value of lease liabilities		
Current	$ 3,673	$ 3,752
Non-current	$ 20,721	$ 24,394

The discount rate range for lease liabilities is as follows:

	December 31, 2021	December 31, 2020
Houses and buildings	1.50%	1.50%
Transportation equipment	1.68%	1.68%

(3) Major Lease Activities and Terms

Some of the Company's real estate lease agreements include lease extension options. In determining the lease period, the non-cancellable period of the right to use the subject asset is combined with the period covered by the lease extension option that is reasonably certain to be exercised by the Company. The use of these options allows for maximum flexibility in the operation of management contracts. The majority of the lease extension options available are exercisable by the Company only. The Company re-evaluates the lease period when a material event or significant change in circumstances occurs after the commencement date (that is within the control of the lessee and affects whether the Company can be reasonably certain that

it will exercise an option not previously included in the determination of the lease period.)

(4) Information on other lease

Please refer to Note 13 for the Company's investment property agreements.

	2021	2020
Short-term lease expense	$ 208	$ 41
Total cash outflow from leases	$ 4,358	$ 4,190

The Company has elected to apply the exemption from recognition to transportation equipment and other equipment that qualify as short-term leases and does not recognize the related right-of-use assets and lease liabilities for these leases.

13. Investment Property

Investment property is the Company's own investment property. The Company enters into commercial property leases for its own investment properties. The leases include provisions for annual rental adjustments based on market conditions.

	Land	Houses and buildings	Total
Costs			
Balance as of January 1, 2021	$ 65,039	$ 261,834	$ 326,873
Transfer from Property, plant and equipment	2,584	10,404	12,988
Balance as of December 31, 2021	$ 67,623	$ 272,238	$ 339,861
Accumulated depreciation and impairment			
Balance as of January 1, 2021	$ -	$ 160,719	$ 160,179
From Property, plant and equipment	-	6,386	6,386
Depreciation expense	-	5,679	5,679
Balance as of December 31, 2021	$ -	$ 172,784	$ 172,784
Net as of December 31, 2021	$ 67,623	$ 99,454	$ 167,077

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	Land	Houses and buildings	Total
Costs			
Balance as of January 1, 2020	$ 69,099	$ 278,177	$ 347,276
Transfer to Property, plant and equipment	(4,060)	(16,343)	(20,403)
Balance as of December 31, 2020	$ 65,039	$ 261,834	$ 326,873
Accumulated depreciation and impairment			
Balance as of January 1, 2020	$ -	$ 164,806	$ 164,806
Depreciation expense	-	5,596	5,596
Transfer to Property, plant and equipment	-	(9,683)	(9,683)
Balance as of December 31, 2020	$ -	$ 160,719	$ 160,719
Net as of December 31, 2020	$ 65,039	$ 101,115	$ 166,154

	2021	2020
Rental income from investment property	$ 31,689	$ 29,454
Less:Direct operating expenses of investment properties that generate rental income in the current year	5,679	5,596
Total	$ 26,010	$ 23,858

Investment property is depreciated on a straight-line basis over the following useful lives:

Houses and buildings	2 to 37 years

Please refer to Note 31 for the investment properties the Company provided as collaterals.

The fair values of investment properties were NT$372,679 thousand and NT$333,282 thousand as of December 31, 2021 and 2020.

The Company does not measure its investment property at fair value, but only discloses information about its fair value, which is in Level 3 of the fair value hierarchy. The aforementioned fair values are determined using the cash flow analysis method and the simultaneous consideration of the cost method and the income method, respectively,

where the main input values used are discount rates, of which the main input values used and their quantitative information are as follows:

	December 31, 2021	December 31, 2020
Capitalization rate of income	4.77%	5.14%

(14) Intangible Assets

	Computer software
Costs	
Balance as of January 1, 2021	$ 6,826
Addition	598
Balance as of December 31, 2021	$ 7,424
Accumulated amortization and impairment	
Balance as of January 1, 2021	$ 5,911
Amortization	581
Balance as of December 31, 2021	$ 6,492
Net as of December 31, 2020 and January 1, 2021	$ 915
Net as of December 31, 2021	$ 932
Costs	
Balance as of January 1, 2020	$ 6,826
Addition	-
Balance as of December 31, 2020	$ 6,826
Accumulated amortization and impairment	
Balance as of January 1, 2020	$ 5,178
Amortization	733
Balance as of December 31, 2020	$ 5,911
Net as of December 31, 2019 and January 1, 2020	$ 1,648
Net as of December 31, 2020	$ 915

Summary of amortization by function:

	2021	2020
Operating costs	$ 545	$ -
Administration expenses	36	733
	$ 581	$ 733

Amortization expense is provided on a straight-line basis over the following useful lives:

Computer software	3 years

15. Prepayments and Other Assets

	December 31, 2021	December 31, 2020
Tax retained overpaid	$314,323	$320,626
Prepayment for equipment	99,298	7,244
Prepaid expenses	1,193	1,188
Net defined benefit assets (Note18)	991	2,624
Refundable deposits	152	432,654
Prepayment for goods	8	335
Others	7,638	5,975
	$423,603	$770,646
Current	$323,153	$577,945
Non-current	100,450	192,701
	$423,603	$770,646

16. Borrowing

(1) Short-term borrowings

	Interest range (%)	December 31, 2021	December 31, 2020
Secured borrowings			
Bank borrowings 1)	1.50~1.70	$ 550,000	$ 1,240,000
Unsecured borrowings			
Line of credit borrowing (Note).	1.40~1.55	187,257	250,814
		$ 737,257	$ 1,490,814

Note: The restrictions on the borrowing contract are as follows:

If the Company's shareholding in Giga Solar Materials Corporation is less than 35% and 40% on December 31, 2021 and 2020 respectively, the line of loan agreements shall cease to be utilized.

For collaterals for short-term borrowings, please refer to Note 31.

(2) Short term notes and bills payable

	December 31, 2021	December 31, 2020
Commercial promissory notes payable	$200,000	$ -
Less: Discount of short-term notes and bills payable	(662)	-
	$199,338	$ -

The outstanding short-term notes and bills payable are as follows:

December 31, 2021

Guarantee/acceptance agency	Face value	Discounted value	Book value	Interest range	Collateral	Book value of collateral
Commercial promissory notes payable						
International Bills Finance	$200,000	($ 662)	$199,338	1.38%	GigaSolar stocks	$194,258

For collaterals for short-term borrowings, please refer to Note 31.

(3) Long-term borrowings

The breakdown of the Company's long-term borrowings is as follows:

Creditor	December 31, 2021	Interest rate (%)	Repayment period and method
Secured loan from the Shanghai Commercial Bank	$ 630,000	1.58	Starting from July 29, 2021, repay the loan in 20 installments of 3 months each, with the interest payable once every month.
Secured loan from Xingong Branch, Land Bank of Taiwan	200,000	1.58	Starting from January 6, 2021, repay the loan in 10 installments of 6 months, with interest payable once every month.
Credit loan from The Shanghai Commercial Bank	93,500	1.43	Starting from October 26, 2019, repay the loan in 20 installments of 3 months, with interest payable once every month.
Credit loan from Agricultural Bank of Taiwan	28,000	1.25	Starting from January 30, 2021, repay the loan in 40 installments of 1 month each, with the interest payable once every month.
Less: Long-term loans due within one year	(236,000)		
	$ 715,500		

Creditor	December 31, 2020	Interest rate (%)	Repayment period and method
Secured loan from Land Bank of Taiwan	$ 250,000	1.58	Starting from January 6, 2021, repay the loan in 10 installments of 6 months, with interest payable once every month.
Credit loan from The Shanghai Commercial Bank	127,500	1.43	Starting from October 26, 2019, repay the loan in 20 installments of 3 months, with interest payable once every month.
Less: Long-term loans due within one year	(84,000)		
	$ 293,500		

For collaterals for long-term borrowings, please refer to Note 31.

17. Other Payables and Other Current Liabilities

	December 31, 2021	December 31, 2020
Salaries and bonuses payable	$ 15,221	$ 15,103
Payable on machinery and equipment	4,542	1,401
Litigation fees payable	-	535,991
Others	11,225	17,688
	$ 30,988	$570,183

Contract liabilities	$ 23,904	$ 4,145
Others	1,610	1,525
	$ 25,514	$ 5,670

18. Post-Employment Benefit Plan

(1) Defined contribution plan

The Company's pension system under the "Labor Pension Act" is a government-administered defined contribution pension plan with contributes 6% of employees' monthly salaries contributed to the personal accounts at the Bureau of Labor Insurance.

(2) Defined benefit plan

The Company's pension system under the "Labor Standards Act" is a government-administered defined benefit pension plan. The employee's pension is calculated based on the bases of years of service and the average monthly salary at the time of approval of retirement. Two bases are granted for each year of service up to (including) 15 years, and one base is granted for each year of service over 15 years, subject to a maximum accumulation of 45 bases. The Company appropriates 2% of employees' monthly salaries to pension funds, which is deposited by the Supervisory Committee of Labor Retirement Reserve in the name of the Committee into a special account at the Bank of Taiwan. Before the end of the year, if the balance in the special account is estimated to be insufficient to pay for employees who are expected to meet the retirement requirements in the following year, the difference will be made up in one lump sum by the end of March of the following year. The management of the special account is entrusted to the Bureau of Labor Funds, the Ministry of Labor. The Company has no right to influence the investment management strategy.

The amounts of defined benefit plans included in the parent company only balance sheets are shown below:

	December 31, 2021	December 31, 2020
Present value of defined benefit obligations	$ 19,597	$ 17,494
Fair value of plan assets	(20,588)	(20,118)
Net defined benefit (assets) liabilities	($ 991)	($ 2,624)

The changes in net defined benefit (assets) liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit (assets) liabilities
January 1, 2020	$ 16,668	($ 19,060)	($ 2,392)
Financial costs			
Interest expense (income)	139	(159)	(20)
Service income from the previous period	-	-	-
Recognized in profit or loss	139	(159)	(20)
Remeasurement			
Actuarial gains - Changes in financial assumptions	1,066	(627)	439
Actuarial gains - Adjustments through experiences	(379)	-	(379)
Recognized in other comprehensive income	687	(627)	60
Employer appropriation	-	(272)	(272)
December 31, 2020	17,494	(20,118)	(2,624)
Financial costs			
Interest expense (income)	75	(86)	(11)
Service income from the previous period	-	-	-
Recognized in profit or loss	75	(86)	(11)

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	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit (assets) liabilities
Remeasurement			
Actuarial (gains) losses			
- Actuarial gains and losses from changes in demographic assumptions	$ -	$ -	$ -
- Changes in financial assumptions	(998)	(277)	(1,275)
- Adjustments through experiences	3,206	-	3,206
Recognized in other comprehensive income	2,208	(277)	1,931
Employer appropriation	-	(287)	(287)
Benefits paid	(180)	180	-
December 31, 2021	$ 19,597	($ 20,588)	($ 991)

The Company is exposed to the following risks as a result of the pension system under the "Labor Standards Act":

1. Investment risk: The Bureau of Labor Funds, Ministry of Labor invests the labor pension fund in domestic and foreign equity securities, debt securities, and bank deposits through its own management or entrusted third parties, but the amount allocated to the Company's plan assets is based on the income at a rate no less than the local bank's 2-year time deposit rate.
2. Interest rate risk: A decrease in interest rates on government bonds will increase the present value of the defined benefit obligation, but the return on debt investment in plan assets will also increase, which will have a partially offsetting effect on the net defined benefit obligation.
3. Salary Risk: The present value of the defined benefit obligation is calculated by reference to the future salary of the plan member. Therefore, increases in plan member's salary will result in an increase in the present value of the defined benefit obligation.

The present value of the Company's defined benefit obligation was actuarially determined by a qualified actuary and the significant assumptions at the measurement date were as follows.

	December 31, 2021	December 31, 2020
Discount rate	0.77%	0.43%
Expected rate of salary increase	3.00%	3.00%

The amount by which the present value of the defined benefit obligation would increase (decrease) if there are reasonable possible changes in significant actuarial assumptions, with all other assumptions held constant, is as follows

	December 31, 2021	December 31, 2020
Discount rate		
Increase by 0.5%	($ 1,368)	($ 1,321)
Decrease by 0.5%	$ 1,487	$ 1,443
Expected rate of salary increase		
Increase by 0.5%	$ 1,446	$ 1,399
Decrease by 0.5%	($ 1,346)	($ 1,295)

The sensitivity analysis above may not reflect actual changes in the present value of the defined benefit obligation because the actuarial assumptions may be correlated and changes in only one assumption are not feasible.

	December 31, 2021	December 31, 2020
Amount expected to be appropriated within 1 year	$ 287	$ 272
Average duration to maturity of defined benefit obligation	15 years	16 years

19. Equity

(1) Ordinary share capital

	December 31, 2021	December 31, 2020
Authorized number of shares (in thousands)	500,000	500,000
Authorized capital stock	$ 5,000,000	$ 5,000,000
Number of shares issued and fully paid (in thousands)	285,906	285,906
Capital stock issued	$ 2,859,057	$ 2,859,057

The issued ordinary shares has a face value of NT$10 per share and each share is entitled to one voting right and receiving dividends.

On November 12, 2019, the board meeting approved the issuance of 80,000 thousand shares with a par value of NT$10 per share as rights shares for the repayment of bank

loans and the repayment of the principal and interest due on the fourth domestic secured convertible bonds. The capital increase was reported as effective on February 14, 2020. The book-close date for the rights shares was June 29, 2020, and the subscription price per share was NT$8.5. The total paid-in share payment of NT$680,000 thousand has been fully received.

In order to meet the demand of repaying bank loans, the board meeting decided to issue 65,000 thousand new shares by cash capital increase on November 1, 2021. The benchmark date of the cash capital increase was February 24, 2022. The subscription price per share was NT$25, and the total amount of share capital received was NT$1,625,000 thousand, which has been fully collected.

(2) Capital surplus

	December 31, 2021	December 31, 2020
For loss make-up, payment in cash or capitalization as equity (1)		
Stock issuance premium	$ 1,432	$ 1,432
Differences between equity price and carrying amount arising from actual acquisition or disposal of subsidiaries	52,515	26,034
Only for loss make-up		
Recognition of changes in ownership interest in subsidiaries (2)	372,807	151,353
Changes in net equity of affiliates accounted for using the equity method	2,465	1,935
Not for any purpose		
Others	69,355	69,355
	$498,574	$250,109

1. Such capital surplus may be used to make up for losses or, when the Company has no losses, to distribute cash or to capitalize equity, provided that the capitalization is limited to a certain percentage of the paid-in capital each year.
2. This type of capital surplus represents the effect of equity transactions recognized for changes in the Company's equity when the Company has not actually acquired or disposed of ownership interest in the subsidiary. Among them, the Company's subsidiary Giga Diamond Materials Corporation disposed of the trust shares of its resigned employees in accordance with the trust agreement in 2021 and 2020, and the remaining amount after deducting

the amount to be distributed and returned to the employees was NT$4,797 thousand and NT$1222 thousand respectively, which is deemed to be a reissue after Giga Diamond Materials Corporation called back the shares. The Company included them in the capital reserve according to the shareholding ratio – changes in ownership interests of subsidiaries, with amounts of NT$1,538 thousand and NT$448 thousand respectively.

(3) Retained earnings and dividend policy

In accordance with the Company's earnings distribution policy as stipulated in the Articles of Association, if there is any net earnings in the Company's annual final accounts, the Company shall first pay tax, make up for accumulated losses and then set aside 10% as legal reserve in accordance with the law. If the accumulated legal reserve has reached the Company's paid-in capital, the Company may no longer set aside legal reserve. The remainder shall be set aside and reversed from special reserve as provided by law or by the competent authority. If there are still remaining earnings, the board of directors shall prepare a proposal for distribution of the remainder together with the accumulated unappropriated earnings as dividends to shareholder, and submit it to the shareholders' meeting for resolution on the distribution.

The shareholders' meeting held on July 26, 2021 approved the amendment of the Company's policy on the distribution of dividends to shareholders, which is subject to the Company's current and future investment environment, capital requirements, domestic and external competition, and capital budget, with the interests of shareholders and the Company's long-term financial planning taken into account. If the distributable earnings for the year reaches 5% of the paid-in capital, dividends shall be paid at a percentage of not less than 20% of the distributable earnings for the year; if the distributable earnings for the year does not reach 5% of the paid-in capital, no dividends may be paid. The percentage of cash dividends paid each year shall not be less than 20% of the total amount of cash and stock dividends paid in that year. The aforementioned dividend distribution percentage may be adjusted based on financial, business and operational considerations.

Please refer to Note 20(7) for the Company's policy on employee and director remuneration distribution under the Company's Articles of Association.

The legal reserve should be appropriated until the balance reaches the Company's total paid-in capital. Legal reserve may be used to make up for losses. If the

Company has no losses, the excess of legal reserve over 25% of the paid-in capital may be distributed in cash in addition to capitalization as equity.

On July 26, 2021, the shareholders' meeting of the Company passed a resolution to amend the Articles of Association to specify that when the special reserve is allocated from the net deduction of other equity accumulated in the previous period, if the undistributed surplus in the previous period is insufficient to allocate, the after-tax net income plus items other than the after-tax net income of the current period will be added into the undistributed surplus of the current period for the allocation. Before the amendment to the Articles of Association, the Company shall allocate the undistributed earnings from the previous period according to law.

The earnings distribution proposal for 2020 was approved at the general shareholders' meeting of the Company on July 26, 2021 as follows:

	2020
	Proposal for loss make-up
Loss to be made up at the beginning of the year	$ -
Remeasurement of defined benefit plan	(2,069)
Adjustment of cash capital increase	(6,248)
Net loss for 2020	(535,475)
Disposal of equity instruments at fair value through other comprehensive income	(21,235)
Organization restructuring	(6,659)
Loss to be made up at the end of the year	($571,686)

The earnings distribution proposal for 2019 was approved at the regular shareholders' meeting of the Company on June 9, 2020 as follows:

	2019
Legal reserve	$ 14,689
Special reserve	$132,198

The loss compensation proposal for 2021 as proposed by the board meeting on March 28, 2022 is as follows:

	2021
	Proposal for loss make-up
Loss to be made up at the beginning of the year	($571,686)
Remeasurement of defined benefit plan	(1,025)
Net income for 2021	24,796
Disposal of equity instruments at fair value through other comprehensive income	14,268
Loss to be made up at the end of the year	($533,647)

The loss compensation proposal for 2021 is pending the resolution of the shareholders' meeting scheduled to be held on June 24, 2022.

(4) Special reserve

	2021	2020
Balance at the beginning of the year	$155,982	$ 23,784
Provision of special reserve 2019 earnings distribution	-	132,198
Balance at the end of the year	$155,982	$155,982

As of December 31, 2021 and 2020, the amount of special reserve first utilized was NT$23,784 thousand.

(5) Other equity items

1. Exchange differences on translation of financial statements of foreign operations

	2021	2020
Balance at the beginning of the year	($ 97,324)	($114,115)
Generated in the year		
Translation differences on translation of foreign operations	(4,268)	(1,950)
Share of subsidiary recognized under the equity method	(21,573)	3,483
Disposal of partial interest in a subsidiary	152	15,258
Change in recognition of ownership interest in subsidiaries	208	-
Balance at the end of the year	($122,805)	($ 97,324)

2. Unrealized valuation gains or losses on financial assets measured at fair value through other comprehensive income

	2021	2020
Balance at the beginning of the year	($ 75,723)	($145,597)
Generated in the year		
Unrealized gain or loss		
Equity instruments	2,990	30,537
Share of subsidiary under the equity method	109,825	14,167
Disposal of partial interest in a subsidiary	(109)	3,935
Transfer of accumulated gain or loss on disposal of equity instruments to retained earnings	(14,268)	21,235
Balance at the end of the year	$ 22,715	($ 75,723)

20. Revenues

(1) Description of Customer Contract

Revenue recognition is recognized at a point in time. Information on revenue from customer contracts is as follows:

	2021	2020
Revenue from customer contracts		
Merchandise sales revenues	$369,988	$324,145
Revenues from construction projects	190,641	189,666
Other operating revenues	16,189	16,643
	$576,818	$530,454

Breakdown of revenue from customer contracts

Product type	2021	2020
Photovoltaic Ribbons	$356,795	$295,968
Revenues from construction projects	190,641	189,666
Revenues from sales of silicon products	1,645	-
Others	27,737	44,820
	$576,818	$530,454

(2) Contract balance

	December 31, 2021	December 31, 2020	January 1, 2020
Accounts receivable (Note 8)	$ 143,625	$ 90,684	$ 85,891
Accounts receivable – related party	$ 19,111	$ 9,627	$ 2,455
Contract assets			
Power Plant Construction Contract	$ 167,117	$ 170,113	$ 240,042
Less: allowance for loss	-	-	-
Contract assets – current	$ 167,117	$ 170,113	$ 240,042
Contract liabilities			
Merchandise Sales	$ 1,710	$ 1,565	$ 2,510
Power Plant Construction Project	22,194	2,580	-
Contract liabilities – current (included in other current liabilities)	$ 23,904	$ 4,145	$ 2,510

The change in contract assets is mainly due to the difference between the point at which the performance obligation is satisfied and the point at which the customer pays, and other significant changes are as follows:

	2021	2020
Contract assets		
Transfer of beginning balance to accounts receivable	$163,064	$163,670

The change in contract assets is mainly due to the difference between the point at which the performance obligation is satisfied and the point at which the customer pays. The amount of contract liabilities from the beginning of 2020 recognized as other revenue was NT$2,303 thousand. The amount of contract liabilities from the beginning of 2021 recognized as other revenue was NT$15 thousand.

(3) Customer contracts not yet fully performed

The allocated transaction prices and the expected timing of recognition as revenue for the outstanding performance obligations are as follows:

	December 31, 2021	December 31, 2020
Power Plant Construction Contract		
Performed in 2021	$ -	$ 49,207
Performed in 2022	16,143	-
	$ 16,143	$ 49,207

21. Net Income from Continuing Operations

(1) Interest income

	2021	2020
Bank deposits	$ 193	$ 173
Others	306	-
	$ 499	$ 173

(2) Other income

	2021	2020
Rental income	$ 31,689	$ 29,454
Dividend income	1,078	-
Government subsidy income (Note 25)	-	7,513
Others	17,200	26,077
	$ 49,967	$ 63,044

(3) Other gains and losses

	2021	2020
Gain on disposal and scrapping of property, plant and equipment	$ 112	$ 475
Net foreign currency exchange loss	(3,918)	(6,998)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	-	(62)
Loss on disposal of investment	-	(444)
Impairment loss on non-financial assets	-	(7,046)
Other losses	(8)	(2,062)
	($ 3,814)	($ 16,137)

(4) Financial costs

	2021	2020
Interest on Bank Borrowings	$ 27,748	$ 19,778
Interest on lease liabilities	398	454
Amortization of short-term notes and bills payable	23	-
Amortization of long-term payables	-	5,836
Amortization of discount on corporate bonds payable	-	962
Imputed interest on deposit and others (Note 32)	12	113,253
	$ 28,181	$140,283

(5) Depreciation and amortization

	2021	2020
Summary of depreciation by function.		
Operating costs	$ 19,852	$ 16,945
Operating expenses	28,073	34,559
	$ 47,925	$ 51,504
Summary of amortization by function.		
Operating costs	$ 36	$ -
Operating expenses	545	733
	$ 581	$ 733

(6) Employee benefit expenses

	2021	2020
Short-term employee benefits	$110,595	$109,047
Share-based payment (Note 24)	-	527
Post-employment benefits		
Defined contribution plan	4,672	4,563
Defined benefit plan (Note 18)	(11)	(20)
Other employee benefits	4,292	4,443
Total employee benefit expenses	$119,548	$118,560
Summary by function.		
Operating costs	$ 46,540	$ 35,540
Operating expenses	73,008	83,020
	$119,548	$118,560

(7) Remuneration for employees and directors

In accordance with the Company's Articles of Association, the remuneration for employees shall not be less than 4% and not more than 8%, and the remuneration for directors shall not be more than 3%.

In 2021 and 2020, no remuneration for employees and directors was estimated due to a cumulative loss.

If there is a change in the amount of the parent company only financial statements after the date of its issuance, the amount is adjusted in the following year in accordance with the rules related to changes in accounting estimates.

The estimated remuneration for employees and directors for 2019 was approved by the board of directors on March 27, 2020 as follows:

Estimated percentage

	2019
Remuneration for employees	4%
Remuneration for directors	3%

Amount

	2019
Remuneration for employees	$ 7,345
Remuneration for directors	$ 5,509

There was no difference between the actual amount of employees', directors' and supervisors' remuneration paid for 2019 and the amount recognized in the standalone financial statements in 2019.

Please refer to the "Market Observation Post System" of the Taiwan Stock Exchange for information on the remuneration for employees and directors resolved by the board of directors of the Company.

22. Income tax

(1) Income tax recognized in profit or loss

The major components of income tax expense (benefits) are as follows:

	2021	2020
Current income tax		
Generated in the year	$ -	$ 4,058
Adjustments for prior years	(4,058)	-
Income tax expense (benefits) recognized in profit or loss	($ 4,058)	$ 4,058

The reconciliation of accounting income to income tax expense is as follows:

	2021	2020
Net income (loss) before tax from continuing operations	$ 20,738	($531,417)
Income tax expense (benefit) at statutory tax rate on net income (loss) before tax	$ 4,148	($106,283)
Tax exempted income	-	(18,020)
Non-deductible expenses due to tax purposes	24,753	126
Deduction of unrecognized losses	79,996	18,306
Temporary difference	(108,897)	105,871
Basic tax difference payable	-	4,058
Adjustments to current income tax expenses of previous years	(4,058)	-
	($ 4,058)	$ 4,058

(2) Current income tax assets and liabilities

	December 31, 2021	December 31, 2020
Current income tax assets		
Tax refund receivable	$ 32	$ 27
Current income tax liabilities		
Income tax payable	$ -	$ 4,039

(3) Deductible temporary differences and unused loss carryforwards for deferred tax assets not recognized in parent company only balance sheets

	December 31, 2021	December 31, 2020
Loss carryforwards		
Expires in 2021	$ -	$ 50,134
Expires in 2022	417,748	417,748
Expires in 2023	414,424	414,424
Expires in 2024	463,981	463,981
Expires in 2025	505,875	505,875
Expires in 2026	22,349	22,349
Expires in 2027	780,102	780,102
Expires in 2028	1,148,158	1,148,158
Expires in 2029	728,150	728,150
Expires in 2030	32,067	32,067
Expires in 2031	399,980	-
	$ 4,912,834	$ 4,562,988
Deductible temporary difference	$ 1,971,065	$ 2,515,036

(4) The status of income tax assessment

The Company's income tax returns have been assessed by the tax authorities up to 2019.

23. Earnings Per Share

Unit: NTD per share

	2021	2020
Basic profit (loss) per share	$ 0.09	($ 2.17)
Diluted profit (loss) per share	$ 0.09	($ 2.17)

The weighted-average number of ordinary shares and net income (loss) used in the calculation of earnings per share are as follows:

Net income (loss) for the year

	2021	2020
Net income (loss) attributable to owners of the Company	$ 24,796	($535,475)
Impact of potential ordinary shares with dilutive effect:		
After-tax interest on convertible bonds	-	-
Net income (loss) used in the calculation of diluted earnings per share	$ 24,796	($535,475)

Number of shares

Unit: Thousand shares

	2021	2020
Weighted-average number of ordinary shares used in the calculation of basic earnings per share	285,906	246,454
Impact of potential ordinary shares with dilutive effect:		
Convertible corporate bonds	-	-
Weighted-average number of ordinary shares used in the calculation of basic earnings per share	285,906	246,454

If the Consolidated Company may choose to pay employees' remuneration in shares or cash, when calculating the diluted profit (loss) per share, it is assumed that the employees' remuneration will be issued in shares, and when the potential ordinary shares have a dilutive effect, they will be included in the weighted average number of outstanding shares for the calculation of the diluted profit (loss) per share. The dilutive effect of these potential ordinary shares will also continue to be considered in the

calculation of diluted profit (loss) per share before the resolution on the number of shares awarded to employees in the following year.

24. Share-Based Payment Agreement

In November 2021 and June 2020, the board meetings respectively resolved to issue rights shares, and reserved 15% and 10% of the total number of new shares respectively for subscription by employees in accordance with the Company Act. The recipients include employees of the Company and its subsidiaries who meet certain criteria. Warrant holders may immediately exercise the stock options in accordance with the measures for the issue and exercise of employee stock options after being granted the employee stock option warrants. In February 2022 and June 2020, the Company granted 1,331 and 2,863 units of employee stock options respectively, and each unit is entitled to 1,000 shares of ordinary shares. The stock options have a duration of 0.02 and 0.03 year, and the exercise price is NT$25 and NT$8.50 per share respectively.

Information on employee stock options of the Company and subsidiaries is as follows:

	January 1 to December 31, 2020	
Employee stock options	Unit	Weighted average exercise price (NT$)
In circulation at the beginning of the year	-	$ -
Granted in the year	2,863	8.5
Exercised in the year	(2,863)	8.5
In circulation at the end of the year	-	
Exercisable at the end of the year	-	
Weighted average fair value of stock options granted during the year (NT$)	$ 0.5	

The Company used the Black-Scholes valuation model for the employee stock options granted in June 2020, and the input values used in the valuation model were as follows:

	June 2020
Share price on the grant date(NT$)	$ 9
Exercise price(NT$)	$ 8.5
Expected volatility	3.06%
Duration(Year)	0.03
Expected rate of dividend	-
Risk-free interest rate	0.4549%

From January 1 to December 31, 2020, the Company recognized remuneration costs of NT$1,432 thousand (of which NT$905 thousand was recognized as remuneration costs to employees of subsidiaries, which were booked as investments accounted for using the equity method).

25. Government Subsidies

In addition to those disclosed in other notes, the Company received the following government subsidies:

On May 14, 2020, the Company applied for the Industrial Development Bureau of the Ministry of Economic Affairs to subsidize the salaries and working capital of the manufacturing and technical service industries affected by severe and special infectious pneumonia, which were approved and disbursed after examination and approval, and a total of NT$7,695 thousand was approved. In 2020, NT$7,513 thousand of government subsidy income was recognized and NT$7,513 thousand of grant was received.

In accordance with the "Notice to the Ministry of Economic Affairs for Handling Applications for Salary and Operating Capital Subsidies for Enterprises in Hardship Affected by Severe and Special Infectious Pneumonia in the Manufacturing and Technical Service Industries," the Industrial Development Bureau of the Ministry of Economic Affairs may revoke or annul the subsidies and recover all or part of the amount paid if the agreed items are not complied with.

26. Partial Acquisition or Disposal of Investment in Subsidiaries – Not Affecting Control

The subsidiaries Giga Solar Materials Corporation and Wafering Technology Corporation did not subscribe to the rights shares of Giga Diamond Materials Corporation according to the shareholding ratio on February 3, 2021, resulting in the shareholding ratio decreasing from 36.71% to 35.35%. On October 1, 2021, Giga Diamond Materials Corporation exchanged all the shares of the remaining shareholders of its subsidiary Hua Hsu Optotech Co., Ltd. by issuing new shares and paying cash, resulting in the reduction of the shareholding ratio of Giga Solar Materials Corporation and Wafering Technology Corporation from 35.35% to 32.08%.

On February 13, 2021, the subsidiary Giga Solar Materials Corporation did not subscribe to the rights shares of the subsidiary Green Energy Electrode, Inc. according to the shareholding ratio, resulting in the shareholding ratio decreasing from 50.39% to 48.39%.

The Company and its subsidiary Wafering Technology Corporation sold a total of 206 thousand shares of Giga Solar Materials Corporation in 2021. Due to the capital increase of Giga Solar Materials Corporation on June 29, 2021 and the resolution of the extraordinary shareholders' meeting on September 30, 2021, Giga Solar Materials Corporation transferred 750 thousand treasury shares to employees. The book-close date of share subscription was November 11, 2021, and the objects were the current employees of Giga Solar Materials Corporation, so the consolidated shareholding ratio decreased to 39.81%.

Since the above transaction did not change the Company's control over the subsidiary, the Company treated it as an equity transaction.

27. Information on Cash Flow

(1) Changes in liabilities from financing activities

January 1 to December 31, 2021

	January1, 2021	Cash flow	Non-Cash Changes: Interest expense and amortization of discount	December 31, 2021
Short-term borrowings	$ 1,490,814	($ 753,557)	$ -	$ 737,257
Short term notes and bills payable	-	199,315	23	199,338
Long-term borrowings	377,500	574,000	-	951,500
Deposits received	449	41,208	-	41,657
Lease liabilities	28,146	(3,752)	-	24,394
	$ 1,896,909	$ 57,214	$ 23	$ 1,954,146

January 1 to December 31, 2020

	January 1, 2020	Cash flow	Non-Cash Changes: Amortization of discount	December 31, 2020
Short-term borrowings	$ 937,961	$ 552,853	$ -	$ 1,490,814
Long-term borrowings	161,500	216,000	-	377,500
Deposits received	1,458	(1,009)	-	449
Corporate bonds payable	1,199,038	(1,200,000)	962	-
Long-term payables	30,524	(36,360)	5,836	-
Lease liabilities	31,841	(3,695)	-	28,146
	$ 2,362,322	($ 472,211)	$ 6,798	$ 1,896,909

28. Capital Risk Management

The Company conducts capital management to ensure that the Group's enterprises are able to maximize shareholder returns by optimizing debt and equity balances while continuing to operate. There were no significant changes in the Company's overall strategy.

The Company's capital structure consists of net debt (i.e. borrowings less cash) and equity (i.e. capital stock, capital surplus, retained earnings, other equity items and non-controlling interests).

29. Financial Instruments

(1) Fair value information – financial instruments not measured at fair value

The management of the Company believes that the book amount of financial assets and financial liabilities not measured at fair value either approaches its fair value or its fair value cannot be measured reliably.

(2) Fair value information – financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy.

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income				
Investment in equity instruments	$ -	$ -	$ 47,449	$ 47,449

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income				
Investment in equity instruments	$ -	$ -	$ 44,459	$ 44,459

There was no transfer between Level 1 and Level 2 fair value measurements in 2021and 2020.

2. Reconciliation of financial instruments measured at fair value in Level 3

2021

	Assets
	Measured at fair value through other comprehensive income
	Stocks
Balance at the beginning of the year	$ 44,459
Total income (loss) recognized during the year.	
Recognized in other comprehensive income (reported in "unrealized gains or losses on investments in equity instruments measured at fair value through other comprehensive income")	2,990
Balance at the end of the year	$ 47,449

2020

	Assets
	Measured at fair value through other comprehensive income
	Stocks
Balance at the beginning of the year	$ 10,210
Total income (loss) recognized during the year.	
Recognized in other comprehensive income (reported in "unrealized gains or losses on investments in equity instruments measured at fair value through other comprehensive income")	30,537
Acquisition	3,816
Disposal	(104)
Balance at the end of the year	$ 44,459

3. Valuation techniques and input values for Level 3 fair value measurement

The following table presents the significant unobservable input values to the Company's fair value hierarchy for assets measured at fair value on a recurring basis within Level 3 of the fair value hierarchy:

December 31, 2021

	Valuation techniques	Significant Unobservable Input Values	Quantitative Information	Relationship between input value and fair value	Sensitivity analysis of the relationship between input value and fair value
Financial assets					
Measured at fair value through other comprehensive income					
Stocks	Market method	Discount for lack of liquidity	30%	The higher the degree of illiquidity, the lower the fair value estimate	When the percentage of illiquidity increases (decreases) by 5%, the Company's profit or loss would decrease/increase by NT$907 thousand to NT$2,479 thousand.

December 31, 2020

	Valuation techniques	Significant Unobservable Input Values	Quantitative Information	Relationship between input value and fair value	Sensitivity analysis of the relationship between input value and fair value
Financial assets					
Measured at fair value through other comprehensive income					
Stocks	Market method	Discount for lack of liquidity	30%	The higher the degree of illiquidity, the lower the fair value estimate	When the percentage of illiquidity increases (decreases) by 5%, the Company's profit or loss would decrease/increase by NT$512 thousand to NT$2,651 thousand.

The Company's finance and investment departments are responsible for conducting fair value tests to ensure that the valuation results approximate market conditions, that the sources of information are independent, reliable, consistent with other resources and representative of realizable prices, and that changes in the value of assets and liabilities that are subject to remeasurement or re-evaluation in accordance with the Company's accounting policies are analyzed at each reporting date to ensure that the valuation results are reasonable.

(3) Type of Financial instruments

	December 31, 2021	December 31, 2020
Financial assets		
Financial assets at amortized cost (Note 1)	$ 383,016	$ 681,471
Financial assets measured at fair value through other comprehensive income	47,449	44,459
Financial liabilities		
Measured at amortized cost (Note 2)	2,021,587	1,931,896

Note 1: The balance consisted of financial assets measured at amortized cost, such as cash, notes and accounts receivable and accounts receivable – related party, net, other receivables, other receivables – related party, refundable deposits and other financial assets.

Note 2: The balance consisted of financial liabilities measured at amortized cost, including short-term borrowings, notes payable, accounts payable, other payables, bonds payable, long-term borrowing, long-term bank borrowings due within one year, corporate bonds due or subject to exercise of right of sale within one year, long-term payables and deposits received.

(4) Objectives and Policies of Financial Risk Management

The Company's major financial instruments include investments in equity instruments, accounts receivable, accounts payable, corporate bonds payable, borrowings and lease liabilities. The Company's financial management department provides services to each business unit, coordinates the operation of access to domestic financial markets, and monitors and manages financial risks associated with the Company's operations through internal risk reports that analyze risk exposures based on risk degree and breadth. These risks include market risk (which includes exchange rate risk, interest rate risk and other price risks), credit risk and liquidity risk.

The Company uses derivative financial instruments to hedge its exposure in risk in order to mitigate the impact of these risks. The use of derivative financial instruments is governed by the policies approved by the Company's board of directors, which are the written principles for exchange rate risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of surplus circulating capital. Internal auditors review policy compliance and risk limits on an ongoing basis. The Company does not trade in financial instruments (including derivative financial instruments) for speculative purposes.

The financial management department reports to the board of directors of the Company on a quarterly basis.

1. Market risk

The main financial risks to which the Company is exposed as a result of its operating activities are changes in foreign currency exchange rates (see (1) below) and changes in interest rates (see (2) below). The Company engages in

various derivative financial instruments to manage its exposure to foreign currency exchange rate and interest rate risk.

There have been no changes in the Company's exposure to market risk of financial instruments and the way it manages and measures such exposures.

(1) Exchange rate risk

The Company's exposure to exchange rate risk relates primarily to operating activities (when revenues or expenses are denominated in currencies different from the Company's functional currency) and net investments in foreign operations.

A portion of the Consolidated Company's foreign currency receivables and payables are denominated in the same currency, in which case, a natural hedge is created. The Consolidated Company does not apply hedge accounting because the aforementioned natural hedge and the management of exchange rate risk by means of swap contracts do not meet the requirements of hedge accounting; in addition, the net investment in foreign operations is a strategic investment and therefore the Consolidated Company does not hedge it.

The carrying amounts of monetary assets and monetary liabilities denominated in a currency other than the functional currency (including monetary items denominated in a currency other than the functional currency that have been written off in the consolidated financial statements) and the carrying amounts of derivatives with exchange rate risk exposure as of the balance sheet date are described in Note 33.

Sensitivity analysis

The Company is primarily affected by fluctuations in the USD exchange rate.

The following table details the sensitivity analysis of the Company when the exchange rate of the NTD (functional currency) increases and decreases by 1% against each relevant foreign currency. The sensitivity analysis includes only foreign currency monetary items in circulation and adjusts their period-end translation by a 1% change in exchange rates. The positive numbers in the following table represent the increase in net income before tax if the NTD weakens by 1% against the respective currencies, and the negative numbers for the same amount represent the

decrease in net income before tax if the NTD strengthens by 1% against the respective currencies.

	Impact of USD	
	2021	2020
Gains	$ 1,733	$ 897

(2) Interest rate risk

Interest rate risk arises because entities within the Company borrow funds at both fixed and floating rates. The Company manages interest rate risk by maintaining an appropriate mix of fixed and floating rates; however, hedge accounting is not applied because the Company does not meet the requirements for hedge accounting.

The carrying amounts of financial assets and financial liabilities exposed to interest rate risk as of the balance sheet date were as follows:

	December 31, 2021	December 31, 2020
Fair value interest rate risk		
- Financial assets	$ 1,205	$ 1,200
- Financial liabilities	24,394	28,146
Cash flow interest rate risk		
- Financial assets	194,107	131,514
- Financial liabilities	1,888,095	1,868,314

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk of derivative and non-derivative instruments as of the balance sheet date. For floating rate assets (liabilities), the analysis assumes that the amount of the liability outstanding at the balance sheet date is outstanding during the reporting period. The rate of change used in reporting interest rates internally to key management is a 1% basis point increase or decrease in interest rates, which also represents management's assessment of the range of reasonably possible changes in interest rates.

If the floating rate had increased/decreased by 1%, with all other variables held constant, the Company's net income before tax would have decreased/increased by NT$16,940 thousand and increased/decreased by NT$17,368 thousand for 2021 and 2020, respectively.

(3) Other price risk

The fair value of the Company's unlisted equity securities may be affected by the uncertainty of the future value of these underlying securities. The fair value of the Company's unlisted equity securities are measured at fair value through other comprehensive income. The Company manages the price risk of equity securities by diversifying its investments and setting limits on its investments in equity securities, both individually and in the aggregate. Portfolio information on equity securities is provided to the Company's senior management on a regular basis, and the Board of Directors is required to review and approve all investment decisions on equity securities.

Sensitivity analysis

The sensitivity analysis of the price risk of equity instruments is mainly based on the changes in fair value at the end of the financial reporting period.

If the equity instrument price had increased/decreased by 10%, the Company's equity value would have increased/decreased by NT$4,745 thousand and NT$4,446 thousand for 2021 and 2020, respectively.

For the fair value hierarchy of other equity instruments in Level 3, please refer to Note 29(2) for sensitivity analysis information.

2. Credit risk

Credit risk refers to the risk of financial loss due to default on contract obligations by the counterparties. The Company's credit risk is attributable to operating activities (mainly accounts receivable and notes) and financial activities (mainly bank deposits and various financial instruments).

Each unit of the Company manages credit risk in accordance with its policies, procedures and controls over credit risk. The credit risk of all counterparties is evaluated by taking into account the financial condition of the counterparties, the ratings of credit rating agencies, historical transaction experience, the current economic environment and the Company's internal rating standards. The Company also uses certain credit enhancement tools (such as advance receipts) at appropriate times to reduce the credit risk of specific counterparties.

As of December 31, 2021 and 2020, the percentages of receivables from the top ten customers to the Company's total receivables were 75% and 93%,

respectively, and the credit concentration risk of the remaining receivables was relatively insignificant.

The Finance Department manages the credit risk of bank deposits, fixed-income securities and other financial instruments in accordance with the Company's policies. Since the Corporation's counterparties are determined by internal control procedures and are creditworthy banks and investment-grade financial institutions, corporate organizations and government agencies, there is no significant credit risk.

3. Liquidity risk

The Company manages and maintains sufficient positions of cash to support the Group's operations and mitigate the impact of cash flow fluctuations. The Company's management monitors the use of bank financing lines and ensures compliance with the terms of the loan agreements.

The Company's financial position as of December 31, 2021 was subject to the liquidity risk of current liabilities exceeding current assets. In order to improve its operating condition, the Company has been actively transforming and increasing its domestic power plant construction project business and wafer processing business in order to continuously improve its operations and increase profitability. At the same time, the Company has disposed of some of its long-term investments and completed the renewal of its bank loan facilities, and continues to negotiate and sign new long-term secured loan facilities with banks to meet short-term capital needs and improve liquidity risk.

In order to meet the demand of repaying bank loans, the board meeting decided to issue 65,000 thousand rights shares on November 1, 2021. The book-close date of the rights shares was February 24, 2022 with a face value of NT$10. The subscription price per share was NT$25, and the total amount of share capital received was NT$1,625,000 thousand, which has been fully collected to meet the demand for repayment of bank loans and improve liquidity risk.

Bank loans are an important source of liquidity for the Company. See (2) below for a description of the Company's unused financing lines.

(1) Liquidity and interest rate risk of non-derivative financial liabilities

The analysis of the remaining contractual maturities of non-derivative financial liabilities has been prepared based on the undiscounted cash flows (including principal and estimated interest) of the financial liabilities based on the earliest possible date on which the Company could be required to make repayment. Therefore, bank loans that the Company may be required to repay immediately are shown in the earliest period of the below table, without regard to the probability that the bank will enforce the right immediately; the maturity analysis of other non-derivative financial liabilities is prepared based on the contractual repayment dates.

The undiscounted interest amount of interest cash flows paid at floating interest rates is derived from the curve of the yield rate at the balance sheet date.

December 31, 2021

	Less than 1 year	1–3 years	4–5 years	More than 5 years	Total
Accounts payable	$ 111,914	$ -	$ -	$ -	$ 111,914
Borrowing	1,192,680	474,103	263,680	-	1,930,463
Lease liabilities	4,013	7,227	7,227	7,227	25,694
	$ 1,308,607	$ 481,330	$ 270,907	$ 7,227	$ 2,068,071

Further information on the maturity analysis of the financial liabilities above is as follows:

	Less than 1 year	1–5 years	5–10 years	10–15 years	15–20 years	More than 20 years
Floating interest rate	$ 939,284	$ -	$ -	$ -	$ -	$ -
Fixed interest rate	253,396	737,783	-	-	-	-
Lease liabilities	4,013	14,454	7,227	-	-	-
	$1,196,693	$ 752,237	$ 7,227	$ -	$ -	$ -

December 31, 2020

	Less than 1 year	1–3 years	4–5 years	More than 5 years	Total
Accounts payable	$ 619,955	$ -	$ -	$ -	$ 619,955
Borrowing	1,590,949	252,374	50,593	-	1,893,916
Lease liabilities	4,149	7,627	7,227	10,840	29,843
	$ 2,215,053	$ 260,001	$ 57,820	$ 10,840	$ 2,543,714

Further information on the maturity analysis of the financial liabilities above is as follows:

	Less than 1 year	1–5 years	5–10 years	10–15 years	15–20 years	More than 20 years
Floating interest rate	$1,501,269	$ -	$ -	$ -	$ -	$ -
Fixed interest rate	89,680	302,967	-	-	-	-
Lease liabilities	4,149	14,854	10,840	-	-	-
	$1,595,098	$ 317,821	$ 10,840	$ -	$ -	$ -

(2) Financing line limit

	December 31, 2021	December 31, 2020
Unsecured bank overdraft limit (Revisited every year)		
- Amount used	$ 323,512	$ 429,730
- Amount unused	197,988	335,270
	$ 521,500	$ 765,000
Secured bank overdraft limit		
- Amount used	$ 1,380,000	$ 1,490,000
- Amount unused	270,000	100,000
	$ 1,650,000	$ 1,590,000

30. Related Party Transactions

In addition to those disclosed in other notes, the transactions between the Company and other related parties are as follows:

(1) Name and relationship of related party

Name of related party	Relationship with the Company
Wole Max Green Power Co., Ltd.	Affiliated enterprise
Ya Fei Solar Energy Co., Ltd.	Affiliated enterprise
Hunjin Enterprise Inc.	Affiliated enterprise
Giga Whole Energy Co., Ltd.	Affiliated enterprise
Whole Wing Energy Co., Ltd.	Affiliated enterprise
Whole Fund Energy Co., Ltd.	Affiliated enterprise
Yuandeng Solar Energy Co., Ltd.	Affiliated enterprise
Tron Energy Technology Corporation	Affiliated enterprise
Landian Solar Energy Co., Ltd.	Affiliated enterprise
Lanjing Volt Co., Ltd.	Affiliated enterprise
Huiqun Energy Co., Ltd.	Affiliated enterprise
UJGIGA Co., Ltd.	Affiliated enterprise
Yiguang Energy Co., Ltd.	Affiliated enterprise (Note 1)
Yijia Energy Co., Ltd.	Affiliated enterprise (Note 1)
Yichia Energy Co., Ltd.	Affiliated enterprise (Note 1)

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Name of related party	Relationship with the Company
Yijshin Energy Co., Ltd.	Affiliated enterprise (Note 1)
Yihui Energy Co., Ltd.	Affiliated enterprise (Note 1)
Ligao Optoelectronics Co., Ltd.	Affiliated enterprise
Lichao Optoelectronics Co., Ltd.	Affiliated enterprise (Note 2)
Suefu Co., Ltd.	Affiliated enterprise (Note 2)
Giga Solar Green Power Co., Ltd.	Joint venture
Giga Solar No.1 Co., Ltd.	Joint venture (Note 3)
Giga Solar No.2 Co., Ltd.	Joint venture (Note 3)
Giga Solar No.3 Co., Ltd.	Joint venture (Note 3)
Shuoyitai Green Energy Co., Ltd.	Joint venture (Note 4)
Jieshuo Co., Ltd.	Joint venture (Note 5)
Giga Solar Materials Corporation	Subsidiaries
Ho Mi Specialty Materials Corporation	Subsidiaries
Wafering Technology Corporation	Subsidiaries
Tron Energy Technology Corporation	Subsidiaries
Giga Diamond Materials Corporation	Subsidiaries
Whole Sun Green Power Co., Ltd.	Subsidiaries
Yancheng Giga Diamond Materials Corporation	Subsidiaries
Global Acetech Co., Ltd.	Subsidiaries
Hua Hsu Optotech Co., Ltd.	Subsidiaries

Note 1: The company is 100% owned by Wole Max Green Power Co., Ltd. and is listed as an affiliated enterprise after evaluation.

Note 2: The company is 100% owned by Ligao Optoelectronics Co., Ltd. and is listed as an affiliated enterprise after evaluation.

Note 3: The company is 100% owned by Giga Solar Green Power Co., Ltd. and is listed as a joint venture after evaluation.

Note 4: The Company increased its capital in August 2021 and holds 35% of Shuoyitai Green Energy Co., Ltd., and it is listed as a joint venture after evaluation.

Note 5: The Company increased its capital in November 2021 and holds 49.9% of Jieshuo Co., Ltd., and it is listed as a joint venture after evaluation.

(2) Operating revenues

Account item	Type/name of related party	2021	2020
Sales revenues	Subsidiaries	$ 4,648	$ 10,925
	Affiliated enterprise	14,974	14,508
		$ 19,622	$ 25,433
Revenues from construction projects	Joint venture		
	Giga Solar Green Power Co., Ltd.	$ 75,947	$ 82,681
	Ligao Optoelectronics Co., Ltd.	57,148	48,459
	Lichao Optoelectronics Co., Ltd.	49,892	51,202
		$ 182,987	$ 182,342

The above sale prices are agreed upon by both parties and there is no fixed percentage of price increase.

(3) Purchases

Type/name of related party	2021	2020
Subsidiaries	$ 1,066	$ 16,077

The above purchase prices are agreed upon by both parties and there is no fixed percentage of price increase.

(4) Contract assets

Type/name of related party	2021	2020
Joint venture		
Giga Solar Green Power Co., Ltd.	$ 29,226	$ 7,619
Affiliated enterprise		
Lichao Optoelectronics Co., Ltd.	$ 5,564	$ 31,815
Ligao Optoelectronics Co., Ltd.	-	34,245
Others	1,873	-
	$ 7,437	$ 66,060

(5) Receivables from related parties

Account item	Type/name of related party	December 31, 2021	December 31, 2020
Accounts receivables	Subsidiaries	$ 611	$ 611
	Affiliated enterprise	18,500	9,016
		$ 19,111	$ 9,627
Other receivables	Subsidiaries	$ 6,369	$ 6,734
	Affiliated enterprise	245	1,286
	Joint venture	696	40
		$ 7,310	$ 8,060

(6) Payables to related parties

Account item	Type/name of related party	December 31, 2021	December 31, 2020
Accounts payable	Subsidiaries	$ 189	$ 1,111
Other payables	Subsidiaries	$ 1,035	$ 959

(7) Contract liabilities

Type/name of related party	2021	2020
Affiliated enterprise		
Lichao Optoelectronics Co., Ltd.	$ 4,462	$ -
Lanjing Volt Co., Ltd.	1,569	1,569
Landian Solar Energy Co., Ltd.	1,011	1,011
	$ 7,042	$ 2,580

(8) Acquisition of marketable securities

	Acquisition price	
Type/name of related party	2021	2020
Subsidiaries		
Whole Sun Green Power Co., Ltd.	$ -	$366,622

(9) Property, plant and equipment acquired

Type/name of related party	Acquisition price 2021	2020
Subsidiaries		
Giga Solar Materials Corporation	$ -	$ 142

(10) Disposal of property, plant and equipment

	Sale Price 2021	2020	Gain on disposal 2021	2020
Subsidiaries	$ 83	$ -	$ 19	$ -

(11) Lending to related parties

Interest income

Type/name of related party	2021	2020
Subsidiaries	$ 291	$ -

The interest income above is mainly generated from the loan of funds in response to the short-term working capital needs of subsidiaries. The interest income is calculated by multiplying the balance of outstanding loans by an annual interest rate of 2.50%.

(12) Related party transactions

The Company participated in the rights shares of Tron Energy Technology Corporation in August 2021 with an investment amount of NT$49,950 thousand, and acquired 666 shares. The shareholding ratio is 1.11%.

(13) Lease agreement

Account item	Type/name of related party	2021	2020
Lease liabilities	Subsidiaries		
	Giga Solar Materials Corporation	$ 23,997	$ 27,224
Interest expense	Subsidiaries		
	Giga Solar Materials Corporation	$ 386	$ 434

Type/name of related party	2021	2020
Rental income		
Subsidiaries		
Giga Solar Materials Corporation	$ 18,083	$ 17,123
Ho Mi Specialty Materials Corporation	1,875	1,875
Others	888	896
Affiliated enterprise	204	134
Joint venture	99	79
	$ 21,149	$ 20,107

(14) Others

Other transactions between the Company and its subsidiaries are summarized as follows:

Item	2021	2020
Advance receipts	$ 38	$ 93
Payments for others	-	15,952
Miscellaneous purchases	-	173
Other income	12,081	14,737
Repair and maintenance expenses	-	5

Other transactions between the Company and affiliates are summarized as follows:

Item	2021	2020
Advance receipts	$ 45	$ 31
Payments for others	-	36
Other income	2,819	1,003

Other transactions between the Company and joint ventures are summarized as follows:

Item	2021	2020
Advance receipts	$ 54	$ 38
Payments for others	-	1
Other income	453	419

(15) Salary for key management

	2021	2020
Short-term employee benefits	$ 14,612	$ 17,981
Post-employment benefits	266	577
	$ 14,878	$ 18,558

The remuneration for directors and other key management is determined by the Remuneration Committee based on individual performance and market trends.

31. Pledged Assets

The following assets have been provided as collateral for financing loans, litigation guarantee deposits, tariff guarantees for imported raw materials or performance and lease guarantees:

Item	December 31, 2021	December 31, 2020	Content of secured debts
Property, plant and equipment (including investment property)	$ 442,610	$ 450,126	Bank borrowings
Refundable deposits	152	432,654	Processed the lodgment of collateral with the lodgment office of the Hsinchu District Court and the deposit of court cost, etc. for the Philips lawsuit.
Other financial assets – current and non-current	16,214	16,203	Customs bonds, performance bonds, commodity bonds, lease bonds and bank loans
Shares of subsidiaries (Giga Solar Materials Corporation)	1,575,179	1,354,988	Bank loans, short-term bills payable and project performance guarantees
	$ 2,034,155	$ 2,253,971	

32. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) As of December 31, 2021, the outstanding balance of letters of credit of the Company was about NT$14,755 thousand.

(2) The Company has entered into the following product licensing agreements with the following companies:

Company name	Payment of royalties for products	Contract Year	Valid period	Calculation of royalties
Industrial Technology Research Institute	Coating-related products	December 2005	20 years	Calculated based on product sales, payable annually

(3) Koninklijke Philips Electronics N.V. (“Philips”) filed a civil lawsuit against the Company on April 28, 2014, claiming that the DVD-R and DVD-RW products manufactured and sold by the Company infringe upon Philips’ patent No. 82864 in the Republic of China (“Patent at Issue”), and requesting the Company to pay compensation of NT$10,000 thousand plus interest at 5% per annum from the day following the service of the complaint to the date of settlement. On May 13, 2015, Philips requested the Taiwan Intellectual Property Court to expand the amount of the original patent infringement lawsuit filed against Philips from NT$10,000 thousand

to NT$1,050,000 thousand. On March 29, 2016, the Intellectual Property Court ruled in the first instance that the Company should compensate Philips for NT$10,500 thousand plus interest at 5% per annum from June 25, 2015 to the date of settlement, and dismissed the rest of Philips' claims. The Company and Philips filed appeals to the Intellectual Property Court for the 2nd instance against the judgment of the first trial. The second instance of the Intellectual Property Court ruled on June 29, 2017 that the Company should return NT$1,050,000 thousand to Philips as unjust enrichment, and therefore the Company has already recorded in the accounting books the amount of the second instance judgment plus interest. The Company reappointed professional lawyers to appeal to the Supreme Court against the aforementioned second instance judgment of the Intellectual Property Court. The Supreme Court ruled on September 26, 2018 that the original judgment ordering the Company to pay and dismissing the Company's appeal and the portion related to the court costs were reversed and remanded to the Intellectual Property Court. Therefore, the Company reversed the full amount of the potential compensation from the original intellectual property court's second instance verdict in accordance with the Supreme Court's ruling.

The judgment of the Intellectual Property Court adjudicating the case was pronounced on May 14, 2020. The Intellectual Property Court ruled that the Company should pay Philips an additional NT$409,885 thousand, plus interest at 5% per annum from June 25, 2015 to the date of settlement. The portion of the payment ordered by the judgment may be provisionally executed with a guarantee of NT$136,630 thousand issued by Philips or a promissory note of the same amount by Citi Taiwan Limited. However, if the Company provides security in advance for Philips with NT$ 409,885 thousand, it is exempted from provisional execution. The Company has estimated and booked the amount of the intellectual property court judgment plus interest.

After receiving the judgment of the Intellectual Property Court on May 25, 2020, the Company deposited an advance guarantee of NT$409,885 thousand with the Hsinchu District Court in accordance with the law to be exempted from pseudo execution, and obtained the performance guarantee amount of NT$409,885 thousand from Shanghai Commercial Bank on September 28, 2020. On September 30, 2020, the Company obtained a ruling from the Intellectual Property Court to replace the original lodgment with the performance guarantee from the Shanghai Commercial Bank and

on January 18, 2021, the Company received back the lodgment of NT$409,885 thousand and its interest. The Company pledged 3,183 thousand shares of Giga Solar Materials Corporation's stock under the performance guarantee contract with Shanghai Commercial Bank and lodged NT$160,000 thousand in a demand deposit reserve account in January 2021.

The Company has officially signed a confidential settlement agreement with Philips on April 28, 2021, which has come into force on April 30, 2021. According to the settlement agreement, both Philips and the Company withdrew their appeal on May 13, 2021; the Company withdrew the Shanghai Commercial Bank guarantee deposited with the court in June 2021, withdrew the NT$160,000 thousand deposited in the demand deposit reimbursement account, and then withdrew the rest of the cash deposited with the court on June 21, 2021. All litigation and non-litigation proceedings between the company and Philips have been concluded.

33. Information on Foreign Currency Assets and Liabilities with Significant Effect

The following information is expressed in aggregate in foreign currencies other than the Company's functional currency, and the exchange rates disclosed refer to the rates at which such foreign currencies are converted to the functional currency. Information on foreign currency assets and liabilities with significant effect is as follows:

	Foreign currency	Exchange rate	Book value
December 31, 2021			
Financial assets			
Monetary items			
USD	$ 6,841	27.68	$ 189,348
RMB	32	4.344	141
JPY	408	0.2405	98
Financial liabilities			
Monetary items			
USD	580	27.680	16,060
December 31, 2020			
Financial assets			
Monetary items			
USD	3,782	28.48	107,719
RMB	32	4.377	142
EUR	7	35.02	232
JPY	408	0.276	113

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	Foreign currency	Exchange rate	Book value
Financial liabilities			
Monetary items			
USD	$ 632	28.48	$ 18,009
RMB	17	4.377	76

The Company's net foreign currency exchange loss (realized and unrealized) was NT$3,918 thousand and NT$6,998 thousand for 2021 and 2020, respectively. Due to the variety of foreign currency transactions, it is not possible to disclose the exchange gains and losses by each currency of significant impact.

34. Additional Disclosure

(1) Information on major transactions and (ii) invested enterprise

1. Lending funds to others (Exhibit 1)
2. Endorsement and guarantee for others (Exhibit 2)
3. Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliated enterprises and joint ventures) (Exhibit 3)
4. Acquisition or sale of the same security with the accumulated cost exceeding NT$300 million or 20% of the Company's paid-in capital. (None)
5. Acquisition of real estate exceeding NT$300 million or 20% of paid-in capital or more. (Exhibit 4)
6. Disposal of real estate exceeding NT$300 million or 20% of paid-in capital or more. (None)
7. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more. (Exhibit 5)
8. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more. (Exhibit 6)
9. Engagement in derivative transactions. (None)
10. Information on Investees (Exhibit 7)

(3) Information on investment in Mainland China

1. The name of the investees in Mainland China, principal business, paid-in capital, investment methods, capital outward and inward remittances, shareholding, investment gains and losses, investment carrying amount at the end of the period, repatriated investment gains and losses, and investment quota for Mainland China. (Exhibit 8)
2. Please refer to Exhibits 1 and 2 and Note 30 for the following significant transactions with Mainland China investees directly or indirectly through third regions, as well as their prices, payment terms, and unrealized profits or losses.
   (1) The amount and percentage of purchases and the related ending balance and percentage of payables.
   (2) The amount and percentage of sales and the related ending balance and percentage of receivables.
   (3) The amount of property transactions and the amount of resulting gains or losses.
   (4) The ending balance of endorsement guarantee of bills or the provision of collateral and its purpose.
   (5) The maximum balance, ending balance, interest rate range and total current interest amount of financial accommodation
   (6) Other transactions that have a significant effect on the current profit or loss or financial position, such as the provision or receipt of services.

(4) Information on major shareholders: Name, number and percentage of shares held by shareholders with 5% or more of the shares. (None)

Gigastorage Corporation

Lending Funds to Others

January 1 to December 31, 2021

Exhibit 1

Units: NTD thousands, unless otherwise stated

Number	The lending company of funds	The borrower of funds	Transactions	Related party or not	Highest balance in the period	Balance at the end of the period	Actual amounts drawn	Interest range	Nature of funds lending	Amount of business dealings	Reasons for the necessity of short-term financial accommodation	Provision of allowance for doubtful accounts	Collateral		The limit for individual funds lending	The limit for total funds lending	Remarks
													Name	Value			
0	Gigastorage Corporation	Wafering Technology Corporation	Other receivables	Yes	$ 30,000	$ -	$ -	2.5%	Short-term financial accommodation	$ -	—	$ -	No	$ -	$ 289,457 (Note 2)	$ 1,157,826 (Note 2)	—
1	Giga Solar Materials Corporation	Yancheng Giga Solar Materials Corporation	Other receivables (Note 1)	Yes	1,103,216 (CNY 253,963)	703,568 (CNY 161,963)	703,568 (CNY 161,963)	-	Business dealings	960,771	—	-	No	—	960,771 (Note 2)	2,563,646 (Note 2)	—
2	Whole Sun Green Power Co., Ltd.	Sunshine Solar Power Generation Co., Inc.	Other receivables	Yes	470,105 (USD 16,984)	259,737 (USD 9,384)	259,737 (USD 9,384)	2%	Short-term financial accommodation	-	To meet the operational needs of subsidiary .	-	No	-	592,267 (Note 3)	888,400 (Note 3)	—
3	Green Energy Electrode, Inc.	Yancheng Green Energy Electrode Crop.	Other receivables	Yes	44,288 (USD 1,600)	44,288 (USD 1,600)	44,288 (USD 1,600)	1%	Short-term financial accommodation	-	To meet the operational needs of subsidiary .	-	No	-	55,502 (Note 7)	111,005 (Note 7)	—
		Green Energy Electrode,Inc.(Samoa)	Other receivables	Yes	8,304 (USD 300)	8,304 (USD 300)	8,304 (USD 300)	1%	Short-term financial accommodation	-	To meet the operational needs of subsidiary .	-	No	-	55,502 (Note 7)	111,005 (Note 7)	—
4	Green Energy Electrode,Inc. (Samoa)	Yancheng Green Energy Electrode Crop.	Other receivables	Yes	8,304 (USD 300)	8,304 (USD 300)	8,304 (USD 300)	1%	Short-term financial accommodation	-	To meet the operational needs of subsidiary .	-	No	-	25,992 (Note 7)	51,984 (Note 7)	—
5	Wisdom Field Limited	Sunshine Solar Power Generation Co., Inc.	Other receivables	Yes	193,760 (USD 7,000)	193,760 (USD 7,000)	193,760 (USD 7,000)	2%	Short-term financial accommodation	-	To meet the operational needs of subsidiary .	-	No	-	184,769 (Notes 3 and 8)	277,153 (Note 3)	—
6	Merchant Energy PTE., Ltd.	Sunshine Solar Power Generation Co., Inc.	Other receivables	Yes	130,096 (USD 4,700)	130,096 (USD 4,700)	130,096 (USD 4,700)	2%	Short-term financial accommodation	-	To meet the operational needs of subsidiary .	-	No	-	109,704 (Notes 3 and 8)	164,557 (Note 3)	—
7	Eiwa Electric Power Co., Inc.	Giga Solar Materials Corporation	Other receivables	Yes	240,500 (JPY1,000,000)	- (JPY -)	- (JPY -)	1.6%	Short-term financial accommodation	-	To meet the operational needs	-	No	-	615,931 (Note 5)	615,931 (Note 5)	—
8	Giga Diamond Materials Corporation	Yancheng Giga Diamond Materials Corporation	Other receivables	Yes	209,814 (USD 7,580)	157,499 (USD 5,690)	157,499 (USD 5,690)	1%	Short-term financial accommodation	-	To meet the operational needs of subsidiary .	-	No	-	266,116 (Note 4)	266,116 (Note 4)	—
		Hua Hsu Optotech Co., Ltd.	Other receivables	Yes	30,000	25,000	25,000	3%	Short-term financial accommodation	-	To meet the operational needs of subsidiary .	-	No	-	266,116 (Note 4)	266,116 (Note 4)	—

Note 1: It refers to the other receivables recognized instead due to the fact that the receivables of related parties exceeded a certain period of normal credit extension period, and the loan nature was approved by the board meeting of Giga Solar Materials Corporation on November 11, 2021.

Note 2: The amount of funds lending to individual shall not exceed 10% of the current net worth of the lending company, and the total amount of funds lending shall not exceed 40% of the current net worth of the lending company; for companies that have business dealings with the Company, the amount of individual funds lending shall not exceed the amount of business dealings between the two parties, and the total amount of funds lending from the Company shall not exceed 40% of the Company's net worth.

Note 3: The total amount of funds lending shall not exceed 60% of the net worth of the lending company, and the total amount of funds lending to companies with short-term financial accommodation needs shall not exceed 40% of the net worth of the lending company. If the lending company directly or indirectly owns more than 50% of the voting shares of a subsidiary or a subsidiary that is included as a consolidated entity under IFRSs, the amount of individual funds lending is limited to 40% of the Company's net worth; the amount of individual funds lending to other parties is limited to 10% of the Company's net worth.

Note 4: The total amount of funds lending shall not exceed 40% of the Company's net worth, and the amount of funds lending to individual companies that are affiliated with the Company with short-term financing accommodation needs shall be limited to 40% of the Company's net worth; for other parties, the amount shall not exceed 10% of the Company's net worth.

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Note 5: The total amount of funds lending by Eiwa Electric Power Co., Inc. shall be limited to no more than 2% of its most recent net worth. The amount of individual funds lending to the parent company that directly or indirectly holds 100% of its voting shares is limited to 2000% of the Company's net worth. For subsidiaries in which more than 50% of the voting shares are directly or indirectly held and are in needs for short-term financial accommodation as well as those included in the consolidated entities under IFRSs, the amount of individual funds lending is limited to 40% of its most recent net worth.

Note 6: If foreign currencies are involved, they are converted into New Taiwan dollars at the exchange rate on the date of the financial report (the ending exchange rate is 1 RMB = 4.3440 NT$, 1 USD = 27.68 NTD and 1 JPY = 0.2405 NTD).

Note 7: The total amount of funds lending shall not exceed 40% of the Company's most recent net worth, and the amount of funds lending to individual companies that are affiliated with the Company for short-term financing accommodation shall be limited to 20% of the Company's most recent net worth; for other parties, the amount shall not exceed 10% of the Company's most recent net worth.

Note 8: The capital loan and ending balance exceeded the limit; the subsidiary Whole Sun Green Power Co., Ltd. formulated an improvement plan on December 8, 2021 which has been approved by the board meeting, and will complete the improvement according to the planned schedule.

Note 9: NT$748,644 thousand was recognized as other receivables due to the fact that the receivables of Giga Solar Materials Corporations from Yancheng Giga Diamond Materials Corporation exceeded a certain period of normal credit extension period, and the loan nature was approved by the board meeting of Giga Solar Materials Corporation on January 24, 2022.

Gigastorage Corporation

Endorsement and Guarantee for Others

January 1 to December 31, 2021

Exhibit 2

Units: NTD thousands, unless otherwise stated

Number	Name of the company providing endorsement and guarantee	Party endorsed and guaranteed		Limit for endorsement and guarantee for a single enterprise	Balance of the maximum endorsement and guarantee for the period	Balance of endorsement and guarantee at the end of the period	Actual amounts drawn	Amount of endorsement and guarantee by property	Percentage of cumulative endorsements and guarantees to net worth of the most recent financial statements (%)	Limit for Maximum Endorsement and Guarantee	Parent company endorsement and guarantee for subsidiary	Subsidiary endorsement and guarantee for parent company	Endorsement and guarantee for Mainland China	Remarks
		Company name	Relationship											
1	Giga Diamond Materials Corporation	Yancheng Giga Diamond Materials Corporation	2	$ 665,291 (Note 1)	$ 208,512	$ 186,792	$ 121,082	$ 129,582	28.08	$ 665,291	Y	—	Y	—

Note 1: According to Giga Diamond Materials Corporation's "Operating Procedures for Endorsements and Guarantee," the total amount of endorsement and guarantee shall not exceed 100% of the net worth of the current period, among which the endorsement and guarantee limit for a single enterprise shall not exceed 10% of the net worth of the current period, except for the subsidiaries directly or indirectly invested by Giga Diamond Materials Corporation. The total amount of endorsements and guarantee by Giga Diamond Materials Corporation and its subsidiaries as a whole shall not exceed 100% of the Company's net worth, and the endorsement and guarantee for a single enterprise shall not exceed 10% of the Giga Diamond Materials Corporation's net worth.

Note 2: If foreign currencies are involved, they are converted into New Taiwan dollars at the exchange rate on the date of the financial report (the ending exchange rate is 1 RMB = 4.3440 NT$, 1 USD = 27.68 NTD and 1 JPY = 0.2405 NTD).

Gigastorage Corporation

Marketable Securities Held at the End of the Period

December 31, 2021

Exhibit 3

Units: NTD thousands, unless otherwise stated

.Subsidiaries held	Type of marketable securities	Name of marketable securities	Relationship with the issuer of marketable securities	Booked account	End of the period				Remarks
					Unit	Book value	Shareholding ratio (%)	Fair value	
Gigastorage Corporation	Stocks	Prorit Corporation	—	Financial assets measured at fair value through other comprehensive income – non-current	3,942,205	$ 12,812	1.26	$ 12,812	—
	Stocks	New Land Packing Corporation	—	Financial assets measured at fair value through other comprehensive income – non-current	2,155,410	34,637	11.97	34,637	—
Wafering Technology Corporation	Stocks	Big Sun Energy Technology Inc.	The Company is its corporate director	Financial assets measured at fair value through other comprehensive income – non-current	8,000,000	-	1.98	-	—
Giga Solar Materials Corporation	Stocks	SyneuRx International (Taiwan) Corp.	—	Financial assets at fair value through profit or loss – non-current	245,086	11,997	0.20	11,997	—
	Funds	TIEF Fund, L.P.	—	Financial assets at fair value through profit or loss – non-current	-	26,284	7.45	26,284	—
	Stocks	Long Time Technology Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income – non-current	8,005,000	460,859	6.65	460,859	—
	Stocks	Big Sun Energy Technology Inc.	—	Financial assets measured at fair value through other comprehensive income – non-current	2,250,000	-	0.56	-	—
Tron Energy Technology Corporation	Stocks	Phoenix Battery Corporation	—	Financial assets at fair value through other comprehensive income – Non-current	500,000	5,000	1.33	5,000	—

Note 1: The marketable securities listed above were not guaranteed or pledged for borrowing or otherwise restricted by contract as of December 31, 2021.

Note 2: For information on investment in subsidiaries and affiliated companies, please refer to Exhibits 7 and 8.

Gigastorage Corporation

Acquisition of Real Estate Reaching NT$300 Million or 20% of Paid-in Capital or More.

January 1 to December 31, 2021

Exhibit 4

Units: NTD thousands, unless otherwise stated

The company which acquired the real estate	Asset name	Date of occurrence	Transaction amount	Consideration payment status	Trading counterparty	Relationship	If the trading counterparty is a related party, the previous transfer information				Reference for price determination	Acquisition purpose and status of use	Other agreed matters
							Owner	Relationship with the issuer	Transfer date	Amount			
The Company.	Land	February 19, 2021	$ 1/6 of NT$2,000,000 thousand	The first installment has been paid, and the total amount is NT$50,000 thousand	Natural person	No	Not applicable	Not applicable	Not applicable	Not applicable	Market price and appraisal report	It is required for participating in the development of the Green Energy Industrial Park and the medium and long-term operation planning of the Group	No
Giga Solar Materials Corporation	Land and buildings	July 6, 2021	$ 315,000	$ 315,000	Yoyo Enterprise Inc.	No	Not applicable	Not applicable	Not applicable	Not applicable	After considering the current market price and negotiating with the seller	For the operation of Giga Solar Materials Corporation and its subsidiaries	No
	Land and buildings	December 15, 2021	840,379	80,000	Energy Pass Incorporation	No	Not applicable	Not applicable	Not applicable	Not applicable	After considering the current market price and negotiating with the seller	For the operation of Giga Solar Materials Corporation and its subsidiaries	No

Gigastorage Corporation

Purchases or Sales of Goods from or to Related Parties Reaching NT$100 Million or 20% of Paid-in Capital or More

January 1 to December 31, 2021

Exhibit 5

Units: NTD thousands, unless otherwise stated

Purchase (sales) company	Name of trading counterparty	Relationship	The circumstance of the dealings				The circumstances and reasons why the trading terms are different from those of ordinary transactions		Notes and accounts receivable (payable)		Remarks
			Purchase (sales)	Amount	As a percentage of total purchase (sales)	Credit period	Unit price	Credit period	Balance	As a percentage of total notes and accounts receivable (payable)	
Giga Solar Materials Corporation	Yancheng Giga Solar Materials Corporation	Affiliates of the Company	Sales	$ 959,382	21.15%	Monthly settlement 120–180 days	$ -	—	$ 477,094	46.12%	—

Gigastorage Corporation

Receivables from Related Parties Reaching NT$100 Million or 20% of Paid-in Capital or More.

December 31, 2021

Exhibit 6

Units: NTD thousands, unless otherwise stated

Companies recorded as accounts receivables	Name of trading counterparty	Relationship	Balance of receivables from related parties	Turnover rate	Past due receivables from related parties		Amount of receivables from related parties collected during the subsequent period	Provision of allowance for loss
					Amount	Method of processing		
Accounts receivable and other receivables								
Giga Solar Materials Corporation	Yancheng Giga Solar Materials Corporation	Affiliates of the Company	$ 1,444,023	Once	$ 966,929	Ongoing Collections	$ 499,560	-
Giga Diamond Materials Corporation	Yancheng Giga Diamond Materials Corporation	Affiliates of the Company	288,589	-	131,090	Ongoing Collections	-	-
Other receivables								
Whole Sun Green Power Co., Ltd.	Sunshine Solar Power Generation Co., Inc.	Affiliates of the Company	269,085	-	-	—	-	-
Wisdom Field Limited (Samoa)	Sunshine Solar Power Generation Co., Inc.	Affiliates of the Company	199,955	-	-	—	-	-
Merchant Energy PTE.,Ltd.	Sunshine Solar Power Generation Co., Inc.	Affiliates of the Company	138,716	-	-	—	-	-
Yancheng Giga Solar Materials Corporation	Tron Giga (Yancheng) Energy Co., Ltd.	Affiliates of the Company	117,440	-	9,997	Ongoing Collections	9,997	-

Gigastorage Corporation

Name of Investee, Location, Etc.

January 1 to December 31, 2021

Exhibit 7

Units: NTD thousands, unless otherwise stated

Investor name	Investee name	Location	Principal Business	Initial investment amount		Holding at the end of the period			Profits (losses) of the investee for the period	Investment gain (loss) recognized in the period	Remarks
				The end of the period	The end of last year	Number of shares	Percentage	Book value			
Gigastorage Corporation	Global Acetech Co., Ltd.	Thailand	Solar Energy Related Business	$ 1,094,992	$ 1,123,004	29,574,997	99.99%	$ 11,962	$ 3,319	$ 3,319	—
	UJGIGA Co., Ltd.	Kaohsiung City	Solar Energy Related Business	33,840	11,640	3,384,000	30%	33,949	379	113	—
	Giga Solar Materials Corporation	Hukou Township, Hsinchu County	Precision chemical materials, industrial plastic products	163,955	164,087	29,708,902	39.15%	2,509,214	(375,458)	(143,756)	(Note 5)
	Ho Mi Specialty Materials Corporation	Hukou Township, Hsinchu County	Precision chemical materials	93,500	93,500	9,350,000	92.57%	83,061	(1,083)	(924)	(Note 5)
	Giga Solar Green Power Co., Ltd.	Hukou Township, Hsinchu County	Solar Energy Related Business	85,000	75,000	8,749,975	50%	86,887	(1,982)	(991)	(Note 5)
	Wafering Technology Corporation	Hukou Township, Hsinchu County	Solar Energy Related Business	180,001	180,001	26,996,112	100%	244,078	6,721	7,418	(Note 5)
	Wole Max Green Power Co., Ltd.	Hukou Township, Hsinchu County	Solar Energy Related Business	366,622	366,622	33,790,000	31%	356,775	50,033	15,510	(Note 5)
	Ri Yun Green Energy Corporation	Taipei City	Solar Energy Related Business	48,300	42,000	4,830,000	30%	47,933	(506)	(151)	—
	Tron Energy Technology Corporation	Taoyuan City	Electric buses, diesel buses/battery systems/energy storage systems	49,950	-	666,000	1.11%	48,995	(64,050)	(918)	—
	Shuoyitai Green Energy Co., Ltd.	Hukou Township, Hsinchu County	Development, installation and holding of energy storage systems	350	-	35,000	35%	343	(20)	(7)	(Note 6)
	Jieshuo Co., Ltd.	Hukou Township, Hsinchu County	Development of solar energy and energy storage systems	4,990	-	499,000	49.9%	4,981	(18)	(9)	(Note 6)

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Investor name	Investee name	Location	Principal Business	Initial investment amount		Holding at the end of the period			Profits (losses) of the investee for the period	Investment gain (loss) recognized in the period	Remarks
				The end of the period	The end of last year	Number of shares	Percentage	Book value			
Wafering Technology Corporation	Giga Solar Materials Corporation	Hukou Township, Hsinchu County	Precision chemical materials, industrial plastic products	$ 105,387	$ 143,593	502,000	0.66%	$ 42,399	($ 375,458)	$ (Note 2)	—
	Giga Diamond Materials Corporation	Hukou Township, Hsinchu County	Manufacturing of metal wire products, manufacturing of electronic components, trading and other related businesses	1,077	1,043	38,114	0.03%	222	(104,098)	(Note 2)	—
	Tron Energy Technology Corporation	Taoyuan City	Electric buses, diesel buses/battery systems/energy storage systems	49,302	31,970	733,200	1.22%	43,865	(64,050)	(Note 2)	—
	Ligao Optoelectronics Co., Ltd.	Hukou Township, Hsinchu County	Solar Energy Related Business	56,800	31,800	5,680,000	50%	47,707	(649)	(Note 2)	—
	Wole Max Green Power Co., Ltd.	Hukou Township, Hsinchu County	Solar Energy Related Business	94,612	94,612	8,720,000	8%	92,071	50,033	(Note 2)	—
	UJGIGA Co., Ltd.	Kaohsiung City	Solar Energy Related Business	21,432	7,372	2,143,200	19%	21,504	379	(Note 2)	—
	Yusheng Energy Co., Ltd.	Taipei City	Renewable energy relate business	50,000	-	5,000,000	11.88%	50,058	228	(Note 2)	—
Giga Solar Materials Corporation	Whole Sun Green Power Co., Ltd.	Hukou Township, Hsinchu County	Solar Energy Related Business	2,723,842	2,723,842	126,516,924	100%	1,480,667	3,139	(Note 2)	—
	Giga Solar Materials Corporation (Mauritius)	Mauritius	General investment	565,410	565,410	17,900,000	100%	854,867	(140,186)	(Note 2)	(Note 5)
	Tron Energy Technology Corporation	Taoyuan City	Electric buses, diesel buses/battery systems/energy storage systems	461,875	399,723	6,244,989	10.40%	457,257	(64,050)	(Note 2)	(Note 5)

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Investor name	Investee name	Location	Principal Business	Initial investment amount		Holding at the end of the period			Profits (losses) of the investee for the period	Investment gain (loss) recognized in the period	Remarks
				The end of the period	The end of last year	Number of shares	Percentage	Book value			
Giga Solar Materials Corporation	Giga Diamond Materials Corporation	Hukou Township, Hsinchu County	Manufacturing of metal wire products, manufacturing of electronic components, trading and other related businesses	$ 500,471	$ 477,938	36,658,046	32.05%	$ 222,312	($ 104,098)	(Note 2)	—
	Tron Energy Technology Corporation	Hukou Township, Hsinchu County	Manufacturing and trading of energy materials	216,971	116,754	15,858,067	48.39%	134,863	(42,229)	(Note 2)	—
	Prosperous China Inc.	Samoa	General investment	18,904	18,904	500,000	100%	19,031	277	(Note 2)	—
	Yusheng Energy Co., Ltd.	Taipei City	Renewable energy relate business	60,000	-	6,000,000	14.25%	60,069	228	(Note 2)	—
Green Energy Electrode, Inc.	Green Energy Electrode, Inc.(Samoa)	Samoa	General investment	176,342	77,966	6,000,000	100%	129,729	(25,365)	(Note 2)	—
Whole Sun Green Power Co., Ltd.	Eiwa Electric Power Co., Inc.	Fukushima Prefecture, Japan	Solar Energy Related Business	15,070	15,070	-	100%	76,846	18,307	(Note 2)	—
	Godo Kaisha Best Solar	Chiba Prefecture, Japan	Solar Energy Related Business	44,939	44,939	-	- (Note 1)	42,397	7,708	(Note 2)	—
	Godo Kaisha Chiba 1	Wakayama, Japan	Solar Energy Related Business	62,788	42,428	-	- (Note 1)	48,420	(963)	(Note 2)	—
	Godo Kaisha Merchant Energy NO.8	Fukushima Prefecture, Japan	Solar Energy Related Business	69,325	69,325	-	- (Note 1)	135,815	51,967	(Note 2)	—
	Wisdom Field Limited (Samoa)	Samoa	General investment	1,173,221	1,173,221	37,110,000	100%	461,922	(47,736)	(Note 2)	—
Wisdom Field Limited (Samoa)	Merchant Energy PTE., Ltd.	Singapore	General investment	930,951	930,951	29,800,000	87.65%	240,390	(50,783)	(Note 2)	—
Merchant Energy PTE., Ltd.	Sunshine Solar Power Generation Co., Inc.	Philippines	Solar Energy Related Business	814,827	814,827	-	39.93%	100,833	(56,689)	(Note 2)	—
Giga Diamond Materials Corporation	Giga Diamond Materials Corporation (Seychelles)	Seychelles	General investment	594,542	594,542	19,200,000	100%	(128,263)	(121,897)	(Note 2)	—
	Hua Hsu Optotech Co., Ltd.	Xitun District, Taichung	Wafer surface treatment, silicon processing, silicon materials for solar energy, OEM business, etc.	235,784	152,712	8,100,000	100%	244,620	83,576	(Note 2)	—

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Note 1: Whole Sun Green Power Co., Ltd. invests in Godo Kaisha Best Solar, Godo Kaisha Chiba 1 and Godo Kaisha Merchant Energy No.8 according to the Japanese TK-GK structure. Although it does not hold voting rights, Whole Sun Green Power Co., Ltd. is endowed with economic beneficial rights and the right to request these parties to consult Whole Sun Green Power Co., Ltd. in advance for major decision-making requests according to the contract.

Note 2: Gains or losses on investments in these companies are included in the investment gain or loss of the subsidiaries.

Note 3: The relevant figures here are presented in NTD. Where foreign currencies are involved, they should be translated into NTD using the exchange rates prevailing at the date of the financial statements.

Note 4: Please refer to Exhibit 8 for information on investees in Mainland China.

Note 5: For the investment gain or loss for the period, taken into account were the unrealized gain or loss on intercompany transactions and the amortization effect of the excess of the fair value of identifiable net assets over their carrying amount at the time of original acquisition.

Note 6: Jieshuo Co., Ltd. and Shuoyitai Green Energy Co., Ltd. are individual insignificant joint ventures, and their financial reports have not been audited by CPAs; however, the management of the Consolidated Company believes that these individual insignificant financial reports of the joint venture companies will not have significant differences if audited by CPAs.

Gigastorage Corporation

Information on Investment in Mainland China

January 1 to December 31, 2021

Exhibit 8

Units: NTD thousands, unless otherwise stated

Investee name in Mainland China	Principal Business	Paid-in capital	Investment method	Accumulated investment amount remitted from Taiwan at the beginning of the period	Amount of investment remitted or recovered during the period		Accumulated investment amount remitted from Taiwan at the end of the period	Profits or losses of the investee for the period	Shareholding percentage of the Company's direct or indirect investment	Investment gain or loss recognized in the period (Note 2)	Carrying amount of investment at the end of the period	Investment income remitted back as of the end of the period	Remarks
					Remittance	Recovery							
Suzhou Giga Solar Materials Corporation	Photovoltaic process testing and technical services, etc.	$ 88,625 (USD 3,000)	Indirectly invested through an invested enterprise in the third region (Mauritius)	$ 88,625 (USD 3,000)	$ -	$ -	$ 88,625 (USD 3,000)	($ 3,739)	100%	($ 3,739)	$ 81,683	$ -	(Note 2)
Yancheng Giga Solar Materials Corporation	Photovoltaic process testing and technical services, etc.	638,350 (USD 14,900+ CNY 35,000) (Note 5)	Indirectly invested through an invested enterprise in the third region (Mauritius)	478,050 (USD 14,900)	-	-	478,050 (USD 14,900)	(140,392)	100%	(140,392)	748,966	-	(Note 2)
Yancheng Giga Diamond Materials Corporation	Manufacturing and sale of wire materials, etc.	594,542 (USD 19,200)	Indirectly invested through an invested enterprise in the third region (Seychelles)	594,542 (USD 19,200)	-	-	594,542 (USD 19,200)	(121,897)	100%	(121,966)	(125,199)	-	(Note 2)
Yancheng Green Energy Electrode Crop.	Lithium battery material manufacturing, research and development, and lithium-ion battery technology development and consulting services	176,342 (USD 6,000)	Indirectly invested through an invested enterprise in the third region (Samoa)	77,966 (USD 2,500)	98,376 (USD 3,500)	-	176,342 (USD 6,000)	(25,365)	100%	(25,365)	129,953	-	(Note 7)
Tron Giga (Yancheng) Energy Co., Ltd.	Battery module, battery pack and battery component assembly	91,071 (USD 1,530+ CNY 10,437) (Note 6)	Indirectly invested through an invested enterprise in the third region (Mauritius)		-	-	-	8,052	49%	3,945	42,114	-	-
Nantong Exojet Technology Co., Ltd.	Manufacturing and sales of thick film materials for passive components	154,128 (USD 5,000)	Direct invest in mainland China	154,128 (USD 5,000)	-	-	154,128 (USD 5,000)	(9,428)	100%	(9,428)	88,593	-	(Note 2)
Shanghai Exojet Electronic Materials Co., Ltd.	Manufacturing and sales of thick film materials for passive components	13,686 (USD 350)	Indirectly invested through an invested enterprise in the third region (Samoa)	13,686 (USD 350)	-	-	13,686 (USD 350)	277	100%	277	18,963	-	(Note 2)

Company name	Cumulative amount of investment remitted from Taiwan to Mainland China at the end of the period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs	Ceiling on investments in Mainland China imposed by the Investment Commission of the Ministry of Economic Affairs
Giga Solar Materials Corporation	$940,232 (USD23,250+CNY45,437)	$937,902 (USD29,849)	$ 3,845,469
Giga Diamond Materials Corporation	594,542 (USD19,200)	594,542 (USD19,200)	399,174
Green Energy Electrode, Inc.	176,342 (USD6,000)	178,833 (USD6,090)	166,507

Note 1: Investment methods are classified into the following three categories; fill in the number of the category that each case belongs to:

1. Invest in Mainland China directly.
2. Invest in Mainland China through companies in third regions. (Please specify the investment company of the third region.)
3. Other methods.

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Note 2: The investment gain or loss recognized in the current period is based on the evaluation of the financial statements audited by CPAs.

Note 3: The translation is based on the exchange rate at the time of remittance.

Note 4: The repatriated investment amount was translated at the prevailing exchange rate, and the investment amount not repatriated was translated at the period end rate of 1:27.68.

Note 5: RMB35,000 thousand represented the direct investment of cash dividends from the earnings of Suzhou Giga Solar Materials Corporation through a third region (Mauritius) into Yancheng Giga Solar Materials Corporation. The process of application to the Investment Commission of the Ministry of Economic Affairs had been completed. The difference between the paid-in capital and the amount approved by the Investment Commission of the Ministry of Economic Affairs is due to the difference between the exchange rate of USD and RMB on the date of application and the date of remittance.

Note 6: RMB10,437 thousand represented the direct investment of cash dividends from the earnings of Suzhou Giga Solar Materials Corporation through a third region (Mauritius) into Tron Giga (Yancheng) Energy Co., Ltd. The process of application to the Investment Commission of the Ministry of Economic Affairs had been completed. The difference between the paid-in capital and the amount approved by the Investment Commission of the Ministry of Economic Affairs is due to the difference between the exchange rate of USD and RMB on the date of application and the date of remittance.

Note 7: Green Energy Electrode, Inc. invested US$3.5 million in Yancheng Green Energy Electrode Crop. with the self-owned funds of Green Energy Electrode, Inc.(Samoa) as an investment enterprise in the third region approved by the Investment Committee of the Ministry of Economic Affairs in April 2021, and the investment has completed.

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Gigastorage Corporation

Schedule of Cash and Cash Equivalents

December 31, 2021

Schedule 1 Units: NTD thousands, unless otherwise stated

Name	Abstract	Amount
Cash on hand and petty cash		$ 451
Bank deposits		
Demand deposits	Including NT$124,171 thousand and USD1,984 thousand (exchange rate 27.68)	179,098
		$179,549

Gigastorage Corporation

Schedule of Notes and Accounts Receivable

December 31, 2021

Schedule 2 Unit: NTD thousands

Customer name	Amount
Not-related party	
Customer A	$ 43,913
Customer B	37,910
Customer C	21,506
Customer D	13,439
Customer E	12,242
Customer F	11,159
Others (Note)	19,263
Less: allowance for doubtful accounts	(2,367)
	157,065
Related party	
UJGIGA Co., Ltd.	17,218
Other related party (Note)	1,893
	19,111
	$176,176

Note: The balance of each party does not exceed 5% of the balance of the account.

Gigastorage Corporation

Schedule of Inventories

December 31, 2021

Schedule 3 Unit: NTD thousands

Item	Amount	
	Costs	Net realizable value
Raw materials	$ 14,502	$ 17,037
Work in process	340	416
Finished goods	3,569	3,622
	$ 18,411	$ 21,075

Gigastorage Corporation

Schedule of Financial Assets at Fair Value through Other Comprehensive Income – Non-Current

January 1 to December 31, 2021

Schedule 4

Units: NTD thousands, unless otherwise stated

Name	Balance at the beginning of the year		Increase in the year		Decrease in the year		Financial assets Unrealized gains (losses) on financial assets	Balance at the end of the year			Provision of guarantee or pledge	Remarks
	Number of shares (in thousands)	Fair value	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount		Number of shares (in thousands)	Shareholding %	Fair value		
Prorit Corporation	3,942	$ 7,451	-	$ -	-	$ -	$ 5,361	3,942	1.26	$ 12,812	No	
New Land Packing Corporation	2,156	37,008	-	-	-	-	(2,371)	2,156	11.97	34,637	No	
Total		$ 44,459		$ -		$ -	$ 2,990			$ 47,449		

Gigastorage Corporation

Schedule of Changes in Investment Accounted for Using the Equity Method

January 1 to December 31, 2021

Schedule 5

Units: NTD thousands, unless otherwise stated

	Balance at the beginning of the year		Increase in the year		Decrease in the year								Balance at the end of the year					
	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Investment income (loss)	Exchange differences on translation of financial statements of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	(Unrealized) realized net incomes on sales	Actuarial (loss) gain on defined benefit plan	Change in subsidiaries and affiliated enterprises	Number of shares (in thousands)	Shareholding %	Amount	Net equity	Pledge status	Remarks
Investments in subsidiaries																		
Giga Solar Materials Corporation	29,733	$2,405,116	-	$ -	(24)	($ 56,386)	($ 143,756)	($ 21,088)	$ 108,045	$ -	$ 890	$ 228,595	29,709	39.15	$2,521,416	$2,509,214	Yes	Notes 1 and 2
Wafering Technology Corporation	26,996	198,484	-	-	-	-	7,418	(448)	1,780	(11,188)	16	19,700	26,996	100	215,762	243,839	No	
Ho Mi Specialty Materials Corporation	9,350	83,810	-	-	-	-	(924)	-	-	-	-	421	9,350	92.57	83,307	83,061	No	
Global Acetech Co., Ltd.	118,300	40,923	-	-	(88,725)	(28,012)	3,319	(4,268)	-	-	-	-	29,575	99.99	11,962	11,962	No	Note 2
Investments in affiliates and joint ventures																		
Wole Max Green Power Co., Ltd.	33,790	352,159	-	-	-	(13,111)	15,511	-	-	116	-	-	33,790	31	354,675	356,775	No	Note 2
Giga Solar Green Power Co., Ltd.	7,500	65,461	1,250	10,000	-	-	(991)	-	-	(4,556)	-	-	8,750	50	69,914	86,887	No	
Tron Energy Technology Corporation	-	-	666	49,950	-	-	(918)	(37)	-	-	-	-	666	1.11	48,995	48,995	No	
Ri Yun Green Energy Corporation	4,200	41,784	630	6,300	-	-	(151)	-	-	-	-	-	4,830	30	47,933	47,933	No	
UJGIGA Co., Ltd.	1,164	11,636	2,220	22,200	-	-	113	-	-	-	-	-	3,384	30	33,949	33,949	No	
Jieshuo Co., Ltd.	-	-	499	4,990	-	-	(9)	-	-	-	-	-	499	49.9	4,981	4,981	No	Note 3
Shuoyitai Green Energy Co., Ltd.	-	-	35	350	-	-	(7)	-	-	-	-	-	35	35	343	343	No	Note 3
Total		$3,199,373		$ 93,790		($ 97,509)	($ 120,395)	($ 25,841)	$ 109,825	($ 15,628)	$ 906	$ 248,716			$3,393,237	$3,427,939		

Note 1: Please refer to Note 30 for the pledge status.

Note 2: The decreases in the current period include the cash dividends issued by Giga Solar Materials Corporation and Whole Max Green Power Co., Ltd. of NT$51,509 thousand and NT$13,111 thousand respectively, and the share capital returned by Global Acetech Co., Ltd. of NT$28,012 thousand.

Note 3: Jieshuo Co., Ltd. and Shuoyitai Green Energy Co., Ltd. are individual insignificant joint ventures, and their financial reports have not been audited by CPAs; however, the management of the Consolidated Company believes that these individual insignificant financial reports of the joint venture companies will not have significant differences if audited by CPAs.

Gigastorage Corporation

Schedule of Changes in Right-of-Use Assets and Changes in Accumulated Depreciation of Right-of-Use Assets

January 1 to December 31, 2021

Schedule 6

Units: NTD thousands, unless otherwise stated

	Houses and buildings	Transportation equipment	Total
Costs			
Balance as of January 1, 2021	$ 33,535	$ 1,518	$ 35,053
Balance as of December 31, 2021	33,535	1,518	35,053
Accumulated depreciation			
Balance as of January 1, 2021	6,708	605	7,313
Depreciation	3,354	523	3,877
Balance as of December 31, 2021	10,062	1,128	11,190
Net as of December 31, 2021	$ 23,473	$ 390	$ 23,863

Gigastorage Corporation

Schedule of Short-Term Borrowings

December 31, 2021

Schedule 7 Units: NTD thousands, unless otherwise stated

Name	Borrowing Balance	Contract Period	Interest range	Circumstance of pledge and guarantee
Guaranteed Line of Credit				
EnTie Bank	$ 300,000	October 26, 2021 – February 23, 2022	1.50%	The Company has provided 3,000 thousand shares of Giga Solar Materials Corporation's stock as collateral.
Taishin Bank	100,000	October 8, 2021 – January 7, 2022	1.53%	The Company has provided 2,000 thousand shares of Giga Solar Materials Corporation's stock as collateral.
Kaoshung Bank	80,000	October 20 2021 – January 20, 2022	1.70%	The Company has provided 1,000 thousand shares of Giga Solar Materials Corporation's stock as collateral.
Bank Sinopac	70,000	December 1, 2021 – June 1, 2022	1.57%	The Company has provided 3,000 thousand shares of Giga Solar Materials Corporation's stock as collateral.
Line of credit borrowing				
Taiwan Cooperative Bank	29,482	July 30, 2021 – June 28, 2022	1.40%	No
Mega International Commercial Bank	87,775	September 30, 2021 – May 16, 2022	1.40%	No
The Shanghai Commercial & Savings Bank	70,000	August 16, 2021 – April 14, 2022	1.55%	No
	$ 737,257			

Note: As of December 31, 2021, the Company has unused short-term loan lines of NT$467,988 thousand.

Gigastorage Corporation

Schedule of Accounts Payable

December 31, 2021

Schedule 8 Unit: NTD thousands

Supplier name	Amount
Not-related party	
Supplier A	$ 30,616
Supplier B	15,417
Supplier C	12,873
Supplier D	5,235
Others (Note)	15,457
	79,598
Related party	
Ho Mi Specialty Materials Corporation	189
	$ 79,787

Note: The balance of each item does not exceed 5% of the balance of the account.

Gigastorage Corporation

Schedule of Long-Term Borrowings

December 31, 2021

Schedule 9

Units: NTD thousands, unless otherwise stated

Item	Abstract	Balance at the end of the year	Contract Period	Interest range	Circumstance of provision of mortgage or guarantee
Bank borrowings					
Secured loan from Shanghai Commercial Bank	Enrichment of operating capital	$ 630,000	April 29, 2021 – April 29, 2026	1.58%	The Company has provided land and buildings as collateral.
Secured loan from Land Bank of Taiwan	Enrichment of operating capital	200,000	July 6, 2020 – July 6, 2025	1.58%	The Company has provided 6,000 thousand shares of Giga Solar Materials Corporation's stock as collateral.
Credit loan from Shanghai Commercial Bank	Enrichment of operating capital	93,500	July 26, 2019 – July 26, 2024	1.43%	No
Credit loan from Agricultural Bank of China	Enrichment of operating capital	28,000	January 25, 2021 – April 30, 2024	1.25%	No
Portion due within one year		(236,000)			
		$ 715,500			

Note: As of December 31, 2021, the Company had no unused long-term loan lines.

Gigastorage Corporation

Schedule of Lease Liabilities

December 31, 2021

Schedule 10 Units: NTD thousands, unless otherwise stated

Name	Lease period	Discount rate	Amount
Buildings	From 2019.01 to 2028.12	1.50%	$ 23,997
Transportation equipment	From 2019.09 to 2022.12	1.68%	397
Total			24,394
Less: Lease liabilities – current			(3,673)
Lease liabilities – non-current			$ 20,721

Gigastorage Corporation

Schedule of Operating Revenues

January 1 to December 31, 2021

Schedule 11 Unit: NTD thousands

Name	Quantity	Amount
Photovoltaic Ribbons	998 thousand units	$356,795
Revenues from construction projects	5,792 units (Note)	190,641
Others	—	29,382
		$576,818

Note: Of these units, 998 were still incomplete as of December 31, 2021, and revenue was recognized based on the cost of construction inputs.

Gigastorage Corporation

Schedule of Operating Costs

January 1 to December 31, 2021

Schedule 12 Unit: NTD thousands

Item	Amount
Cost of goods sold for self-produced products	
Direct raw materials	
Inventory at the beginning of the year	$ 22,789
Add: purchases during the period	297,005
Less: raw materials at the end of the year	(20,521)
Sales of raw materials	(3,571)
Transfer to expenses	(4,399)
Raw material consumption during the period	291,303
Direct labors	32,260
Manufacturing overheads	63,624
Manufacturing costs	387,187
Add: work in process at the beginning of the year	16,796
Less: work in process at the end of the year	(11,713)
Transfer to expenses	821
Work in process sold	(5,802)
Other operating costs	(11,445)
Cost of finished goods	375,844
Add: finished goods at the beginning of the year	23,417
Less: finished goods at the end of the year	(6,140)
Transfer to expenses	744
Cost of production and sales	393,865
Cost of goods sold for trading merchandise	
Inventory at the beginning of the year	-
Add: purchases during the period	16,370
Less: merchandise at the end of the year	-
Other operating costs	410,235
Cost of raw materials sold	3,571
Cost of work in process sold	5,802
Gain on reversal of loss on decline in value of inventories	(11,836)
Construction costs	149,061
Other operating costs	11,445
Income from sales of scraps	(1,851)
Others	(15,742)
Cost of goods sold	$550,685

Gigastorage Corporation

Schedule of Operating Expenses

January 1 to December 31, 2021

Schedule 13 Unit: NTD thousands

Item	Marketing expenses	Administration expenses	R&D expenses
Salary expenses	$ 7,499	$ 45,490	$ 7,635
Freight expenses	1,424	1	16
Insurance expenses	710	5,369	769
Service expenses	72	8,561	-
Depreciation expense	39	22,413	5,621
Utilities expenses	-	6,944	-
Test and experiment expenses	-	-	98
Others (Note)	2,102	26,746	2,316
	$ 11,846	$ 115,524	$ 16,455

Note: The balance of each item does not exceed 5% of the balance of the account.

Gigastorage Corporation

Summary of Employee Benefits, Depreciation and Amortization Expense by Function Incurred During the Period

January 1 to December 31, 2021 and 2020

Schedule 14 Unit: NTD thousands

	2021			2020		
	Those belonging to operating costs	Those belonging to operating expenses	Total	Those belonging to operating costs	Those belonging to operating expenses	Total
Employee benefit expenses						
Salary expenses	$ 38,641	$ 60,624	$ 99,265	$ 30,025	$ 68,032	$ 98,057
Employee insurance expenses	4,223	5,557	9,780	2,910	6,400	9,310
Pension	1,608	3,053	4,661	934	3,609	4,543
Remuneration for directors	-	1,550	1,550	-	1,680	1,680
Share-based payments	-	-	-	34	493	527
Other employee benefit expenses	2,068	2,224	4,292	1,637	2,806	4,443
	$ 46,540	$ 73,008	$ 119,548	$ 35,540	$ 83,020	$ 118,560
Depreciation expense	$ 19,852	$ 28,073	$ 47,925	$ 16,945	$ 34,559	$ 51,504
Amortization expenses	$ 36	$ 545	$ 581	$ -	$ 733	$ 733

Note 1: The number of employees for the year and the previous year were 156 and 160, respectively, of which the number of directors who were not also employees was 6 and 7, respectively.

Note 2: Companies whose shares are listed on TWSE or TPEx should disclose additional information on the following:

(1) The average employee benefit expense for the current year was NT$787 thousand (“Total employee benefit expense for the current year - Total directors’ remuneration” / “Number of employees for the current year - Number of directors who did not also serve as employees”).

The average employee benefit expense for the previous year was NT$764 thousand (“Total employee benefit expense for the previous year - Total directors’ remuneration” / “Number of employees for the previous year - Number of directors who did not also serve as employees”).

(2) The average employee salary expense for the current year was NT$662 thousand (“Total salary expense for the current year” / “Number of employees for the current year - Number of directors who did not also serve as employees”).

The average employee salary expense for the previous year was NT$641 thousand (“Total salary expense for the previous year” / “Number of employees for the previous year - Number of directors who did not also serve as employees”).

(3) Change in average employee salary expense adjustment of 3.28% (“Average employee salary expense for the current year - Average employee salary expense for the previous year” / Average employee salary expense for the previous year)

(4) The Company has no supervisor and therefore does not intend to disclose the salary, remuneration and business execution expenses of the supervisor.

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(5) The Company's remuneration policy is to provide all employees with compensation and benefits that are at least in line with the average salary level compared to the relevant industry, in order to attract talented and stable employees to continue to work for the Company. Employee compensation includes monthly salaries, quarterly bonuses for operational performance, and employee profit sharing remuneration based on annual profitability. In accordance with the Company's Articles of Association, the Company shall set aside 4% to 8% as employee profit sharing remuneration and no more than 3% as director remuneration if the Company makes a profit in the year. The amount and distribution method shall be proposed by the Remuneration Committee to the board meeting and approved by the board meeting for payment. Each employee's allocated employee profit sharing remuneration is determined based on individual duties, contributions, and performance.