Stock Code: 2397

DFI Inc. and its subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

For the Years Ended December 31, 2021 and 2020

This is the translation of the financial statements. CPAs do not audit or review on this translation.

Address: 10F, No. 97, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City
Tel: (02)26972986

Table of Contents

Statements

The entities of the Company that are required to be included in the consolidated financial statements of affiliates as of and for the year ended December 31, 2021 (from January 1 to December 31, 2021), under the "Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those included in the consolidated financial statements of parent company and its subsidiary prepared in conformity with the International Financial Reporting Standard 10 endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the consolidated financial statements of affiliates is included in the consolidated financial statements of parent company and its subsidiary. Consequently, we do not prepare a separate set of consolidated financial statements of affiliates.

Hereby certify

Company name: DFI Inc.

Chairman: Chi-Hung, Chen

Date: March 3, 2022

Independent Auditors' Report

The Board of Directions and Shareholders DFI Inc.

Audit Opinion

We have audited the accompanying consolidated financial statements of DFI Inc. and its subsidiaries (hereinafter "the Group"), which comprise the consolidated balance sheets as of December 31, 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion which based on our audit results and the other certified public accountants' audit reports (please refer to the paragraph of other matter), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for opinion

We conducted audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards of the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audit results and other certified public accountants' audit reports, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of DFI Inc. and its subsidiaries' consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters that we judge should be communicated in the audit reports are stated as follows:

I. Inventory valuation

For accounting policies related to inventory valuation, please refer to Note IV (VIII) of the consolidated financial statements; for uncertainty of accounting estimates and assumptions of inventory valuation, please refer to Note V (I) of the consolidated financial statements; for situation of inventory price loss provision, please refer to Note VI (VI) of the consolidated financial statements.

Key audit matters are stated as follows:

Inventories are subsequently measured by the lower of cost and net realizable value. Due to the rapid development of technology, the original material in stock may no longer meet the market demand, or the sales price may fall due to competition, resulting in the cost of inventory may exceed its net realizable value; the assessment of net realizable value involves the subjective judgment of the management, and, therefore, the inventory evaluation is one of the material evaluation matters for us to perform the audit of the consolidated financial statements of the Group.

The audit procedures to process for the above:

Our main audit procedures for the above-mentioned key audit matters include reviewing the inventory aging reports provided by the Group and analyzing situation in inventory age changes; checking the correctness of the inventory aging reports by sampling; evaluating the inventory valuation and confirming that it has been processed in accordance with the established accounting policies of the Group; assessing the reasonableness of the impairment losses on inventories which was set aside by the management previously.

II. Business combinations

For accounting policies related to business combinations, please refer to Note IV (XIX) of the consolidated financial statements; for description of business combinations, please refer to Note VI (VIII) of the consolidated financial statements.

Key audit matters are stated as follows:

For the year ended December 31, 2021, the Company acquired 35.09% of Brainstorm Corporation's ordinary shares and special shares, and according to the investment agreement between both parties and the Articles of Association of Brainstorm Corporation, the Company has acquired 55.29% of the voting rights and more than half of the seats at the Board of Directors, and, therefore, it has taken control of Brainstorm Corporation. Due to the accounting treatment of business combination, the management needs to determine the fair value of identifiable acquired assets and liabilities assumed; the process involves many assumptions and estimates with complexity, so the business combination is one of the material evaluation matters for us to perform the consolidated financial statements of the Group.

The audit procedures to process for the above:

Our main audit procedures for the above-mentioned key audit matters include obtaining the fair value assessment and the purchase price allocation of intangible assets reports entrusted by the management to external experts, and assessing the assets and liabilities identified by management at the acquisition date and the reasonableness of their evaluations; appointing our experts of evaluation to assist in assessing the reasonableness of the evaluation methods and material assumptions used in the evaluation; we also assess the correctness of the accounting of the Group and whether the relevant information about the acquisition has been properly disclosed.

III. Impairment Assessment of Goodwill

For accounting policies related to impairment of non-financial assets, please refer to Note IV (XIII) of the consolidated financial statements; for description of the uncertainty of accounting estimates and assumptions of impairment assessment of goodwill, please refer to Note V (III) of the consolidated financial statements; for description of impairment test of goodwill, please refer to Note VI (XI) of the consolidated financial statements.

Key audit matters are stated as follows:

The Group's goodwill arising from business combinations should be tested for impairment annually, or whenever there is an indication of impairment. Due to assessing the recoverable amount of the cash-generating unit to which goodwill belongs involves a number of management assumptions and estimates, the goodwill impairment assessment is one of the important assessment matters for us to perform the audit of the consolidated financial report of the Group.

The audit procedures to process for the above:

Our main audit procedures for the above key audit matters include obtaining a goodwill impairment assessment test form self-assessed by the management; evaluating the basis of estimates and key assumptions used by the management to measure the recoverable amount, including reasonableness of discount rates, expected revenue growth rates, and future cash flow forecast, etc.; processing sensitivity analysis for key assumptions, and checking whether the Group have properly disclosed relevant information on goodwill impairment assessment.

Other Matters

Among the subsidiaries listed in the Group's consolidated financial statements, partial subsidiary's financial statements were not audited by us but by other certified public accountants. Therefore, our opinions expressed in the consolidated financial statements regarding the amounts of that partial subsidiary are according to other certified public accountants' audit reports. That subsidiary's total assets amounted to $277,176 thousand in New Taiwan Dollars (same as below) as of December 31, 2021, accounting for 2.25% of the consolidated total assets, and its net operating revenue was $739,706 thousand for the year ended December 31, 2021, accounting for 5.6% of the consolidated net operating revenue.

The consolidated financial statements of the Group for the year ended December 31, 2020 were audited by other accountants, which issued an audit report with unqualified opinion plus other matter paragraph on March 22, 2021.

DFI Inc. has prepared the parent company only financial statements as of and for the years ended December 31, 2021 and 2020 on which we and other accountants have individually issued an audit report with unqualified opinion plus other matter paragraph for reference.

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

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

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

Those charged with governance (including Audit Committee) are responsible for overseeing the Group’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. If the individual amounts or sums that the material misstatement involved may be reasonably expected to affect the financial decision making of users of the consolidated financial statements, such misstatement will be considered material.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of' the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause DFI Inc. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtained sufficient and appropriate audit proof of the financial information of the Group's constituents so as to express opinions on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our opinion to the group.

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

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

From the matters communicated with those charged with governance, we determine the key audit matters of the DFI Inc. and its subsidiaries' consolidated financial statements for the year ended December 31, 2021. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG

Certified Public Accountant:

Assurance Document Number Approved by Securities Regulator	:	(88) Taiwan-Finance-Securities-VI-18311 Financial-Supervisory-Securities-Audit-1060005191

March 3, 2022

Notes to Readers

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

The independent auditors' audit report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and financial statements, the Chinese version shall prevail.

DFI Inc. and its subsidiaries

Consolidated Balance Sheets

December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

	Assets	2021.12.31		2020.12.31	
	Current assets:	**Amount**	**%**	**Amount**	**%**
1100	Cash and cash equivalents (Note VI (I))	$ 1,521,790	12	1,922,245	24
1110	Financial assets at fair value through profit or loss - current (Notes VI (II))	28,528	-	28,221	-
1136	Financial assets at amortized cost - current (Notes VI (IV) & VIII)	1,708	-	1,708	-
1170	Net of notes receivable and accounts receivable (Notes VI (V) (XXI) & VIII)	2,596,077	21	1,840,247	23
1180	Trade receivable - related parties (Notes VI (V) (XXI) & VII)	167,795	2	144,234	2
1200	Other receivables (Notes VI (V) & VII)	30,806	-	13,411	-
130X	Inventories (Notes VI (VI))	3,583,295	29	1,528,105	19
1410	Prepayments	133,011	1	60,497	1
1460	Non-current assets held for sale (Notes VI (VII)(IX)(X))	312,601	3	-	-
1470	Other current assets	16,227	-	8,045	-
	Total current assets	8,391,838	68	5,546,713	69
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes VI (III))	42,547	-	30,807	-
1600	Property, plant and equipment (Notes VI (IX) & VII)	2,466,382	20	1,911,589	24
1755	Right-of-use assets (Notes VI (X) & VII)	267,778	2	144,577	2
1780	Intangible assets (Notes VI (VIII) (XI) & VII))	974,453	8	308,790	3
1840	Deferred tax assets (Notes VI (XVII)	78,856	1	87,688	1
1990	Other non-current assets (Notes VI (XVI))	90,342	1	53,840	1
	Total non-current assets	3,920,358	32	2,537,291	31
	Total assets	**$ 12,312,196**	**100**	**8,084,004**	**100**

(Please refer to notes to consolidated financial statements)

Chairman: Chi-Hung, Chen **President: Chia-Hung, Su** **Accounting Supervisor: Li-Min, Huang**

DFI Inc. and its subsidiaries

Consolidated Balance Sheets (Continued from the previous page)

December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

		2021.12.31		2020.12.31	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (Notes VI (XII) & VIII)	$ 1,311,304	11	823,701	10
2120	Financial liabilities at fair value through profit or loss-current (Notes VI (II))	821	-	9,768	-
2130	Contract liabilities - current (Note VI (XXI))	181,755	1	96,698	1
2170	Notes and trade payables	2,191,477	18	1,083,474	13
2180	Trade payables to related parties (Note VII)	63,053	1	104,880	1
2200	Other payables (Note VI (XXII) & VII)	548,898	4	404,349	5
2230	Current income tax liabilities	86,768	1	122,492	2
2250	Provisions - current (Note VI (XV))	46,247	-	56,827	1
2280	Lease liabilities - current (Note VI (XIV) & VII)	73,484	1	52,120	1
2322	Long-term borrowings - current portion (Notes VI (XIII) & VIII)	20,000	-	-	-
2399	Other current liabilities	17,092	-	17,614	-
	Total current liabilities	4,540,899	37	2,771,923	34
	Non-current liabilities:				
2540	Long-term borrowings (Notes VI (XIII) & VIII)	1,730,000	14	-	-
2570	Deferred tax liabilities (Notes VI (XVII)	315,669	3	174,584	2
2580	Contract liabilities - non-current (Note VI (XIV) & VII)	181,231	2	63,896	1
2640	Net defined benefit liabilities - non-current (Note VI (XVI))	40,584	-	39,962	1
	Total non-current liabilities	2,267,484	19	278,442	4
	Total liabilities	6,808,383	56	3,050,365	38
	Equity attributable to the owners of the parent company (Notes VI (III) (VIII) (XVII) & (XVIII))				
3110	Share capital - ordinary shares	1,144,889	9	1,146,889	14
3200	Capital surplus	655,744	5	679,735	9
3300	Retained earnings	1,371,470	11	1,235,993	15
3400	Other equity	(114,824)	(1)	(74,607)	(1)
3500	Treasury shares	-	-	(12,907)	-
	Total equity attributable to owners of parent company	3,057,279	24	2,975,103	37
36XX	**Non-controlling interests (Note VI (VIII) (XVIII))**	2,446,534	20	2,058,536	25
	Total equity	5,503,813	44	5,033,639	62
	Total liabilities and equity	$ 12,312,196	100	8,084,004	100

(Please refer to notes to consolidated financial statements)

Chairman: Chi-Hung, Chen **President: Chia-Hung, Su** **Accounting Supervisor: Li-Min, Huang**

DFI Inc. and its subsidiaries

Consolidated Statements of Comprehensive Income

January 1 to December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

		2021		2020	
		AMOUNT	%	AMOUNT	%
4000	**Net operating revenue (Notes VI (VIII) (XXI), VII & XIV)**	$ 13,211,276	100	8,349,522	100
5000	**Operating costs (Note VI (VI) (IX) (X) (XI) (XV) (XVI) (XXII), VII & XII)**	(10,690,279)	(81)	(6,240,423)	(75)
	Gross Profit	2,520,997	19	2,109,099	25
	Operating expenses (Note VI (V) (IX) (X) (XI) (XIV) (XVI) (XXII), VII & XII):				
6100	Selling and marketing expenses	(1,172,469)	(9)	(746,508)	(9)
6200	General and administrative expenses	(405,221)	(3)	(355,860)	(4)
6300	Research and development expenses	(421,608)	(3)	(405,350)	(5)
6450	Gain on reversal of expected credit loss	4,631	-	46,744	1
6000	**Total operating expenses**	(1,994,667)	(15)	(1,460,974)	(17)
	Net operating income	526,330	4	648,125	8
	Non-operating income and expenses (Note VI (VII) (XIV) (XXIII) & VII):				
7100	Interest income	2,581	-	5,350	-
7010	Other income	20,261	-	19,758	-
7020	Other gain and loss	459,492	3	(44,378)	(1)
7050	Finance costs	(24,511)	-	(15,178)	-
	Total non-operating income and expenses	457,823	3	(34,448)	(1)
7900	**Profit before tax**	984,153	7	613,677	7
7950	**Loss: Income tax expense (Note VI (XVII))**	(202,247)	(1)	(135,844)	(1)
8200	**Net profit for the period**	781,906	6	477,833	6
	Other comprehensive income (Note VI (XVIII)):				
8310	**Items that will not be reclassified to profit or loss**				
8311	Remeasurement of defined benefit plans	270	-	(5,168)	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	11,740	-	(3,527)	-
8349	Income tax relating to items that will not be reclassified	(55)	-	1,033	-
		11,955	-	(7,662)	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translating the financial statements of foreign operations	(54,068)	-	(20,309)	(1)
8399	Income tax relating to items that may be reclassified	-	-	-	-
		(54,068)	-	(20,309)	(1)
	Other comprehensive income (loss) for the period	(42,113)	-	(27,971)	(1)
8500	**Total comprehensive income (loss) for the period**	**$ 739,793**	**6**	**449,862**	**5**
	Net profit in current period attributable to:				
8610	Owners of the parent company	$ 615,903	5	405,046	5
8620	Non-controlling interests	166,003	1	72,787	1
		$ 781,906	**6**	**477,833**	**6**
	Total comprehensive income (loss) attributable to:				
8710	Owners of the parent company	$ 575,471	5	382,109	4
8720	Non-controlling interests	164,322	1	67,753	1
		$ 739,793	**6**	**449,862**	**5**
	Earnings per share (Unit: In New Taiwan Dollars and Note VI (XX))				
9750	**Basic earnings per share**	**$ 5.38**		**3.54**	
9850	**Diluted earnings per share**	**$ 5.33**		**3.51**	

(Please refer to notes to consolidated financial statements)

Chairman: Chi-Hung, Chen **President: Chia-Hung, Su** **Accounting Supervisor: Li-Min, Huang**

DFI Inc. and its subsidiaries

Consolidated Statements of Changes in Equity

January 1 to December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

	Equity attributable to owners of parent company												
			Retained earnings				Other equity items						
	Share capital - Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total	Treasury shares	Total equities attributable to owners of parent company	Non-controlling interests	Total equity
Balance as of January 1, 2020	$ 1,146,889	679,644	725,424	52,616	657,399	1,435,439	(69,158)	14,890	(54,268)	(12,907)	3,194,797	2,166,001	5,360,798
Net profit for the period	-	-	-	-	405,046	405,046	-	-	-	-	405,046	72,787	477,833
Other comprehensive income (loss) for the period	-	-	-	-	(4,327)	(4,327)	(13,952)	(4,658)	(18,610)	-	(22,937)	(5,034)	(27,971)
Total comprehensive income (loss) for the period	-	-	-	-	400,719	400,719	(13,952)	(4,658)	(18,610)	-	382,109	67,753	449,862
Profit distribution:	-	-											
Legal reserve	-	-	63,094	-	(63,094)	-	-	-	-	-	-	-	-
Appropriation of legal reserve	-	-	-	1,652	(1,652)	-	-	-	-	-	-	-	-
Cash dividends for common shares	-	-	-	-	(572,444)	(572,444)	-	-	-	-	(572,444)	-	(572,444)
Cash dividends distributed by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(40,814)	(40,814)
Changes in non-controlling interests	-	91	-	-	-	-	-	-	-	-	91	709	800
Differences between the actual price for acquisition or disposal of the subsidiaries and their carrying amount	-	-	-	-	(29,450)	(29,450)	-	-	-	-	(29,450)	(135,113)	(164,563)
Disposal of equity instruments at fair value through other comprehensive income (loss)	-	-	-	-	1,729	1,729	-	(1,729)	(1,729)	-	-	-	-
Balance as of December 31, 2020	**$ 1,146,889**	**679,735**	**788,518**	**54,268**	**393,207**	**1,235,993**	**(83,110)**	**8,503**	**(74,607)**	**(12,907)**	**2,975,103**	**2,058,536**	**5,033,639**
Net profit for the period	-	-	-	-	615,903	615,903	-	-	-	-	615,903	166,003	781,906
Other comprehensive income (loss) for the period	-	-	-	-	(215)	(215)	(51,761)	11,544	(40,217)	-	(40,432)	(1,681)	(42,113)
Total comprehensive income (loss) for the period	-	-	-	-	615,688	615,688	(51,761)	11,544	(40,217)	-	575,471	164,322	739,793
Profit distribution:							-						
Legal reserve	-	-	37,246	-	(37,246)	-	-	-	-	-	-	-	-
Appropriation of legal reserve	-	-	-	20,339	(20,339)	-	-	-	-	-	-	-	-
Cash dividends for common shares	-	-	-	-	(320,569)	(320,569)	-	-	-	-	(320,569)	-	(320,569)
Cash distributed from capital	-	(22,898)	-	-	-	-	-	-	-	-	(22,898)	-	(22,898)
Cash dividends distributed by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(52,225)	(52,225)
Cancellation of treasury shares	(2,000)	(1,093)	-	-	(9,814)	(9,814)	-	-	-	12,907	-	-	-
Differences between the actual price for acquisition or disposal of the subsidiaries and their carrying amount	-	-	-	-	(149,828)	(149,828)	-	-	-	-	(149,828)	(365,532)	(515,360)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	641,433	641,433
Balance as of December 31, 2021	**$ 1,144,889**	**655,744**	**825,764**	**74,607**	**471,099**	**1,371,470**	**(134,871)**	**20,047**	**(114,824)**	**-**	**3,057,279**	**2,446,534**	**5,503,813**

(Please refer to notes to consolidated financial statements)

Chairman: Chi-Hung, Chen **President: Chia-Hung, Su** **Accounting Supervisor: Li-Min, Huang**

DFI Inc. and its subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

	2021	2020
Cash flows from operating activities:		
Net profit before tax for the period	$ 984,153	613,677
Adjustment item:		
Adjustments for		
Depreciation expenses	176,957	148,587
Amortization expenses	67,378	28,732
Gain on reversal of expected credit loss	(4,631)	(46,744)
Evaluation losses of financial assets measured at fair value through gains and losses	829	20,471
Interest expense	24,511	15,178
Interest income	(2,581)	(5,350)
Dividend income	(999)	(1,260)
Loss (gain) on disposal of property, plant and equipment	1,854	(296)
Gain on disposal of non-current assets held for sale	(469,360)	-
Unrealized foreign exchange gains	-	(29,953)
Gain on lease amendment	(5)	(222)
Total revenue, expense and loss items	(206,047)	129,143
Changes in assets/liabilities related to business activities:		
Net changes in assets related to operating activities:		
Increase in financial assets measured at fair value through profit or loss	(2,117)	(13,452)
Increase in notes receivable and accounts receivable	(559,311)	(67,859)
Decrease (increase) in accounts receivable - related parties	(23,561)	129,678
Decrease (increase) in other receivables	(17,396)	17,666
Decrease (increase) in inventories	(1,251,608)	233,994
Decrease (increase) in prepayments	(77,855)	9,146
Decrease (increase) in other current assets	1,349	(267)
Total net changes in assets related to operating activities	(1,930,499)	308,906
Net change in liabilities related to operating activities:		
Decrease in financial liabilities measured at fair value compulsorily through profit or loss	(8,947)	-
Increase in contractual liabilities	85,057	3,536
Increase (decrease) in notes payable and accounts payable	323,659	(301,430)
Decrease in accounts payable - related parties	(41,827)	(101,442)
Decrease in other payables	(26,003)	(30,689)
Decrease(increase) in liability reserve	(10,580)	842
Increase (decrease) in other current liabilities	(833)	5,158
Decrease in net defined benefit liabilities	(517)	(2,322)
Total net changes in liabilities related to business activities	320,009	(426,347)
Total net changes in assets and liabilities related to operating activities	(1,610,490)	(117,441)
Total adjustment items	(1,816,537)	11,702
Cash (used in) generated from operations	(832,384)	625,379
Interest received	2,582	5,350
Interest paid	(24,250)	(14,870)
Income tax paid	(199,263)	(125,234)
Net cash (used in) generated from operating activities	(1,053,315)	490,625

(Continued on the next page)

DFI Inc. and its subsidiaries
Consolidated Statements of Cash Flows (Continued from the previous page)
January 1 to December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

	2021	2020
Cash flows from investing activities:		
Proceeds from sale of financial assets at fair value through other comprehensive income	-	26,410
Purchase of financial assets at amortized cost	-	(2,707)
Proceeds from sale of financial assets at amortized cost	-	47,532
Proceeds from sale of financial assets at fair value through profit or loss	981	5,699
Acquisition of subsidiaries (less cash obtained)	(41,201)	-
Proceeds from disposal of non-current assets held for sale	542,245	-
Purchase of Property, plant and equipment	(993,714)	(33,063)
Proceeds from disposal of property, plant and equipment	1,677	782
Decrease in refundable deposits	1,056	1,635
Purchase of intangible assets	(15,396)	(13,177)
Increase in other non-current assets	(31,575)	(4,455)
Dividends received	999	1,260
Net cash (used in) generated from investing activities	(534,928)	29,916
Cash flows from financing activities:		
Proceeds from short-term borrowings	5,982,178	2,818,377
Repayments of short-term borrowings	(5,494,381)	(2,608,849)
Proceeds from long-term borrowings	2,200,000	-
Repayments of long-term borrowings	(454,170)	-
Repayment of the principal portion of lease	(76,445)	(54,773)
Cash dividends distributed	(343,467)	(572,444)
Acquisition of subsidiaries	(515,360)	(164,563)
Changes in non-controlling interests	(52,225)	(40,014)
Net cash (used in) generated from financing activities	1,246,130	(622,266)
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(58,342)	(21,373)
Decrease in cash and cash equivalents for the current period	(400,455)	(123,098)
Cash and cash equivalents at the beginning of the period	1,922,245	2,045,343
Cash and cash equivalents at the end of the period	**$ 1,521,790**	**1,922,245**

(Please refer to notes to consolidated financial statements)

Chairman: Chi-Hung, Chen **President: Chia-Hung, Su** **Accounting Supervisor: Li-Min, Huang**

DFI Inc. and its subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2021 and 2020
(The amount shall be dominated in thousands of NTD, unless otherwise specified)

I. Company History

On July 14, 1981, DFI Inc. (the "Company") was established and registered under the approval from the Ministry of Economic Affairs, having the registered address of 10F, No. 97, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City. The Company and its subsidiaries (hereafter collectively referred to as the "Consolidated Company") are principally engaged in the manufacturing and sales of boards and computer components for industrial computers.

II. Date and Procedures of Authorization of Financial Statements

The accompanying consolidated financial statements were approved and issued by the Board of Directors on March 3, 2022.

III. Application of New and Amended Standards and Interpretations

(I) Effect of adopted newly issued and revised standards and interpretations endorsed by the Financial Supervisory Commission (hereafter referred to as the "FSC")

As of January 1, 2021, the Consolidated Company began to apply the following newly revised International Financial Reporting Standards (IFRS), which has not had a significant impact on the consolidated financial statements.

- Amendments to IFRS 4 "Extension of Temporary Exemption from Application of IFRS 9"
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Changes in Interest Rate Indicators - Phase 2"
- Amendments to IFRS 16, "Rent Concessions Related to COVID-19 After June 30, 2021"

(II) Impact of not adopting IFRS endorsed by the FSC

The consolidated company has performed an assessment procedure and concluded that the implementation of the newly amended IFRS effective as of January 1, 2022 will not deliver a material impact on the consolidated financial statements.

- Amendment to IAS 16 "Property, plant, and equipment: price before fulfillment of expected usage state"
- Amendment to IAS 37 "Loss-making contract - cost of contract performance"
- Annual Improvement to IFRS Standards 2018-2020
- Amendment to IFRS 3 "Reference to the Conceptual Framework"

(III) New and amended standards and interpretations not acknowledged by the FSC

The standards and interpretations issued and amended by the IASB but not yet endorsed by the FSC that may be related to the consolidated company are as follows:

New issued or amended standards	**Main amendments**	**Effective date of issuance by IASB**
Amendment to IAS 1 "Classification of Liabilities as Current or Non-current"	The amendment was made to improve consistency in the application of these standards to assist companies in determining whether debt or other liabilities with an indefinite maturity date should be classified as current (due or likely to be due within one year) or non-current on the balance sheet. The amendment also clarifies the classification of debt that may be settled by conversion into equity.	January 1, 2023

The consolidated company is now continuously assessing the impact of the above standards and interpretations on the financial position and operating results of the consolidated company, and will disclose the related impact after completing the assessment.

The consolidated company expects that the following newly issued and amended standards that have not been endorsed by the FSC yet will not deliver a material impact on the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
- Amendments to IFRS 17 "Insurance Contracts" and IFRS 17
- Amendment to IAS 1 "Disclosure of Accounting Policies"
- Amendment to IAS 8 "Definition of Accounting Estimates"
- Amendment to IAS 12 “Deferred Income Tax related to Assets and Liabilities Derived from Single Transaction”

IV. Summary of Significant Accounting Policies

The summary of significant accounting policies adopted by the consolidated financial statements is as below. The accounting policies below have been applied consistently to all periods presented in this consolidated financial statements.

(I) Statement of Compliance

This consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereafter referred to as the “Preparation Regulations”) and IFRS, IAS, IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the FSC (hereafter referred to as the “IFRSs endorsed by the FSC”).

(II) Basis of Preparation

1. Measurement Basis

   Except for below material items of the balance sheet, this consolidated financial statement has been prepared on the basis of historical cost:

   (1) Financial instruments at fair value through profit or loss (including derivative financial instruments)；

   (2) Financial assets at fair value through other comprehensive income; and

   (3) Net defined benefit liabilities (or assets) are measured by the fair value of present value of defined benefit obligation less pension fund assets.

2. Functional currency and presentation currency

   An entity of the consolidated company uses the currency of the primary economic environment in which the entity operates as its functional currency. The consolidated financial statements of the Company are presented in the New Taiwan, Dollars, the functional currency of the Company. The amount of financial information in New Taiwan Dollars shall be dominated in thousands of NTD, unless otherwise specified.

(III) Basis of Consolidation

1. Basis for preparation of consolidated financial statements

   The reporting entity of the consolidated financial statements includes the Company and the entities (that is the subsidiaries) controlled by the Company. The Company controls an investee when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

   The financial statements of a subsidiary shall be included in the consolidated financial statements from the date it gains control until the date when it ceases to control the subsidiary. Intragroup transactions, outstanding balance, and any unrealized income and expenses are eliminated in full when preparing the consolidated financial statements. Total comprehensive income of subsidiaries is separately attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

   Adjustments are properly made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Company.

   Where the change in the consolidated company's ownership interest in the subsidiary does not result in the loss of control, it shall be treated as an equity transaction between owners. The difference between the adjustment amount of non-controlling interests and fair value of consideration paid or collected shall be directly recognized in equity attributable to the owners of the Company.

   When the consolidated company loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between below two items: (1) the aggregate of the fair value of the consideration received and the fair value of any retained interest of the former subsidiary at the date when control is lost, and (2) the aggregate of the carrying amount of the assets (including goodwill) and liabilities of the former subsidiary and any non-controlling interests at the date when control is lost. The amounts recognized in other comprehensive income in relation to the subsidiary on the same accounting basis as the basis must abide of the accounting treatment for the related assets or liabilities had been directly disposed of by the consolidated company.

   The fair value of any investment retained in the former subsidiary at the date when control is lost is considered to be the value on initial recognition of financial assets at fair value through other comprehensive income, or the cost on initial recognition of an investment in an associate.

2. Subsidiaries included in consolidated financial statements

Name of investor company	Name of subsidiary	Nature of business	Comprehensive shareholding 2021.12.31	Comprehensive shareholding 2020.12.31	Description
The Company	DFI AMERICA, LLC	Sales of industrial computer cards	100.00%	100.00%	-
The Company	DFI Co., Ltd.	Sales of industrial computer cards	100.00%	100.00%	-
The Company	Yan Tong Technology Ltd. (Yan Tong)	Investment business	100.00%	100.00%	-
The Company	Diamond Flower Information (NL) B.V.	Sales of industrial computer cards	100.00%	100.00%	-
The Company	Brainstorm Corporation (Brainstrom)	Wholesale and retail of computer and peripheral devices	35.09%	-	Note
Yan Tong	Yan Tong Infotech (Dongguan) Co., Ltd.	Manufacturing and sales of computer cards, board cards, host computer, electronic parts and components	100.00%	100.00%	-
Yan Tong	Yan Ying Hao Trading (Shenzhen) Co., Ltd.	Wholesale, import and export of computer cards, board cards, host computer, electronic parts and components	100.00%	100.00%	-
The Company	AEWIN Technologies Co., Ltd. (AEWIN)	Design, manufacture and sale of industrial computer cards and related products	51.38%	50.84%	-
AEWIN	Wise Way	Investment business	51.38%	50.84%	-
AEWIN	Aewin Tech Inc.	Wholesale of computer and peripheral equipment and software	51.38%	50.84%	-
Wise Way	Bright Profit	Investment business	51.38%	50.84%	-
Bright Profit	Aewin Beijing Technologies Co., Ltd.	Wholesale of computer and peripheral equipment and software	51.38%	50.84%	-
Beijing AEWIN	Aewin(Shenzhen)Technologies Co., Ltd.	Wholesale of computer and peripheral equipment and software	51.38%	50.84%	-
The Company	Ace Pillar Co., Ltd. (Ace Pillar)	Automated control and testing, processing, sales, repair, and mechanical and electrical integration of industrial transmission systems	48.07%	33.56%	-
Ace Pillar	Cyber South Management Ltd.(Cyber South)	Holding Company	48.07%	33.56%	-
Ace Pillar	Hong Kong Ace Pillar Enterprise Company Limited (Hong Kong ACE Pillar)	Sales and Purchases of transmission mechanical components	48.07%	33.56%	-
Ace Pillar/Proton	Tianjin Ace Pillar Co., Ltd. (Tianjin Ace Pillar)	Sales and Purchases of transmission mechanical components	48.07%	33.56%	-
Cyber South	Proton Inc.(Proton)	Holding Company	48.07%	33.56%	-
Cyber South	Ace Tek (HK) Holding Co., Ltd. (Ace Tek)	Holding Company	48.07%	33.56%	-
Cyber South	Suzhou Super Pillar Automation Equipment Co., Ltd. (Suzhou Super Pillar)	Processing and technical services of mechanical transmission and control products	48.07%	33.56%	-
Cyber South	Grace Transmission (Tianjin) Co., Ltd.	Manufacturing and processing of machinery transmission products	48.07%	33.56%	-
Cyber South	Xuchang Ace AI Equipment Co.,Ltd.	Wholesale and retail of industrial robotic related products	48.07%	33.56%	-
Ace Tek	ADVANCEDTEK ACE (TJ) INC.	Electronic system integration	48.07%	33.56%	-

Note: As stated in Note VI (VIII), on May 1, 2021, the Company acquired 35.09% of the equities in Brainstorm, and according to the equity purchase agreement and the Articles of Association of Brainstorm, the Company has acquired 55.29% of the voting rights and more than half of the seats at the Board of Directors of Brainstorm. Therefore, the Company has taken control of Brainstorm and included Brainstorm in the consolidated entities as of the acquisition date.

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

(IV) Foreign Currency

1. Foreign Currency Transaction

   Foreign currency transactions shall be converted into the functional currency using the exchange rate on the date of the transaction. Foreign currency monetary items are subsequently converted into functional currency at the exchange rate of the date at the end of each reporting period (hereafter referred to as the "reporting date"). Non-monetary items denominated in foreign currencies measured at fair value are converted into functional currency at the exchange rate on the date when the fair value is determined, and non-monetary items denominated in foreign currencies measured at historical cost are converted at the exchange rate on the transaction date.

   Foreign currency translation differences arising from translation are normally recognized in profit or loss, but equity instruments designatedly measured as fair value through other comprehensive income are recognized in other comprehensive income.

2. Exchange differences on the translation of financial statements of foreign operations

   Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are converted to the representation currency of the consolidated financial statements at the exchange rate on the reporting date. All income and expense items are converted to the representation currency of the consolidated financial statements at the current average exchange rate, and the difference is recognized as other comprehensive income.

   In the event of a loss of control, joint control, or significant influence due to the disposal of foreign operations, the cumulative amount of exchange difference related to the foreign operations is reclassified into profit or loss. In the case of partial disposal of a subsidiary that includes foreign operations, the cumulative amount of related exchange difference is reallocated to non-controlling interests based on a pro-rata basis. In the case of partial disposal of an associate or joint control that includes foreign operations, the cumulative amount of related exchange difference is reallocated to profit or loss on a pro-rata basis.

   If there is no repayment plan and it is not possible to repay in the foreseeable future, foreign currency exchange gain or loss arising from monetary items of receivables or payables of foreign operations are regarded as part of the foreign operations' net investment and recognized as other comprehensive income.

(V) Standards for Classification of Current and Non-current Assets and Liabilities

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

1. Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
2. Assets primarily held for trading purposes;

3. Assets that are expected to be realized within twelve months from the balance sheet date; or
4. 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.

Liabilities that meet one of the following criteria are classified as current liabilities; otherwise, they are classified as non-current liabilities:

1. Liabilities that are expected to be paid off within the normal operating cycle;
2. Liabilities primarily held for trading purposes;
3. Liabilities that are to be paid off within twelve months from the balance sheet date; or
4. Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(VI) Cash and cash equivalents

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

(VII) Financial Instruments

The accounts receivable and debt securities issued were originally recognized when they were generated. all other financial assets and financial liabilities shall be recognized when the consolidated company becomes a party of the financial instrument contract. Financial assets that are not measured at fair value through profit or loss (other than accounts receivable that do not contain a significant financing component) or financial liabilities are originally measured at fair value plus the transaction costs directly attributable to the acquisition or issuance. The accounts receivable that do not contain a significant financing component are measured at transaction prices.

1. Financial assets

Financial assets are classified into the following categories: Financial assets at amortized cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss. When purchasing or selling financial assets in accordance with trading practices, the trade date accounting is adopted.

The consolidated company shall reclassify all affected financial assets only when it changes its business model for managing its financial assets from the next reporting period.

(1) Financial assets at amortized cost

Financial assets which satisfy the following two conditions and not designated to be measured at fair value through profit or loss are measured at amortized cost.

- It is held within a business model whose objective is to hold assets to collect contractual cash flows.
- Such financial assets' contractual terms generate cash flows on a specified date basis which are solely payments on the principal amounts outstanding and interest amounts outstanding.

After initial recognition, such financial assets are measured at amortized cost less impairment losses using the effective interest method. Interest income, foreign currency profit or loss and impairment loss are recognized as profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

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

Investment in debt instruments which satisfy the following two conditions and not designated to be measured at fair value through profit or loss are measured at FVTOCI.

- For a financial asset held in a business model with the purpose of generating contractual cash flows and for sale thereof.
- Such financial assets' contractual terms generate cash flows on a specified date basis which are solely payments on the principal amounts outstanding and interest amounts outstanding.

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

An investment through debt instrument is subsequently measured at fair value. Interest income using the effective interest method, foreign currency profit or loss, and impairment loss are recognized as profit or loss, and the remaining net gain or loss is recognized as other comprehensive income. As derecognition, other comprehensive income accumulated under equity shall be reclassified to profit or loss.

An investment through equity instrument is subsequently measured at fair value. Dividend income is recognized in profit or loss, unless it clearly represents a recovery of part of the investment cost. The remaining net gain or loss is recognized as other comprehensive income. As derecognition, other comprehensive income accumulated under equity shall be reclassified to retained earnings instead of profit or loss. Dividend income derived from equity investments is recognized on the date that the consolidated company's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

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

All financial assets not classified as amortized cost or measured at fair value through other comprehensive income described as above are measured at fair value through profit and loss, including derivatives. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or measured at fair value through other comprehensive income, as at fair value through profit and loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value, and their net benefits or losses arising from remeasurement (including any dividends and interest income) are recognized as profit or loss.

(4) Impairment of Financial Assets

The consolidated company recognizes loss allowances for ECL on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivables, other receivables, and guarantee deposits paid, etc.).

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

- Bank deposits for which credit risk (that is the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Allowance for loss of accounts receivable is measured by the amount of expected credit losses during the existence period.

Lifetime expected credit loss represents expected credit loss from breach of contract of financial instruments during period of existence. The 12-month expected credit loss represents possible credit loss from breach of contract within 12 months of reporting date (or within a shorter period, if the period of existence of financial instruments is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the consolidated company is exposed to credit risk.

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

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. The difference between the cash flows due to the consolidated company in accordance with the contract and the cash flows that the consolidated company expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

Allowance for loss of the financial assets at amortized cost is deducted from the carrying amount of assets.

The gross carrying amount of a financial asset is written off either partially or in full to the extent that there is no realistic prospect of recovery. The consolidated company analyzes the timing and amount of the write-off individually on the basis of whether it can reasonably be expected to be recovered. The consolidated company expects that the amount written off will not be materially reversed. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the consolidated company's procedures for recovery of amounts due.

(5) Derecognition of Financial Assets

The consolidated company only derecognizes such assets if the contractual rights from the cash flow of the financial assets are terminated, if the financial assets have been transferred and almost all the risks and remunerations of the ownership of the assets have been transferred to other enterprises, or if it neither transfers nor retains substantially all the risks and rewards of ownership of a transferred asset, and retains control of the transferred asset.

When the consolidated company signs a transaction to transfer financial assets, if it retains all or almost all risks and rewards of ownership of the transferred assets, such financial assets will continue to be recognized on the balance sheet.

2. Financial liabilities and equity instruments

(1) Classification of liabilities or equity

The debt and equity instruments issued by the consolidated company are classified as financial liabilities or equity according to the substance of the contractual agreement and the definition of financial liabilities and equity instruments.

(2) Equity transactions

Equity instruments refer to any contracts containing the Company's residual interest after subtracting all liabilities from assets. Equity instruments issued by the consolidated company shall be recognized at the amount equal to the consideration acquired less the direct costs of issuance.

(3) Treasury shares

When buying back the equity instruments recognized by the consolidated company, the consideration paid (including directly attributable costs) is recognized as a decrease in equity. The repurchased shares are classified as treasury stocks. For subsequent sales or re-issuance of treasury stocks, the amount received is recognized as an increase in equity, and the remaining or loss generated by the transaction is recognized as a capital reserve or retained surplus (if the capital reserve is insufficient for the offsetting).

(4) Financial liabilities

Financial liabilities are classified as amortized costs or measured at fair value through profit or loss. Financial liabilities are classified as measured at fair value through profit or loss if they are held for trading, derivatives, or designated at initial recognition. Financial liabilities measured at fair value through profit or loss are measured at fair value. All related net benefits and losses, including any interest expenses, are recognized as profit or loss.

Other financial liabilities are measured at amortized cost by the effective interest method. Interest income and foreign currency profit or loss are recognized as profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(5) Derecognition of Financial Liabilities

The consolidated company derecognizes a financial liability when its contractual obligation has been discharged or cancelled, or has expired. When the terms of financial liabilities are modified and the cash flow of the modified liabilities is significantly different, the original financial liabilities are excluded and the new financial liabilities are recognized at fair value based on the revised terms. When derecognizing financial liabilities, the difference between the carrying amount of a financial liability and the consideration paid (including all transferred non-cash assets or liabilities) is recognized in non-operating income and expenses.

3. Offsetting of financial assets and liabilities

The consolidated company presents financial assets and financial liabilities on a net basis when the consolidated company has the legally enforceable right to offset and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

4. Derivative financial instruments

The consolidated company holds derivative financial instruments to avoid exposure to foreign currency risks. Derivative instruments are initially measured at fair value, and transaction costs are recognized as profit or loss. Subsequent measurements are based on fair value, and the resulting benefits or losses are directly recognized as profit or loss. When its fair value is positive, the derivative is recognized as a financial asset; when its fair value is negative, the derivative is recognized as a financial liability.

(VIII) Inventories

Inventories are measured at the lower of cost or net realizable value. The inventories is based on the weighted-average method and includes all costs of purchase, costs of production and manufacture or processing, and other costs incurred in bringing them to their existing location and condition. The allocation of fixed production overheads for the purpose of their inclusion in the costs of finished goods and work in progress is based on the higher of the normal capacity or the actual capacity of the production facilities, and the allocation of variable production overheads is based on the actual capacity. Net realizable value represents the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(IX) Non-current assets held for sale

Non-current assets or disposal group consisting of assets and liabilities are classified as held for sale if its carrying amount will be recovered principally through a sale rather than continuing use. For this to be the case, the non-current asset or disposal group must be available for immediate sale in its present condition, and its sale must be highly probable to complete within one year. Components of the asset or disposal group are remeasured in accordance with the accounting policies of the consolidated company prior to their original classification as non-current assets held for sale. After being classified as non-current assets held for sale, they are measured at the lower of carrying amount and fair value less costs to sell. The impairment loss of any disposal group is allocated to reduce the carrying amount of any goodwill, then to reduce the carrying amounts of the other assets and liabilities pro rata on the basis; however, such loss should not be allocated to the assets out of the scope of IAS 36 Impairment of Assets, and the aforementioned items continue to be measured in accordance with the accounting policies of the consolidated company. Impairment loss recognized for original classification as held for sale and gains and losses subsequently re-measured are recognized as profit or loss; however, the gain of recovery shall not exceed the accumulated impairment loss that has been recognized.

No more depreciation or amortization for the intangible assets and property, plant and equipment when they are classified as non-current assets held for sale. In addition, the equity method shall bot be adopted once the investment accounted for using equity method is classified as non-current assets held for sale.

(X) Property, Plant and Equipment

1. Recognition and measurement

   Property, plant and equipment are measured by cost (including capitalized borrowing costs) less accumulated depreciation and any accumulated impairment.

   As the useful life of property, plant and equipment varies, they are deemed as independent items (main components) for treatment.

The gain or loss arising from the disposal of an item of property, plant and equipment shall be recognized as non-operating income and expenses.

2. Subsequent cost

Subsequent cost is only capitalized when the future economic benefits are likely to flow into the consolidated company.

3. Depreciation

Depreciation is calculated based on the cost of assets minus the residual value, and the straight-line method is recognized in profit or loss within the estimated useful life of each component. Except for land that is not depreciated, the estimated useful life is as below: Machinery equipment: 2-10 years. Office and other equipment: 3-10 years. In addition, buildings and property are depreciated according to the estimated useful life of their major components: Main Building and ancillary Buildings, 20 ~ 60 years; other ancillary electromechanical power equipment and engineering system. 3 ~ 10 years.

The depreciation method, useful life and residual values are reviewed at each reporting date, and the effect of any change in estimates is deferred for adjustment.

(XI) Leases

The consolidated company evaluates whether the contract is a lease or contains a lease upon the conclusion of the contract. If the contract transfers control over the use of the identified assets for a period of time in exchange for consideration, the contract is a lease or contains a lease.

1. Lessee

The consolidated company recognizes the right-of-use asset and lease liability upon the inception of the lease. The right-of-use asset is initially measured at cost, which includes the original measured amount of the lease liability, adjusts any lease payments paid on or before the inception of the lease and adds the original direct cost incurred and the estimated cost of dismantling, removing the underlying asset and restoring its location or underlying asset, and deducting any lease incentive.

The right-of-use asset is subsequently depreciated on a straight-line basis between the inception of the lease and the end of the end-of-life of the right-of-use asset or the end of the lease period. In addition, the consolidated company regularly assesses whether the right-of-use asset is impaired and treats any impairment loss that has occurred, as well as cooperating to adjust the right-of-use asset when the lease liability is remeasured.

Lease liabilities are originally measured by the present value of the lease payments that have not been paid at the inception of the lease. If the implicit interest rate of the lease is easy to determine, it is applied as the discount rate. If it is not easy to determine, the incremental borrowing rate of the consolidated company is used. Generally speaking, the consolidated company adopts the incremental borrowing rate as the discount rate.

Lease payments in the measurement of lease liabilities include:

(1) Fixed benefits, including substantial fixed benefits;

(2) Variable lease payments dependent upon certain indicators or rates are measured by the indicators or rates used at the inception of the lease;

(3) The residual value guarantee expected to be paid; and

(4) When reasonably determined that the purchase option or lease termination option will be exercised, the exercise price or the penalty payable.

The lease liability is subsequently accrued by the effective interest method, and the amount is measured when the following occurs:

(1) Changes in the indicator or rate used to determine lease payments result in changes in future lease payments;

(2) Changes in the residual value guarantee expected to be paid;

(3) Changes in the evaluation of the underlying asset purchase option;

(4) Changes in the estimate of whether to exercise the extension or termination option and the assessment of the lease period;

(5) Modification of lease subject, scope or other terms.

When the lease liability is remeasured due to changes in the aforementioned indicator or rate used to determine lease payments, changes in the residual value guarantee, and changes in the evaluation of purchase, extension or termination options, the carrying amount of the right-of-use asset is adjusted accordingly. When the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasured amount is recognized in profit or loss.

For lease modifications that reduce the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease, and the difference between the lease and the remeasured amount of the lease liability is recognized in profit or loss.

The consolidated company expresses the right-of-use assets and lease liabilities that do not meet the definition of investment real estate as separate line items in the balance sheet.

For the short-term lease and the lease of low-value underlying assets leased, the consolidated company chooses not to recognize the right-of-use assets and lease liabilities, but the related lease payments are recognized on a straight-line basis as expenses during the lease period.

2. Lessor

As a lessor, the consolidated company classified leases on lease inception date based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the consolidated company, and those of transferred shall be classified as finance leases while those of not transferred shall be classified as operating leases. The consolidated company considers relevant specific indicators including whether the lease term is for the major part of the economic life of the underlying asset through assessment.

As a sublease lessor, the consolidated company handles head lease and sublease transactions separately, and it evaluates the classification of sublease transactions based on the right-of-use assets arising from the head lease. If the head lease is a short-term lease and a recognition exemption applies, its sublease transaction should be classified as an operating lease.

For operating leases, the consolidated company recognizes the lease payments received as rental income on a straight-line basis over the lease term.

(XII) Intangible assets

1. Goodwill

Goodwill arising from acquisition of subsidiaries is recognized as intangible assets. Please refer to Note IV (XIX) for initial recognition and measurement of goodwill. Goodwill is not amortized but is measured at cost less accumulated impairment losses.

2. Other intangible assets

The acquisition of purchased software, trademark, and client relationships by the consolidated company is measured at cost less accumulated amortization and accumulated impairment losses. The amortization amount is accrued on a straight-line basis over the following estimated useful life, and the amortization charge is recognized in profit or loss. Purchased software, 1 ~ 5 years; trademark, 10 years; client relationship, 4 ~ 11 years.

The residual value, amortization period, and amortization method for an intangible asset with a finite useful life shall be adjusted when necessary.

(XIII) Impairment of Non-financial Assets

The consolidated company assesses on each reporting day whether there is any indication that the carrying amount of non-financial assets (other than inventories, deferred income tax assets, and assets arising from employee benefits) may be impaired. If there is any sign of impairment, an estimate is made of its recoverable amount. An impairment test is conducted on goodwill on a yearly basis or when there are indicators of possible impairment.

For the purpose of impairment test, a group of assets whose cash inflows are largely independent of the cash inflows of other individual assets or asset groups is used as the smallest identifiable asset group. Goodwill acquired in a business combination is allocated to each cash-generating unit or group of cash-generating units that is expected to benefit from the combined effect of the merger.

The recoverable amount for an individual asset or a cash-generating unit is the higher of its fair value, less costs to sell, and its value in use. When evaluating the value in use, the estimated future cash flow is converted to the present value at a pre-tax discount rate, which should reflect the current market assessment of the time value of money and the specific risks for the asset or cash-generating unit.

If the recoverable amount of an individual asset or cash-generating unit is lower than the carrying amount, an impairment loss is recognized. Impairment loss is recognized immediately in profit or loss, and first reduces the carrying amount of the goodwill of the cash-generating unit, and then reduces the carrying amount of each asset in proportion to the carrying amount of other assets in the unit.

The impairment loss of goodwill will not be reversed. Non-financial assets other than goodwill will only be reversed if they do not exceed the carrying amount (less depreciation or amortization) determined when no impairment loss had been recognized for the asset in the previous year.

(XIV) Provisions

The recognition of provisions represents a present obligation as a result of a past event that makes it probable that the consolidated company will need to outflow economic resources to settle the obligation in the future, and a reliable estimate of it can be made.

Warranty provisions are recognized as the sales for the products, and the provisions are estimated by the weighting of historical warranty information and all possible outcomes by their associated probabilities.

(XV) Revenue recognition

Revenue is measured based on the consideration which is expected to be entitled in exchange for transferring goods or services. The consolidated company recognizes revenue when it satisfies a performance obligation by transferring control of a good or service to a client, and the description of the consolidated company according to the major revenue items is as follows:

1. Sales of goods

   The consolidated company recognizes revenue when control of the goods has transferred to customers. The control of the goods has transferred when the goods are delivered to the customer, the customer has full discretion over the channel and price to sell the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the contract terms, and the consolidated company has objective evidence that all criteria for acceptance have been satisfied.

   The consolidated company is obliged to refund the defective product due to the sale of the product, and warranty provisions have been recognized for this obligation.

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

2. Financial components

The consolidated company does not expect to have the period between the transfer of the promised goods to the customer and payment for the goods or services by the customer exceeds one year. As a consequence, the consolidated company does not adjust any of the transaction prices for the time value of money.

(XVI) Employee benefits

1. Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognized as employee benefits expenses under profit or loss for the periods during which services are rendered by employees.

2. Defined benefit plans

The net obligation under a defined benefit plan is calculated for each benefit plan by the discounted amount of future benefit amounts earned by the employee for service in the current or prior periods, less the fair value of any plan assets. The discount rate is determined by reference to the market yield at the end of the reporting period of government bonds with a maturity date close to the consolidated company's net obligation period, and it is denominated in the same currency as the expected benefit payment. Net obligations for defined benefit plans are actuated annually by a qualified actuary using the projected unit credit method.

When the benefits of the plan are improved, the related expenses shall be immediately recognized as profit or loss due to the increase in benefits relating to the employee's past service.

Premeasurements of the net defined benefit liability (asset) include (1) actuarial gains and losses; (2) the return on plan assets, excluding amounts included in net interest of the net defined benefit liability (asset); and (3) changes in the effect of the asset ceiling, excluding amounts included in net interest of the net defined benefit liability (asset). Premeasurements of the net defined benefit liability (asset) are recognized in other comprehensive income, and transferred to other equity in the current period.

During reduction or liquidation, the consolidated company recognizes the reduction or liquidation gain or loss of the defined benefit plan. The reduction or liquidation gain or loss includes any change in the fair value of the plan asset and the change in the present value of the defined benefit obligation.

3. Short-Term Employee Benefits

Short-term employee benefit obligations are measured at the undiscounted amount and recognized as expenses when the service has been rendered. Regarding the amount expected to be paid under the short-term cash bonus or dividend plan, a liability is recognized for the amount expected to be paid if the consolidated company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(XVII) Share-based payment transaction

Equity-delivered share-based payment agreement is measured at the fair value of the grant date with a corresponding increase in equity during the vesting period of the reward. The amount recognized as an expense is adjusted to reflect the number of awards whose related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share- based payment is measured to reflect such conditions, and there is no true-up for differences between expected and actual outcomes.

The grant date share-based payment of the consolidated company is the date when the consolidated company notifies employees of the subscription price and the number of shares to be subscribed.

(XVIII) Income taxes

Income tax expenses include both current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

Current taxes include tax payables and tax deduction receivables on taxable income (loss) for the year calculated using the statutory tax rate on the reporting date, as well as tax adjustments related to prior years. The amount reflects income tax-related uncertainties (if any), and it is based on the statutory tax rate at the reporting date or the tax rate of substantive legislation to measure the best estimate of the amount expected to be paid or received.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. The temporary differences arising from below situation are not recognized as deferred income tax liabilities:

1. Assets or liabilities originally recognized in a transaction that is not a business combination and affects neither accounting profit nor taxable income (loss) at the time of the transaction;
2. The temporary differences arising on investments in subsidiaries, associates and joint venture that the consolidated company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future; and
3. The taxable temporary differences arising from the initial recognition of goodwill.

A deferred tax asset should be recognized for the carry forward of unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the unused tax credits and deductible temporary differences can be utilized. Such unused tax credits and deductible temporary differences shall also be re-evaluated every year on the financial reporting date, and adjusted based on the probability that future taxable profit will be available against which the unused tax credits and deductible temporary differences can be utilized.

Deferred tax is measured at the tax rate at which the temporary difference is expected to reverse, using the tax rates that have been enacted or substantively enacted at the reporting date, and has reflected tax-related uncertainties, if any.

Deferred tax assets and liabilities may be offset against each other if the following criteria are met:

1. The entity has the legal right to settle tax assets and liabilities on a net basis; and
2. The deferred tax assets and liabilities are related to one of the taxpayers subject to income tax levied by the same taxation authority as below:
   (1) levied by the same taxing authority; or
   (2) levied by different taxing authorities, but where each such authority intends to settle tax assets and liabilities (where such amounts are significant) on a net basis every year of the period of expected asset realization or debt liquidation, or where the timing of asset realization and debt liquidation is matched.

   Income tax expenses recognized directly in equity or other comprehensive income are measured at the tax rates that are expected to apply when the related assets and liabilities are realized or settled, based on the temporary differences between their carrying amounts for financial reporting purposes and their tax bases.

(XIX) Business combinations

The consolidated company adopts acquisition method to deal with business combination, and it measures goodwill by the fair value of the transfer consideration on the acquisition date, including the amount attributable to any non-controlling interests of the acquiree, less the net amount of identifiable assets acquired and liabilities assumed (usually the fair value). If the balance after deduction is negative, the consolidated company reassesses whether it has correctly identified all assets acquired and liabilities assumed before recognizing gain on bargain purchase in profit or loss.

Except for those instruments classified as equity instruments, acquisition-related costs incurred in a business combination should be expensed as incurred.

Non-controlling interests in an acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either acquisition-date fair value or the present ownership instruments’ proportionate share in the recognized amounts of the acquiree's net identifiable assets. All other non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by the IFRSs endorsed by the FSC.

In a business combination achieved in stages, the consolidated company should remeasure its previously held equity interest in the acquiree at its acquisition date fair value and recognize the resulting gain or loss, if any, in profit or loss. the amount of the change in the value of the acquiree's equity that was recognized in other comprehensive income prior to the acquisition date shall be recognized on the same basis as would be required if the consolidated company had disposed; if it is appropriate to reclassify the equity to profit or loss when disposing of it, the amount shall be reclassified to profit or loss.

If the initial accounting for the business combination is incomplete by the end of the reporting period in which the combination occurs, the consolidated company shall report in its financial statements provisional amounts for the items for which the accounting is incomplete, and it shall retrospectively adjusts or recognizes additional assets or liabilities during the measurement period to reflect new information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

(XX) Earnings per Share

The consolidated company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Company, divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares. The consolidated company's potentially dilutive ordinary shares represents employee compensation through the issuance of shares.

(XXI) Segment Information

An operating segment is a component of the consolidated company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the consolidated company). Operating results of the operating segment are regularly reviewed by the consolidated company's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

V. The Primary Sources of Uncertainties in Major Accounting Judgments, Estimates, and Assumptions

When preparing the consolidated financial statements according to the Preparation Regulations and the IFRSs endorsed by the FSC, the management has to make judgements, estimates and assumptions, which may influence the adoption of accounting policies, and the reporting amount of assets, liabilities, incomes and expenses. Actual results may differ from estimates.

The Management has continuously reviewed the estimates and basic assumptions, and changes in accounting estimate are recognized in the period of change and in the future periods affected.

The uncertainties in the following assumptions and estimates have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities in the next fiscal year and reflect the impact of COVID-19, as follows:

(I) Inventory valuation

Inventories are measured at the lower of cost or net realizable value. The consolidated company assesses the amount of inventories that are normally worn out, obsolete or have no marketable value at the reporting date and reduces the cost of inventories to net realizable value. This inventory valuation is primarily based on estimates of product demand in specific periods in the future and is subject to significant changes due to rapid changes in the industry. Please refer to Note VI (VI) for the inventory valuation.

(II) Acquisition of subsidiaries

The fair value of the identifiable intangible assets (mainly trademark) obtained by the consolidated company from the acquisition of subsidiaries is the provisional amount, and the final valuation of these assets has not been completed yet. The consolidated company will continuously review the final valuation of the aforesaid assets during the measurement period. If the Company obtains the new information related to the facts and events that already exist on the acquisition date within one year after the acquisition date and can thus identify the adjustment to the aforesaid provisional amount or any additional liability reserve existing on the acquisition date, the Company will modify the accounting treatment of the acquisition. For details, please see Note VI (VIII).

(III) Impairment Assessment of Goodwill

The assessment of goodwill impairment process relies on the subjective judgment of the consolidated company, including identification of the cash-generating unit, the allocation of goodwill to relevant cash-generating units, and measurement of the recoverable amount of the relevant cash-generating unit. All changes in economic conditions or changes in company strategies may cause significant changes in the assessment results.

VI. Details of Significant Accounts

(I) Cash and cash equivalents

	2021.12.31	2020.12.31
Cash on hand and petty cash	$ 360	742
Demand deposits and check deposits	1,443,926	1,842,123
Time deposits with original maturity date within three months	77,504	79,380
	$ 1,521,790	1,922,245

(II) FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

	2021.12.31	2020.12.31
Financial assets mandatorily classified as at fair value through profit or loss:		
Non-hedging derivative instruments:		
Forward foreign exchange contracts	$ 74	226
Foreign exchange SWAP	2,311	42
	2,385	268
Non-derivative financial assets:		
Fund beneficiary certificates	26,143	27,953
	$ 28,528	**28,221**
Financial liabilities held for trading:		
Derivative financial instruments:		
Forward foreign exchange contracts	$ 821	2,185
Foreign exchange SWAP	-	7,583
	$ 821	**9,768**

Please refer to Note VI (XXIII) for the amount recognized in profit or loss measured at fair value.

The consolidated company engages in derivative financial instruments to hedge the exposure to exchange rate risk arising from operating activities, which are reported as financial assets or liabilities at fair value through profit or loss because hedge accounting is not applied. The details of the outstanding derivative financial instruments as of the reporting date is as follows:

1. Forward foreign exchange contracts

2021.12.31

Currency	**Contractual amount (NTD in thousands)**	**Maturity period**
Buy JPY/Sell USD	JPY 34,034	2022.01
Buy USD/Sell RMB	USD 17,279	2022.01
Buy RMB/Sell USD	RMB 6,156	2022.01
Buy Euro/Sell in USD	EUR 1,258	2022.01

2020.12.31

Currency	**Contractual amount (NTD in thousands)**	**Maturity period**
Buy JPY/Sell USD	JPY 246,778	2021.01
Buy USD/Sell RMB	USD 15,356	2021.01

2. Swap contracts

2021.12.31

Currency	**Contractual amount (NTD in thousands)**	**Maturity period**
Swap in NTD/swap out USD	USD 22,130	2022.01

2020.12.31

Currency	**Contractual amount (NTD in thousands)**	**Maturity period**
Swap in NTD/swap out USD	USD 34,860	2021.01

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

	2021.12.31	**2020.12.31**
Equity instruments measured at fair value through other comprehensive income:		
Stocks of domestic listed (OTC) companies:	$ 41,259	29,920
Foreign unlisted (OTC) stocks	1,288	887
	$ 42,547	30,807

The Consolidated Company holds such equity instrument investments for the strategic investment purpose, instead of trading purpose. Therefore, they have been designated as measured at fair value through other consolidated profits and losses.

The consolidated company didn’t dispose of the aforesaid strategic investments for the year ended December 31, 2021, so the income and loss accumulated in such periods were not transferred within the equities in whatever manner. For the year ended December 31, 2020, the Consolidated Company disposed of part of the equity instruments measured at fair value through other comprehensive income at a disposal price of NTD26,410,000, and transferred NTD1,729,000 in cumulative gains from other equity to retained earnings.

(IV) Financial Assets at Amortized Cost - current

	2021.12.31	2020.12.31
Pledged certificate of deposit	$ 1,708	1,708

Please refer to Note VIII for details of the aforesaid financial assets used by the Consolidated Company to provide guarantees.

(V) Notes and accounts receivable and other receivables

	2021.12.31	2020.12.31
Notes receivable	$ 305,492	295,309
Accounts receivable	2,322,762	1,590,003
Accounts receivable from related parties	167,795	144,234
Loss: Allowance for loss	(32,177)	(45,065)
	$ 2,763,872	1,984,481
Other receivables	$ 30,308	12,819
Other receivables - related parties	498	592
	$ 30,806	13,411

The Consolidated Company uses a simplified approach to estimate expected credit losses for all accounts receivable, which is measured using expected credit losses for the duration of the period, and has included forward-looking information. The expected credit losses of the consolidated company's accounts receivable were analyzed as follows:

	2021.12.31		
	Book-entry amounts of accounts receivable	**Weighted average expected credit loss rate**	**Allowance for expected credit losses for the duration of the period**
Not overdue	$ 2,114,177	0.05%	1,122
1-30 days overdue	159,106	3.25%	5,175
31～60 days overdue	16,337	9.85%	1,609
61～90 days overdue	5,188	17.85%	926
Overdue more than 90 days	27,954	83.51%	23,345
	$ 2,322,762		32,177

	2020.12.31		
	Book-entry amounts of accounts receivable	**Weighted average expected credit loss rate**	**Allowance for expected credit losses for the duration of the period**
Not overdue	$ 1,451,008	0.20%	2,888
1-30 days overdue	84,528	3.75%	3,169
31～60 days overdue	10,990	15.33%	1,685
61～90 days overdue	2,050	20.29%	416
Overdue more than 90 days	41,427	89.09%	36,907
	$ 1,590,003		45,065

The Consolidated Company has assessed the counterparties of notes receivable, accounts receivable - related parties and other receivables (including related parties) in respect of past default record, current financial position and future economic situation forecast, and concluded that the expected recoverable amounts of these items are equivalent to respective book amounts. Thus, it is unnecessary to recognize the allowance for the losses.

The statement of changes in the allowance for losses of the consolidated company's accounts receivable is listed as follows:

	2021	**2020**
Beginning Balance	$ 45,065	120,815
Recovery of amounts written off in current period	100	21
Reversal of impairment loss for the period	(4,631)	(46,744)
Unrecoverable amount written off for current year	(8,481)	(27,616)
Effect of exchange rate changes	124	(1,411)
Ending balance	$ 32,177	45,065

Please refer to Note VIII for details of the notes receivable used by the Consolidated Company to provide pledge guarantees.

(VI) Inventories

	2021.12.31	2020.12.31
Raw materials	$ 2,058,371	533,178
Work in progress	143,287	46,838
Manufactured goods and commodities	1,246,458	758,717
Goods in Transit	67,907	117,449
Outsourced processing products	67,272	71,923
	$ 3,583,295	1,528,105

The inventory-related expenses and losses recognized in the operating cost in the current period are detailed as follow:

	2021	2020
Cost of inventory sold	$ 10,733,546	6,397,040
Gain on inventory write-up	(92,052)	(156,617)
Loss for inventory obsolescence	48,785	-
	$ 10,690,279	6,240,423

The aforesaid gain on reversal of inventory valuation arises from obsolete inventory sold or scrapped, and the gain on reversal is recognized within the scope of inventory price loss.

(VII) Non-current assets held for sale

The Board of Director of the Company adopted the proposal to sell the plant and buildings in Xizhi District on August 6, 2021, and has signed a contract to deal with matters related to the sale at a total sale price of NTD55,000,000 (including tax). These real estate properties, with a book value of NTD72,885,000, have been transferred to non-current assets held for sale. These real estate have completed the transfer procedure on November 11, 2021, and have been recognized as gain on disposal of NTD469,360,000, which are accounted under other gains and losses.

On May 21, 2021, the Board of Directors of the subsidiary of the Consolidated Company, Ace Pillar, adopted the proposal to sell the land and buildings in Sanchong District, which is expected for completion in the following year. Therefore, carrying amounts of such real estate has been transferred to non-current assets held for sale amounted to NTD73,452,000. Some of the aforementioned assets were sold on January 25, 2022, and the sale price and the carrying amounts of the assets were NTD24,876,000 and NTD17,191,000, respectively.

On December 23, 2021, the Board of Directors of the subsidiary of the Consolidated Company, Tianjin Ace Pillar, adopted the proposal to sell the pilot free trade zone factory of Tianjin Ace Pillar, which is expected for completion in the following year. Therefore, carrying amounts of such relevant right-of-use assets - land and buildings has been transferred to non-current assets held for sale amounted to RMB55,035,000 (about NTD 239,149,000).

(VIII) Subsidiaries and non-controlling interests

1. Acquisition of the subsidiary - Brainstorm Corporation (Brainstorm)

(1) Consideration transferred for acquisition of the subsidiary

On May 1, 2021 (acquisition date), the Company acquired 35.09% of the equities, including ordinary shares and special shares, in Brainstorm, and according to the investment agreement between both parties and the Articles of Association of Brainstorm, the Company has acquired 55.29% of the voting rights and more than half of the seats at the Board of Directors of Brainstorm. Therefore, the Company has taken control of Brainstorm and included Brainstorm in the consolidated entities as of the acquisition date. The Consolidated Company has acquired Brainstorm mainly in order to implement the channel first strategy and accelerate the development in the American market.

(2) Net identifiable assets acquired

The fair values of the identifiable assets and liabilities of Brainstorm acquired on May 1, 2021 (acquisition date) are detailed as follows:

Transfer consideration:		
Cash		$ 501,582
Plus: Non-controlling interests (measured by the proportion of non-controlling interests in net identifiable assets)		641,433
Loss: Fair value of net identifiable assets acquired:		
Cash and cash equivalents	$ 460,381	
Net accounts receivable	191,888	
Inventories	803,582	
Prepayments and other current assets	4,613	
Property, Plant and Equipment	7,026	
Right-of-use assets	51,212	
Intangible assets - Trademark	562,692	
Intangible assets - Computer Software	129	
Refundable deposits	4,573	
Accounts payables	(784,344)	
Other payables	(143,260)	
Current income tax liabilities	(2,055)	
Other current liabilities	(311)	
Lease liabilities (including current and non-current)	(51,212)	
Deferred income tax liabilities	(112,538)	
Long-term borrowings	(4,187)	988,189
Goodwill		**$ 154,826**

The fair value measurement of the assets and liabilities obtained by the Consolidated Company is provisional, and the amount is subject to final evaluation.

The fair value measurement of the above-mentioned assets and liabilities acquired by the consolidated company is provisional, and it will be continuously reviewed for the aforesaid matters during the measurement period. If the Company obtains the new information related to the facts and events that already exist on the acquisition date within one year after the acquisition date and can thus identify the adjustment to the aforesaid provisional amount or any additional liability reserve existing on the acquisition date, the Company will modify the accounting treatment of the acquisition.

(3) Intangible assets

The intangible asset - trademark is evenly amortized with the straight-line method based on its economic benefit life of 10 years.

The goodwill mainly comes from its profitability, premium from the control of Brainstorm, the synergy of the merger, future development in the American market and value of its human resource team. It is expected to have no income tax effect.

(4) Pro-forma information on operating results

The operating results of Brainstorm from the acquisition date to December 31, 2021 have been consolidated into the consolidated comprehensive income statement of the Consolidated Company, and contributed a net operating revenue and a net after-tax profit of NTD4,336,531,000 and NTD100,816,000 respectively. If the acquisition had occurred on January 1, 2021, the pro-forma net operating revenue and net after-tax profit of the consolidated company for the year ended 2021 would have been NTD15,573,496,000 and NTD884,296,000 respectively.

2. Changes in percentage of ownership interests in subsidiaries that do not result in losing control over the subsidiaries

For the years ended 2021 and 2020, the consolidated company acquired additional equities in Ace Pillar and AEWIN for NTD515,360,000 and NTD164,563,000 respectively. Please see Note IV (II) for corresponding changes in shareholding ratio.

The changes in the ownership interest of the consolidated company in the subsidiaries have produced the following impact on the owners' equity attributable to the parent company:

	2021	**2020**
Retained earnings	$ (149,828)	(29,450)

3. Subsidiaries with material non-controlling interests

The non-controlling interests of subsidiaries that are significant to the consolidated company are as follows:

Name of subsidiary	**Principal place of business/country of registration**	**Proportion of non-controlling interests in ownership interests 2021.12.31**	**2020.12.31**
Ace Pillar	Taiwan	51.93%	66.44%
AEWIN	Taiwan	48.62%	49.16%
Brainstorm	USA	64.91%	- %

The summary financial information of the above subsidiaries is stated as follows, prepared in accordance with IFRS endorsed by the FSC and reflecting adjustments made by the Consolidated Company to the fair value and differences in accounting policies on the acquisition date, with the amount before elimination of the transactions between the consolidated companies, is as follows:

(1) Summary financial information on Ace Pillar:

	2021.12.31	2020.12.31
Current assets	$ 2,610,761	2,260,104
Non-current assets	676,262	745,637
Current liabilities	(917,629)	(714,296)
Non-current liabilities	(97,041)	(91,356)
Net assets	$ 2,272,353	2,200,089
Ending balance of non-controlling interests	$ 1,176,182	1,485,796

	2021	2020
Net operating revenue	$ 3,554,986	2,754,448
Net profit for the period	137,480	76,765
Other comprehensive income	1,452	(8,108)
Total comprehensive income	$ 138,932	68,657
Net profit for the period attributable to non-controlling interests	$ 83,753	51,534
Total comprehensive income attributable to non-controlling interests	$ 84,684	45,695
Cash flows from operating activities	$ (6,550)	107,532
Cash flows from investing activities	(279,459)	62,102
Cash flows from financing activities	(97,566)	(274,510)
Effect of changes in exchange rate	226	(18,819)
Decrease in cash and cash equivalents	$ (383,349)	(123,695)
Dividends paid to non-controlling interests	$ (34,976)	(23,340)

(2) Summary financial information on AEWIN

	2021.12.31	2020.12.31
Current assets	$ 1,614,052	1,195,866
Non-current assets	968,544	525,757
Current liabilities	(952,890)	(519,772)
Non-current liabilities	(458,709)	(31,947)
Net assets	$ 1,170,997	1,169,904
Carrying amount of non-controlling interests, ending	$ 567,059	572,740

	2021	2020
Operating revenue	$ 2,016,727	1,761,492
Net profit for the period	$ 34,560	43,091
Other comprehensive income	2,006	1,637
Total comprehensive income	$ 36,566	44,728

Net profit for the period attributable to non-controlling interests	$ 16,810	21,253
Total comprehensive income attributable to non-controlling interests	$ 17,781	22,058

	2021	2020
Cash flows from operating activities	$ (232,114)	(53,800)
Cash flows from investing activities	(488,725)	(18,785)
Cash flows from financing activities	705,523	6,113
Effect of changes in exchange rate	1,186	109
Decrease in cash and cash equivalents	$ (14,130)	(66,363)
Dividends paid to non-controlling interests	$ (17,249)	(17,474)

(3) Summary financial information on Brainstorm:

	2021.12.31
Current assets	$ 1,528,818
Non-current assets	748,712
Current liabilities	(898,830)
Non-current liabilities	(140,385)
Net assets	$ 1,238,315
Ending balance of non-controlling interests	$ 703,293

	May to December 2021
Net operating revenue	$ 4,336,531
Net profit for the period	$ 100,816
Net profit for the period attributable to non-controlling interests	$ 65,440
Cash flows from operating activities	$ (516,663)
Cash flows from investing activities	(5,871)
Cash flows financing activities	123,537
Effect of changes in exchange rate	541
Decrease in cash and cash equivalents	$ (398,456)
Dividends paid to non-controlling interests	$ -

(IX) Property, Plant and Equipment

		Land	Buildings	Machinery equipment	Office equipment	Other equipment	Unfinished construction	Total
Costs:								
Balance on January 1, 2021	$	739,888	1,087,518	281,846	57,234	130,780	228,277	2,525,543
Acquired through business combination		-	-	4,299	502	10,503	-	15,304
Additions		268,766	454,092	124,505	11,964	25,572	135,846	1,020,745
Disposal		-	-	(8,192)	(4,429)	(8,323)	-	(20,944)
Reclassified to assets held for sale		(76,495)	(137,265)	-	-	-	(229,710)	(443,470)
Other reclassification		-	6,840	350	215	110,995	(118,400)	-
Effect of changes in exchange rate		-	87	(65)	(261)	(603)	1,514	672
Balance on December 31, 2021	$	932,159	1,411,272	402,743	65,225	268,924	17,527	3,097,850
Balance on January 1, 2020	$	739,888	1,095,189	439,535	66,342	142,242	226,545	2,709,741
Additions		-	7,880	7,290	1,693	15,223	1,288	33,374
Disposal		-	(14,281)	(164,980)	(10,655)	(26,292)	-	(216,208)
Effect of changes in exchange rate		-	(1,270)	1	(146)	(393)	444	(1,364)
Balance on December 31, 2020	$	739,888	1,087,518	281,846	57,234	130,780	228,277	2,525,543
Accumulated depreciation:								
Balance on January 1, 2021	$	-	276,711	193,338	49,939	93,966	-	613,954
Acquired through business combination		-	-	1,612	205	6,461	-	8,278
Depreciation		-	39,341	33,703	5,224	16,374	-	94,642
Disposal		-	-	(6,474)	(4,315)	(6,624)	-	(17,413)
Reclassified to assets held for sale		-	(67,423)	-	-	-	-	(67,423)
Effect of changes in exchange rate		-	74	(8)	(189)	(447)	-	(570)
Balance on December 31, 2021	$	-	248,703	222,171	50,864	109,730	-	631,468
Balance on January 1, 2020	$	-	250,145	326,718	55,921	104,955	-	737,739
Depreciation		-	41,513	31,600	4,658	15,046	-	92,817
Disposal		-	(14,281)	(164,980)	(10,525)	(25,936)	-	(215,722)
Effect of changes in exchange rate		-	(666)	-	(115)	(99)	-	(880)
Balance on December 31, 2020	$	-	276,711	193,338	49,939	93,966	-	613,954
Book value:								
December 31, 2021	$	932,159	1,162,569	180,572	14,361	159,194	17,527	2,466,382
December 31, 2020	$	739,888	810,807	88,508	7,295	36,814	228,277	1,911,589

(X) Right-of-use assets

		Land	Buildings	Transportation equipment	Total
Cost of right-of-use assets:					
Balance on January 1, 2021	$	31,714	176,860	4,124	212,698
Acquired through business combination		-	46,527	4,685	51,212
Additions		-	167,829	3,707	171,536
Decrease		-	(47,679)	(3,322)	(51,001)
Reclassified to assets held for sale		(10,429)	-	-	(10,429)
Effect of changes in exchange rate		(47)	(3,569)	(150)	(3,766)
Balance on December 31, 2021	$	21,238	339,968	9,044	370,250
Balance on January 1, 2020	$	32,030	187,459	3,093	222,582
Additions		-	86,226	1,182	87,408
Decrease		-	(95,473)	(185)	(95,658)
Effect of changes in exchange rate		(316)	(1,352)	34	(1,634)
Balance on December 31, 2020	$	31,714	176,860	4,124	212,698
Accumulated depreciation of right-of-use assets:					
Balance on January 1, 2021	$	2,098	63,136	2,887	68,121
Depreciation		776	79,012	2,527	82,315
Decrease		-	(43,022)	(2,913)	(45,935)
Reclassified to assets held for sale		(716)	-	-	(716)
Effect of changes in exchange rate		(20)	(1,238)	(55)	(1,313)
Balance on December 31, 2021	$	2,138	97,888	2,446	102,472
Balance on January 1, 2020	$	1,386	101,793	1,618	104,797
Depreciation		799	53,556	1,415	55,770
Decrease		-	(91,671)	(185)	(91,856)
Effect of changes in exchange rate		(87)	(542)	39	(590)
Balance on December 31, 2020	$	2,098	63,136	2,887	68,121
Book value:					
December 31, 2021	$	19,100	242,080	6,598	267,778
December 31, 2020	$	29,616	113,724	1,237	144,577

(XI) Intangible assets

		Goodwill	Trademark	Client relationship	Computer software	Total
Costs:						
Balance on January 1, 2021	$	195,020	-	129,493	75,786	400,299
Acquired through business combination(Notes VI (VIII)		154,826	562,692	-	678	718,196
Separate Acquisition		-	-	-	15,396	15,396
Write off for the period		-	-	-	(2,002)	(2,002)
Impacts of exchange rate changes		-	-	-	(10)	(10)
Balance on December 31, 2021	$	349,846	562,692	129,493	89,848	1,131,879
Balance on January 1, 2020	$	195,020	-	129,493	62,889	387,402
Separate Acquisition		-	-	-	13,177	13,177
Write off for the period		-	-	-	(280)	(280)
Balance on December 31, 2020	$	195,020	-	129,493	75,786	400,299
Accumulated amortization:						
Balance on January 1, 2021	$	-	-	32,048	59,461	91,509
Acquired through business combination(Notes VI (VIII)		-	-	-	549	549
Amortization		-	37,513	19,772	10,093	67,378
Write off for the period		-	-	-	(2,002)	(2,002)
Impacts of exchange rate changes		-	-	-	(8)	(8)
Balance on December 31, 2021	$	-	37,513	51,820	68,093	157,426
Balance on January 1, 2020	$	-	-	12,276	50,781	63,057
Amortization		-	-	19,772	8,960	28,732
Write off for the period		-	-	-	(280)	(280)
Balance on December 31, 2020	$	-	-	32,048	59,461	91,509
Book value:						
Balance on December 31, 2021	$	349,846	525,179	77,673	21,755	974,453
Balance on December 31, 2020	$	195,020	-	97,445	16,325	308,790

1. The lists of amortization of intangible assets for the years ended December 31, 2021 and 2020 are accounted under the following items in the consolidated statement of comprehensive income:

		2021	2020
Operating costs	$	1,781	1,116
Operating Expenses		65,597	27,616
	$	67,378	28,732

2. Impairment Assessment of Goodwill

   As of December 31, 2021 and 2020, the consolidated company's goodwill arising from business combinations uses the cash-generating unit of its individual subsidiaries, which are listed as follows:

	2021.12.31	2020.12.31
DFI America, LLC	$ 177,874	177,874
DFI Co., Ltd.	9,491	9,491
Ace Pillar Enterprise Co., Ltd.	7,655	7,655
Brainstorm Corporation	154,826	-
	$ 349,846	195,020

   The above cash-generating unit is the smallest group of assets under management's supervision of return on investments for assets with goodwill. According to the results of the goodwill impairment assessment performed by the consolidated company, the recoverable amount as of December 31, 2021 and 2020 were higher than its carrying amount, so no impairment loss was recognized. The recoverable amount of the cash-generating unit is determined based on the value in use, and the key assumptions are as follows:

	2021.12.31	2020.12.31
DFI America, LLC:		
Operating revenue growth rate	10.62%~33.44%	11.53%~65.98%
Discount rate	8.21%	18.23%
DFI Co., Ltd.:		
Operating revenue growth rate	5%~61%	(4)%~5%
Discount rate	6.17%	8.33%

	2021.12.31	2020.12.31
Ace Pillar:		
Operating revenue growth rate	12.5%~25.16%	(3)%~25%
Discount rate	10.50%	14.08%

	2021.12.31
Brainstorm Corporation:	
Operating revenue growth rate	0%~8%
Discount rate	7.56%

1. The estimated future cash flows are based on the five-year financial budgets estimated by management based on future operating plans, and cash flows beyond five years are extrapolated using an annual growth rate of 2%.
2. The discount rate used to determine the value in use is estimated based on the weighted average cost of capital.

(XII) Short-term borrowings

	2021.12.31	2020.12.31
Unsecured bank loans	$ 1,293,108	784,143
Secured bank loans	18,196	39,558
	$ 1,311,304	823,701
Unused lines of credit	$ 4,394,526	4,733,947
Interest Rate	0.62%~4.25%	0.74%~4.20%

Please refer to Note VIII for details of the situation where the Consolidated Company pledged assets as collaterals for bank loan line.

(XIII) Long-term borrowings

	2021.12.31
Unsecured bank loans	$ 1,420,000
Secured bank loans	330,000
Loss: Part due within one year	(20,000)
	$ 1,730,000
Unused lines of credit	$ -
Year of maturity	2022~2024
Interest Rate	0.94%~1.12%

Please refer to Note VIII for details of the situation where the Consolidated Company pledged assets as collaterals for bank loan line.

(XIV) Lease liabilities

The book amount of the lease liabilities of the consolidated company is as follows:

	2021.12.31	2020.12.31
Current	$ 73,484	52,120
Non-current	$ 181,231	63,896

Please refer to Note VI (XXIV) Financial Instruments for the maturity analysis of the lease liabilities.

The amounts recognized as profit and loss are as follows:

	2021	2020
Interest expense on lease liabilities	$ 5,070	2,861
Short-term leases expenses and lease expenses of low-value assets	$ 25,771	12,253
COVID-19-related rent concessions (recognized as a decrease in lease expense)	$ (1,463)	(1,362)

The amounts recognized in the cash flow statement are as follows:

	2021	2020
Total cash outflow for leases	$ 107,286	69,887

Important lease clauses:

1. Lease of land, houses and buildings

   The consolidated company has leased lands, and buildings as the office premise, warehouse and plant. The lease period of the land use right is 50 years, and the lease periods of the office premise, warehouse and plant are usually 2 to 10 years. Some leases include the options to extend the original lease contract by the same period when the lease period expires.

2. Other lease

   The consolidated company has leased the transport equipment with a period of 1 to 3 years. In addition, the Consolidated Company has leased offices and office equipment and other assets with a period of no longer than one year. Such leases are short-term leases or leases of low-value assets, and the Consolidated Company has selected to apply the provision of exemption from recognition and not recognized them as relevant right-of-use assets and lease liabilities.

(XV) Provisions for liabilities - current

	Warranty reserve for products
Balance on January 1, 2021	$ 56,827
Provisions increase for the period	10,615
Provisions decrease for the period	(21,195)
Balance on December 31, 2021	**$ 46,247**
Balance on January 1, 2020	$ 55,985
Provisions increase for the period	842
Balance on December 31, 2020	**$ 56,827**

The warranty provisions for products of the consolidated company is mainly related to the sales of computer peripheral products and electronic components, and the warranty reserve is estimated based on the historical warranty data of similar products.

(XVI) Employee benefits

1. Defined benefit plans

   The reconciliation between the present value of the defined benefit obligations and the fair value of the plan assets of the Company and its domestic subsidiaries is as follows:

	2021.12.31	2020.12.31
Present value of defined benefit obligation	$ 97,925	103,956
Fair value of plan assets	(61,943)	(67,186)
	$ 35,982	**36,770**
Net defined benefit assets (accounted under other non-current assets)	**$ (4,602)**	**(3,192)**
Net defined benefit liabilities	**$ 40,584**	**39,962**

The defined benefit plans of the Company and its domestic subsidiaries are contributed to the special account for labor retirement reserves of the Bank of Taiwan. Pension for each employee to which the Labor Standards Act applies are calculated on the basis of the base number of years of service and the average salary for the six months prior to retirement.

(1) Plan assets component

The pension funds are contributed by the Company and its domestic subsidiaries in accordance with the Labor Standards Act is under the overall management of the Bureau of Labor Fund, the Ministry of Labor (hereinafter referred to as the "Bureau of Labor Fund"). According to the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund," the minimum income of the fund's annual final settlement and distribution shall not be lower than the income calculated according to the local bank's interest rate of two-year fixed deposit.

As of December 31, 2021 and 2020, the balances of the special account for labor retirement reserves of the Bank of Taiwan of the Company and its domestic subsidiaries amounted to NTD61,943,000 and NTD67,186,000, respectively. The information on the utilization of the assets of the labor pension fund includes the fund's yield rate and the fund's asset allocation. Please refer to the information published on the website of the Bureau of Labor Fund for details.

(2) Changes in present value of defined benefit obligation

	2021	2020
Defined benefit obligation on January 1	$ 103,956	100,347
Service costs and interests for the period	755	1,135
Remeasurement on net defined benefit liability (asset)		
- Effect of changes in demographic assumptions	2,162	642
- Actuarial gain or loss due to experience adjustment	(396)	3,807
- Actuarial gain or loss due to changes in financial assumptions	(1,188)	2,649
Benefits paid by plan	(7,364)	(4,624)
Defined benefit obligation on December 31	$ 97,925	103,956

(3) Changes in fair value of plan assets

	2021	2020
Fair value of plan assets on January 1	$ 67,186	66,423
Interest income	338	522
Remeasurement on net defined benefit liability (asset)		
- Plan asset return (excluding current interests)	848	1,930
Amount contributed to plan	935	2,935
Benefits paid by plan	(7,364)	(4,624)
Fair value of plan assets on December 31	$ 61,943	67,186

(4) Changes in the effects on asset cap

The consolidated company has no effect on asset cap of the defined benefit plans for the years ended December 31, 2021 and 2020.

(5) Expenses recognized in profit or loss

	2021	2020
Service costs for the current period	$ 235	383
Net interests of net defined benefit liabilities (assets)	182	229
	$ 417	**612**
Operating costs	$ 434	632
Operating Expenses	(17)	(20)
	$ 417	**612**

(6) Actuarial assumptions
The significant actuarial assumptions used by the consolidated company to determine the present value of the benefit obligation at the reporting date are as follows:

	2021.12.31	2020.12.31
Discount rate	0.625%	0.50%
Future salary increases	2.00%~2.50%	2.00%~2.50%

The consolidated company expects to pay NTD3,683,000 to the defined benefit plan within one year after the reporting date for the year ended December 31, 2021. The weighted-average duration of defined benefit plan is 7.8 ~ 9.9 years.

(7) Sensitivity analysis
Effects on the present value of defined benefit obligation due to changes in the major actuarial assumptions are as follows:

	Effect on defined benefit obligation	
	Increase by 0.25%	**Decrease by 0.25%**
December 31, 2021		
Discount rate	$ (2,356)	2,444
Future salary increases	2,358	(2,287)
DECEMBER 31, 2020		
Discount rate	(2,667)	2,769
Future salary increases	2,670	(2,586)

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, many changes in assumptions may be linked together. The method used for the sensitivity analysis and calculation of the net defined benefit pension liability is the same. The method of sensitivity analysis and the method of calculation on net defined benefit obligation at the balance sheet date are the same. The method and assumptions used for the preparation of the sensitivity analysis for the current period are the same as those used in the previous period.

2. Defined contribution plans

The Company and its domestic subsidiaries allocates 6% of each employee's monthly wages to the personal labor pension account at the Bureau of Labor Insurance, Ministry of Labor in accordance with the provisions of the Labor Pension Act. There is no statutory or constructive obligation to pay the additional amount after the Company and its domestic subsidiaries have provided a fixed amount under these schemes. Foreign subsidiaries contribute pensions in accordance with their local laws and regulations.

The consolidated company's pension costs under the defined contribution plan were NTD44,501,000 and NTD35,696,000 for the years ended December 31, 2021 and 2020, respectively.

(XVII) Income taxes

1. Income tax expense

The income tax expenses of the Consolidated Company are detailed as follows:

		2020	2020
Current income tax expenses			
Current income tax expenses	$	164,474	114,697
Current income tax from adjustment of prior period		(324)	(438)
Surtax on unappropriated earnings		664	163
Current income tax expenses	$	164,814	114,422
Deferred income tax expenses		37,433	21,422
	$	202,247	135,844

The amount of income tax expenses (benefits) recognized by the consolidated company in other comprehensive income for the years ended December 31, 2021 and 2020 was as follows:

		2021	2020
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit plans	$	(55)	1,033

The reconciliation of income tax expenses and income before tax was as follows:

		2021	2020
Profit before tax	$	984,153	613,677
Income tax at the Company's domestic tax rate	$	196,831	122,735
Effect of different tax rates in foreign jurisdictions		46,013	31,675
Gains on land transaction exempt from profit-seeking enterprise income tax		(92,777)	-
Income tax from adjustment of prior period		(324)	(438)
Expenses not deductible		1,201	7,622
Land value increment tax		45,975	-
Changes in unrecognized temporary differences and loss carryforward		(12,971)	(25,293)
Surtax on unappropriated earnings		664	163
Other non-taxable income		(14,587)	(9,656)
Others		32,222	9,036
	$	202,247	135,844

2. Deferred tax assets and liabilities

(1) Unrecognized deferred tax assets

	2021.12.31	2020.12.31
Deductible temporary differences	$ -	24,205
Loss carryforward	56,318	101,579
	$ 56,318	**125,784**

The consolidated company assesses that it is not probable that it will have sufficient taxable income in the future against which the deductible temporary difference and loss carryforward, so the relevant deferred tax assets have not been recognized.

As of December 31, 2021, the loss carryforward of consolidated company not recognized as deferred tax assets and the period for tax deduction are as follows:

Loss not yet deducted	Last year to be deducted
$ 11,988	2022
17,062	2023
102,098	2024
43,328	2025
44,778	2026
5,785	2028
1,485	2030
$ 226,524	

(2) Deferred tax assets and liabilities

	2021.12.31	2020.12.31
Income from investments in subsidiaries	**$ 10,191**	**10,191**

The temporary taxable differences related to investment in subsidiaries are not recognized as deferred income tax liabilities due to the consolidated company can control the reversal timing of temporary differences, which are likely not to reverse in the foreseeable future.

(3) Recognized deferred tax assets and liabilities

The changes in deferred tax assets and liabilities are as follows:

Deferred income tax assets:

	Allowance for inventory loss	Provisions	Defined benefit plans	Investments in subsidiaries	Financial assets at fair value through profit or loss	Others	Total
January 1, 2021	$ 22,108	11,365	7,558	19,084	2,877	24,696	87,688
Recognized in (loss) profit	(1,251)	(2,116)	(43)	(6,391)	(2,877)	3,802	(8,876)
Recognized in other comprehensive (loss) income	-	-	(55)	-	-	-	(55)
Effect of changes in exchange rate	-	-	-	-	-	99	99
December 31, 2021	**$ 20,857**	**9,249**	**7,460**	**12,693**	**-**	**28,597**	**78,856**
January 1, 2020	$ 21,366	11,197	6,924	33,126	2,819	20,279	95,711
Recognized in (loss) profit	742	168	(399)	(14,042)	58	4,417	(9,056)
Recognized in other comprehensive (loss) income	-	-	1,033	-	-	-	1,033
DECEMBER 31, 2020	**$ 22,108**	**11,365**	**7,558**	**19,084**	**2,877**	**24,696**	**87,688**

Deferred income tax liabilities:

	Investments in subsidiaries	Property, Plant and Equipment	Others	Total
January 1, 2021	$ 149,161	3,224	2,709	174,584
Recognized in loss (profit)	41,384	(1,352)	(18)	28,557
Arising in business combination	-	-	-	112,538
Effect of changes in exchange rate	-	-	(10)	(10)
December 31, 2021	$ 190,545	1,872	2,681	315,669
January 1, 2020	$ 131,842	4,620	2,312	162,218
Recognized in loss (profit)	17,319	(1,396)	(479)	11,490
Effect of changes in exchange rate	-	-	876	876
December 31, 2020	$ 149,161	3,224	2,709	174,584

3. Income tax assessments

The Company's profit-seeking enterprise income tax has been approved by the tax authority to the year of 2019.

(XVIII) Capital and other equities

1. Ordinary shares and treasury shares

As on December 31, 2021 and 2020, the total authorized capital of the Company was NTD1,772,000,000, which was divided into 177,200 thousand shares at NTD10 per share. The number of issued shares were 114,489 thousand shares and 144,689 thousand shares, respectively. The share capital reserved for the issuance of the exercise of employee share options was 20,000 thousand shares.

The number of outstanding ordinary shares was all 114,489 thousand shares from January 1 to December 31, 2021 and 2020, after the Company bought the treasury stocks of 200 thousand shares.

From November 2018 to January 2019, the Company bought back 200,000 ordinary shares of the Company at an average buyback price of NTD64.53 each from the centralized trading market. The Company will transfer the shares bought back this time to others, including employees of the controlled subsidiaries or affiliates of the Company who satisfy certain conditions, once or in multiple transactions within three years after the buyback date. Treasury shares held by the Company shall not be pledged as collateral in accordance with the Securities and Exchange Act, nor shall it be entitled to dividend distribution and voting rights.

On November 15, 2021, the Board of Directors of the Company adopted the resolution to implement capital reduction by canceling 200 thousand shares of treasury stock yet to be transferred to employees pursuant to the Securities and Exchange Act. With December 28, 2021 as the base date, the capital reduction involved the cancellation of 200 thousand shares amounting to NTD2,000,000, and the amount of paid-in capital after capital reduction was NTD1,144,889,000. The relevant change registration has been completed.

2. Capital surplus

The Company's capital reserve balance is analyzed as follows:

	2021.12.31	2020.12.31
Share premium	$ 625,371	649,362
Recognized changes in percentage of ownership interests in subsidiaries	5,962	5,962
Asset disposal income	808	808
Others	23,603	23,603
	$ 655,744	679,735

Pursuant to the provisions of the Company Act, the capital reserve shall be first used to recover the loss before it is distributed as the realized capital reserve to the shareholders based on their respective shareholding ratios in the form of new shares or cash. The Board of Directors is authorized to make a resolution to distribute and report to the Shareholders' Meeting if which as mentioned in the preceding paragraph shall be in the form of cash. The realized capital reserve as termed in the preceding sentence includes the proceeds from the shares issued at a premium over the face value and the income from the acceptance of donations. Pursuant to the provision of the processing standard for negotiable securities offering and issuance by issuers, the capital reserve shall be accrued out of the capital, and the total amount accrued every year shall be no higher than ten percent of the paid-in capital.

3. Retained earnings and dividends policy

Pursuant to the provision of Articles of Association of the Company, if there is any surplus in the final accounts, it shall first accrue the tax, recover the accumulated loss and then set aside 10% as the legal surplus reserve, except when the legal surplus reserve has reached the paid-in capital of the Company. If there is any surplus after the special surplus reserve is set aside or reversed in accordance with the law, the Board of Directors shall make the profit distribution plan for the surplus together with the accumulated undistributed profit and submit it to the Shareholders' Meeting for dividend distribution. The Board of Directors is authorized to make a resolution to distribute and report to the Shareholders' Meeting if the earnings distribution shall be in the form of cash dividends.

Pursuant to the provisions of the Articles of Association of the Company, the profit distribution plan made by the Board of Directors shall consider the general dividend level in the industry, adopt the balanced dividend policy and follow the principle of prudence in distribution, but the cash dividend to the shareholders shall be no lower than 15% of the total dividend to the shareholders, pursuant to the provisions of the Articles of Association of the Company. According to the Articles of Association of the Company on August 20, 2021, if a surplus totaling up to 2% of capital is recorded in the annual final accounts of the Company, the amount of dividends distributed shall be no lower than 10% of the distributable earnings for the year, and the amount of annual cash dividend distributed shall be no lower than 10% of the total amount of cash and stock dividends distributed for the year.

(1) Legal reserve

Pursuant to the provision of the Company Act, when the Company makes no loss, the Company shall distribute the legal surplus reserve in the form of new shares or in cash to the extent that such legal reserve exceeds 25% of the total paid-in capital. The Board of Directors is authorized to make a resolution to distribute and report to the Shareholders' Meeting if which as mentioned in the preceding paragraph shall be in the form of cash.

(2) Special reserve

Pursuant to the regulations issued by the Financial Supervisory Commission, when distributing the profit available for distribution, the Company shall accrue the special surplus reserve in the same amount out of the profit in the current period and the undistributed profit in the previous period against net deductibles incurred in the current year and listed in the shareholders' equity, and for the deductibles of other shareholders' equity accumulated in the previous period, the Company shall not distribute the special surplus reserve in the same amount accrued out of the undistributed profit in the previous period. If other deductibles of shareholders' equity are reversed in future, the Company shall distribute the profit with the reversed part.

4. Profit distribution

The amounts of cash dividends for the distribution of earnings for 2020 and 2019 which were resolved by the Company's Board of Directors on May 6, 2021 and May 6, 2020, respectively, were as follows:

	2020		2019	
	Dividend per share (NTD)	**Amount**	**Dividend per share (NTD)**	**Amount**
Dividends distributed to owners of common stock:				
Cash dividends	$ 2.8	320,569	5.0	572,444

Under the dividend distribution plan for 2020, the Company will distribute a cash dividend at NTD0.2 per share with the capital reserve of NTD22,898,000. The information regarding the profit distribution can be obtained from the open information monitoring website.

The amounts of cash dividends for the distribution of earnings for 2021 which were resolved by the Company's Board of Directors on March 3, 2022 was as follows:

	2021	
	Dividend per share (NTD)	**Amount**
Cash dividends distributed to owners of ordinary shares by unappropriated earnings	$ 3.2	366,364

Under the dividend distribution plan for 2021, the Company will distribute a cash dividend at NTD0.4 per share with the capital reserve of NTD45,796,000. The information regarding the profit distribution can be obtained from the open information monitoring website.

5. Other equities (net amount after tax)

	Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total
Balance on January 1, 2021	$ (83,110)	8,503	(74,607)
Exchange difference from conversion of net assets of foreign operating organizations	(51,761)	-	(51,761)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	11,544	11,544
Balance on December 31, 2021	**$ (134,871)**	**20,047**	**(114,824)**
Balance on January 1, 2020	$ (69,158)	14,890	(54,268)
Exchange difference from conversion of net assets of foreign operating organizations	(13,952)	-	(13,952)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	(4,658)	(4,658)
Proceeds from sale of financial assets at fair value through other comprehensive income	-	(1,729)	(1,729)
Balance on December 31, 2020	**$ (83,110)**	**8,503**	**(74,607)**

6. Non-controlling interests (net amount after tax)

	2021	2020
Beginning Balance	$ 2,058,536	2,166,001
Shares attributable to non-controlling interests:		
Net profit for the period	166,003	72,787
Exchange differences on translating the financial statements of foreign operations	(2,307)	(6,357)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	196	1,131
Remeasurement of defined benefit plans	539	241
Income tax associated with other comprehensive income	(109)	(49)
Cash dividends distributed by subsidiaries to non-controlling interests	(52,225)	(40,814)
Non-controlling interest of acquisition in subsidiaries	641,433	-
Non-controlling interests related to outstanding vested share options held by the employees of the subsidiaries	-	709
Acquisition of additional equity in subsidiaries	(365,532)	(135,113)
Ending balance	$ 2,446,534	2,058,536

(XIX) Share-based payment

The consolidated company has two transactions as below for the years ended December 31, 2021 and 2020.

1. Employee share options plan of the consolidated company's subsidiaries is as below:

	Employee share options plan of Ace Pillar in 2014	Employee share options plan of AEWIN in 2016
Grant date	August 2014	June 2016
Quantity granted (unit)	3,000	1,350,000
Subscription price of issuance per share	$22.40	$53.10
Ordinary shares to be subscribed per unit	1,000 shares	1 share
Contract Period	6.00 years	5.00 years
Conditions for Vesting	To exercise in accordance with the proportion specified in the issuance regulations during two to four years since the expiry of the grant date.	To exercise in accordance with the proportion specified in the issuance regulations during two years since the expiry of the grant date.
Granted recipient	Employees of Ace Pillar and its subsidiaries who meet the agreed conditions	Employees of AEWIN and its subsidiaries who meet the agreed conditions

2. Related information on the employee stock warrants of the subsidiary AEWIN is as follows:

	2021		2020	
	Amount (thousand units)	**Weighted average exercise price (NTD)**	**Amount (thousand units)**	**Weighted average exercise price (NTD)**
Outstanding at the beginning of the period	761	$ 37.70	856	$ 37.70
Invalid in current period	(761)	37.70	(95)	37.70
Outstanding at the end of the period	-	-	761	37.70
Executable quantity at end of period	-	-	761	37.70

The employee stock options plan of AEWIN has been terminated after the term of contract expired in June 2021.

3. Related information on the employee stock warrants of the subsidiary Ace Pillar is as follows:

	2020	
	Amount (thousand units)	**Weighted average exercise price (NTD)**
Outstanding at the beginning of the period	958	$ 21.40
Exercised in current period	(25)	21.40
Invalid in current period	(933)	21.40
Outstanding at the end of the period	-	-
Executable quantity at end of period	-	-

The employee stock options plan of ACE Pillar has been terminated after the term of contract expired in August 2020.

(XX) Earnings per Share

1. Basic earnings per share

	2021	2020
Net profit attributable to ordinary shareholders of the Company	$ 615,903	405,046
Weighted average number of outstanding ordinary shares (1,000 shares)	114,489	114,489
Basic earnings per share (NTD)	$ 5.38	3.54

2. Diluted earnings per share

	2021	2020
Net profit attributable to ordinary shareholders of the Company	$ 615,903	405,046
Weighted average number of outstanding ordinary shares (1,000 shares)	114,489	114,489
Impacts of potential ordinary shares with dilution effect (in thousand shares):		
Impact of employee stock compensation	1,003	746
Weighted average number of outstanding ordinary shares (after adjusting the number of dilution potential common shares) (1,000 shares)	115,492	115,235
Diluted earnings per share (NTD)	$ 5.33	3.51

(XXI) Revenue from customer contracts

1. Breakdown of income

	2021	2020
Main products and services:		
Industrial computer cards and systems	$ 4,831,083	5,218,280
Industrial Automation Control	3,522,522	2,731,929
Computer component	4,336,531	-
Others	521,140	399,313
	$ 13,211,276	8,349,522

2. Balance of contracts

	2021.12.31	2020.12.31	2020.1.1
Notes and accounts receivable (including related parties)	$ 2,796,049	2,029,546	2,140,120
Loss: Allowance for loss	(32,177)	(45,065)	(120,815)
	$ 2,763,872	1,984,481	2,019,305
Contract liabilities	$ 181,755	96,698	93,162

For the disclosure of notes receivable, accounts receivable (including related parties) and their impairments, please see Note VI (V) for details.

The contract liabilities mainly come from the difference between the time point of satisfying the performance obligation when the consolidated company transfers goods to a customer and the time point of the customer's payment. The beginning balances of contract liabilities on January 1, 2021 and 2020 were recognized in the income in an amount of NTD75,130,000 and NTD67,996,000 for the years ended December 31, 2021 and 2020, respectively.

(XXII) Employees compensation and remunerations of directors

In accordance with the Articles of Association: The Company shall set aside at least 5-20% of the earnings, if any, in the year as remuneration to the employees and no greater than 1% as remuneration to directors. Bur if the Company still has an accumulated loss, it shall reserve the recovery amount in advance. The beneficiaries of the aforesaid employees' compensation, if distributed in stock or in cash, shall include the employees of the controlled companies or affiliates of the Company who meet certain conditions.

The Company has estimated the employees' remunerations at NTD53,437,000 and NTD37,720,000, and estimated the directors' remunerations at NTD5,685,000 and NTD4,013,000 for the years ended 2021 and 2020. The Company has made these estimates by multiplying the pre-tax profit of respective period before the remunerations of employees and directors are deducted and the distribution ratios of the remunerations of employees and directors, and recognized these remunerations as the operating cost or operating expense in respective period. If the actually distributed amount of next year is different from the estimate, the difference will be treated as an accounting estimate change and listed in the profit and loss of next year.

The above-mentioned employees' compensation and the directors' remuneration are consistent with the distribution plan resolved by the Board of Directors of the Company, and they have been fully distributed in cash. Please refer to the TWSE MOPS website for relevant information.

(XXIII) Non-operating income and expenses

1. Interest income

	2021	2020
Interest on bank deposit	$ 2,066	4,486
Interest income from financial assets measured at amortized cost	26	152
Imputed interest on deposits	2	-
Interest income on financial assets measured at fair value through profit or loss	487	712
	$ 2,581	5,350

2. Other income

	2021	2020
Rental income	$ 6,160	6,221
Dividend income	999	1,260
Others	13,102	12,277
	$ 20,261	19,758

3. Other gain and loss

	2021	2020
Gain(loss) on disposal of property, plant and equipment	$ (1,854)	296
Gain on disposal of non-current assets held for sale(Note VI (VII))	469,360	-
Net gain (loss) on foreign exchange	3,036	(22,073)
Valuation profit or loss from financial assets and liabilities	(9,103)	(20,471)
Other expenditures	(1,947)	(2,130)
	$ 459,492	(44,378)

4. Finance costs

	2021	2020
Bank interest expenses	$ 19,441	12,317
Financial expenses on lease liabilities	5,070	2,861
	$ 24,511	15,178

(XXIV) Financial Instruments

1. Classification of financial instruments

(1) Financial assets

	2021.12.31	2020.12.31
Financial assets at fair value through profit or loss - current	$ 28,528	28,221
Financial assets at fair value through other comprehensive income - non-current	42,547	30,807
Financial assets at amortized cost:		
Cash and cash equivalents	1,521,790	1,922,245
Financial assets at amortized cost - current	1,708	1,708
Notes receivable, accounts receivable, and other receivables (including related parties)	2,794,678	1,997,892
Refundable deposits	34,610	31,093
Subtotal	4,352,786	3,952,938
Total	$ 4,423,861	4,011,966

(2) Financial liabilities

	2021.12.31	2020.12.31
Financial liabilities at fair value through profit or loss:		
Held-for-trading	$ 821	9,768
Financial liabilities measured by amortized cost:		
Short-term borrowings	1,311,304	823,701
Notes payables, accounts payables and other payables (including related parties)	2,803,428	1,592,703
Long-term borrowings (including the part due within one year)	1,750,000	-
Lease liabilities (including current and non-current)	254,715	116,016
Subtotal	6,119,447	2,532,420
Total	**$ 6,120,268**	**2,542,188**

2. Fair Value

(1) Financial instruments not measured at fair value

The Management of the consolidated company thinks that the book amounts of the financial assets and financial liabilities of the consolidated company measured at the amortized are close to the fair values.

(2) Financial instruments measured at fair value

The consolidated company's financial assets/liabilities measured by fair value through profit and loss and the financial assets measured by fair value through other comprehensive profit and loss are measured by fair value on the basis of repeatability. The following table provides relevant analysis of the financial instruments measured by fair value after initial recognition and classifies these assets into levels 1 to 3 based on the observable extent of fair value. Different fair value levels are defined as follows:

A. Level 1: Open quotation of the same asset or liability in the active market (without adjustment).

B. Level 2: The input parameter of the asset or liability is directly observable (namely price) or indirectly observable (namely, inferred from price), except for the open quotations included in level 1.

C. Level 3: The input parameters of assets or liabilities are not based on observable market data (non-observable parameters).

	2021.12.31			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Derivative financial instruments - Forward foreign exchange contracts	$ -	74	-	74
Derivative financial instruments - Foreign exchange swap contracts	-	2,311	-	2,311
Fund beneficiary certificates	26,143	-	-	26,143
	$ 26,143	**2,385**	**-**	**28,528**
Financial assets at fair value through other comprehensive income:				
Domestic listed stocks	$ 41,259	-	-	41,259
Foreign unlisted stocks	-	-	1,288	1,288
	$ 41,259	**-**	**1,288**	**42,547**
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments - Forward foreign exchange contract	**$ -**	**(821)**	-	**(821)**

	2020.12.31			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Derivative financial instruments - Forward foreign exchange contracts	$ -	226	-	226
Derivative financial instruments - Foreign exchange swaps contract	-	42	-	42
Fund beneficiary certificates	27,953	-	-	27,953
	$ 27,953	**268**	**-**	**28,221**
Financial assets at fair value through other comprehensive income:				
Domestic listed stocks	$ 29,920	-	-	29,920
Foreign unlisted stocks	-	-	887	887
	$ 29,920	**-**	**887**	**30,807**
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments - Forward foreign exchange contract	**$ -**	(2,185)	**-**	(2,185)
Derivative financial instruments - Foreign exchange swap contracts	-	(7,583)	-	(7,583)
	$ -	**(9,768)**	**-**	**(9,768)**

(3) Fair value measurement techniques for financial instruments measured at fair value

A. Non-derivative financial instruments

If there is an open quotation for the financial instrument in the active market, the open quotation in the active market shall be the fair value.

Except for financial instruments with active markets, fair values of the other financial instruments are obtained with valuation techniques or counterparty quotations. Evaluation technique-based fair value may be calculated by referring to the current fair value of other financial instruments with similar substantial conditions and characteristics, or discounted cash flow or other evaluation techniques, including market information application mode available on the reporting date.

The fair values of the financial instruments held by the consolidated company are presented in terms of type and attribute as follows:

Listed (OTC) stocks and fund beneficiary certificates have standard terms and conditions and are traded in active markets, and their fair values are determined in accordance with market quotations.

The Consolidated Company employs the asset approach to estimate fair values of unlisted stocks without active market and infers their fair values with total market values of individual assets and individual liabilities covered by the valuation subject as well as other factors.

B. Derivative financial instruments

They are valuated with the valuation model generally accepted by market participants. Forward foreign exchange contracts and foreign exchange swaps contracts are usually valuated in line with the current forward exchange rate.

(4) Transfer between fair value levels

There were no transfers of fair value levels of any financial asset and financial liability for the years ended 2021 and 2020.

(5) Detailed statement on changes in level 3

Financial assets at fair value through other comprehensive income:

	2021	2020
Beginning Balance	$ 887	1,414
Changes recognized in other comprehensive incomes in current period	401	(527)
Ending balance	$ 1,288	887

(XXV) Financial risk management

The consolidated company is exposed to credit risk, liquidity risk and market risk (including currency risk, interest rate risk and equity instrument price risk) due to its business activities. This note expresses the consolidated company's policies and procedures for measuring and managing the above risks, and the quantitative disclosures of risk.

The Board of Directors of the consolidated company is responsible to develop and control the risk management policies which are formulated to identify and analyze the risks faced by the consolidated company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes market conditions and the consolidated company's activities.

The financial management department of the consolidated company monitors and manages the financial risks related to the operations of the consolidated company through internal risk reports.

1. Credit risk

   Credit risk refers to the risk of financial loss of the consolidated company due to the failure of the counterparty to perform its contractual obligations in financial assets, mainly from cash and cash equivalents, derivatives transactions, accounts receivable from clients, and other receivables. The carrying amount of financial assets of the consolidated company represents the maximum amount of credit risk exposure.

   The transaction counterparties of the consolidated company's cash and cash equivalents and the fund beneficiary certificates held are all financial institutions with good credit, so there should be no significant credit risk.

   The policies adopted by the consolidated company are to only conduct transactions with reputed counterparties, and to obtain sufficient collateral under necessary circumstances to reduce the risk of financial losses. The consolidated company conduct transactions with enterprises whose ratings is equivalent to or higher than investment level. The information is provided by independent rating agencies. If such information is not available, the consolidated company will use other publicly available financial information and transaction records of each other to rate major clients. The consolidated company continues to monitor credit risk exposure and the credit ratings of counterparties, and it distributes total transaction amounts among clients with qualified credit ratings. It also controls credit risk exposure through credit limit of counterparties reviewed and approved by the unit of risk management every year, and through insurance to reduce possible losses To mitigate the credit risk, the management of the consolidated company appoints a team solely responsible for determination of credit lines, credit approvals and other monitoring procedures to ensure that appropriate action has been taken for the collection of overdue receivables. In addition, the consolidated company will review the recoverable amount of the receivables one by one on the balance sheet date to ensure that the unrecoverable receivables have been recognized with appropriate impairment loss. Accordingly, the management of the consolidated company believes that the consolidated company’s credit risk is significantly reduced.

   The consolidated company does not have any concentration of accounts receivable balances for the years ended December 31, 2021 and 2020.

2. Liquidity risk

   Liquidity risk is the risk that the consolidated company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial asset. The consolidated company supports business operations and reduces cash flow fluctuation through appropriate management and the maintenance of sufficient cash. The management of the consolidated company supervises the use of the bank's financing line and ensures compliance with the terms of the loans contract.

The following table shows the contractual maturity date of financial liabilities, including the impact of estimated interest, and prepared at the undiscounted cash flow.

	Contractual cash flows	**Within 1 year**	**1-2 years**	**2-5 years**	**5 years and above**
December 31, 2021					
Non-derivative financial liabilities:					
Short-term borrowings (variable interest rates)	$ 1,318,223	1,318,223	-	-	-
Long-term borrowings (variable interest rates)	1,776,288	37,375	1,325,596	413,317	-
Notes payables, accounts payables and other payables (including related parties; no interest)	2,803,428	2,803,428	-	-	-
Lease liabilities	264,601	77,114	57,475	69,418	60,594
Subtotal	6,162,540	4,236,140	1,383,071	482,735	60,594
Derivative financial instruments:					
Forward foreign exchange contracts －total amount of delivery					
Outflow	553,511	553,511	-	-	-
Inflow	(552,764)	(552,764)	-	-	-
Foreign exchange SWAP－total amount of delivery					
Outflow	612,731	612,731	-	-	-
Inflow	(615,042)	(615,042)	-	-	-
Subtotal	(1,564)	(1,564)	-	-	-
	$ 6,160,976	**4,234,576**	**1,383,071**	**482,735**	**60,594**

	Contractual cash flows	Within 1 year	1-2 years	2-5 years	5 years and above
December 31, 2020					
Non-derivative financial liabilities:					
Short-term borrowings (variable interest rates)	$ 825,514	825,514	-	-	-
Notes payables, accounts payables and other payables (including related parties; no interest)	1,592,703	1,592,703	-	-	-
Lease liabilities	120,861	55,107	44,683	21,071	-
Subtotal	2,539,078	2,473,324	44,683	21,071	-
Derivative financial instruments:					
Forward foreign exchange contracts －total amount of delivery					
Outflow	505,129	505,129	-	-	-
Inflow	(503,170)	(503,170)	-	-	-
Foreign exchange SWAP－total amount of delivery					
Outflow	993,108	993,108	-	-	-
Inflow	(985,567)	(985,567)	-	-	-
Subtotal	9,500	9,500	-	-	-
	$ 2,548,578	2,482,824	44,683	21,071	-

The Consolidated Company doesn’t expect the time point of the cash flow under the maturity date analysis will come much earlier or the actual amount will be substantially different.

3. Market Risks

Market risk refers to the risk of the value of revenue or held financial instruments being influenced by market price changes, such as changes in exchange rate, interest rate, and equity instrument price. The objective of market risk management lies in optimizing the investment return by controlling the market risk exposure within the bearable scope.

(1) Exchange Rate Risks

The consolidated company is exposed to exchange rate risk arising from the sale and purchase in the currency other than the functional currency, and the currency of such transaction is USD. The consolidated company manages exposure to exchange rate risks by using forward foreign exchange contracts and foreign exchange SWAP to manage the exchange rate risks in the range allowed by policies.

The exchange rate risks of the consolidated company are mainly derived from USD, RMB, and JPY-denominated receivables and payables of the consolidated company that are still outstanding on the balance sheet date. Listed below are the book values of the monetary assets and liabilities not valuated by the consolidated company in the functional currency on the reporting date (including monetary items included in the non-functional currency written off in the consolidated financial statements) as well as the sensitivity analysis of their related foreign currency changes (monetary unit: thousands of NTD):

	2021.12.31				
	Foreign Currency	**Exchange rate**	**NTD**	**Changes in exchange rates**	**Profit and loss influence (before tax)**
Financial assets					
Monetary items					
USD (Note 1)	$ 67,168	27.6800	1,859,210	1%	18,592
USD (Note 2)	2,093	6.3700	57,934	1%	579
RMB	4,687	4.3454	20,367	1%	204
JPY	31,879	0.2404	7,664	1%	77
Financial liabilities					
Monetary items					
USD (Note 1)	30,710	27.6800	850,053	1%	8,501
USD (Note 2)	26,447	6.3700	732,064	1%	7,321
JPY	11,453	0.2404	2,753	1%	28

	2020.12.31				
	Foreign Currency	**Exchange rate**	**NTD**	**Changes in exchange rates**	**Profit and loss influence (before tax)**
Financial assets					
Monetary items					
USD (Note 1)	$ 67,993	28.3500	1,927,602	1%	19,276
USD (Note 2)	1,950	6.5600	55,283	1%	553
RMB	21,086	4.3216	91,125	1%	911
JPY	66,285	0.2749	18,222	1%	182
Financial liabilities					
Monetary items					
USD (Note 1)	24,728	28.3500	701,039	1%	7,010
USD (Note 2)	20,408	6.5600	578,567	1%	5,786
JPY	21,969	0.2749	6,039	1%	60

(Note 1) It is the exchange rate between the US dollar and the New Taiwan Dollar.

(Note 2) It is the exchange rate between the US dollar and RMB.

The Consolidated Company has many functional currencies, so the Company has selected to disclose the overall exchange gain or loss information on the monetary items. Please refer to Note VI (XXIII) for details of the Company's foreign exchange gain or loss (realized and unrealized) for the years ended 2021 and 2020.

(2) Interest Rate Risks

The consolidated company's bank borrowings are on a floating rate basis. The measures taken by the consolidated company in response to changes in the interest rate risk are mainly to assess the interest rate of bank borrowings on a regular basis, and to maintain good relations with financial institutions in order to obtain lower financing costs; meanwhile, it cooperates to strengthen the management of working capital to reduce the dependence on bank borrowings and the risk of interest rate changes.

The interest rate risk exposure of financial liabilities of the consolidated company is described in the liquidity risk management of this Notes. The following sensitivity analysis is determined by the interest rate risk exposure of non-derivative instruments on the reporting date. For variable-rate instruments, the sensitivity analysis assumes the variable-rate liabilities are outstanding for the whole year on the reporting date. The rate of change used internally in reporting interest rates to the management from the consolidated company is the 1% increase or decrease in interest rates, which also represents the management's evaluation of the reasonable range of possible changes in interest rates.

If the interest rate of the consolidated company’s bank borrowings increases/decreases by 1%, the net profit before tax of the consolidated company for the years ended December 31, 2021 and 2020 will decrease/increase by NTD30,613,000 and NTD8,237,000, respectively, with all other variables remaining constant, estimated based on the bank borrowings balance of the consolidated company as of December 31, 2021 and 2020.

(3) Other market risks

The consolidated company holds equity securities investments measured at fair value and so the risk of changes in equity instrument prices arises. The consolidated company manages and monitors investment performance on a fair value basis.

Sensitivity analysis on equity instrument price risk is based on changes in fair value at the reporting date. If the price of equity instruments increased/decreased by 1%, other comprehensive income for the years ended December 31, 2021 and 2020 would have increased/decreased by NTD425,000 and NTD308,000, respectively, which were calculated based on estimation of the balance of equity securities investments held by the consolidated company as of December 31, 2021 and 2020.

(XXVI) Capital management

The consolidated company conducts management of risks in capital to ensure that each enterprise of the group would continue as a going concern with the premise of optimizing the balances of debt and equity, and to maximize shareholders' equity.

The consolidated company's capital structure consists of its net debt, which is borrowings less cash and cash equivalent, and equity attributable to the owners of the Company, which is equity, capital reserve, retained earnings and other equity items.

The consolidated company is not subject to other external capital requirements.

The consolidated company's key management annually reviews the group's capital structure, and the content of the review includes costs of various capital and related risks. According to the key management's suggestions, the consolidated company will balance the overall capital structure through the payment of dividends, issuance of new shares, and buy-back of shares.

The method of capital management has not been changed by the consolidated company for the years ended December 31, 2021 and 2020.

(XXVII) Investing and financing activities not in cash transaction

1. Please refer to Note VI (X) for the right-of-use assets acquired by the consolidated company through lease.
2. The liabilities from financing activities are reconciled in the following table:

			Non-cash change				
	2021.1.1	Cash Flows	Impact from initial consolidation of subsidiary	Increase in lease liabilities	Decrease in lease liabilities	Exchange rate changes	2021.12.31
Short-term borrowings	$ 823,701	487,797	-	-	-	(194)	1,311,304
Long-term borrowings (including the part due within one year)	-	1,745,830	4,187	-	-	(17)	1,750,000
Lease liabilities	116,016	(76,445)	51,212	171,536	(5,071)	(2,533)	254,715
Total liabilities from financing activities	$ 939,717	2,157,182	55,399	171,536	(5,071)	(2,744)	3,316,019

			Non-cash change			
	2020.1.1	Cash Flows	Increase in lease liabilities	Decrease in lease liabilities	Exchange rate changes	2020.12.31
Short-term borrowings	$ 622,075	209,528	-	-	(7,902)	823,701
Lease liabilities	88,027	(54,773)	87,408	(4,024)	(622)	116,016
Total liabilities from financing activities	$ 710,102	154,755	87,408	(4,024)	(8,524)	939,717

VII. Related Party Transactions

(I) Parent company and ultimate controller

Qisda Corporation (Qisda) is the parent company of the Company and the ultimate controller of the Group to which it belongs, and it holds 55.1% of the Company's outstanding ordinary shares. Qisda has prepared consolidated financial statements for public use.

(II) Name and relation of related party

The related parties having transactions with the consolidated company during the period under the consolidated balance sheet are as follows:

Name of related party	Relationship with the consolidated company
Qisda Corporation (Qisda)	Parent company of the Company
Partner Technology Co., Ltd.	Direct/indirect subsidiary of Qisda
Alpha Networks Inc.	Direct/indirect subsidiary of Qisda
BenQ Medical Technology Corporation	Direct/indirect subsidiary of Qisda
BenQ Materials Corporation	Direct/indirect subsidiary of Qisda
BenQ Asia Pacific Corporation	Direct/indirect subsidiary of Qisda
BenQ ESCO Corporation	Direct/indirect subsidiary of Qisda
BenQ Healthcare Corporation (former BenQ Hearing Solution Corporation)	Direct/indirect subsidiary of Qisda
BenQ Guru Corporation	Direct/indirect subsidiary of Qisda
BenQ Guru Software Corporation	Direct/indirect subsidiary of Qisda
BenQ Corporation	Direct/indirect subsidiary of Qisda
BenQ Co., Ltd	Direct/indirect subsidiary of Qisda
BenQ (Shanghai) Co., Ltd.	Direct/indirect subsidiary of Qisda
BenQ Intelligent Technology (Shanghai) Co., Ltd.	Direct/indirect subsidiary of Qisda
Simula Technology Inc.	Direct/indirect subsidiary of Qisda
Golden Spirit Co., Ltd.	Direct/indirect subsidiary of Qisda
Dsta Image Co., Ltd.	Direct/indirect subsidiary of Qisda
SYSAGE Technology Co., Ltd.	Direct/indirect subsidiary of Qisda
AdvancedTEK International Corp.	Direct/indirect subsidiary of Qisda
Global Intelligence Network Co., Ltd.	Direct/indirect subsidiary of Qisda
ASIACONNECT INTERNATIONAL COMPANY LTD.	Direct/indirect subsidiary of Qisda
Qisda Optronics (Suzhou) Co., Ltd.	Direct/indirect subsidiary of Qisda
Qisda (Suzhou) Co., Ltd.	Direct/indirect subsidiary of Qisda
Suzhou BenQ Hospital Co., Ltd.	Direct/indirect subsidiary of Qisda
BenQ Foundation	Substantive related party of Qisda
AU Optronics Corporation (AUO)	Related enterprise of Qisda/Corporate director valuing Qisda under equity approach (Note 1)

AFPD Pte., Ltd	Direct/indirect subsidiary of AUO
AU Optronics (Kunshan) Co., Ltd.	Direct/indirect subsidiary of AUO
AU Optronics (Xiamen) Co., Ltd.	Direct/indirect subsidiary of AUO
AU Optronics (Suzhou) Co., Ltd.	Direct/indirect subsidiary of AUO
AUO Digitech Taiwan Inc.	Direct/indirect subsidiary of AUO
AUO Crystal Corporation	Direct/indirect subsidiary of AUO
Darwin Precisions (Xiamen) Corporation	Direct/indirect subsidiary of AUO
Darwin Precisions Corporation	Direct/indirect subsidiary of AUO
Ta Chi Education Development Co., Ltd.	Direct/indirect subsidiary of AUO
AEWIN KOREA CO., LTD.	Substantive related party of AEWIN
Darfon Electronics Corporation (Darfon)	Related enterprise of Qisda
Unictron Technologies Corporation	Direct/indirect subsidiary of Darfon
Darfon Electronics (Suzhou) Co., Ltd.	Direct/indirect subsidiary of Darfon
San Jose Technology, Inc.	Direct/indirect subsidiary of Darfon (Note 2)

Note 1: AUO was previously a related enterprise of Qisda. However, AUO is no longer a related enterprise of Qisda starting May 12, 2021, and AUO has valued Qisda under the equity approach as of January 2021.

Note 2: It was written off and dissolved on March 30, 2021.

(III) Material transactions with related party

1. Net operating revenue

The material sales amount of the consolidated company to the related parties is as follows:

	2021	2020
Parent company	$ 51,074	110,108
Other related parties	199,203	276,089
	$ 250,277	386,197

Sales of the Consolidated Company to related parties involve customary products made to order based on the customer demand, so the price is determined by both parties through negotiation. The credit term for related parties is 60-120 days after shipment, and 30-180 days for non-related parties.

2. Purchases

The purchase amount of the consolidated company from the related parties is as follows:

	2021	2020
Parent company	$ 351,317	751,208
Other related parties	24,801	35,909
	$ 376,118	787,117

The purchases from related parties by the consolidated company are customized products tailored to the requirements of the order, and, therefore, the selling price is mutually agreed. The credit term provided by related parties is 60-90 days after shipment, and 30-105 days for non-related parties.

3. Leases

The consolidated company has leased plants and offices from the parent company and other related parties respectively and signed the lease contracts based on the rent prices in the adjacent areas. The total amounts of increase in right-of-use assets in 2021 and 2020 were NTD135,488,000 and NTD6,228,000, respectively.

The Consolidated Company has recognized an interest expense of NTD1,615,000 and NTD123,000 for the years ended December 31, 2021 and 2020 respectively. Relevant balance of lease liabilities was NTD130,047,000 and NTD5,133,000 as on December 31, 2021 and 2020 respectively.

4. Property transactions

Category of related party	Item	2021	2020
Parent company	Property, plant and equipment	$ -	5,469
Other related parties	Property, plant and equipment	6,562	210
Parent company	Intangible assets	1,789	-
Other related parties	Intangible assets	288	-
		$ 8,639	5,679

5. operating costs, expenses, and other income

The operating costs and operating expenses incurred by the consolidated company for services provided by related parties, such as product processing and management services, as well as other income from other transactions are detailed as follows:

Item	Category of related party	2021	2020
Operating costs	Parent company	$ 9,316	8,266
	Other related parties	3,890	219
Operating Expenses	Parent company	5,860	1,549
	Other related parties	11,511	10,538
Other income	Other related parties	5,581	5,612

6. Receivables from related parties

Details of the receivables from related parties of the consolidated company are as follows:

Item	Category of related party	2021.12.31	2020.12.31
Accounts receivable from related parties	Parent company	$ 106,639	89,355
	Other related parties	61,156	54,879
		167,795	144,234
Other receivables	Other related parties	498	592
		$ 168,293	**144,826**

The consolidated company provides some of the raw materials to the parent company for manufacturing, while the completed semi-finished products are sold back to the consolidated company for processing and assembly. To prevent repeated calculation of the purchases and sales above, the consolidated company did not recognize the amount of raw materials provided to the parent company as operating income. Furthermore, the accounts receivable and payable arising from the sale of raw materials and the purchase of semi-finished products above were not collected and paid on a net basis; therefore, they were not expressed as mutual offset.

7. Accounts payable to related parties

The payables of the consolidated company to related parties are detailed as follows:

Item	Category of related party	2021.12.31	2020.12.31
Accounts payables	Parent company	$ 51,668	100,567
	Other related parties	11,385	4,313
		63,053	104,880
Other payables	Parent company	3,188	931
	Other related parties	3,803	337
		6,991	1,268
Lease liabilities - current	Parent company	13,482	-
	Other related parties	2,158	2,067
Lease liabilities - non-current	Parent company	113,483	-
	Other related parties	924	3,066
		130,047	5,133
		$ 200,091	**111,281**

(IV) Remuneration to main management

	2021	2020
Short-Term Employee Benefits	$ 46,767	40,907

VIII. Pledged Assets

The details of the book-entry values of the asset pledged as collateral provided by the consolidated company are detailed as follows:

Asset name	Subject matter of pledge guarantee	2021.12.31	2020.12.31
Pledged certificate of deposits	Performance bond for release before tax to customs house	$ 1,708	1,708
Notes receivable	Guarantee for bank loans	18,196	39,558
Property, Plant and Equipment	Guarantee for bank loans	461,112	-
		$ 481,016	41,266

The aforesaid bank deposits are presented under the financial assets measured at amortized cost.

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments: None.

X. Significant Disaster Loss: None.

XI. Significant Events after the Balance Sheet Date

In order to optimize the layout of the semiconductor business, expand the business, and provide customers with a full range of products and services, Ace Pillar, a consolidated subsidiary, acquired 4,680 thousand shares of ordinary shares of Standard Technology Corporation (hereinafter referred to as “Standard Tech”) at a price of NTD187,000,000 with the approval of the Board of Directors on January 4, 2022, resulting in an acquisition of 60% shareholding ratio in Standard Tech after split and the share price has been paid in full on March 1, 2022 and the transfer has been completed.

XII. Others

The employee benefits, depreciation and amortization expenses are summarized by function as follows:

Function / Nature	2021			2020		
	Attributable to operating cost	Attributable to operating expenses	Total	Attributable to operating cost	Attributable to operating expenses	Total
Employee benefits expenses						
Salary expense	245,210	981,335	1,226,545	219,153	833,226	1,052,379
Labor and health insurance expenses	22,865	87,363	110,228	20,057	71,028	91,085
Pension expense	8,174	36,744	44,918	8,004	28,304	36,308
Other employee benefit expenses	16,215	37,955	54,170	11,577	26,901	38,478
Depreciation expenses	66,428	110,529	176,957	48,672	99,915	148,587
Amortization expenses	1,781	65,597	67,378	1,116	27,616	28,732

XIII. Supplementary Disclosures

(I) Information on Significant Transactions:

Listed below are the material transactions the consolidated company shall disclose again in line with the accounting standard for the year ended 2021:

1. Loans to others:

Unit: In Thousands of New Taiwan Dollars

No.	Financing Company	Loan recipient	Transaction item	Related Party	Maximum balance in current period	Ending balance	Amount of actual use	Interest Rate	Nature for Financing (Note 4)	Business Transaction Amounts	Reason for Short-term Financing	Allowance for Loss	Collateral		Financing Limits for Each Borrowing Company	Total Financing Limits
													Name	Value		
1	AEWIN	Beijing AEWIN	Other receivables - related parties	Yes	85,590	-	-	-	2	-	Operating capital fund	-		-	231,859 (Note 1)	463,718 (Note 1)
2	Ace Pillar	Tianjin ACE Pillar	Other receivables - related parties	Yes	250,560	249,120	166,080	0%~4.35%	2	-	Operating capital fund	-		-	410,619 (Note 2)	821,237 (Note 2)
2	Ace Pillar	Suzhou Super Pillar	Other receivables - related parties	Yes	28,530	27,680	27,680	-	2	-	Operating capital fund	-		-	410,619 (Note 2)	821,237 (Note 2)
3	Cyber South	Suzhou Super Pillar	Other receivables - related parties	Yes	15,692	-	-	1.15%	2	-	Operating capital fund	-		-	626,514 (Note 3)	626,514 (Note 3)
4	Tianjin Jinhao	Tianjin ACE Pillar	Other receivables - related parties	Yes	13,044	-	-	1.80%	2	-	Operating capital fund	-		-	7,018 (Note 3)	7,018 (Note 3)
4	Tianjin Jinhao	Quanshen g Informatio n	Other receivables - related parties	Yes	2,614	-	-	1.80%	2	-	Operating capital fund	-		-	7,018 (Note 3)	7,018 (Note 3)
5	Hong Kong ACE Pillar	Tianjin ACE Pillar	Other receivables - related parties	Yes	17,344	-	-	1.80%	2	-	Operating capital fund	-		-	39,722 (Note 3)	39,722 (Note 3)
1	AEWIN	Beijing AEWIN	Other receivables - related parties	Yes	208,489	102,949	102,949	-	1	445,822	Business Interaction	-		-	231,859 (Note 1)	463,718 (Note 1)

(Note 1) The total line of credit provided by AEWIN for other persons and the limit for loans to individual borrowers shall be 40% and 20% of the net values in the financial statement of the Company for the most recent period.

(Note 2) The total line of credit provided by ACE Pillar for other persons and the limit for loans to individual borrowers shall be 40% and 20% of the net values in the financial statement of the Company for the most recent period.

(Note 3) The total line of credit provided by Cyber South, Tianjin Jinhao and Hong Kong ACE Pillar for 100%-owned foreign subsidiaries of ACE Pillar and the limit for loans to individual borrowers shall be 100% of the net values in the financial statement of the company for the most recent period. The total line of credit provided for foreign subsidiaries not 100% owned by ACE Pillar and the limit for loans to individual borrowers shall be 10% and 5% of the net values in the financial statement of the company for the most recent period.

(Note 4) The natures of loans are stated as follows:

1. Arise from business transactions.
2. Having needs in short-term financing.

(Note 5) The aforesaid transactions had been written off when the consolidated financial statements were prepared.

2. Endorsements/guarantees to others:

Unit: In Thousands of New Taiwan Dollars

No.	Company Name of Endorser	Company name of endorsee		Endorsement limit for a single enterprise	Maximum endorsement guarantee balance for current period	Ending balance of endorsement guarantee	Amount Actually Drawn	Amount of endorsements secured by the property	The ratio of accumulated endorsement amount to the net worth of the latest financial statements	Maximum amount of endorsement	Endorsement of the parent company to a subsidiary	Endorsement of a subsidiary to the parent company	Endorsement for Mainland China
		Company Name	Relationship (Note 3)										
1	AEWIN	Beijing AEWIN	2	231,859 (Note 1)	129,780	65,181	65,181	-	5.62%	579,647 (Note 1)	Y	N	Y
1	Ace Pillar	Tianjin ACE Pillar	2	821,237 (Note 2)	327,500	188,400	56,490	-	9.18%	1,026,547 (Note 2)	Y	N	Y

Note 1: The maximum line of credit provided by AEWIN for other persons and individual enterprise shall be 50% and 20% of the net values in the financial statement of the company for the most recent period.
Note 2: The maximum line of credit provided by Ace Pillar for other persons and individual enterprise shall be 50% and 40% of the net values in the financial statement of the company for the most recent period.
Note 3: Relationship between endorsement guarantor and target of endorsement guarantee: (2) A subsidiary holding more than 50% of ordinary shares.

3. Marketable securities held at the end of the period (excluding the investments in subsidiaries, related enterprises and equity joint ventures):

Unit: In Thousands of New Taiwan Dollars/ In Thousands of shares/ In Thousands of units

Name of Held Company	Type and Name of Marketable Securities	Relationship with the issuer of securities	Item	End of Period				Highest shareholding ratio during the period		Remark
				Number of Shares/number of Units	Carrying Amount	Shareholding Ratio	Fair value	Number of Shares/number of Units	Shareholding Ratio	
The Company	Beneficiary certificates: Cathay No.1 REIT	-	Financial assets at fair value through profit or loss - current	1,442	26,143	- %	26,143	1,442	- %	-
The Company	Stock: APLEX Technology Inc.	-	Financial assets at fair value through other comprehensive income - non-current	999	41,259	3.32%	41,259	999	3.32%	-
The Company	Fund: Asia Tech Taiwan Venture Fund	-	Financial assets at fair value through profit or loss - non-current	USD 225	-	-	-	-	-	-
The Company	Bonds: WM 7.25% Perpetual	-	Financial assets at fair value through profit or loss - current	USD 200	-	-	-	-	-	-
AEWIN	Stock: AEWIN KOREA TECHNOLOGIES CO., LTD	Substantial related party	Financial assets at fair value through other comprehensive income - non-current	10	1,288	16.67%	1,288	10	16.67%	-
AEWIN	Stock: Authentrend Technology Inc.	-	Financial assets at fair value through profit or loss - non-current	300	-	1.42%	-	300	1.42%	-

4. The cumulative purchase or sale of the same securities amounted to NTD 300 million or 20% and above of the paid-in capital:

Unit: In Thousands of New Taiwan Dollars/ In Thousands of shares

Buyer and seller	Type and Name of Marketable Securities	Item	Counter party	Relationship	Buy at beginning of period				Sell at end of period				End of Period(Note)	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Sales price	Book cost	Disposal profit or loss	Number of shares	Amount
The Company	Stock-Brainstorm Corporation	Investment under equity approach	-	Parent company and subsidiary	-	-	233	501,582	-	-	-	-	233	535,021
The Company	Stock -Ace Pillar Co., Ltd.	Investment under equity approach	—	Parent company and subsidiary	37,676	793,722	16,282	507,636	-	-	-	-	53,958	1,095,684

Note: The ending balance includes adjustments such as investment profit (loss) recognized for the period and translation differences.

5. The amount of property acquired reached NTD 300 million or 20% and above of the paid-in capital:

Unit: In Thousands of New Taiwan Dollars

Name of company	Name of property	Transaction date or date of occurrence of event	Transaction amount(Note)	Payment status	Counterparty	Relationship	Prior transaction of related counterparty				Basis of reference for price determination	Purpose and use	Other agreed matters
							Owner	Relationship with the issuer	Transfer date	Amount			
Ace Pillar	Land and buildings	110/7/7	262,270	Fully paid	Chung Mao Property Development Co., Ltd.	-	-	-	-	-	Price negotiation according to appraisal report	Office use	None
AEWIN	Land and buildings	110/10/4	470,880	Fully paid	Avanti Commerce Centre Ltd.	-	-	-	-	-	Price negotiation according to appraisal report	Usage in operation	None

Note: Transaction amount includes business tax.

6. The amount of property disposal reached NTD 300 million or 20% and above of the paid-in capital:

Company that Disposed Real Estate	Name of property	Date of occurrence of event	Original Acquisition Date	Book value	Transaction amount	Price Collection Status	Disposal profit or loss	Counter-party	Relationship	Purpose of Disposal	Basis of reference for price determination	Other agreed matters
The Company	Land and buildings	2021/11/30	1987/4/1	72,885	550,000	Fully received	469,360 (Note)	Axiomtek Co., Ltd.	N/A	Revitalize company assets and replenish working capital	Price negotiation according to appraisal report	None

Note: Amount after deducting transaction-related fees

7. The amount of purchases or sales with related parties reached NTD 100 million or 20% and above of the paid-in capital:

Unit: In Thousands of New Taiwan Dollars

			Transaction Status				The situation and reason for the difference between the trading terms and the general trading		Notes and accounts receivable (payable)		
Purchasing (selling) company	**Name of counterparty**	**Relationship**	**Purchase/ Sales**	**Amount**	**Ratio of total purchase (sales)**	**Credit period**	**Unit price**	**Credit period**	**Balance**	**Ratio of notes and accounts receivable and payable**	**Remark**
The Company	Qisda	Parent company and subsidiary	Purchases	350,492	10 %	OA60	-	30-90 days to collect	(50,843)	(6) %	-
Qisda	The Company	Parent company and subsidiary	Sales	(350,492)	-	OA60	-	30-90 days to collect	50,843	-	-
DFI AMEICA,LLC.	The Company	Parent company and subsidiary	Purchases	579,172	100 %	60-90 days to collect	-	30-90 days to collect	(69,313)	(99) %	Note 2
The Company	DFI AMEICA, LLC.	Parent company and subsidiary	Sales	(579,172)	(17) %	60-90 days to collect	-	30-90 days to collect	69,313	11 %	Note 2
Diamond Flower Information (NL) B.V	The Company	Parent company and subsidiary	Purchases	335,051	100 %	60-90 days to collect	-	30-90 days to collect	(13,451)	(100) %	Note 2
The Company	Diamond Flower Information (NL) B.V.	Parent company and subsidiary	Sales	(335,051)	(10) %	60-90 days to collect	-	30-90 days to collect	13,451	2 %	Note 2
DFI Co., Ltd.	The Company	Parent company and subsidiary	Purchases	216,968	99 %	60-90 days to collect	-	30-90 days to collect	(14,796)	(92) %	Note 2
The Company	DFI Co., Ltd.	Parent company and subsidiary	Sales	(216,968)	(6) %	60-90 days to collect	-	30-90 days to collect	14,796	2 %	Note 2
Yan Ying Hao Trading (Shenzhen) Co., Ltd.	The Company	Parent company and subsidiary	Purchases	146,668	91 %	60-90 days to collect	-	30-90 days to collect	(25,498)	(94) %	Note 2
The Company	Yan Ying Hao Trading (Shenzhen) Co., Ltd.	Parent company and subsidiary	Sales	(146,668)	(4) %	60-90 days to collect	-	30-90 days to collect	25,498	4 %	Note 2
The Company	AEWIN	Parent company and subsidiary	Sales	(473,425)	14 %	Payment term of 60 days	At agreed price	Payment term of 60-90 days to collect	112,266	18 %	Note 2
AEWIN	The Company	Parent company and subsidiary	Purchases	473,425	24 %	Payment term of 60 days	At agreed price	Payment term of 60-90 days to collect	(112,266)	43 %	Note 2
AEWIN	Beijing AEWIN	Parent company and subsidiary	Sales	(445,822)	(35) %	150 days after shipment	-	120 days after shipment (Note 1)	398,155	68 %	Note 2
Beijing AEWIN	AEWIN	Parent company and subsidiary	Purchases	445,822	42 %	150 days after shipment	-	120 days after shipment (Note 1)	(398,155)	(64) %	Note 2
Quansheng Information	Tianjin ACE Pillar	Affiliate	Sales	(455,128)	(100) %	T/T 30 days	-		61,680	98 %	Note 2
Tianjin ACE Pillar	Quansheng Information	Affiliate	Purchases	455,128	33 %	T/T 30 days	-		(61,680)	(31) %	Note 2
AEWIN	AEWIN TECH	Parent company and subsidiary	Sales	(148,507)	(12) %	120 days after shipment	-	120 days after shipment (Note 1)	57,270	10 %	Note 2
AEWIN TECH	AEWIN	Parent company and subsidiary	Purchases	148,507	100 %	120 days after shipment	-	120 days after shipment (Note 1)	(57,270)	(100) %	Note 2
The Company	AEWIN	Parent company and subsidiary	Purchases	222,370	7 %	Payment term of 60 days	-	30-90 days to collect	(32,353)	(4) %	Note 2
AEWIN	The Company	Parent company and subsidiary	Sales	- (Note 3)	-	Payment term of 60 days	-	120 days after shipment (Note 1)	32,353	6 %	Note 2

Note 1: 120 days after shipment, subject to extension taking into account market conditions.
Note 2: The aforesaid transactions had been written off when the consolidated financial statements were prepared.
Note 3: Amount of raw materials sold deducted the repurchase part after processing

8. Receivables from related parties reached NTD 100 million or 20% and above of paid-in capital:

Unit: In Thousands of New Taiwan Dollars

Company from which accounts receivable	Name of counterparty	Relationship	Balance of receivables from related party	Turnover rate	Overdue receivables from related parties		Recovery amount of receivables from related parties after the balance sheet date	Allowance for Loss
					Amount	Treatment		
AEWIN	Beijing AEWIN	Parent company and subsidiary	398,155	1.14	151,918	Strengthen collection	-	-
AEWIN	Beijing AEWIN	Parent company and subsidiary	102,949	-	-	Strengthen collection	-	-
Ace Pillar	Tianjin ACE Pillar	Parent company and subsidiary	166,080	-	-	-	-	-

(Note) The aforesaid transactions had been written off when the consolidated financial statements were prepared.

9. Engaged in derivative products transactions: See Note VI (II) for details.

10. Business relationship and important transactions between parent company and subsidiaries:

Unit: In Thousands of New Taiwan Dollars

No. (Note 1)	Name of trader	Name of counterparty	Relationship with the trader (Note 2)	Situations of transactions (Note 3)			
				Account	Amount	Transaction terms	Ratio to consolidated total revenue or total assets (Note 4)
0	The Company	DFI AMEICA, LLC.	1	(Sales)	(579,172)	60-90 days to collect	4%
0	The Company	Diamond Flower Information (NL) B.V.	1	(Sales)	(335,051)	60-90 days to collect	3%
0	The Company	DFI Co., Ltd.	1	(Sales)	(216,968)	60-90 days to collect	2%
0	The Company	Yan Ying Hao Trading (Shenzhen) Co., Ltd.	1	(Sales)	(146,668)	60-90 days to collect	1%
1	AEWIN	Beijing AEWIN	3	(Sales)	(445,822)	Note 5	3%
1	AEWIN	AEWIN TECH INC.	3	(Sales)	(148,507)	Note 6	1%
2	Quansheng Information	Tianjin ACE Pillar	3	(Sales)	(445,128)	T/T 30 days	3%
0	The Company	AEWIN	1	(Sales)	(473,425)	Payment term of 60 days	4%
0	The Company	AEWIN	1	Purchases	222,370	Payment term of 60 days	2%
1	AEWIN	Beijing AEWIN	3	Accounts receivable	398,155	Note 5	3%
3	Ace Pillar	Tianjin ACE Pillar	3	Other receivables borrowings	166,080	One year	1%

Note 1. The number is to be filled in the following manner:
1. 0 represents the parent company.
2. The subsidiaries are numbered with Arabic numbers starting with 1.

Note 2. Types of relationships with traders are listed as follows:
3. Parent company to subsidiary
4. Between subsidiary and parent company.
5. Subsidiary to subsidiary

Note 3. The business relationship and important transactions between the parent and subsidiaries only disclose sales of goods and accounts receivable, and corresponding purchase and accounts payable are omitted here.

Note 4. It is the transaction amount divided by the consolidated operating revenue or consolidated total assets.

Note 5. 150 days after shipment, subject to extension taking into account market conditions.

Note 6. 120 days after shipment, subject to extension taking into account market conditions.

Note 7. Business relationship and important transactions between the parent and subsidiaries only disclose the information on those transactions involving more than 1% of the consolidated operating revenue or assets.

(II) Reinvestment and related information:

Below is the information of the reinvestment business (excluding invested companies in Mainland Chinese) from January 1 to September 30, 2021:

Unit: In Thousands of New Taiwan Dollars/ In Thousands of shares

Name of investor company	Name of investee company	Location	Primary business	Original investment amount		Held at the end of the period			Highest shareholding ratio during the period		Net income (loss) of the investee	Investment profit (loss) recognized for the period	Remark (Note 2)
				End of current period	End of last year	Number of shares	Ratio	Carrying Amount	Number of shares	Shareholding Ratio			
The Company	DFI AMERICA, LLC	USA	Sales of industrial computer cards	254,683	254,683	1,209	100.00%	363,409	1,209	100.00%	4,624	4,624	Subsidiary of the company
The Company	Yan Tong	Mauritius	General investment business	187,260	187,260	6,000	100.00%	178,568	6,000	100.00%	7,338	7,338	Subsidiary of the company
The Company	DFI Co., Ltd.	Japan	Sales of industrial computer cards	104,489	104,489	6	100.00%	287,699	6	100.00%	10,481	10,481	Subsidiary of the company
The Company	Diamond Flower Information (NL) B.V.	Netherlands	Sales of industrial computer cards	35,219	35,219	12	100.00%	67,927	12	100.00%	13,955	13,955	Subsidiary of the company
The Company	AEWIN	Taiwan	Design, manufacturing and sale of industrial computer mainboards and related products	564,191	556,464	30,376	51.38%	596,523	30,376	51.38%	44,617	17,750	Subsidiary of the company
The Company	Ace Pillar	Taiwan		1,301,359	793,722	53,958	48.07%	1,095,684	53,958	48.07%	147,895	53,726	Subsidiary of the company
The Company	Brainstorm	USA	Wholesale and retail of computer and peripheral devices	501,582	-	233	35.09%	535,021	233	35.09%	248,222	35,376	Subsidiary of the company
AEWIN	Wise Way	Aquila	Investment business	46,129	46,129	1,500	100.00%	163,707	1,500	100.00%	76,229	(Note 1)	Subsidiary of the company
AEWIN	Aewin Tech Inc.	USA	Wholesale of computer and peripheral equipment and software	77,791	77,791	2,560	100.00%	(453)	2,560	100.00%	(3,250)	(Note 1)	Subsidiary of the company
Wise Way	Bright Profit	Hong Kong	Investment business	46,129	46,129	1,500	100.00%	190,941	1,500	100.00%	76,229	(Note 1)	Subsidiary of the company
Ace Pillar	Cyber South	Samoa	Holding Company	107,041	107,041	4,669	100.00%	626,514	4,669	100.00%	56,442	(Note 1)	Subsidiary of the company
Ace Pillar	Hong Kong ACE Pillar	Hong Kong	Sales and Purchases of transmission mechanical components	5,120	5,120	1,200	100.00%	39,722	1,200	100.00%	(259)	(Note 1)	Subsidiary of the company
Cyber South	Proton	Samoa	Holding Company	527,665	527,665	17,744	100.00%	511,706	17,744	100.00%	44,403	(Note 1)	Subsidiary of the company
Cyber South	Ace Tek	Hong Kong	Holding Company	4,938	4,938	150	100.00%	(598)	150	100.00%	3,661	(Note 1)	Subsidiary of the company

Note 1: The net income of the invested company is already included in the investor company, and not separately presented to avoid confusion.

Note 2: The subsidiaries directly and indirectly controlled by the Company in the table above had been written off when the consolidated financial statements were prepared.

(III) Investment information in mainland China:

1. Name, principal operation and relevant information of invested companies in the Mainland Chinese:

Unit: In Thousands of New Taiwan Dollar/In Thousands of foreign currency

Investee Company In Mainland China	Primary business	Paid-in Capital	Method of Investment	Accumulated amount of investment remitted out of Taiwan at the beginning of the period	Remitted or repatriated amount of investment for the period		Accumulated investment amount remitted from Taiwan at the end of current period	Net income (loss) of the investee	Shareholding ratio of the direct or indirect investment of the company	Highest shareholding ratio during the period		Investment profit (loss) recognized for the period	Carrying amount of the investment at the end of period	Investment income repatriated by the end of period
					Remitted	Repatriated				Number of shares	Shareholding Ratio			
Yan Tong Infotech (Dongguan) Co., Ltd.	Manufacturing and sales of computer cards, board cards, host computer, electronic parts and components	69,200 (USD2,500)	(Note 1)	-	-	-	-	-	100.00 %	-	100.00%	(1,601) (Note 2)	51,498	33,306
Yan Ying Hao Trading (Shenzhen) Co., Ltd.	Wholesale, import and export of computer cards, board cards, host computer, electronic parts and components	13,840 (USD500)	(Note 1)	-	-	-		-	100.00 %	-	100.00%	11,090 (Note 2)	46,514	-
Beijing AEWIN	Wholesale of computer and peripheral equipment and software	46,129 (USD1,500)	(Note 1)	46,129 (USD1,500)	-	-	46,129 (USD1,500)	76,229	100.00 %	-	100.00%	76,229 (Note 2)	190,936	-
Aewin(Shenzhen) Technologies Co., Ltd.	Wholesale of computer and peripheral equipment and software	13,062 (RMB3,000)	(Note 4)	-	-	-	-	(5,311) (RMB(1,226))	100.00 %	-	100.00%	(5,311) (RMB(1,226)) (Note 2)	(1,829) (RMB(421))	-
Tianjin ACE Pillar	Sales and Purchases of transmission mechanical components	977,021 (USD35,297)	(Note 1)	53,976 (USD1,950)	-	-	53,976 (USD1,950)	56,121	100.00 %	-	100.00%	56,121 (Note 2)	611,067	125,533
Tianjin Jinhao	Manufacturing and processing of machinery transmission products	7,257 (RMB1,670)	(Note 1)	4,429 (USD160)	-	-	4,429 (USD160)	(219)	100.00 %	-	100.00%	(219) (USD(8)) (Note 2)	7,018 (USD254)	-
Quansheng Information	Electronic system integration	8,304 (USD300)	(Note 1)	4,152 (USD150)	-	-	4,152 (USD150)	3,662	100.00 %	-	100.00%	3,662 (USD131) (Note 2)	(622) (USD(22))	-
Suzhou Super Pillar	Processing and technical services of mechanical transmission and control products	40,136 (USD1,450)	(Note 1)	- (Note 3)	-	-	- (Note 3)	10,511	100.00 %	-	100.00%	10,511 (USD375) (Note 2)	98,569 (USD3,561)	-
Xuchang Ace AI Equipment Co.,Ltd.	Wholesale and retail of industrial robotic related products	8,304 (USD300)	(Note 1)	- (Note 3)	-	-	- (Note 3)	(711)	100.00 %	-	100.00%	(711) (USD(25)) (Note 2)	2,156 (USD78)	-

Note 1: Reinvest in the companies in the Mainland Chinese through companies established in third regions.
Note 2: It is recognized in line with the financial report prepared by the invested company and audited by the accountant of the parent company in Taiwan.
Note 3: It was reinvested and established by Cyber South.
Note 4: It is a Mainland Chinese-based company reinvested by Beijing AEWIN.
Note 5: Xuchang Ace AI Equipment Co.,Ltd.'s board of directors has resolved to dissolve the company, and the liquidation process is still in process on November 23, 2021.

2. Limit of the investment in Mainland Chinese:

Unit: In Thousands of New Taiwan Dollar/In Thousands of foreign currency

Company Name	The cumulative amount of investment remitted from Taiwan to the Mainland Chinese at the end of the current period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs	Upper Limit on Investment in mainland China regulated by the Investment Commission of the Ministry of Economic Affairs (Note 2)
DFI	- (Note 1)	57,713 (Note 3 and Note 4) (USD2,085)	3,302,288
AEWIN	46,129 (USD1,500)	55,360 (USD2,000)	695,676
Ace Pillar	141,694 (USD5,119)	141,694 (USD5,119)	1,231,856

(Note 1) Refers to the actual amount remitted by the Company and the amount approved by the Investment Commission, excluding the remitted amount of subsidiaries and their amount approved by the Investment Commission.

(Note 2) In accordance with the "Principles for Review of Investment or Technical Cooperation in Mainland China", the accumulated amount of investment in mainland China is limited to 60% of the net worth or consolidated net worth, whichever is higher.

(Note 3) The Company's net investment amount after the cancellation of Dongguan Nippon Trading Co., Ltd. approved by the Investment Commission in August 2014.

(Note 4) Repatriated amount of earnings after the cancellation of Yan Tong Infotech (Dongguan) Co., Ltd. approved by the Investment Commission in February 2017.

3. Material transactions with invested companies in the Mainland Chinese:
Please see the statement under the "Information on Significant Transactions" for the direct or indirect material transactions between the consolidated company and the invested companies in the Mainland Chinese for the year ended 2021 (these transactions had been written off when the consolidated financial statements were prepared).

(IV) Information on Major Shareholders:

Unit: Share

Shares / Name of Major Shareholder	Number of Shares Held	Shareholding Ratio
Qisda Co., Ltd.	51,609,986	45.00%
Gordias Investments Limited of British Virgin Islands Merchant	15,734,441	13.71%
Darly2 Venture, lnc.	9,175,109	8.00%
Hyllus Investments Limited of British Virgin Islands Merchant	8,559,818	7.46%

Note: This table displays the information of the shareholders who have delivered a total of more than 5% of the ordinary shares (including treasury stocks) of the Company without physical share registration until the final working day every quarter, as calculated by the central clearing company. The share capital indicated in the financial report of the Company may be different from the actual number of shares delivered without physical registration as a result of different preparation and calculation bases.

XIV. Segment information

(I) General information

The consolidated company has formerly two reporting segments, and it added a "Computer Component" reporting segment after having control of Brainstorm in May 2021. This division is the strategic operating units of the consolidated company. Each strategic operating unit offers different products and services, and they are managed separately for the reason of the different technical and marketing strategies required. The Chief Operating Decision Maker (CODM) of the consolidated company reviews the internal management reports of each strategic operating unit at least quarterly. The consolidated company's operations of each segment are summarized as follows:

1. Board cards and system department: Engaged in R&D, manufacturing and sales of industrial computer cards and motherboards.
2. Industrial automation control department: Engaged in automated control and testing, processing, sales, repair, and mechanical and electrical integration of industrial transmission systems.
3. Computer component: Engaged in sale computer and peripheral devices.

(II) Information on profit or loss, assets, liabilities of the segments qualified to be reported and their basis of measurement and reconciliation

Information and adjustments of the consolidated company's operating departments are as follows:

	2021				
	board cards and system department	**Industrial automation control department**	**Computer component**	**Adjustment and elimination**	**Total**
Revenue from external clients	$ 5,319,947	3,554,798	4,336,531	-	13,211,276
Inter-departmental income	1,776,750	188	-	(1,776,938)	-
Total income	$ 7,096,697	3,554,986	4,336,531	(1,776,938)	13,211,276
Reportable department profit or loss	$ 194,631	177,883	141,546	12,270	526,330

	2020				
	board cards and system department	**Industrial automation control department**	**Computer component**	**Adjustment and elimination**	**Total**
Revenue from external clients	$ 5,603,470	2,746,052	-	-	8,349,522
Inter-departmental income	1,907,555	8,396	-	(1,915,951)	-
Total income	$ 7,511,025	2,754,448	-	(1,915,951)	8,349,522
Reportable department profit or loss	$ 525,900	113,333	-	8,892	648,125

(III) Regional Information

Regional Information of the consolidated company is as below, of which revenue is classified based on the geographic location of clients, while non-current assets are classified based on the geographic location of the asset.

By Region	**2021**	**2020**
Revenue from external clients:		
Asia	$ 6,283,182	5,485,173
America	5,647,502	1,545,142
Europe	1,220,183	1,275,723
Others	60,409	43,484
	$ 13,211,276	**8,349,522**

By Region	**2021.12.31**	**2020.12.31**
Non-current assets:		
Asia	$ 3,676,406	2,353,951
America	79,636	26,108
Europe	8,303	7,644
	$ 3,764,345	**2,387,703**

The abovementioned non-current assets do not include financial instruments, deferred tax assets, and pension fund assets.

(IV) Sales to major clients Information

There was no single customer of the consolidated company that accounted for more than 10% of the consolidated net operating revenue for the years ended December 31, 2021 and 2020.