PANJIT INTERNATIONAL INC.

PARENT COMPANY ONLY FINANCIAL STATEMENTS

WITH REPORT OF INDEPENDENT ACCOUNTANTS

FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

Address: No. 24, Gangshan N. Rd., Gangshan Dist., Kaohsiung City
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The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese financial statements shall prevail.

Independent Auditor's Report

To: PANJIT INTERNATIONAL INC.

Opinion

We have audited the Parent Company Only Balance Sheets of PANJIT INTERNATIONAL INC. (the "Company") As of December 31, 2021, and 2020, the Parent Company Only Statements of Comprehensive Income, Parent Company Only Statements of Changes in Equity, Parent Company Only Statements of Cash Flows, and Notes to Parent Company Only Financial Statements (including Summary of Significant Accounting Policies) for the annual period from January 1 to December 31, 2021, and 2020.

In our opinion, based on our audits, the parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of the Company as of 31 December 2021 and 2020, and their parent company only financial performance and cash flows for the years ended 31 December 2021 and 2020, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition

The operating revenues of the Company amounted to $8,706,119 thousand for the year ended 31 December 2021. The main source of revenue is manufacturing and selling diodes. As the operation spanned globally and the product combination and pricing methods were diverse, judgment of the performance obligation and when it is satisfied was required. Therefore, we considered this a key audit matter.

Our audit procedures included (but are not limited to) assessing the appropriateness of the accounting policy of revenue recognition; testing the design and operating effectiveness of internal controls around revenue recognition by management, including identifying completeness of performance obligation of client contracts and the accounting treatment of the timing of revenue recognition; performing analytical procedures on gross margin by products and departments; selecting samples to perform test of details and reviewing significant terms and conditions of contracts; performing cutoff procedures, testing general journal entry, reviewing sales transaction certificates before and after the balance sheet date to verify that revenue has been recorded in the correct accounting period. Accordingly, evaluating the appropriateness of significant sales returns and rebates. In addition, we also considered the appropriateness of the disclosures of sales. Please refer to Notes 4 and 6 to the Company’s parent company only financial statements.

2. Evaluation of Inventories

As of 31 December 2021, the Company’s net inventories amounted to $1,455,870 thousand, constituting 6% of total assets which was then identified as material to financial statement. The status of inventory was difficult to manage due to various types of stocks stored across various locations including outsourced warehouses. Such inventories are stated at the lower of cost and net realizable value. Evaluation involves management’s significant accounting estimation and judgement, and the carrying amount of inventories is material to parent company only financial statements. Therefore we considered this a key audit matter.

Our audit procedures included (but are not limited to) assessing the appropriateness of the accounting policy of inventories evaluation; testing the design and operating effectiveness of internal controls around revenue recognition by management, including assessing the transfer of inventory cost, selecting major warehouse to observe physical stock taking to verify inventory quantity and status; and assessing the management's estimates of net realizable value by inventories evaluation, and selecting samples to verify related certificates to test the correctness of inventories aging interval; review whether obsolescence loss allowance was sufficient according to policy and assess the appropriateness of the provision policy. We also assessed the adequacy of disclosures of inventories. Please refer to Notes 4, 5 and 6 to the Company’s parent company only financial statements.

Other matters– Making Reference to the Audits of Other Independent Accountants

We did not audit the financial statements of certain investment accounted for under the equity method, which reflected the associates and joint ventures under equity method in the amount of $1,574,237 thousand, constituting 7% of total assets as of 31 December 2021. The related shares of profits from the associates and joint ventures under the equity method of $92,457 thousand, constituting 4% of pretax income, and the related shares of other comprehensive income from the associates and joint ventures under the equity method of ($3,467) thousand, constituting 2% of other comprehensive income for the year ended 31 December 2021. Those financial statements were audited by other independent accountants, whose reports there on have been furnished to us, and our audit results are based solely on the reports of the other independent accountants.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of the parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Ernst & Young Taiwan

March 25, 2022

Notice to Readers

The accompanying parent company only financial statements are intended only to present the parent company only financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such parent company only financial statements are those generally accepted and applied in the Republic of China.
Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.
As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
PANJIT INTERNATIONAL INC.
Parent Company Only Balance Sheets
December 31, 2020, and 2021
(Expressed in Thousand of New Taiwan Dollars)

Assets	Notes	31 December, 2021		31 December, 2020	
		Amount	%	Amount	%
Current asset					
Cash and cash equivalents	6(1)	$1,262,462	6	$600,879	4
Financial assets at fair value through profit or loss - current	6(2)	-	-	6,347	-
Notes receivable, net	6(4).(16)	60,686	-	36,344	-
Trade receivable, net	6(5).(16)	2,199,360	10	1,708,585	12
Trade receivable - related parties, net	6(5).(16),7	207,130	1	277,171	2
Other receivables, net	7	112,926	1	52,505	-
Inventories,net	6(6)	1,455,870	6	881,552	6
Other current assets	8	165,690	1	177,666	1
Total current assets		5,464,124	25	3,741,049	25
Non-current assets					
Financial assets at fair value through other comprehensive income - non-current	6(3)	314,350	1	279,068	2
Investments accounted for using the equity method	6(7)	10,176,614	45	7,320,777	50
Property, Plant, and Equipment	6(8) ,7,8	3,957,765	18	2,524,877	17
Right-of-use assets	6(17)	22,612	-	27,837	-
Intangible assets	6(9)	97,127	1	77,792	1
Deferred tax assets	6(21)	260,785	1	267,315	2
Prepayment for equipments		301,606	1	311,572	2
Prepayment for Investment		1,396,500	6	-	-
Other non-current assets		488,437	2	74,430	1
Total non-current assets		17,015,796	75	10,883,668	75
Total assets		$22,479,920	100	$14,624,717	100

Liabilities and Equity	Notes	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
Current Liabilities					
Short-term borrowings	6(10)	$2,931,307	13	$1,385,443	10
Financial liabilities at fair value through profit or loss - current	6(11)	-	-	2,822	-
Contractual liabilities - current	6(15)	5,982	-	399	-
Trade payable		818,210	4	457,354	3
Trade payable-related parties	7	310,724	1	313,750	2
Other payables	7	997,200	4	1,547,413	11
Current tax liabilities	6(21)	231,161	1	71,055	-
Lease liabilities - current	6(17)	7,981	-	7,864	-
Long-term borrowings, current portion	6(12)	32,458	-	-	-
Other current liabilities		10,876	-	16,891	-
Total current liabilities		5,345,899	23	3,802,991	26
Non-current liabilities					
Long-term borrowings	6(12),8	4,030,629	18	3,522,198	24
Deferred tax liabilities	6(21)	77,919	-	71,920	-
Lease liabilities - non-current	6(17)	14,767	-	20,033	-
Defined benefit liabilities-non-current	6(13)	89,167	1	102,713	1
Other non-current liabilities		25,671	-	5,441	-
Total non-current liabilities		4,238,153	19	3,722,305	25
Total liabilities		9,584,052	42	7,525,296	51
Equity					
Capital					
Common stock	6(14)	3,828,149	17	3,328,149	23
Capital surplus	6(14)	6,086,155	27	2,196,674	15
Retained earnings	6(14)				
Legal reserve		328,134	2	239,453	2
Special reserve		717,237	3	717,237	5
Unappropriated earnings		2,204,637	10	1,015,504	7
Total retained earnings		3,250,008	15	1,972,194	14
Other components of equity		(251,937)	(1)	(381,089)	(3)
Treasury stock	6(14)	(16,507)	-	(16,507)	-
Total equity		12,895,868	58	7,099,421	49
Total liabilities and equity		$22,479,920	100	$14,624,717	100

(The accompanying notes are an integral part of the parent company only financial statements.)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December, 2021 and 2020

(Expressed in Thousand of New Taiwan Dollars)

Items	Note	2021		2020	
		Amount	%	Amount	%
Operating revenue	6(15),7	$8,706,119	100	$6,710,919	100
Operating cost	6(18),7	(6,127,183)	(70)	(5,375,874)	(80)
Gross profit		2,578,936	30	1,335,045	20
Unrealized profit (loss) from sales		(32,465)	-	(19,284)	-
Realized profit (loss) on from sales		19,284	-	20,066	-
Gross profit-net		2,565,755	30	1,335,827	20
Operating expense	6(16).(18) ,7				
Selling expenses		(497,893)	(6)	(395,712)	(6)
General and administrative expenses		(590,840)	(7)	(281,533)	(4)
Research and development expenses		(260,395)	(3)	(164,151)	(2)
Expected credit (losses)		(6,707)	-	(641)	-
Subtotal		(1,355,835)	(16)	(842,037)	(12)
Operating income		1,209,920	14	493,790	8
Non-operating income and expenses	6(19)				
Interest income		537	-	6,232	-
Other income		102,070	1	22,978	-
Other gains and losses		18,473	-	(44,868)	(1)
Finance costs		(68,783)	(1)	(54,657)	(1)
Share of profit or loss of subsidiaries and associates under equity method	6(7)	969,520	11	519,949	8
Subtotal		1,021,817	11	449,634	6
Pretax income from continuing operations		2,231,737	25	943,424	14
Income tax expenses	6(21)	(304,762)	(4)	(45,989)	(1)
Profit from continuing operations		1,926,975	21	897,435	13
Net income		1,926,975	21	897,435	13
Other comprehensive income (loss)	6(20)				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans		3,727	-	(6,480)	-
Unrealized gains or losses from equity instrument investments measured at fair value through other comprehensive income		335,088	4	377,126	5
Income tax related to items that will not be reclassified subsequently		(3,477)	-	(12,825)	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		(188,795)	(2)	(31,085)	-
Income tax related to items that may be reclassified		36,520	-	2,426	-
Total other comprehensive income, net of tax		183,063	2	329,162	5
Total comprehensive income		$2,110,038	23	$1,226,597	18
Earnings per share (NTD)					
Basic earnings per share	6(22)	$5.66		$2.70	
Diluted earnings per share	6(22)	$5.64		$2.69	

(The accompanying notes are an integral part of the parent company only financial statements.)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December, 2021 and 2020

(Expressed in Thousand of New Taiwan Dollars)

Items	Capital		Retained earnings			Other Components of Equity				
	Common Stock	Capital surplus	Legal Reserves	Special Reserve	Unappropriated Earnings	Exchange Differences Arising on Translation of Foreign Operations	Unrealized Gains or Losses on Financial Assets Measured at Fair Value through Other Comprehensive Income	Others	Treasury Stock	Total Equity
Balance as of January 1, 2020	$3,328,149	$2,202,946	$186,432	$525,032	$723,373	($640,624)	($75,991)	($622)	$-	$6,248,695
Appropriation and distribution of 2019 retained earnings										
Legal reserve	-	-	53,021	-	(53,021)	-	-	-	-	-
Special reserve	-	-	-	192,205	(192,205)	-	-	-	-	-
Cash dividend	-	-	-	-	(349,456)	-	-	-	-	(349,456)
Changes in equity of associates accounted for using equity method	-	(489)	-	-	(154)	-	-	209	-	(434)
Net income in 2020	-	-	-	-	897,435	-	-	-	-	897,435
Other comprehensive income (loss) in 2020	-	-	-	-	(5,087)	(28,659)	362,908	-	-	329,162
Total comprehensive income (loss)	-	-	-	-	892,348	(28,659)	362,908	-	-	1,226,597
Repurchase of treasury shares	-	-	-	-	-	-	-	-	(16,507)	(16,507)
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired through of disposed	-	(8,489)	-	-	-	-	-	-	-	(8,489)
Increase (decrease) through changes in ownership interests in subsidiaries	-	2,706	-	-	(3,691)	-	-	-	-	(985)
Disposal of euqity instrument investments at fair value through other comprehensive income	-	-	-	-	(1,690)	-	1,690	-	-	-
Balance as of 31 December, 2020	$3,328,149	$2,196,674	$239,453	$717,237	$1,015,504	($669,283)	$288,607	($413)	($16,507)	$7,099,421
Balance as of 1 January, 2021	$3,328,149	$2,196,674	$239,453	$717,237	$1,015,504	($669,283)	$288,607	($413)	($16,507)	$7,099,421
Appropriation and distribution of 2020 retained earnings										
Legal reserve	-	-	88,681	-	(88,681)	-	-	-	-	-
Cash dividend	-	-	-	-	(498,172)	-	-	-	-	(498,172)
Changes in equity of associates accounted for using equity method	-	113,328	-	-	-	-	-	-	-	113,328
Net income in 2021	-	-	-	-	1,926,975	-	-	-	-	1,926,975
Other comprehensive income (loss) in 2021	-	-	-	-	1,920	(152,275)	333,418	-	-	183,063
Total comprehensive income (loss)	-	-	-	-	1,928,895	(152,275)	333,418	-	-	2,110,038
Issue of shares	500,000	3,610,956	-	-	-	-	-	-	-	4,110,956
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired through of disposed	-	165,193	-	-	(204,900)	-	-	-	-	(39,707)
Increase (decrease) through changes in ownership interests in subsidiaries	-	4	-	-	-	-	-	-	-	4
Disposal of euqity instrument investments measured at fair value through other comprehensive income	-	-	-	-	51,991	-	(51,991)	-	-	-
Balance as of 31 December, 2021	$3,828,149	$6,086,155	$328,134	$717,237	$2,204,637	($821,558)	$570,034	($413)	($16,507)	$12,895,868

(The accompanying notes are an integral part of the parent company only financial statements.)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC.

PARENT COMPANY ONLY OF CASH FLOWS

For the years ended 31 December, 2021 and 2020

(Expressed in Thousand of New Taiwan Dollars)

Items	2021 Amount	2020 Amount
Cash flow from operating activities		
Net income before tax	$2,231,737	$943,424
Adjustment items:		
Revenue and expenses:		
Depreciation	288,662	303,222
Amortization	35,450	36,204
Expected credit losses	6,707	641
Net (gain) loss of financial assets or liabilities at fair value through profit or loss	(1,475)	777
Interest expense	68,783	54,657
Interest revenue	(537)	(6,232)
Dividend revenue	(6,278)	(7,404)
Share of (profit) loss of subsidiaries and associates accounted for using equity method	(969,520)	(519,949)
Loss on disposal of property, plant and equipment	6,988	1,516
(Gain) on disposal of investments	(2,548)	-
Reversal of impairment loss on non-financial assets	(348)	(1,964)
Unrealized profit from sales	32,465	19,284
Realized (profit) on from sales	(19,284)	(20,066)
Others	(27,823)	(12,211)
Subtotal	(588,758)	(151,525)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	7,548	87,505
(Increase) decrease in notes receivable	(24,342)	1,608
(Increase) in trade receivable	(497,482)	(253,638)
Decrease (Increase) in trade payable - related parties	70,041	(155,667)
Other receivables (increase)	(53,615)	(23,105)
(Increase) Decrease in other receivable due from related parties	(6,806)	90
(Increase) Decrease in inventories	(539,905)	44,831
Other current assets decreases (increases)	11,587	(69,740)
Changes in operating liabilities:		
Increase in contract liabilities	5,583	210
Increase in trade payable	360,856	45,080
(Decrease) Increase in trade payable - related parties	(3,026)	73,458
(Decrease) Increase in other payables	(526,580)	159,362
(Decrease) Increase in other current liabilities	(6,015)	6,436
(Decrease) in net defined benefit liability	(6,799)	(1,357)
Subtotal	(1,208,955)	(84,927)
Cash generated from operations	434,024	706,972
Interest received	537	6,232
Income tax (paid)	(99,085)	(88,433)
Net cash provided by operating activities	335,476	624,771

(The accompanying notes are an integral part of the parent company only financial statements.)

PANJIT INTERNATIONAL INC.

PARENT COMPANY ONLY OF CASH FLOWS

For the years ended 31 December, 2021 and 2020

(Expressed in Thousand of New Taiwan Dollars)

Items	2021	2020
	Amount	Amount
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(25,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	68,288	4,437
Acquisition of investments accounted for under the equity method	(1,909,724)	(15,813)
Increase in prepayments for investments	(1,396,500)	-
Acquisition of property, plant and equipment	(1,026,213)	(210,494)
Proceeds from disposal of property, plant and equipment	6,440	291
Increase in refundable deposits	(414,007)	(69,508)
Acquisition of intangible assets	(50,049)	(25,099)
Increase in prepayment for equipments	(718,146)	(959,642)
Dividends received	127,548	149,300
Net cash (outflow) from investing activities	(5,312,363)	(1,151,528)
Cash flows from financing activities:		
Increase in short-term loans	1,545,864	-
Decrease in short-term loans	-	(604,289)
Proceeds from long-term debt	563,019	1,067,387
Increase in other payables - related parties	-	854,400
Payments of lease liabilities	(8,782)	(9,245)
Increase in other non-current liabilities	-	4,947
Decrease in other non-current liabilities	(6,144)	-
Cash dividends paid	(498,169)	(349,456)
Proceeds from issuing shares	4,110,956	-
Repurchase of treasury stock	-	(16,507)
Interest paid	(68,274)	(54,694)
Net cash inflow from investment activities	5,638,470	892,543
Net increase in cash and cash equivalents	661,583	365,786
Cash and cash equivalents at beginning of period	600,879	235,093
Cash and cash equivalents at end of period	$1,262,462	$600,879

(The accompanying notes are an integral part of the parent company only financial statements.)

PANJIT INTERNATIONAL INC.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2021, and 2020
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

PANJIT INTERNATIONAL INC. (the Company) was incorporated on 20 May 1986, under the Company Act of the Republic of China on Taiwan. The Company's registered address is No. 24, Gangshan N. Rd., Gangshan Dist., Kaohsiung City. The principal activities of the Company are to manufacture, process, assemble and to import and export semiconductors. The Company also assembles, trades and transfers technological advancements of machinery parts. The Company also trades resins and paints for semiconductors.

The Company's shares commenced trading on Taipei Exchange Market (GreTai Securities Market) on 22 December 1999, and then trading on Taiwan Stock Exchange Corporation on 17 September 2001.

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

The parent company only financial statements of the Company for the years ended 31 December 2021 and 2020 were authorized for issue by the Board of Directors on 25 March 2022.

3. Newly issued or revised standards and interpretations

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

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after 1 January 2021. The adoption of these new standards and amendments had no material impact on the Company.

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

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

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

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

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

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

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

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

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

D. Annual Improvements to IFRS Standards 2018 – 2020

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

Amendment to IFRS 9 Financial Instruments
The amendment clarifies the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

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

Amendment to IAS 41

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

The Company has assessed that the above amendments applicable to the fiscal year beginning after January 1, 2022 will not have a significant impact on the Company.

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

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	1 January 2023
c	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2023
d	Disclosure Initiative - Accounting Policies – Amendments to IAS 1	1 January 2022
e	Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
f	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023

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

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

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

(b)IFRS 17 "Insurance Contracts"

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The fulfilment cash flows comprise of the following:

(1) estimates of future cash flows;
(2) Discount rate: an adjustment to reflect the time value of money and the financial risks related to the future cash flows, to the extent that the financial risks are not included in the estimates of the future cash flows; and
(3) a risk adjustment for non-financial risk.

The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims. Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

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

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

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

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

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

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

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

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

The above-mentioned standards or interpretations that have been issued by the International Accounting Standards Board but have not yet been approved by the FSC shall be subject to the actual application date of the FSC. The Company is currently assessing the potential impact of the newly announced or revised standards or interpretations in (3.) It is temporarily impossible to reasonably estimate the impact of the aforementioned standards or interpretations on the Company, and other newly announced or revised standards or interpretations have no significant impact on the Company.

4. Summary of significant accounting policies

(1) Statement of compliance

The parent only financial statements of the Company for the years ended 31 December 2021 and 2020 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”).

(2) Basis of Preparation

The Company prepared parent company only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

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

(3) Foreign currency transactions

The Company’s parent only financial statements are presented in NT$. Transactions in foreign currencies are initially recorded at the respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

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

(a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
(b) Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.
(c) Exchange differences arising on a monetary item that forms part of a reporting entity’s net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

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

(4) Foreign currency conversion for financial statements

Each foreign operation of the Company determines its functional currency and uses that functional currency to measure its financial reports. When preparing parent Company only financial reports, the assets and liabilities of the foreign operations are converted into New Taiwan dollars at the closing exchange rate on the balance sheet date, and income and expenditure items are converted at the current average exchange rate. The conversion difference arising from the conversion is recognized as other comprehensive income, and the cumulative conversion difference that has been previously recognized in other comprehensive income and accumulated in the individual components under equity when the foreign operation is disposed of when the disposition gain or loss are recognized, shall be reclassified from equity to gain or loss. When involving the partial disposal of the loss of control of a subsidiary that includes a foreign operation, and after partial disposal of the equity of an associate or joint agreement including the foreign operation, if the retained equity is a financial asset that includes the foreign operation, it is also deemed to be disposal.

When disposing of a subsidiary that includes a foreign operation without losing control, the cumulative conversion difference recognized in other comprehensive income is adjusted by "investment by equity method" on a pro-rata basis, and not recognized as gain or loss; Under the influence or joint control, when part of the disposition includes an associate or joint agreement of a foreign operation, the accumulated exchange difference will be reclassified to gain or loss on a pro rata basis.

The Company's goodwill arising from the acquisition of a foreign operating organization and fair value adjustments to the carrying amount of its assets and liabilities are treated as the assets and liabilities of the foreign operating organization and presented in its functional currency.

(5) Current and non-current distinction

An asset is classified as current when:

(a) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle

(b) The Group holds the asset primarily for the purpose of trading

(c) The Group expects to realize the asset within twelve months after the reporting period

(d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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All other assets are classified as non-current.

A liability is classified as current when:

(a) The Group expects to settle the liability in its normal operating cycle
(b) The Group holds the liability primarily for the purpose of trading
(c) The liability is due to be settled within twelve months after the reporting period
(d) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(6) Cash and cash equivalents

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

(7) Financial instruments

Financial assets and financial liabilities shall be recognized when the Company became a party to the terms of the financial instrument contract.

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

A. Financial instruments: Recognition and Measurement

The recognition and derecognition of all financial assets of the Company's customary transactions shall be accounted for on the transaction day.

The Company classifies financial assets as financial assets that are subsequently measured at amortized cost, measured at fair value through other comprehensive income, or measured at fair value through profit or loss based on the following two items:

(a)Business model for managing financial assets
(b)Contractual cash flow characteristics of finanical assets

Financial assets measured at amortized cost

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

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

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

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

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

Financial asset measured at fair value through other comprehensive income

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

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

<u>Financial asset measured at fair value through profit or loss</u>

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

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

B. Impairment of financial assets

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

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

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

The loss allowance is measures as follows:
(a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.

(b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.

(c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

(d) For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses

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

C. Derecognition of financial assets

A financial asset is derecognized when:

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

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

D. Financial liabilities and equity

Classification between liabilities or equity

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

Equity Instruments

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

Compound instruments

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

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

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

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

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

Financial liabilities

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

Financial liabilities at fair value through profit or loss

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

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

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

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

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

Financial liabilities at amortized cost

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

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

Derecognition of financial liabilities

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

When the Company and creditors exchange debt instruments with materially different terms or make major changes to all or part of the existing financial liabilities (regardless of whether it is due to financial difficulties), when dealing with derecognizing financial liabilities, the method of derecognizing the original liabilities and recognizing new liabilities, the difference between its carrying amount and the total consideration paid or payable (including transferred non-cash assets or liabilities assumed) is recognized as gain or loss.

E. Offsetting of financial instruments

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

(8) Derivative instrument

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

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

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

(9) Fair value measurement

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

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

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

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

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

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

(10) Inventories

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

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:
Raw materials –Purchase cost on weighted average cost basis
Finished goods and work in progress – Cost of direct materials, labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

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

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

(11) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction that is highly probable within one year from the date of classification and the asset or disposal group is available for immediate sale in its present condition. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

In the parent only statement of comprehensive income of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Company retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the statement of comprehensive income.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

(12) Investments accounted for using the equity method

The Company’s investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence.

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

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

When the associate issues new stock, and the Company's interest in an associate is reduced or increased as the Company fails to acquire shares newly issued in the associate proportionately to its original ownership interest, the increase or decrease in the interest in the associate is recognized in Additional Paid in Capital and Investment in associate. When the interest in the associate is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro-rata basis when the Company disposes the associate.

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

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

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

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

Upon loss of significant influence over the associate, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

(13) Property, Plant, and Equipment

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

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

Assets	Useful life
Buildings	4 - 51 years
Machinery and equipment	1 - 10 years
Utilities equipment	6 - 13 years
Office equipment	1 - 6 years
Other equipment	1 - 20 years

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

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

(14) Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

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

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

The Company is the lessee

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

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

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

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

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

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

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

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 "Asset Impairment" to determine whether the right-of-use asset has been impaired and to deal with any identified impairment losses.

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

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

The Company as a lessor

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

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

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

(15) Intangible assets

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

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

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

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

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

A summary of the policies applied to the Company’s intangible assets is as follows:

	Computer software	Other intangible assets
Useful lives	Finite (1 to 5 years)	Finite (5 to 10 years)
Amortization method used	Amortized on a straightline basis over the estimated useful life	Amortized on a straightline basis over the estimated useful life
Internally generated or externally acquired	Externally acquired	Externally acquired

(16) Impairment of non-financial assets

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

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

The impairment loss and the reversal of continuing business units are recognized in gain or loss.

(17) Liability reserve

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

(18) Treasury stock

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

(19) Revenue recognition

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

<u>Sales of goods</u>

The Company manufactures and sells machinery. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Company is diode and rectifier and revenue is recognized based on the consideration stated in the contract.

The credit period of the Company's sale of goods is from 60 to 120 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Company usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Company has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Company measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses. However, for some contracts, part of the consideration was received from customers upon signing the contract, and the Company has the obligation to transfers the goods subsequently; accordingly, these amounts are recognized as contract liabilities.

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

In contracts between the Company and its customers, the period during which the promised goods are delivered to the customer and the customer paid was not more than one year. Therefore, the Company didn't adjust the transaction price for the time value of money.

(20) Borrowing costs

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

(21) Government grants

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

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

(22) Post-employment benefits

All regular employees of the Company is entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore fund assets are not included in the Company's parent only financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

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

(a) the date of the plan amendment or curtailment, and

(b) the date that the Company recognizes restructuring-related costs

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

(23) Income tax

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

<u>Current income tax</u>

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

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

Deferred tax

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

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

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

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

5. Significant accounting judgements, estimates and assumptions

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

(1) Judgement

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

Certain properties of the Company comprise a portion that is held to earn rentals or for capital appreciation and another portion that is owner-occupied. If these portions could be sold separately, the Company accounts for the portions separately as investment properties and property, plant and equipment. If the portions could not be sold separately, the property is classified as investment property in its entirety only if the portion that is owner-occupied is under 5% of the total property.

(2) Estimates and assumptions

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

(a) Fair value of financial instruments

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

(b) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note 6.

(c) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and future salary increases.

(d) Revenue recognition – sales returns and allowance

The Company estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales returns and allowance, revenue is recognized to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Please refer to Note 6 for more details.

(e) Income tax

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

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

(f) Trade receivables–estimation of impairment loss

The Company estimates the impairment loss of trade receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(g) Inventories

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

6. Contents of Significant Accounts

(1) Cash and cash equivalents

	2021/12/31	2020/12/31
Cash on hand	$210	$210
Checking, demand deposits and time deposits	1,262,252	600,669
Total	$1,262,462	$600,879

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

	2021/12/31	2020/12/31
Mandatorily measured at fair value through profit or loss:		
Funds	$-	$6,295
Derivatives not designated as hedging instruments Forward exchange agreement	-	52
Total	$-	$6,347
Current	$-	$6,347
Non-current	-	-
Total	$-	$6,347

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

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

	2021/12/31	2020/12/31
Equity instrument investments measured at fair value through other comprehensive income – Non-current:		
Listed companies stocks	$240,892	$205,195
Unlisted companies stocks	73,458	73,873
Total	$314,350	$279,068

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

(4) Notes receivables

	2021/12/31	2020/12/31
Notes receivables arising from operating activities	$60,686	$36,344
(Less): allowance loss	(-)	(-)
Total	$60,686	$36,344

Notes receivables were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6.(16) for more details on loss allowance and Note 12 for details on credit risk management.

(5) Trade receivable and trade receivable from related parties (net)

	2021/12/31	2020/12/31
Trade receivables	$2,222,020	$1,724,538
(Less): allowance loss	(22,660)	(15,953)
Subtotals	2,199,360	1,708,585
Trade receivables-related parties	207,130	277,171
(Less): allowance loss	(-)	(-)
Subtotals	207,130	227,171
Total	$2,406,490	$1,985,756

The Company’s trade receivable did not provide guarantees.

The Company's credit period to customers is usually from 60 days to 120 days for monthly settlements. As of 31 December 2021, and 2020, the total book value was NT$2,429,150 thousand and NT$2,001,7096 thousand, respectively. For information on allowances for losses in FY2021 and FY2020, please refer to Note 6(16), and for information related to credit risk, please refer to Note 12.

(6) Inventories

	2021/12/31	2020/12/31
Raw materials	$544,625	$365,514
Work in process	54,753	52,194
Finished goods	856,492	463,844
Total	$1,455,870	$881,552

The Company’s inventory cost recognized as an expense in FY2021 was 6,127,183 thousand, of which, in addition to the inventory cost, it included NT$34,413 thousand in inventory recovery gain arising from the sale of part of the inventory in FY2021.

The Company’s inventory cost recognized as an expense in FY2020 was 5,375,874 thousand, of which, in addition to the inventory cost, it included NT$16,044 thousand in inventory recovery gain arising from the sale of part of the inventory in FY2020.

(7) Investments accounted for using the equity method

Details of the Company’s investment by equity method is as follows:

Investees	2021/12/31 Carrying amount	2021/12/31 Percentage of ownership (%)	2020/12/31 Carrying amount	2020/12/31 Percentage of ownership (%)
Investee subsidiaries:				
PAN-JIT ASIA INTERNATIONAL INC.	$6,538,446	100.00%	$5,548,456	100.00%
PYNMAX TECHNOLOGY CO., LTD.	1,883,028	94.60%	1,560,142	94.60%
LIFETECH Energy Inc.	(55) (Note 1)	20.57%	1,244	20.57%
Investments in associates:				
MILDEX OPTICAL INC.	180,958	21.01%	210,935	21.01%
ALLTOP THCHNOLOGY CO., INC	1,574,237	19.08% (Note 2)	-	-
Total	$10,176,614		$7,320,777	

(Note 1): The Company's equity investment in LIFETECH ENERGY INC. on December 31, 2021 was surplus in loan.

(Note 2): The Company acquired 19.97% equity of Alltop Technology Co., Ltd. on March 5, 2021. In April 2021, the company held an additional 220,000 shares, and the shareholding ratio increased to 19.99%. After the shareholding of Alltop Technology Co., Ltd. to December 2021, the Company has converted corporate bonds into ordinary shares, resulting in changes in equity, and the Company's shareholding ratio has been reduced to 19.08%.

A. Investee subsidiaries are expressed in Parent Company Only Financial reports as "investments by equity method", and necessary evaluation adjustments are made.
B. Information on material related enterprises to the Company:

Company Name: Alltop Technology Co., Ltd.

Nature of the relationship with the associate: ALLTOP TECHNOLOGY CO., LTD. is in the business of research and development, manufacturing and sale of connectors, primarily for servers, automotive and industrial application. Alltop’s future development strategy aligns with the Company’s targeted business areas. The Company invests in the company with an aim to integrate the resources of both companies, and expand business areas including servers, laptops, automotive, industrial and networking equipment. This is to create synergies between the two firms and to provide customers with more full-range products and services.

Fair value of the investment in the associate when there is a quoted market price for the investment: ALLTOP TECHNOLOGY CO., LTD. is a listed entity on the Taipei Exchange (TPEx). The fair value of the investment in ALLTOP TECHNOLOGY CO., LTD. accounted for using the equity method amounted to $2,059,391 thousand as of 31 December 2021.

Reconciliation of the associate's summarized financial information presented to the carrying amount of the Company's interest in the associate:

	2021/12/31
Assets	$3,633,364
Liabilities	(1,135,335)
Equity	2,498,029
Proportion of the Company's ownership	19.08%
Subtotals	476,624
Goodwill	968,326
Patent	102,726
Difference between investment cost and entitlement	26,561
Carrying amount of the investment	$1,574,237

The summarized financial information was as follows:

	2021/12/31	2020/12/31
Operating revenue	$449,578	$-
Profit from continuing operations	$92,457	$-
Other comprehensive income (net after tax)	($3,467)	$-
Total comprehensive income	$88,990	$-

The Company's investment in MILDEX OPTICAL INC. is not material to the Company. The aggregate carrying amount of the Company's investment in MILDEX OPTICAL

INC. on December 31, 2021 and December 31, 2020 was NT$180,958 thousand and NT$210,935 thousand, respectively. The aggregate financial statements based on proportion are as follows :

	2021/12/31	2020/12/31
(Loss) Profit from continuing operations	($27,189)	($23,906)
Other comprehensive income (post-tax)	($2,788)	($492)
Total comprehensive income	($29,977)	($24,398)

The aforementioned investee subsidiaries and associates have no contingent liabilities or capital commitments, nor have they provided guarantees.

The proportion of profits and losses of subsidiaries and associates recognized in FY2021 and FY2020 using the equity method is as follows:

Investee companies	FY2021	FY2020
PAN-JIT ASIA INTERNATIONAL INC.	$655,936	$421,959
Pynmax Technology Co., Ltd.	249,615	121,900
LIFETECH ENERGY INC.	(1,299)	(4)
MILDEX OPTICAL INC.	(27,189)	(23,906)
Alltop Technology Co., Ltd.	92,457	-
Total	$969,520	$519,949

(8) Property, plant, and equipment

	2021/12/31	2020/12/31
Owner occupied property, plant and equipment	$3,957,765	$2,524,877

Owner occupied property, plant and equipment

	Land	Buildings	Machinery and equipment	Utilities equipment	Office equipment	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost:								
As at 1 Jan. 2021	$449,280	$416,929	$5,007,133	$26,511	$52,148	$450,069	$823,366	$7,225,436
Additions	127	32,717	110,091	800	4,908	40,526	813,226	1,002,395
Disposal	-	-	(109,262)	-	(12,631)	(18,935)	(1,650)	(142,478)
Transfers	202,816	305,743	494,652	-	6,160	1,924	(285,128)	726,167
As at 31 Dec. 2021	$652,223	$755,389	$5,502,614	$27,311	$50,585	$473,584	$1,349,814	$8,811,520
Depreciation and impairment:								
As at 1 Jan. 2021	$-	$148,030	$4,131,106	$26,228	$45,195	$350,000	$-	$4,700,559
Depreciation	-	13,569	229,384	239	3,538	33,169	-	279,899
Disposals	-	-	(97,616)	-	(12,630)	(18,804)	-	(129,050)
Impairment losses	-	-	(348)	-	-	-	-	(348)
Transfers	-	(386)	3,848	-	-	(767)	-	2,695
As at 31 Dec. 2021	$-	$161,213	$4,266,374	$26,467	$36,103	$363,598	$-	$4,853,755

	Land	Buildings	Machinery and equipment	Utilities equipment	Office equipment	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost:								
As at 1 Jan. 2020	$449,280	$416,929	$4,975,095	$26,511	$51,859	$432,171	$28,765	$6,380,610
Additions	-	-	51,774	-	289	17,625	239,714	309,402
Disposal	-	-	(84,371)	-	-	-	-	(84,371)
Transfers	-	-	64,635	-	-	273	554,887	619,795
As at 31 Dec. 2020	$449,280	$416,929	$5,007,133	$26,511	$52,148	$450,069	$823,366	$7,225,436
Depreciation and impairment:								
As at 1 Jan. 2020	$-	$135,884	$3,967,827	$26,111	$42,528	$315,791	$-	$4,488,141
Depreciation	-	12,146	245,023	117	2,667	34,209	-	294,162
Disposals	-	-	(82,564)	-	-	-	-	(82,564)
Impairment losses	-	-	(1,964)	-	-	-	-	(1,964)
Transfers	-	-	2,784	-	-	-	-	2,784
As at 31 Dec. 2020	$-	$148,030	$4,131,106	$26,228	$45,195	$350,000	$-	$4,700,559
Net Carrying Amount:								
2021/12/31	$652,223	$594,176	$1,236,240	$844	$14,482	$109,986	$1,349,814	$3,957,765
2020/12/31	$449,280	$268,899	$876,027	$283	$6,953	$100,069	$823,366	$2,524,877

Capitalized borrowing costs of construction in progress for the years ended 31 December 2021 and 2020 are both $0.

Please refer to Note 8 for more details on property, plant and equipment under pledge.

(9) Intangible assets

	Computer software	Other intangible assets	Total
Cost:			
2020/01/01	$82,156	$3,000	$85,156
Additions - separate acquisition	14,183	10,916	25,099
Disposal	(19,531)	-	(19,531)
Reclassification	-	36,922	36,922
2020/12/31	$76,808	$50,838	$127,646
Additions - separate acquisition	9,594	40,455	50,049
Disposal	(20,226)	-	(20,226)
Reclassification	4,736	-	4,736
2021/12/31	$70,912	$91,293	$162,205
Amortization:			
2020/01/01	$31,431	$1,750	$33,181
amortization	28,957	7,247	36,204
Disposal	(19,531)	-	(19,531)
2020/12/31	$40,857	$8,997	$49,854
amortization	19,509	15,941	35,450
Disposal	(20,226)	-	(20,226)
2021/12/31	$40,140	$24,938	$65,078
Net Carrying Amount:			
2021/12/31	$30,772	$66,355	$97,127
2020/12/31	$35,951	$41,841	$77,792

The amortized amount recognized as intangible assets:

	FY2021	FY2020
Operating cost	$1,789	$2,957
Operating expense	$33,661	$33,247

(10) Short-term borrowings

Details of the short loans are as follows:

Nature of borrowing	2021/12/31	2020/12/31
Unsecured bank loans	$2,931,307	$1,385,443

	2021/12/31	2020/12/31
Interest rate range	0.40% ~ 0.99%	0.55% ~ 1.12%

As of December 31, 2021, and 2020, the Company's total unused Short-term borrowings were approximately NT$6,160,144 thousand and NT$3,356,053 thousand, respectively.

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

	2021/12/31	2020/12/31
Held for trading:		
Derivative instruments without specified hedging relationship		
Forward exchange contract and currency swaps contract	$-	$2,822

(12) Long-term borrowings

Details of the long-term loans are as follows:

Nature of borrowing	2021/12/31	2020/12/31
Syndicated bank Loan (A) (Note)	$1,000,000	$2,487,500
Project loan (B)	598,000	23,000
Project loan (C)	300,000	103,000
Project loan (D)	1,050,000	152,000
Project loan (E)	98,333	–
Credit loan	1,050,000	765,333
Subtotals	4,096,333	3,530,833
(less): long-term security discount	(1,065)	–
(Less): Unamortized cost of syndicated loan	(6,510)	(3,194)
(Less): Deferred gain from government grants	(25,671)	(5,441)
(Less): Maturity within one year	(32,458)	–
Total	$4,030,629	$3,522,198

	2021/12/31	2020/12/31
Interest rate range	0.65%~0.9480%	0.65%~1.7895%

(Note): In August 2021, the Company renewed the syndicated loan contract which it entered into in 2018 with 16 financial institutions, including the Land Bank of Taiwan.

(A) On 17 August 2021, the Company entered into a syndicated loan contract with 10 financial institutions and the amount of the loan facility was $4,200,000 thousand for a period of five years starting from the first day the facility is drawn. The facility must be drawn within three months from the execution date of the contract, otherwise the maturity of the said three-month period shall be deemed the first drawdown day. The extract of terms of the contract as following:

a. The total amount of the syndicated loan is NT$4,200,000 thousand.

b. Terms of the syndicated loan agreement:

i. Category 1: Medium-term loan up to $4,200,000 thousand.
ii. Category 2: Commercial paper of $2,940,000 thousand

c. The total amount of category 1 and category 2 shall not exceed the total amount of the syndicated loan.

d. Terms of financial ratios: Within the contract period, the Company is required to calculate annually the financial ratios and agree with assigned threshold based on the figures from audited consolidated financial report.
   i. Current ratio (current asset / current liability): higher than 100%.
   ii. Debt ratio (liability / equity): lower than 200%.
   iii. Interest coverage ratio【（net profit before tax + interest expense + depreciation + amortization）/ interest expense】: higher than 2.5 times.
   iv. Net worth: higher than NT$5,300,000 thousand or USD equivalent.

(B) On 9 September 2019, the Company entered into a credit agreement with Taishin International Bank in the amount of NT$600,000 thousand for the investment program for Welcome Overseas Taiwanese Businesses to return to invest in Taiwan. The related terms are as following:

Line of credit	Credit period	Interest rate	Repayment method
$400,000	Seven years from the date of first use	Increase/decrease from the two-year regular savings interest rate by Chunghwa Post Co., Ltd., and the actual negotiated interest rate shall not be lower than 1.15%.	The grace period is three years. After the grace period expires, the principal will be amortized evenly on a monthly basis.
$200,000	Seven years from the date of first use	Increase/decrease from the two-year regular savings interest rate by Chunghwa Post Co., Ltd., and the actual negotiated interest rate shall not be lower than 1.15%.	The grace period is three years. After the grace period expires, the principal will be amortized evenly on a monthly basis.

(C) On 25 October 2019, the Company entered into a credit agreement with Chang HWA Bank in the amount of NT$900,000 thousand for the investment program for Welcome Overseas Taiwanese Businesses to return to invest in Taiwan. The related terms are as following:

Line of credit	Credit period	Interest rate	Repayment method
$600,000	Seven years from the date of first use	Increase/decrease from the two-year regular savings interest rate by Chunghwa Post Co., Ltd., and the actual negotiated interest rate shall not be lower than 1.15%.	The grace period is three years. After the grace period expires, the principal will be amortized evenly on a monthly basis.
$300,000	Seven years from the date of first use	Increase/decrease from the two-year regular savings interest rate by Chunghwa Post Co., Ltd., and the actual negotiated interest rate shall not be lower than 1.15%.	The grace period is three years. After the grace period expires, the principal will be amortized evenly on a monthly basis.

(D) On 1 November 2019, the Company entered into a credit agreement with First Commercial Bank in the amount of NT$1,500,000 thousand for the investment program for Welcome Overseas Taiwanese Businesses to return to invest in Taiwan. The related terms are as following:

Line of credit	Credit period	Interest rate	Repayment method
$1,000,000	Seven years from the date of first use	Increase/decrease from the two-year regular savings interest rate by Chunghwa Post Co., Ltd., and the actual negotiated interest rate shall not be lower than 1.15%.	The grace period is three years. After the grace period expires, the principal will be amortized evenly on a monthly basis.
$500,000	Seven years from the date of first use	Increase/decrease from the two-year regular savings interest rate by Chunghwa Post Co., Ltd., and the actual negotiated interest rate shall not be lower than 1.15%.	The grace period is three years. After the grace period expires, the principal will be amortized evenly on a monthly basis.

(E) On 21 November 2021, the Company entered into a credit agreement with Land Bank in the amount of NT$1,000,000 thousand for the investment program for Welcome Overseas Taiwanese Businesses to return to invest in Taiwan. The related terms are as following:

Line of credit	Credit period	Interest rate	Repayment method
$700,000	Seven years from the date of first use	Increase/decrease from the two-year regular savings interest rate by Chunghwa Post Co., Ltd., and the actual negotiated interest rate shall not be lower than 1.15%.	Interest is paid monthly for the first two years, the principal is amortized on a monthly basis starting from the third year, and the interest is calculated monthly based on the principal balance.
$300,000	Seven years from the date of first use	Increase/decrease from the two-year regular savings interest rate by Chunghwa Post Co., Ltd., and the actual negotiated interest rate shall not be lower than 1.15%.	Interest is paid monthly for the first two years, the principal is amortized on a monthly basis starting from the third year, and the interest is calculated monthly based on the principal balance.

Certain property, plant and equipment are pledged as first priority security as well as the top managements are grantors for the secured syndicated loans, please refer to Notes7 and 8 for more details.

(13) Post-employment benefits

Defined contribution plan

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

Expenses under the defined contribution plan for the years ended 31 December 2021 and 2020 were $39,496 thousand and $33,922 thousand, respectively.

Defined benefits plan

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

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandate, based on a passiveaggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute $1,764 thousand to its defined benefit plan during the 12 months beginning after 31 December 2021.

As of December 31, 2021, and 2020, the Company's defined benefit plans are expected to expire in 12 years.

The following table summarizes and determines the cost of the benefit plan recognized to profit or loss:

	FY2021	FY2020
Current period service costs	$1,863	$2,024
Interest expense	422	728
Total	$2,285	$2,752

Changes in the defined benefit obligation and fair value of plan assets are as follows:

	2021/12/31	2020/12/31	2020/01/01
Defined benefit obligation	$156,233	$164,303	$158,664
Plan assets at fair value	(67,066)	(61,590)	(61,561)
Other non-current liabilities – Defined benefit liabilities recognized on the consolidated balance sheets	$89,167	$102,713	$97,103

Adjustment of net defined benefit liabilities (assets):

	Defined benefit obligation	Fair value of plan assets	Defined benefit liability (asset)
As at 1 Jan. 2020	$158,664	($61,561)	$97,103
Current period service costs	2,024	-	2,024
Net interest expense (income)	1,190	(462)	728
Past service cost and gains and losses arising from settlements	-	-	-
Subtotal	161,878	(62,023)	99,855
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	7,157	-	7,157
Experience adjustments	2,302	-	2,302
Remeasurements of the defined benefit asset	-	(2,492)	(2,492)
Subtotal	9,459	(2,492)	6,967
Payments from the plan	(7,034)	7,034	-
Contributions by employer	-	(4,109)	(4,109)
As at 31 Dec. 2020	$164,303	($61,590)	$102,713
Current period service costs	1,863	-	1,863
Net interest expense (income)	674	(252)	422
Past service cost and gains and losses arising from settlements	-	-	-
Subtotal	166,840	(61,842)	104,998
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	(6,538)	-	(6,538)
Experience adjustments	(1,603)	-	(1,603)
Remeasurements of the defined benefit asset	-	(891)	(891)
Subtotal	(8,141)	(891)	(9,032)
Payments from the plan	(2,466)	2,466	-
Contributions by employer	-	(6,799)	(6,799)
As at 31 Dec. 2021	$156,233	($67,066)	$89,167

The following main assumptions are used to determine the Company's defined benefit plan:

	2021/12/31	2020/12/31
Discount rate	0.71%	0.41%
Expected rate of salary increases	1.50%	1.50%

A sensitivity analysis for significant assumption as at 31 December 2021 and 2020, is as shown below:

	FY2021		FY2020	
	Increased defined benefit obligation	Decreased defined benefit obligations	Increased defined benefit obligation	Decreased defined benefit obligations
Discount rate added by 0.5%	$-	$8,165	$-	$10,246
Discount rate decrease by 0.5%	$9,908	$-	$11,390	$-
Future salary increase by 0.5%	$9,777	$-	$11,204	$-
Future salary decrease by 0.5%	$-	$8,151	$-	$10,191

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(14) Equities

A. Common stock

As at 31 December 2021 and 2020, the Company’s authorized capital were $6,000,000 thousand, and issued capital were $3,828,149 thousand and $3,328,149 thousand respectively, each at a par value of NT$10. Each share has one voting right and a right to receive dividends

On 25 October 2021, the Company issued 50,000 thousand units of Global Depository Shares ("GDS") on the Luxembourg Stock Exchange, each representing a unit of ordinary shares of the Company. And totals in new issuance of 50,000 thousand common stock shares, each unit of GDS was priced at USD3.02, equivalent to NT$84.5. Totals shares amounted to USD151,000 thousand. The rights and obligations of the new shares issued are the same as the original shares. As of December 31, 2021, the outstanding shares were 2,146 thousand units, representing 2,146 thousand shares.

B. Capital surplus

Items	2021/12/31	2020/12/31
Additional paid-in capital	$4,611,840	$1,000,884
Premium on convertible bonds	1,083,418	1,083,418
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired through of disposed	165,193	-
Increase (decrease) through changes in ownership interests in subsidiaries	4	-
Employee stock option	24,527	24,527
Restricted stocks for employees	694	694
Share of changes in net assets of associates accounted and joint ventures for using the equity method	113,328	-
Others	87,151	87,151
Total	$6,086,155	$2,196,674

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

The transaction costs associated with the issuance of Global Depository Shares amounted to $94,847 thousand which were recognized in the deduction of capital reserve.

C.Treasury stock

To transfer shares to employees, the board of directors resolved to repurchase treasury stock on 23 March 2020. The estimated shares of repurchase were 10,000 thousand with the price range between $10.54 to $34.50, from 24 March 2020 to 23 May 2020. As of December 31, 2021, and 2020, the Company held treasury stocks of NT$16,507 thousand and the numbers of shares were 700,000 shares, respectively.

As of 31 December 2021 and 2020, the treasury stock held by the Company were $16,507 thousand, and the number of treasury stock held by the Company were 700 thousand shares.

D. Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

a. Payment of all taxes and dues
b. Offset prior years' operation losses
c. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve
d. Set aside or reverse special reserve in accordance with law and regulations
e. The distribution of the remaining portion, if any, will be recommended by the board of directors and resolved in the shareholders' meeting

According to the provision of Article 240-5 of the Company Act, the Company should authorize the distributable dividends and bonuses in whole or in part are paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution is submitted to the shareholders' meeting.

The policy of dividend distribution approved by the Board should reflect factors such as the operating planning, investment plan, capital budgets, the changes of inner and outer environment. The Company in capital-intensive industries are currently in the stage of expansion. Considering the Company's need for future capital and the long-term financial planning; as well as the shareholders' need for cash inflow, the principle of earning distribution:

The dividend to shareholders should be paid in the form of cash as priority, or in the form of share dividend. Additionally, at least 10% of the dividends must be paid in the form of cash.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

According to the provision of Article 241 of the Company Act, the Company shall distribute the whole or a part of the statutory surplus reserve and capital surplus to shareholders in new shares or cash according to their shareholding percentage. When cash is distributed, a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares of the company shall be required and reported to the shareholders meeting. When new shares are issued, it shall be submitted to the shareholders' meeting for approval before distribution.

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to “other net deductions from shareholders” equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed from the special reserve.

The FSC on 31 March 2021 issued Order No. Financial-Supervisory-Securities-Corporate 1090150022, which sets out the following provisions for compliance:
On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it.

The special reserve upon first adoption amounted to $200,400 thousand as of 1 January 2021 and 2020. Because of unused, disposal or reclassification of related assets, there was no reversal from special reserve to unappropriated earnings during the nine-month periods ended of 2021 and 2020.As of 31 December 2021 and 2020, the special reverse upon first adoption amounted to $200,400 thousand.

Details of the 2021 and 2020 earnings distribution and dividends per share as approved and resolved by the board of directors meeting on 25 March 2022 and shareholders’ meeting on 13 July 2021, are as follows:

	Appropriation of earnings		Dividend per share (NT$)	
	FY2021	FY2020	FY2021	FY2020
Legal reserve	$177,599	$88,681	$-	$-
Special reserve	$-	$-	$-	$-
Common stock –cash dividend (Note)	$1,146,345	$498,172	$3.00	$1.50

(Note) The Company resolved at the board of directors' meeting held on 25 March 2022 and 26 March 2021 to distribute the dividends of 2021 and 2020 in form of cash.

Please refer to Note 6(18) for further details on employees' compensation and remuneration to directors and supervisors.

(15) Operating revenue

Revenue from contracts with customers	FY2021	FY2020
Sale of goods	$8,706,119	$6,710,919

Analysis of revenue from contracts with customers during the years ended 31 December 2021 and 2020 are as follows:

A. Disaggregation of revenue

The Company is a single operating segment. The revenue generated from sales of goods in FY2021 and FY2020 were NT$8,706,119 thousand and NT$6,710,919 thousand, respectively, which were the income recognized at a certain point in time.

B. Contract balances

Contract liabilities - current

	2021/12/31	2020/12/31
Sales of goods	$5,982	$399

The reason for the changes in the balance of contract liabilities of the Company from January 1 to December 31, 2021, and 2020 was due to the fact that part of the performance obligations had been met and transferred into revenue or the increase in repay.

(16) Expected credit gains (losses)

	FY2021	FY2020
Operation expense－Expected credit gains (losses)		
Trade receivables	($6,707)	($641)

Please refer to Note 12 for more details on credit risk management.

The Company measures the loss allowance of its trade receivables (including note receivables and trade receivables) at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as at 31 December 2021 and 2020 are as follows:

The Company considers the grouping of trade receivables by counterparties' credit rating, by geographical region and by industry sector, and its loss allowance is measure by using a provision matrix, details as follows:

As at 31 Dec. 2021

	1-90 days (Note 1)	91-180 days	181-270 days	271-360 days	Over 361 days	Total
Total carrying amount	$1,967,365	$250,929	$358	$-	$3,368	$2,222,020
Loss rate	0.34%	5%	20%	-	100%	
Lifetime expected credit losses	(6,674)	(12,546)	(72)	$-	(3,368)	(22,660)
Carrying amount	$1,960,691	$238,383	$286	$-	$-	$2,199,360

As at 31 Dec. 2020

	1-90 days (Note 1)	91-180 days	181-270 days	271-360 days	Over 361 days	Total
Total carrying amount	$1,568,291	$152,142	$895	$2	$3,208	$1,724,538
Loss rate	-	8.26%	20%	50%	100%	
Lifetime expected credit losses	-	(12,565)	(179)	(1)	(3,208)	(15,953)
Carrying amount	$1,568,291	$139,577	$716	$1	$-	$1,708,585

(Note 1): Notes receivable included. All notes receivable of the Company are not overdue.

(Note 2): Accounts receivable - related parties not included. The Company's trade receivable - related parties are not overdue.

Changes to the Company's allowance loss for accounts receivable from January 1 to December 31, 2021, and 2020, are as follows:

	Accounts receivable
As at 1 Jan. 2021	$15,953
Additional/(reversal) for the current period	6,707
Write off	-
As at 31 Dec. 2021	$22,660
As at 1 Jan. 2020	$15,733
Additional/(reversal) for the current period	641
Write off	(421)
As at 31 Dec. 2020	$15,953

(17) Lease

The Company as s lessee

The Company leases a number of different assets, including property (land, houses, and buildings) and transportation equipment. The lease period of each contract is between 3 to 5 years.

The impact of leasing on the Company's financial status, financial performance and cash flow is explained as follows:

A. Amounts recognized in the balance sheet:

(a) Right-of-use assets

The carrying amount of right-of-use assets

	2021/12/31	2020/12/31
Land	$1,742	$310
Buildings	19,054	26,353
Transportation equipment	1,428	1,174
Other assets	388	-
Total	$22,612	$27,837

The Company has added NT$3,695 thousand and NT$30,003 thousand, respectively to the right-of-use assets from January 1 to December 31 in FY2021 and FY2020.

(b) Lease liabilities

	2021/12/31	2020/12/31
Flow	$7,981	$7,864
Non-current	14,767	20,033
Total	$22,748	$27,897

Please refer to Note 6.(19)(c) for the interest on lease liabilities recognized during the years ended 31 December 2021 and 2020 and refer to Note 12.(5)

Liquidity Risk Management for the maturity analysis for lease liabilities as of 31 December 2021.

B. Amount recognized in statement of comprehensive income

Depreciation of right-of-use assets

	FY2021	FY2020
Land	$747	$745
Buildings	7,299	7,071
Transportation equipment	702	1,243
Other assets	111	-
Total	$8,859	$9,059

C. The lessee's income and expenditures related to leasing activities

	FY2021	FY2020
Expenses arising from short-run lease	$1,881	$1,550
Expenses arising from low-value asset lease (Excluding the expenses arising from short-run lease of low-value asset)	$163	$137
Variable lease payments not accounted for in lease liability	$90	$-

D. Cash outflow relating to leasing activities

During the year ended 31 December 2021 and 2020, the Company's total cash outflows for leases amounting to $8,782 thousand and $9,245 thousand, respectively.

E. Other information relating to leasing activities

Extension and termination options

Some of the Company's property rental agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Company has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company. After the commencement date, the Company reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

(18) The summary table of employee benefits, depreciation and amortization expenses by functions is as follows:

Function / Nature	FY2021			FY2020		
	operating costs	operating expenses	Total	operating costs	operating expenses	Total
Employee benefits expense						
Salaries	$566,249	$727,833	$1,294,082	$637,499	$340,564	$978,063
Labor and health insurance	$72,371	$30,888	$103,259	$63,223	$18,198	$81,421
Pension	$27,235	$14,546	$41,781	$26,462	$10,212	$36,674
Compensation of the directors	$-	$48,956	$48,956	$-	$21,029	$21,029
Other employee benefit expenses	$59,211	$16,917	$76,128	$48,677	$10,352	$59,029
Depreciation	$260,837	$27,922	$288,759	$271,355	$31,867	$303,222
Amortization	$1,789	$33,661	$35,450	$2,957	$33,247	$36,204

Note: The number of employees in this year and the previous year was 1,499 and 1,360 respectively, of which the number of directors who were not concurrently employees was five.

Companies whose stocks have been listed on the stock exchange should disclose the following information:

A.The average employee benefit expense in the current year was NT$1,014 thousand. The average employee benefit expense in the previous year was NT$853 thousand.
The average employee salary expense in the current year was NT$866 thousand. The average employee salary expense in the previous year was NT$722 thousand.

B.The average employee salary expense has increased by 20%.

C.The Company has set up an audit committee to replace the supervisor, so the Company's supervisors remuneration for FY2021 and FY2020 were both 0.

D.The Company's salary and compensation policy:

(a) Directors:

The Company's directors remuneration is by the Article of Association, Article 16: "The remuneration of all directors, regardless of profit or loss, may be agreed upon by the authorized board meeting according to the usual standards of the industry" and Article 19: "If the Company makes profits during the year, no more than 2% should be proposed for directors remuneration. The proposal shall be drafted and reviewed by the Renumeration Committee in consideration of the participation in the Company's operations, contribution value and overall company operating performance, and submitted to the Board of Directors for discussion.

(b) Managerial officers and employees:

The salary and compensation of the Company's managerial officers and employees refer to the common level of the industry's payment level and consider the time invested by the individual, the responsibilities, degrees of achieving personal goals, performance in other positions, the Company's salary and compensation to the same position in recent years, and the Company's overall operating conditions, etc. Also, the company's Articles of Association, Article 19: "If the Company makes a profit during the year, no less than 6% shall be allocated for employee compensation" shall be followed. The managerial officers compensation must be reviewed by the remuneration committee and submitted to the Board of Directors for discussion; the employees compensation shall be submitted to the responsible supervisor for approval in accordance with the Company's hierarchical authorization rules.

The Company's Articles of Association stipulates that, after annual earnings first offset against any deficit, a minimum of 6% shall be allocated as employee compensation and a maximum of 2% as directors' remuneration. But the Company shall reserve a portion of profit to offset accumulated losses, if any. The aforementioned employee compensation can be made in stock or cash. Its subjects may include employees of controlling or associates that meet certain conditions which are set by the Board of Directors.

According to one of Article 235 of the Company Act, if the employee's compensation in the preceding paragraph is based on stocks or cash, the Board of Directors shall come to the resolution with more than two-thirds of the directors present and more than half of the present directors approve, and report to the shareholders meeting. For information about employee compensation and director renumeration approved by the Board of Directors, please visit "Market Observation Post System" of Taiwan Stock Exchange.

According to the profit status of the Company in FY2021, the employee compensation and directors renumeration were estimated to be 6% and 2%, respectively, and the amount of employee compensation and directors renumeration were NT$145,548 thousand and NT$48,516 thousand, respectively. In FY2020, the amount of employee compensation and directors renumeration were NT$61,528 thousand and NT$20,509 thousand, respectively. The foregoing amounts were accounted for under salary expenses. If the Board of Directors decides to pay employee compensation in stocks, the closing price on the day before the Board of Directors resolution is used as the basis for calculating the number of allotted shares. If there is a difference between the estimated number and the actual allotted amount by the Board of Directors, it is recognized as gain or loss in the following year.

The Company's Board of Directors resolved on March 25, 2022 and March 26, 2021 to provide cash for the employees compensation and directors renumeration in FY2021 and FY2020 and the amounts were NT$145,548 thousand, NT$48,516 thousand and NT$61,528 thousand, NT$20,509 thousand, respectively. There is no significant difference to the amounts recognized as expenses in the financial report of FY2021 and FY2020.

(19) Non-operating income and expenses

A. Interest income

	FY2021	FY2020
Finance assets measured at amortized cost	$537	$6,232

B. Other income

	FY2021	FY2020
Rental income	$8,188	$8,188
Dividend income	6,278	7,404
Others	87,604	7,386
Total	$102,070	$22,978

C. Other gains or losses

	FY2021	FY2020
Gains (losses) on disposal of property, plant, and equipment	($6,988)	($1,516)
Profits on disposal of investments	2,548	-
Net gain (loss) on foreign exchange	26,512	(44,390)
Valuation gain (loss) n of Financial assets and liabilities measured at fair value through profit or loss (Note)	1,475	(777)
Reversal of impairment gain - Property, plant, and equipment	348	1,964
Other expenses	(5,422)	(149)
Total	$18,473	($44,868)

(Note) Balances were arising from financial assets and financial liabilities mandatorily measured at fair value through profit or loss.

D. Financial costs

	FY2021	FY2020
Interest on borrowings from bank	($68,456)	($54,472)
Interest on lease liabilities	(327)	(185)
Total	($68,783)	($54,657)

(20) Components of other comprehensive income

	FY2021				
	Current amount	Occurred reclassification adjustments	Others Comprehensive income	Tax benefit (Expense)	After-tax amount
Items that may not be reclassified subsequently to gain or loss:					
Remeasurement of defined benefit plan	$3,727	$-	$3,727	($1,807)	$1,920
Unrealized valuation gain or loss of equity instrument investment at fair value through other comprehensive income	335,088	-	335,088	(1,670)	333,418
Items that may be reclassified subsequently to gain or loss:					
Exchange differences in translation of foreign financial statements	(188,795)	-	(188,795)	36,520	(152,275)
Total	$150,020	$-	$150,020	$33,043	$183,063

	FY2020				
	Current amount	Occurred reclassification adjustments	Others Comprehensive income	Tax benefit (Expense)	After-tax amount
Items that may not be reclassified subsequently to gain or loss:					
Remeasurement of defined benefit plan	($6,480)	$-	($6,480)	$1,393	($5,087)
Unrealized valuation gain or loss of equity instrument investment at fair value through other comprehensive income	377,126	-	377,126	(14,218)	362,908
Items that may be reclassified subsequently to gain or loss:					
Exchange differences in translation of foreign financial statements	(31,085)	-	(31,085)	2,426	(28,659)
Total	$339,561	$-	$339,561	($10,399)	$329,162

(21) Income tax

A. Income tax recognized in profit or loss

	FY2021	FY2020
Current income tax expense:		
Current income tax payables	$239,096	$77,768
Adjustment of current deferred income tax of previous years in current year	20,094	(44,530)
Deferred income tax expense (gain):		
Deferred income tax expense (gain) related to the original creation of the temporary difference and its reversal	45,572	12,751
Income tax expense	$304,762	$45,989

B. Income tax recognized as other comprehensive income

	FY2021	FY2020
Deferred income tax expense (gain):		
Exchange differences in translation of foreign financial statements	$36,520	$2,426
Remeasurement of defined benefit plan	(1,807)	1,393
Unrealized valuation gain or loss of equity instrument investment at fair value through other comprehensive income	(1,670)	(14,218)
Income tax related to other comprehensive income components	$33,043	($10,399)

C. The amount of income tax expenses multiplied by accounting profits by the applicable tax rate is adjusted as follows:

	FY2021	FY2020
Pre-tax Net Profit from Continuing Business Units	$2,231,737	$943,424
Income tax calculated at statutory tax rate	$446,347	$188,684
Tax effects of tax exemption income	(55,179)	(28,131)
Income tax impact on deferred income tax assets / liabilities	(106,500)	(70,000)
Adjustment of current deferred income tax of previous years in current year	20,094	(44,530)
Others	-	(34)
Total income tax expense recognized in profit or loss	$304,762	$45,989

D. The deferred income tax assets (liabilities) balance related to the following items:

For the year ended 31 December 2021:

	Opening balance	Recognized in gain or loss	Recognized in other comprehensive income	Closing balance
Temporary difference				
Allowance for price decline in inventories	$39,287	($6,883)	$-	$32,404
Unrealized exchange gain or loss	669	(6,970)	-	(6,301)
The proportion of gain or loss of subsidiaries recognized by equity method	39,802	(26,180)	-	13,622
Changes in the net worth of the subsidiary's equity recognized by equity method	(71,014)	-	-	(71,014)
The balance of translation of the financial reports of foreign operation institutions	111,547	-	36,520	148,067
Tax differentials in depreciation	(906)	302	-	(604)
Net defined benefit liability - non-current	20,543	(903)	(1,807)	17,833
Impairment Loss	1,091	(69)	-	1,022
Others	54,376	(4,869)	(1,670)	47,837
Deferred income tax (expense) gain		($45,572)	$33,043	
Net deferred income tax assets / liabilities	$195,395			$182,866
Below is the information contained in the balance sheet:				
Deferred income tax asset	$267,315			$260,785
Deferred tax liabilities	($71,920)			($77,919)

For the year ended 31 December 2020:

	Opening balance	Recognized in gain or loss	Recognized in other comprehensive income	Closing balance
Temporary difference				
Allowance for price decline in inventories	$42,496	($3,209)	$-	$39,287
Unrealized exchange gain or loss	3,571	(2,902)	-	669
The proportion of gain or loss of subsidiaries recognized by equity method	58,748	(18,946)	-	39,802
Changes in the net worth of the subsidiary's equity recognized by equity method	(71,014)	-	-	(71,014)
The balance of translation of the financial reports of foreign operation institutions	109,121	-	2,426	111,547
Tax differentials in depreciation	(1,254)	348	-	(906)
Net defined benefit liability - non-current	19,421	(271)	1,393	20,543
Impairment Loss	1,484	(393)	-	1,091
Others	55,972	12,622	(14,218)	54,376
Deferred income tax (expense) gain		($12,751)	($10,399)	
Net deferred income tax assets / liabilities	$218,545			$195,395
Below is the information contained in the balance sheet:				
Deferred income tax asset	$290,905			$267,315
Deferred tax liabilities	($72,360)			($71,920)

E. Unrecognized deferred tax assets

As of 31 December 2021, and 2020, the Company’s unrecognized deferred income tax assets were NT$53,500 thousand and NT$160,000 thousand, respectively.

F. Situations of income tax declaration and verification

As of December 31, 2021, the Company’s income tax declaration was approved to FY2019.

(22) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	FY2021	FY2020
A.Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$1,926,975	$897,435
Weighted average number of shares of common stock per share of earnings (thousand shares)	340,448	332,349
Basic earnings per share (NT$)	$5.66	$2.70

	FY2021	FY2020
B.Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company and effect of potential common shares (in thousand NT$)	$1,926,975	$897,435
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand)	340,448	332,349
Dilution effect:		
Employee compensation - stocks (thousand shares)	1,348	1,855
Weighted average number of ordinary shares after adjusting the dilution effect (thousand shares)	341,796	334,204
Diluted earnings per share (NT$)	$5.64	$2.69

After the reporting period and before the financial statements were approved for release, there were no other transactions that materially changed the number of common shares outstanding or the number of potential common shares at the end of the period.

7. Related Party Transaction

The following is a summary of transactions between the Company and related parties during the reporting periods:

Name and Relationship of Related Parties

Name of related parties	Relationship with the Company
PAN-JIT ASIA INTERNATIONAL INC.	The Company's subsidiary
PAN JIT AMERICAS, INC.	The Company's subsidiary
PAN-JIT INTERNATIONAL (H.K.) LTD.	The Company's subsidiary
PAN JIT KOREA CO., LTD.	The Company's subsidiary
PAN JIT EUROPE GMBH	The Company's subsidiary
Suzhou Grande Electronics Co. Ltd.	The Company's subsidiary
Shenzhen Max Diode Co., Ltd.	The Company's subsidiary
PAN JIT ELECTRONIC (WUXI) CO., LTD.	The Company's subsidiary
Pynmax Technology Co., Ltd.	The Company's subsidiary
MILDEX OPTICAL INC.	Other related party
Zibo Micro Commercial Components Corp.	Other related party
Fang Minqing and other 13 people	The management level above Deputy general manager of the Company

(1) Sales

	FY2021	FY2020
PAN JIT ELECTRONIC (WUXI) CO., LTD.	$1,124,840	$866,486
Others	229,359	169,340
Grand total	$1,354,199	$1,035,826

The selling price from the Company to related parties is negotiated by both parties with reference to market conditions; the current year's circulating funds are unsecured, interest-free and must be settled in cash. No guarantee has been received for accounts receivable from related parties.

(2) Purchase

	FY2021	FY2020
PAN JIT ELECTRONIC (WUXI) CO., LTD.	$1,905,764	$1,489,242
Pynmax Technology Co., Ltd.	656,778	397,709
Others	29,041	17,689
Grand total	$2,591,583	$1,904,640

The price of the Company's purchase of goods from related parties is negotiated by both parties with reference to market conditions; the Company's payment terms for purchases of goods from related parties are equivalent to those of ordinary manufacturers.

(3) Trade receivable - related party

	2021/12/31	2020/12/31
PAN JIT ELECTRONIC (WUXI) CO., LTD.	$173,338	$268,799
PAN JIT AMERICAS, INC.	24,597	1,966
Others	9,195	6,406
Grand total	$207,130	$277,171

(4) Other receivable - related parties (not loans)

	2021/12/31	2020/12/31
PAN JIT ELECTRONIC (WUXI) CO., LTD.	$6,180	$188
Others	815	-
Grand total	$6,995	$188

(5) Trade payable - related parties

	2021/12/31	2020/12/31
PAN JIT ELECTRONIC (WUXI) CO., LTD.	$240,161	$270,696
Pynmax Technology Co., Ltd.	64,792	40,978
Others	5,771	2,076
Grand total	$310,724	$313,750

(6) Other payables - related parties

	2021/12/31	2020/12/31
PAN JIT EUROPE GMBH	$47,382	$36,914
Others	12,672	9,260
Grand total	$60,054	$46,174

(7) Disposal of property, plant and equipment

FY2021:

Name of related parties	Assets	Selling price	Carrying amount:	Sale (loss) gain
PAN JIT ELECTRONIC (WUXI) CO., LTD.	Machinery equipment	$6,184	$6,115	$69

FY2020:

Name of related parties	Assets	Selling price	Carrying amount:	Sale (loss) gain
PAN JIT ELECTRONIC (WUXI) CO., LTD.	Machinery equipment	$194	$-	$194

(8) Acquisition of property, plant, and equipment:

FY2021:

None

FY2020:

Name of related parties	Assets	Selling price
Pynmax Technology Co., Ltd.	Machinery equipment	$6,082
PAN JIT ELECTRONIC (WUXI) CO., LTD.	Machinery equipment	20,111
		$26,193

(9) Others

A. Operating expense

	FY2021	FY2020
a. Commission expenditure		
PAN JIT KOREA CO., LTD.	$49,572	$45,968
PAN JIT EUROPE GMBH	46,505	31,852
Total	$96,077	$77,820
b. Manage shipping warehouse costs and collection and payment items		
PAN-JIT INTERNATIONAL (H.K.) LTD.	$40,384	$34,253
Pynmax Technology Co., Ltd.	24,104	-
Total	$64,488	$34,253
c. Miscellaneous expenditure, consumables, etc.		
PAN JIT AMERICAS, INC.	$33,856	$23,012

B. Financing (recognized as other payables)

	FY2021				
	Maximum Balance	Closing balance	Interest rate range	Interest expense	Accrued interest at the end of current period
PAN-JIT ASIA INTERNATIONAL INC.	$858,300	$-	0.00%	$-	$-

	FY2020				
	Maximum Balance	Closing balance	Interest rate range	Interest expense	Accrued interest at the end of current period
PAN-JIT ASIA INTERNATIONAL INC.	$892,200	$854,400	0.00%	$-	$-

C. Endorsements/guarantees

Details of endorsement/guarantee provided by the Company to subsidiaries' borrowing are as follows:

	2021/12/31	2020/12/31
PAN-JIT ASIA INTERNATIONAL INC.	$1,826,880	$1,879,680

(10) Key management personnel compensation

	FY2021	FY2020
Short-term employee benefits	$117,233	$69,625
After-retirement benefits	608	633
Total	$117,841	$70,258

As of December 31, 2021, and 2020, part of the main management is the joint guarantor of the Company's loans from financial institutions.

8. Pledged Assets

The following assets of the Company have been provided as collateral:

	Carrying amount		secured debt
Items	2021/12/31	2020/12/31	Content
Property, Plant, and Equipment	$-	$938,438	Long-term loan
Other current assets	$14,394	22,214	Financial commodity trading
Total	$14,394	$960,652	

9. Significant Contingent Liability and Unrecognized Contract Commitment

(1) As of December 31, 2021, and 2020, the Company has provided customs bonded guarantees through bank guarantees both in the amount of NT$10,000 thousand.
(2) As of December 31, 2021, the commercial paper issued due to the joint loan case was NT$1,000,000 thousand.

10. Material Disaster Losses

None.

11. Material Subsequent Events

The board of directors on 14 Feb. 2022 approved a tender offer for the common shares of Champion Microelectronic Corp. The shares of 23,996 thousand which amounted to NT$1,938,877 thousand have been settled on 24 Mar. 2022.

12. Others

(1) Classification of financial tools

Financial assets

	2021/12/31	2020/12/31
Financial assets at FVTPL:		
Mandatory to measure at fair value through profit or loss	$-	$6,347
Financial assets measured at fair value through other comprehensive income	314,350	279,068
Financial assets measured at amortized cost	4,330,791	2,749,705
Total	$4,645,141	$3,035,120

Financial liabilities

	2021/12/31	2020/12/31
Financial liabilities measured at amortized cost:		
Short-term borrowings	$2,931,307	$1,385,443
Trade and other payables	2,126,134	2,318,517
Long-term borrowings (including maturity within one year)	4,063,087	3,552,198
Lease liabilities	22,748	27,897
Subtotals	9,143,276	7,284,055
financial liability at fair value through profit or loss:		
Held for trading	-	2,822
Total	$9,143,276	$7,286,877

(2) Financial risk management objectives and policies

The Company’s financial risk management objectives are mainly to manage market risks, credit risks and liquidity risks related to operating activities. The Company conducts the identification, measurement and management of the aforementioned risks in accordance with the Company's policies and risk preferences.

The Company has established appropriate policies, procedures and internal controls for the aforementioned financial risk management in accordance with relevant regulations. Important financial activities must be reviewed by the Board of Directors and similar audit committee units in accordance with relevant regulations and internal control systems. During the execution of financial management activities, the Company must actually comply with the stipulated financial risk management regulations.

(3) Market risk

Market risk refers to the risk of fluctuations in fair value or cash flow of financial instruments due to changes in market prices. Market risks mainly include exchange rate risk, interest rate risk and other price risks (such as equity instruments.)

In practice, it is rare that a single risk variable changes independently, and the changes of each risk variable are usually related, but the sensitivity analysis of each risk below does not consider the interactive impact of related risk variables.

Exchange rate risk

The Company's exchange rate risk is mainly related to operating activities (when the currency used for revenue or expenses is different from the Company's functional currency) and the net investment of foreign operation.

The Company’s foreign currency receivables are in the same currencies as part of the foreign currency payables. At this time, a considerable part of the position will have a natural hedging effect. For some foreign currency payments, forward foreign exchange contracts are used to manage exchange rate risks, based on the aforementioned natural hedging. The use of forward foreign exchange contracts to manage exchange rate risks does not meet the requirements of hedging accounting, therefore it is not adopted. In addition, the net investment of foreign operation is a strategic investment, so the Company does not consider hedging.

The sensitivity analysis of the Company's exchange rate risk mainly focuses on the major foreign currency monetary items at the end of the financial reporting period, and the impact of related foreign currency appreciation/devaluation on the Company's gain or loss and equity. The Company's exchange rate risk is mainly affected by fluctuations in the exchange rate of the U.S. dollar.

Interest Rate Risk

Interest rate risk is the risk of fluctuations in the fair value or future cash flow of financial instruments due to changes in market interest rates. The Company's interest rate risk mainly comes from investment in floating-rate debt instruments, fixed-rate borrowings and floating-rate borrowings.

Sensitivity analysis of interest rate risk mainly focuses on interest rate risk insurance items at the end of the financial reporting period, including floating rate investments, floating rate borrowings and interest rate swap contracts.

Equity Price Risk

The Company holds domestic listed and unlisted equity securities, the fair value of which will be affected by the uncertainty of the future value of these investment targets. The listed and unlisted equity securities held by the Company belong to the category measured at fair value through other comprehensive income. The Company manages the price risk of equity securities by diversifying investment and setting limits for single and overall equity securities investment. The equity securities investment portfolio information needs to be regularly provided to the Company’s senior management. The Board of Directors must review and approve all equity securities investment decisions.

The sensitivity analysis of the related risk changes is as follows:

FY2021

Key risks	Variation range	Sensitivity to gain or loss (NT$ thousands)		Sensitivity to equity (NT$ thousands)
Exchange rate risk	NTD/USD exchange rate +/- 1%	-/+	$3,275	$-
Interest Rate Risk	NTD market interest rate +/- 100 basis points	-/+	$57,643	$-
Equity Price Risk	Taiwan Capitalization Weighted Stock Index +/- 10%	+/-	$-	$31,435

FY2020

Key risks	Variation range	Sensitivity to gain or loss (NT$ thousands)		Sensitivity to equity (NT$ thousands)
Exchange rate risk	NTD/USD exchange rate +/- 1%	-/+	$3,622	$-
Interest Rate Risk	NTD market interest rate +/- 100 basis points	-/+	$42,934	$-
Equity Price Risk	Taiwan Capitalization Weighted Stock Index +/- 10%	+/-	$-	$27,907

(4) Credit risk management

Credit risk refers to the risk that the counterparty cannot fulfill the obligations set out in the contract and will result in financial losses. The Company’s credit risk is due to operating activities (mainly accounts and notes) and financial activities (mainly bank deposits and various financial instruments.)

All units of the Company follow credit risk policies, procedures and controls to manage credit risk. The credit risk assessment of all counterparties is a comprehensive consideration of such factors as the counterparty's financial status, ratings of credit rating agencies, past historical transaction experience, current economic environment, and the Company's internal rating standards. The Company also uses certain credit enhancement tools (such as advance payment and insurance, etc.) at appropriate times to reduce the credit risk of specific counterparties.

As of December 31, 2021, and 2020, the top ten customer accounts receivable accounted for 32% and 29% of the Company’s balance of accounts receivable, respectively. The credit concentration risk of the remaining accounts receivable is relatively not significant.

The Company’s finance department manages the credit risk of bank deposits, fixed income securities, and other financial instruments in accordance with company policies. Since the Company’s trading partners are determined by internal control procedures, and are credit worthy banks and investment-grade financial institutions, corporate organizations, and government agencies, there is no significant credit risk.

(5) Liquidity risk management

The Company maintains financial flexibility through contracts such as cash and cash equivalents, high-liquidity securities and bank loans. The following table summarizes the maturity of the payments contained in the remaining contracts for non-derivative financial liabilities during the agreed repayment period of the Company. It is compiled based on the earliest possible repayment date and based on its undiscounted cash flows. The amounts listed are also Including agreed interest. For interest cash flows paid at floating interest rates, the undiscounted amount of interest is derived from the yield curve at the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	Later than 2 years but not later than 3 years	Later than 4 years but not later than 5 years	Later than 5 years	Total
2021/12/31					
Loan	$2,990,320	$1,079,196	$1,605,695	$1,411,283	$7,086,494
Payables	$2,126,134	$-	$-	$-	$2,126,134
Lease liabilities	$8,231	$11,721	$3,285	$-	$23,237
2020/12/31					
Loan	$1,398,399	$3,274,838	$3,543	$274,397	$4,951,177
Payables	$2,389,721	$-	$-	$-	$2,389,721
Lease liabilities	$7,864	$20,033	$-	$-	$27,897

Derivative financial liabilities

	Less than 1 year	Later than 2 years but not later than 3 years	Later than 4 years but not later than 5 years	Later than 5 years	Total
2021/12/31					
Forward exchange contracts - inflow	$-	$-	$-	$-	$-
Forward exchange contracts - outflow	$-	$-	$-	$-	$-
2020/12/31					
Forward exchange contracts - inflow	$381,710	$-	$-	$-	$381,710
Forward exchange contracts - outflow	($384,480)	$-	$-	$-	($384,480)

The disclosure of derivative liability instruments in the above table is expressed using undiscounted total cash flows.

(6) Adjustment in liabilities generated from financing activities

Adjustment information of liabilities in FY2021:

	Short loan	Long-term loan	Lease liabilities	Total liabilities from the financing activities
2021/1/1	$1,385,443	$3,522,198	$27,897	$4,935,538
Cash flows	1,545,864	563,019	(8,782)	2,100,101
Non-cash changes	-	(22,130)	3,633	(18,497)
2021/12/31	$2,931,307	$4,063,087	$22,748	$7,017,142

Adjustment information of liabilities in FY2020:

	Short loan	Long-term loan	Lease liabilities	Total liabilities from the financing activities
2020/01/01	$1,989,732	$2,450,978	$6,954	$4,447,664
Cash flows	(604,289)	1,067,387	(9,245)	453,853
Non-cash changes	-	3,833	30,188	34,021
2020/12/31	$1,385,443	$3,522,198	$27,897	$4,935,538

(7) Fair value of financial instruments

A. Valuation techniques and assumptions used to measure fair value

Fair value refers to the price that can be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants on the measurement date. The methods and assumptions used by the Company to measure or disclose the fair value of financial assets and financial liabilities are as follows:

a. The carrying amounts of cash and cash equivalents, receivables, other current assets, payables and other current liabilities are a reasonable approximation of the fair value, which is mainly due to the short maturity period of such instruments.

b. The fair value of financial assets and financial liabilities that are traded in an active market with standard terms and conditions is determined by reference to market quotes (for example, listed stocks, beneficiary certificates, bonds and futures, etc.).

c. The fair value of equity instruments without active market transactions (for example, private equity stocks of listed companies, public company shares without active markets, and unpublished company shares) is estimated by the market method, and is estimated for the fair value with the price and other relevant information (such as lack of liquidity discount factors, similar company stock price-to-earning ratio, similar company stock price-to-net worth ratio and other input values) of the same or comparable company equity instruments generated by market transactions.

d. For investment in debt instruments, bank borrowings, corporate bonds payable and other non-current liabilities without active market quotations, the fair value is determined based on the counterparty's quotation or evaluation technology. The evaluation technology is determined based on discounted cash flow analysis. The interest rate and assumptions such as discount rate are mainly based on information related to similar tools (for example, OTC's reference yield curve, the average quotation of the Reuters commercial paper rate, and credit risk information.)

e. Derivative financial instruments without active market quotations, among which are non-option derivative financial instruments, are calculated based on discounted cash flow analysis using the counterparty's quotation or the applicable yield curve within duration; for option derivative financial instruments, use Counterparty quotations, appropriate option pricing models (such as the Black-Scholes model) or other evaluation methods (such as Monte Carlo Simulation) to calculate the fair value.

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Company's financial assets and financial liabilities measured at amortized cost is a reasonable approximation of the fair value.

C. Information about the fair value level of financial instruments

For information on the fair value levels of the Company's financial instruments, please refer to Note 12 (9).

(8) Derivative instruments

As of December 31, 2021, and 2020, information of the Company's holding on derivatives that do not comply with hedge accounting and have not yet expired is as follows:

Forward exchange contract

The Company entered into forward currency contracts to manage its exposure to financial risk, but these contracts are not designated as hedging instruments. The paragraphs below lists the information related to forward currency contracts:

2021/12/31
None

	Items	Contract amount (thousand)	Maturity date
2020/12/31			
The Company	Forward exchange contract	sell USD 13,500	2021/01/07~ 2021/03/19

The aforementioned derivatives transaction counterparties are well-known banks at home and abroad, and their credit is good, so the credit risk is not high.

For forward exchange and currency swaps contract transactions, it is mainly to avoid the risk of exchange rate and interest rate changes on net assets or net liabilities. There will be relative cash inflows or outflows at maturity, and working capital is sufficient to support, so there will be no significant cash flow risk.

(9) Fair value level

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Hierarchical Information on Fair Value Measurement

The Company does not have non-repetitive assets measured at fair value. The fair value level information of repetitive assets and liabilities is listed below:

December 31, 2021:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at fair value through other comprehensive income				
Stock	$240,892	$73,458	$-	$314,350

December 31, 2020:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets measured at fair value through profit or loss				
Forward exchange contract	$-	$52	$-	$52
Fund	$-	$6,295	$-	$6,295
Financial assets measured at fair value through other comprehensive income				
Stock	$205,195	$73,873	$-	$279,068
Liabilities measured at fair value				
Financial liabilities measured at fair value through profit or loss				
Forward exchange contract	$-	$2,822	$-	$2,822

Transfer between the first level and the second level of the fair value hierarchy

As of December 31, 2021, and 2020, there is no transfer between the first and second levels of the fair value hierarchy of assets and liabilities measured by the Company's repetitive fair value.

Changes in recurring fair value at level 3

The Company does not have repetitive fair value-measured assets and liabilities that fall into the third level of the fair value hierarchy.

(10) The information on foreign currency assets and liabilities with significant impact are as follows

The information on foreign currency assets and liabilities of the Company with significant influence is as follows

Monetary unit: NT$ thousands

	2021/12/31			2020/12/31		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets						
Monetary items:						
USD	$95,713	27.6800	$2,649,342	$59,301	28.4800	$1,688,894
EUR	$3,830	31.3200	$119,971	$1,796	35.0200	$62,885
Non-monetary items:						
USD	$236,216	27.6800	$6,538,446	$194,819	28.4800	$5,548,456
Financial liabilities						
Monetary items:						
USD	$83,880	27.6800	$2,321,812	$37,560	28.4800	$1,069,718
EUR	$2,876	31.3200	$90,067	$-	-	$-

The above information is disclosed based on the foreign currency carrying amount (which has been converted to functional currency.)

The Company's foreign currency transactions have a wide variety of functional currencies, which cannot be difficult to disclose each currency's significant influence. Therefore, the exchange gain or loss of each currency are consolidated and disclosed. The Company's currency financial assets and financial liabilities conversion gain (loss) in FY2021 and FY2020 were 26,512 thousand and (44,390) thousand, respectively.

(11) Capital management

The most important goal of the Company's capital management is to confirm the maintenance of sound credit ratings and good capital ratios to support corporate operations and maximize shareholders' equity. The Company manages and adjusts the capital structure according to economic conditions, and may maintain and alter the capital structure by adjusting dividend payments, returning capital or issuing new shares.

13. Additional Disclosures

(1) Information on Significant Transactions:

a. Financing provided to others: Please refer to Attachment 1.
b. Endorsement/Guarantee for others: Please refer to Attachment 2.
c. Securities held at the end of the period (excluding subsidiaries, associates, and joint ventures): Please refer to Attachment 3.
d. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the capital stock: Please refer to Attachment 4.
e. Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock: Please refer to Attachment 5.
f. Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock: None
g. Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of the capital stock: Please refer to Attachment 6.
h. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock: Please refer to Attachment 7.
i. Financial instruments and derivative transactions: Please refer to Note 12(8).

(2) Information on Investees:

If the issuer directly or indirectly exercises significant influence or control over, or has a joint venture interest in, an investee company not in the Mainland Area, it shall disclose information on the investee company, showing the name, location, principal business activities, original investment amount, shareholding at the end of the period, profit or loss for the period, and recognized investment gain or loss: Please refer to Attachment 8.

(3) Information of Investment in Mainland China:

a. Information on investment in Mainland China: Please refer to Attachment 9
b. Directly or indirectly significant transactions through third regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss:
   i. The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Please refer to Attachment 6.
   ii. The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Please refer to Attachment 6~7.
   iii. The amount of property transactions and the amount of the resultant gains or losses: None.

iv. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Please refer to Attachment 2.

v. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Please refer to Attachment 1.

vi. Other transactions that have a material effect on the profit or loss for the period or on the financial position: None.

(4) Information on major shareholders: Please refer to Attachment 10.

(Unit: NT$ thousands, unless otherwise indicated)

Financing provided to others

Attachment 1

No. (Note 1)	Lender	Counter-party	Financial statement account (Note 2)	Related Party	Maximum balance for the period	Ending balance (Note 6)	Actual amount provided	Interest rate	Nature of Financing (Note 3)	Amount of sales to (purchases from) counter-party (Note 4)	Reason for financing (Note 5)	Loss allowance	Collateral		Limit of financing amount for individual counter-party	Limit of total financing amount	Note
													Item	Value			
0	PANJIT International Inc.	EC SOLAR C1 SRL	Other receivables	Yes	577,830	-	-	0.00%	Short-term financing	-	Operating turnover	-	-	-	5,158,347	5,158,347	(Note 7、12)
1	PAN-JIT ASIA INTERNATIONAL INC.	AIDE ENERGY EUROPE B.V.	Other receivables	Yes	551,215	492,977	492,977	2.40%~2.50%	Short-term financing	-	Operating turnover	-	-	-	4,033,295	8,873,248	(Note 8、12)
1	PAN-JIT ASIA INTERNATIONAL INC.	Jiangsu Aide Solar Technology Co., Ltd.	Other receivables	Yes	898,354	826,590	826,590	0.00%	Short-term financing	-	Operating turnover	-	-	-	4,033,295	8,873,248	(Note 8、12)
1	PAN-JIT ASIA INTERNATIONAL INC.	AIDE SOLAR ENERGY (HK) HOLDING LIMITED	Other receivables	Yes	319,002	308,632	308,632	0.00%	Short-term financing	-	Operating turnover	-	-	-	4,033,295	8,873,248	(Note 8、12)
1	PAN-JIT ASIA INTERNATIONAL INC.	PANJIT International Inc.	Other receivables	Yes	858,300	-	-	0.00%	Short-term financing	-	Operating turnover	-	-	-	4,033,295	8,873,248	(Note 8、12)
2	AIDE ENERGY EUROPE B.V.	EC SOLAR C1 SRL	Other receivables	Yes	577,830	400,896	400,896	2.85%~2.90%	Short-term financing	-	Operating turnover	-	-	-	1,370,000	1,370,000	(Note 9、12)
3	Suzhou Grande Electronics Co. Ltd.	Jiangsu Aide Solar Technology Co., Ltd.	Other receivables	Yes	454,024	424,548	420,780	0.00%	Short-term financing	-	Operating turnover	-	-	-	713,806	713,806	(Note 10、12)
3	Suzhou Grande Electronics Co. Ltd.	Sumnergy Co., Ltd.	Other receivables	Yes	213,328	120,416	107,384	0.00%	Short-term financing	-	Operating turnover	-	-	-	285,522	285,522	(Note 10、12)
4	Pan-Jit Electronics (Wuxi) Co., Ltd.	Shandong Pan-Jit Electronic Technology Co. Ltd.	Other receivables	Yes	44,040	-	-	0.00%	Short-term financing	-	Operating turnover	-	-	-	1,439,012	1,439,012	(Note 11、12)
Total						2,574,059	2,557,259										

(Note 1): The numbering rule is as follows:

1. The parent company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

(Note 2): Accounts receivable from associates, accounts receivable from related parties, shareholder transactions, advance payments, temporary payments... and other items, if they are in the nature of capital loans, must be filled in this form.

(Note 3): The nature of the fund loan should be listed as a business transaction or a short-run financing need.

(Note 4): If the nature of the fund loan is a business transaction, the business transaction amount should be disclosed. The business transaction amount refers to the amount of business transactions between the Company that lent the fund and the counterparty in the most recent year.

(Note 5): If the nature of the fund loan is short-run financing, the counterparty's reasons and the purpose for the loan should be specified, such as repayment of borrowings, purchase of equipment, business turnover... etc.

(Note 6): Pursuant to Article 14 Item 1 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, if a public company submits a capital loan to the Board of Directors for resolutions one by one, although the funds have not yet been allocated, the amount of the board of directors' resolutions should be included in the balance declared to expose the risk; however, if the funds are subsequently repaid, the balance after repayment shall be disclosed to reflect the adjustment of risk. Pursuant to Article 14 Item 2 of the Regulations, if a public company, through the resolution by the board of directors, authorizes the chairman of the board to allocate loans in installments or revolve them within a certain amount and within a one-year period, the capital loan and quota approved by the board of directors should still be used as the balance declared. Although the funds will be repaid thereafter, it is still possible to allocate the loan again, so the capital loan and quota approved by the board of directors should still be used as the balance declared.

(Note 7): For companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of capital loans to others by the Company shall not exceed 40% of the Company's net worth.

(1) PANJIT International Inc.: The net worth is NT$12,895,868 thousand.

(Note 8): In accordance with the following regulations on the "Capital Loan to Others Operating Procedures" stipulated by each subsidiary of the Company, for companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of capital loans to others shall not exceed 40% of that company's net worth. If the subsidiary and the foreign companies in which the Company, directly and indirectly, hold 100% of the voting shares engage in fund lending, it is not subject to the above restrictions. However, the individual loan amount and the total amount of funds loaned to others shall not exceed 50% and 110% of that company's net worth. Calculate the net worth of the following companies in accordance with the operating procedures:

(1) PAN-JIT ASIA INTERNATIONAL INC.: The net worth is USD291,423 thousand, which is converted into NT$8,066,589 thousand.

(Note 9): In accordance with the following regulations on the "Capital Loan to Others Operating Procedures" stipulated by each subsidiary of the Company, for companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of capital loans to others shall not exceed 40% of that company's net worth. If the subsidiary and the foreign companies in which the Company, directly and indirectly, hold 100% of the voting shares engage in fund lending,It is not subject to the above restrictions, but the individual loan amount and the total amount of funds loaned to others shall not exceed 200% of that company's net worth. Calculate the net worth of the following companies in accordance with the operating procedures:

(1) Aide Energy Europe B.V.: The net worth is EUR21,871 thousand, which is converted into NT$685,000 thousand.

(Note 10): In accordance with the following regulations on the "Capital Loan to Others Operating Procedures"and "Capital Loan to Others Processing Procedures" stipulated by each subsidiary of the Company, for companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of capital loans to others shall not exceed 40% of that company's net worth. If the subsidiary and the foreign companies in which the directly and indirectly, hold 100% of the voting shares engage in fund lending,It is not subject to the above restrictions, but the individual loan amount and the total amount of funds loaned to others shall not exceed 100% of that company's net worth. Calculate the net worth of the following companies in accordance with the operating procedures:

(1) Suzhou Grande Electronics Co., Ltd.: The net worth is RMB164,320 thousand, which is converted into NT$713,806 thousand.

(Note 11): In accordance with the following regulations on the Capital Loan to Others Operating Procedures stipulated by each subsidiary of the Company, for companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of capital loans to others shall not exceed 40% of that company's net worth. If the subsidiary and the foreign companies in which the Company, directly and indirectly, hold 100% of the voting shares engage in fund lending,It is not subject to the above restrictions, but the individual loan amount and the total amount of funds loaned to others shall not exceed 50% of that company's net worth. Calculate the net worth of the following companies in accordance with the operating procedures:

(1) PAN-JIT Electronics (Wuxi) Co., Ltd.: The net worth is RMB828,161 thousand, which is converted to NT$3,597,531 thousand.

(Note 12): It had been written off in preparing the consolidated financial report.

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT$ thousands, unless otherwise indicated)

Endorsement/guarantee for others

Attachment 2

No. (Note 1)	Endorsor/Guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party (Note 3)	Maximum balance for the period (Note 4)	Ending balance (Note 5)	Actual amount provided (Note 6)	Amount of collateral guarantee/ endorsement	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee/ endorsement amount (Note 3)	Guarantee provided by parent company (Note 7)	Guarantee provided by a subsidiary (Note 7)	Guarantee provided to subsidiaries in Mainland China (Note 7)	Note
		Company Name	Relationship (Note 2)											
0	PANJIT International Inc.	PAN-JIT ASIA INTERNATIONAL INC.	2	$12,895,868	$1,888,260	$1,826,880	$1,826,880	-	14.17%	$12,895,868	Y	N	N	(Note 8)

(Note 1): The numbering rule is as follows:

1. The parent company is coded "0".

2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

(Note 2): The relationship between endorsement guarantor and the subject of endorsement or guarantee is as follows:

(1) A company with which the Company has business relationship.

(2) A subsidiary in which the Company directly or indirectly holds more than 50% of the voting shares.

(3) The investee company whose parent company and subsidiary hold more than 50% of the common stock.

(4) For the parent company that directly or indirectly holds more than 90% of its common stock equity through its subsidiaries.

(5) Mutually guaranteed companies among counterparts based on the need for undertaking projects.

(6) All capital contributing shareholders make endorsements/guarantees for their jointly invested Company in proportion to their shareholding percentages.

(7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

(Note 3): Information to be filled out: According to the operating procedures of endorsement and guarantee for others, the Company's limit of endorsement/guarantee for individuals and the maximum amount of endorsement/guarantee. In the remarks column, explain the calculation method of the endorsement/guarantee for individuals and the total amount.

(Note 4): Highest amount of outstanding endorsement/guarantee for others in current period.

(Note 5): The amount approved by the Board of Directors should be filled. However, if according to Article 12, Paragraph 8 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies,the Board of Directors has authorized the chairman, it refers to the amount decided by the chairman.

(Note 6): The actual amount spent by the endorsed company within the range of the endorsed guarantee balance.

(Note 7): Y is required only for those who are the listed parent company to endorse the subsidiary, those who are the subsidiary to endorse the listed parent company, and those who are located in the mainland area.

(Note 8): According to the Company’s “Procedures for Endorsement and Guarantee”, the limit of the endorsement and guarantee for a single enterprise shall not exceed 100% of the Company’s net worth (ie, NT$12,895,868 thousand);
The total amount of endorsement and guarantees for enterprises outside the Group shall not exceed 100% of the Company’s net worth.

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT$ thousands, unless otherwise indicated)

Securities held at the end of the period (excluding subsidiaries, associates, and joint ventures)

Attachment 3

Unit: USD, RMB, HKD thousand

Holder	Type and name of securities (Note 1)	Relationship (Note 2)	Financial statement account	Ending Balance					Note (Note 4)
				Units/Shares (thousand shares)	Currency	Book value (Note 3)	Percentage of ownership	Fair value	
PANJIT International Inc.	Public shares								
	Jih Lin Technology Co., Ltd.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	717	NTD	$77,424	0.70%	$77,424	-
	OTC stock								
	Advanced Microelectronic Products,Inc.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	11,552	NTD	141,517	2.64%	141,517	-
	Sentelic Corporation	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	191	NTD	15,296	0.63%	15,296	-
	Emerging Stock								
	KAISON GREEN ENERGY TECHNOLOGY CO., LTD.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	364	NTD	6,655	0.06%	6,655	-
	Unlisted stock								
	WELLAN SYSTEM CO., LTD.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	445	NTD	-	1.53%	-	-
	TAIDEVELOP INFORMATION CORP.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	334	NTD	-	3.71%	-	-
	ENERGY MOANA TECHNOLOGY CO., LTD.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	1,200	NTD	22,543	2.96%	22,543	-
	Neolink Capital Corp.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	5,000	NTD	50,915	4.28%	50,915	-
Pan-Jit Electronics (Wuxi) Co., Ltd.	Unlisted stock (Note 5)								
	Siyang Grande Electronics Co., Ltd.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	-	RMB	16,626	15.00%	16,626	-
	Wuxi Danchen Intelligent Technology Co., Ltd. (Formerly Wuxi One-Light-For-All Technology Development Co., Ltd.)	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	-	RMB	179	10.00%	179	-
LIFETECH ENERGY INC.	Unlisted stock								
	VAYON HOLDING LIMITED	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	-	NTD	-	2.30%	-	-
PAN-JIT ASIA INTERNATIONAL INC.	Fund								
	HYPERION CAPITAL MANAGEMENT LTD.	-	Mandatory financial assets measured at fair value through profit or loss - non-current	-	USD	-	-	-	-
	Siegfried Capital Partners Fund II S.C.Sp.	-	Mandatory financial assets measured at fair value through profit or loss - current	-	USD	10,500	-	10,500	-
	Siegfried Supply Chain Finance Fund S.C.A., SICAV-SIF- Series 1	-	Mandatory financial assets measured at fair value through profit or loss - current	-	USD	60,328	-	60,328	-
	VTEAM SIEGFRIED SUPPLY CHAIN FINANCE FUND	-	Mandatory financial assets measured at fair value through profit or loss - current	-	USD	10,068	-	10,068	-
	Notes								
	VTeam Supply Chain Finance Limited	-	Mandatory financial assets measured at fair value through profit or loss - current	-	USD	10,000	-	10,000	-
	Wealth management products by financial institution								
	ERSTE GROUP BANK AG	-	Financial assets at amortised cost - non-current	-	USD	459	-	459	-
	RAIFFEISEN BANK INTL	-	Financial assets at amortised cost - non-current	-	USD	466	-	466	-

(continued in next page)

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT$ thousands, unless otherwise indicated)

Securities held at the end of the period (excluding subsidiaries, associates, and joint ventures)

(continued from previous page)

Holder	Type and name of securities (Note 1)	Relationship (Note 2)	Financial statement account	Ending Balance					Note (Note 4)
				Units/Shares (thousand shares)	Currency	Book value (Note 3)	Percentage of ownership	Fair value	
Pynmax Technology Co., Ltd.	Public shares								
	Jih Lin Technology Co., LTd.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	766	NTD	82,728	0.75%	82,728	-
	MOSEL VITELIC Inc.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	19,000	NTD	849,015	12.17%	849,015	-
	Powerchip Semiconductor Manufacturing Corp.	-	Mandatory financial assets measured at fair value through profit or loss - current	700	NTD	49,840	0.02%	49,840	-
	Unlisted stock								
	HI-VAWT TECHNOLOGY CORP.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	2,000	NTD	-	10.00%	-	-
	Fund								
	TCB Quantitative Taiwan Fund	-	Mandatory financial assets measured at fair value through profit or loss - current	-	NTD	30,000	-	30,000	-
JOYSTAR INTERNATIONAL CO., LTD.	Fund								
	Siegfried Capital Partners Fund II S.C.Sp.	-	Mandatory financial assets measured at fair value through profit or loss - current	-	USD	9,650	-	9,650	-
	Notes								
	VTeam Supply Chain Finance Limited	-	Mandatory financial assets measured at fair value through profit or loss - current	-	USD	4,000	-	4,000	-
AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	Fund								
	Siegfried Capital Partners Fund II S.C.Sp.	-	Mandatory financial assets measured at fair value through profit or loss - current	-	USD	4,500	-	4,500	-
AIDE ENERGY EUROPE B.V.	Fund								
	Siegfried Capital Partners Fund II S.C.Sp.	-	Mandatory financial assets measured at fair value through profit or loss - current	-	EUR	3,800	-	3,800	-
Jiangsu Aide Solar Technology Co., Ltd.	Unlisted stock(Note 5)								
	MOTECH (Suzhou) New Energy Co., Ltd.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	-	RMB	28,867	4.61%	28,867	Has been pledged to subsidaries
PAN-JIT INTERNATIONAL (H.K.) LTD.	Fund								
	Siegfried Capital Partners Fund II S.C.Sp.	-	Mandatory financial assets measured at fair value through profit or loss - current	-	HKD	8,580	-	8,580	-

(Note 1): The securities mentioned in this attachment refer to stocks, bonds, beneficiary certificates and securities derived from the above items within the scope of IFRS 9 “Financial Instruments.”

(Note 2): If the securities issuer is not a related party, this column should be left blank.

(Note 3): Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortized cost deducted by accumulated impairment for the marketable securities not measured at fair value.

(Note 4): The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the foot NOTE if the securities presented herein have such conditions.

(Note 5): It is a limited company, so the number of shares and net worth per share are not available.

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)
(Unit: NT$ thousands, unless otherwise indicated)
Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the capital stock

Attachment 4

Company	Type and name of the securities (Note 1)	Accounting item	Counter-party (Note 2)	Relationship (Note 2)	Currency	Beginning Balance		Addition(Note 3)		Disposal(Note 3)				Ending Balance	
						Share(thousand)	Amount(thousand)	Share(thousand)	Amount(thousand)	Share(thousand)	Amount(thousand)	Book value(thousand)	loss(gain) on disposal	Shares(thousand)	Amounts(thousand)
PANJIT International Inc.	ALLTOP THCHNOLOGY CO., INC Common Stocks	Investments accounted for using the equity method	Centralized securities exchange market	-	NTD	-	$-	11,162	$1,455,570 (Note 4、7) 88,990 (Note 5) 29,677 (Note 6)	-	$-	$-	$-	11,162	$1,574,237

(Note 1): The securities mentioned in this attachment refer to stocks, bonds, beneficiary certificates and securities derived from the above items.

(Note 2): Investors who adopt the equity method for securities accounts must fill in these two columns, the rest are not required.

(Note 3): The accumulated buying and selling amount shall be calculated separately at market price whether it reaches NT$300 million or 20% of the paid-in capital.

(Note 4): On 5 March 2021, the Group acquired 19.97% of common shares of ALLTOP TECHNOLOGY CO., LTD. In April 2021, the Group purchased additional 220,000 shares resulting in 19.99% of shares.
Until December 2021, the conversion of convertible bonds into shares of ALLTOP caused a change in equity ownership. The percentage of common shares held by the Group was subsequently diluted to 19.08%.

(Note 5): It is the share of profit and loss of subsidiaries accounted for using equity method, the exchange differences arising on translation of foreign operations, unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income, and departmental profit and loss elimination.

(Note 6): The adjustment to capital surplus does not apply to the change of investee's share of equity.

(Note 7): This amount is the original acquisition cost of NT$1,557,524 thousand after deducting the cash dividend of NT$101,954 thousand received this year.

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT$ thousands, unless otherwise indicated)

Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock

Attachment 5

Company	Property	Transation Date	Transaction amount	Payment status	Counter-party	Relationship	Where counter-party is a related party, details of prior transactions				Price reference	Date of acquisition and status of utilization	Other commitments
							Former holder of property	Relationship between former holder and acquirer of	Date of transaction	Transaction amount			
PANJIT International Inc.	Property and Bilding in Haotian Section Xizhi Dist., New Taipei City	110.03.26	$517,000	$517,000	Farglory Land Development Co., LTD	None	-	-	-	-	Appraisal report	Operational requirements	None

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT$ thousands, unless otherwise indicated)

Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of the capital stock

Attachment 6

Purchaser (seller)	Counter-party	Relationship	Transactions				Situation and reason for difference between transaction condition and common transaction		Notes and accounts receivable(payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Credit Term	Unit price	Credit Term	Balance	Percentage of total receivables (payable)	
PANJIT International Inc.	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	(Sales)	($1,124,840)	13%	General	Not applicable	Not applicable	$173,338	7%	(Note 2)
	PAN JIT AMERICAS, INC.	Subsidiaries	(Sales)	($141,517)	2%	General	Not applicable	Not applicable	$24,597	1%	(Note 2)
	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	Purchase	1,905,764	38%	General	Not applicable	Not applicable	(240,161)	21%	(Note 2)
	Pynmax Technology Co., Ltd.	Subsidiaries	Purchase	656,778	13%	General	Not applicable	Not applicable	(64,792)	6%	(Note 2)
Pynmax Technology Co., Ltd.	PANJIT International Inc.	The Company	(Sales)	(656,778)	42%	General	Not applicable	Not applicable	64,792	21%	(Note 2)
	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	(Sales)	(563,075)	36%	General	Not applicable	Not applicable	136,535	45%	(Note 2)
Pan Jit Electronics (Shandong) Co. Ltd.	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	(Sales)	(159,862)	85%	General	Not applicable	Not applicable	22,322	82%	(Note 2)
Pan Jit Electronics (Wuxi) Co., Ltd.	PANJIT International Inc.	The Company	(Sales)	(1,905,764)	25%	General	Not applicable	Not applicable	240,161	10%	(Note 2)
	Pan-Jit International (H.K) LTD	Subsidiaries	(Sales)	(110,793)	1%	General	Not applicable	Not applicable	14,623	1%	(Note 2)
	PANJIT International Inc.	The Company	Purchase	1,124,840	17%	General	Not applicable	Not applicable	(173,338)	8%	(Note 2)
	Pynmax Technology Co., Ltd.	Subsidiaries	Purchase	563,075	8%	General	Not applicable	Not applicable	(136,535)	6%	(Note 2)
	Pan Jit Electronics (Shandong) Co. Ltd.	Subsidiaries	Purchase	159,862	2%	General	Not applicable	Not applicable	(22,322)	1%	(Note 2)
	ZIBO MICRO COMMERCIAL COMPONENT CORP.	Associates	(Sales)	(425,787)	6%	General	Not applicable	Not applicable	140,249	6%	-
	ZIBO MICRO COMMERCIAL COMPONENT CORP.	Associates	Purchase	703,237	11%	General	Not applicable	Not applicable	(186,250)	8%	-
Pan-Jit International (H.K) LTD	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	Purchase	110,793	61%	General	Not applicable	Not applicable	(14,623)	71%	(Note 2)
PAN JIT AMERICAS, INC.	PANJIT International Inc.	The Company	Purchase	141,517	89%	General	Not applicable	Not applicable	(24,597)	83%	(Note 2)

(Note 1): The amount of paid-in capital refers to the amount of paid-in capital of the parent company. If the issuer's stock has no denomination or the denomination per share is not NT$10, the transaction amount of 20% of the paid-in capital shall be calculated based on the 10% of the equity attributable to the owner of the parent company on the balance sheet.

(Note 2): It had been written off in preparing the consolidated financial report.

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT$ thousands, unless otherwise indicated)

Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock

Attachment 7

The companies that record receivables	Counter-party	Relationship	Ending balance	Turnover rate	Overdue receivables		Amount received in subsequent period	Note
					Amount	Collection status		
PANJIT International Inc.	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	$173,338	6.49	-	-	$173,338	(Note 2,3)
Pynmax Technology Co., Ltd.	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	136,535	4.12	-	-	89,787	(Note 2,3)
Pan Jit Electronics (Wuxi) Co., Ltd.	PANJIT International Inc.	The Company	240,161	7.94	-	-	240,161	(Note 2,3)
Pan Jit Electronics (Wuxi) Co., Ltd.	ZIBO MICRO COMMERCIAL COMPONENTS CORP.	Associates	140,249	3.04	-	-	88,531	-

(Note 1): The amount of paid-in capital refers to the amount of paid-in capital of the parent company. If the issuer's stock has no denomination or the denomination per share is not NT$10, the transaction amount of 20% of the paid-in capital shall be calculated based on the 10% of the equity attributable to the owner of the parent company on the balance sheet.

(Note 2): The consolidated financial report is prepared and the percentage of ownership is 100% and no allowance for loss is required.

(Note 3): It had been written off in preparing the consolidated financial report.

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT$ thousands, unless otherwise indicated)

Name, Location, and Information about Investee Companies (Not Including Investee Companies in Mainland China)

Attachment 8

Investor company	Investee Companies (Note 1, 2)	Location	Main business items	Currency	Initial investment		Investment as of December 31, 2021			Net income (loss) of investee company (Note 2(2))	Investment income (loss) recognized (Note 2(3))	Note
					Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value			
PANJIT International Inc.	PAN-JIT ASIA INTERNATIONAL INC.	Vistra Corporate Services Centre Wickhams Cay II Road Town,Tortola,Vg1110 Virgin Islands,British	Investing	NTD	$7,772,258	$7,318,104	244,086	100.00%	$6,538,446	$691,891	$655,936	Subsidiaries (Note 4、5)
	Pynmax Technology Co., Ltd.	No. 17, Yonggong 1st Rd., Yong'an Dist., Kaohsiung City	Electronic parts and components manufacturing and international trade	NTD	1,069,063	1,069,063	84,462	94.60%	1,883,028	341,962	249,615	Subsidiaries (Note 4、5)
	MILDEX OPTICAL INC.	No. 7, Luke 3rd Rd., Luzhu Dist., Kaohsiung City, Southern Science Industrial Park	Optical lens, instrument, and touch panel Display panel manufacturing	NTD	259,523	259,523	21,470	21.01%	180,958	(129,410)	(27,189)	
	LIFETECH ENERGY INC.	No. 17, Yonggong 1st Rd., Yong'an Dist., Kaohsiung City	LiFePO4 battery Manufacturing and sales	NTD	10,091	10,091	871	20.57%	(55)	(6,313)	(1,299)	Subsidiaries (Note 5)
	ALLTOP THCHNOLOGY CO., INC	3F., No. 102, Sec. 3, Zhongshan Rd., Zhonghe Dist., New Taipei City	Electronic parts and components manufacturing and international trade	NTD	1,455,570	-	11,162	19.08%	1,574,237	643,667	92,457	
PAN-JIT ASIA INTERNATIONAL INC.	PAN-JIT INTERNATIONAL (H.K.) LTD.	Unit 1-5 ,18/F., Wah Wai Centre, No.38-40 Au Pui Wan Street, Fotan,Shatin,New Territories	Electronics trade	USD	3,330	3,330	24,711	100.00%	4,474	1,309	1,309	Sub-subsidiary (Note 5)
	PAN JIT AMERICAS, INC.	2502 W. Huntington Drive Tempe, AZ 85282	Electronics trade	USD	16,626	16,626	2,431	95.86%	5,966	1,331	1,445	Sub-subsidiary (Note 4, 5)
	PAN JIT EUROPE GMBH	Otto-Hahn-Str. 285609 Aschheim Germany	Electronics trade	USD	770	770	- (Note 3)	100.00%	1,548	374	374	Sub-subsidiary (Note 5)
	CONTINENTAL LIMITED	Vistra Corporate Services Centre, Ground Floor NPF Buliding,BeachRoad, Apia ,Samoa	Investing	USD	10,226	10,226	7,860	100.00%	55,447	1,180	1,180	Sub-subsidiary (Note 5)
	DYNAMIC TECH GROUP LIMITED	Vistra Corporate Services Centre, Ground Floor NPF Buliding,BeachRoad, Apia ,Samoa	Investing	USD	914	1,436	1,126	52.22%	337	220	115	Sub-subsidiary (Note 5)
	PAN JIT KOREA CO.,LTD.	Tower A dong 3601 Ho, Heung Deuk IT Valey, Heung Deuk 1ro 13 Gi Heung-Gu, Yong In City GyungGi-Do, Korea	Electronics trade	USD	288	288	54	60.00%	1,071	410	246	Sub-subsidiary (Note 5)
	AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands	Reinvestment business and solar energy Photoelectric products	USD	145,868	145,857	246,249	94.43%	(26,321)	2,264	2,018	Sub-subsidiary (Note 4, 5)
Pynmax Technology Co., Ltd.	JOYSTAR INTERNATIONAL CO., LTD.	4th Floor,Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands VG1110	Investing	NTD	536,686	593,385	17,522	100.00%	410,129	26,029	26,029	Sub-subsidiary (Note 5)
	MILDEX OPTICAL INC.	No. 7, Luke 3rd Rd., Luzhu Dist., Kaohsiung City, Southern Science Industrial Park	Optical lens, instrument, and touch panel Display panel manufacturing	NTD	288,852	288,852	8,454	8.27%	71,229	(129,410)	(10,702)	
	LIFETECH ENERGY INC.	No. 17, Yonggong 1st Rd., Yong'an Dist., Kaohsiung City	LiFePO4 battery Manufacturing and sales	NTD	26,000	26,000	2,600	61.40%	(164)	(6,313)	(3,876)	Sub-subsidiary (Note 5)

(continued in next page)

Name, Location, and Information about Investee Companies (Not Including Investee Companies in Mainland China)

(continued from previous page)

Investor company	Investee Companies (Note 1, Note 2)	Location	Main business items	Currency	Initial investment		Investment as of December 31, 2021			Net income (loss) of investee company (Note 2(2))	Investment income (loss) recognized (Note 2(3))	Note
					Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value			
JOYSTAR INTERNATIONAL CO., LTD	DYNAMIC TECH GROUP LIMITED	Vistra Corporate Services Centre, Ground Floor NPF Buliding,BeachRoad, Apia ,Samoa	Investing	USD	$1,029	$1,507	1,030	47.78%	$309	$220	$105	Sub-subsidiary (Note 5)
	AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands	Reinvestment business and solar energy Photoelectric products	USD	-	6,724	-	0.00%	-	2,264	42	Sub-subsidiary (Note 5)
AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	AIDE SOLAR ENERGY (HK) HOLDING LIMITED	15/F, BOC Group Life Assurance Tower, No. 136 Des Voeux Road Central, Central, Hong Kong.	Investing and trade	USD	24,707	24,707	43,101	100.00%	(34,397)	(3)	(3)	Sub-subsidiary (Note 5)
	AIDE ENERGY EUROPE COÖPERATIE U.A.	Corkstraat 46 ,3047 AC Rotterdam Nederland	Investing	USD	23,836	23,836	- (Note3)	99.97%	24,742	1,793	1,792	Sub-subsidiary (Note 5)
	AIDE SOLAR USA,INC.	2507 W. Erie Drive Ste 101 Tempe Arizona 85282	Solar engery product development manufacturing, sales, Self-acting agents of various commodities and technology import and export	USD	1,500	1,500	150	51.72%	-	-	-	Sub-subsidiary (Note 5)
AIDE SOLAR ENERGY (HK) HOLDING LIMITED	AIDE SOLAR USA,INC.	2507 W. Erie Drive Ste 101 Tempe Arizona 85282	Solar engery product development manufacturing, sales, Self-acting agents of various commodities and technology import and export	USD	1,400	1,400	140	48.28%	-	-	-	Sub-subsidiary (Note 5)
	AIDE ENERGY EUROPE COÖPERATIE U.A.	Corkstraat 46 ,3047 AC Rotterdam Nederland	Investing	USD	7	7	- (Note3)	0.03%	7	1,793	1	Sub-subsidiary (Note 5)
AIDE ENERGY EUROPE COÖPERATIE U.A.	AIDE ENERGY EUROPE B.V.	Corkstraat 46 ,3047 AC Rotterdam Nederland	Investing and trade	EUR	18,620	18,620	2	100.00%	21,871	1,492	1,492	Sub-subsidiary (Note 5)
AIDE ENERGY EUROPE B.V.	EC SOLAR C1 SRL	Viale Andrea Doria 7 Cap 20124 MILANO (MI), Italy.	Sales of solar power plants Electricity produced	EUR	17,000	17,000	- (Note3)	100.00%	19,959	1,389	1,210	Sub-subsidiary (Note 4, 5)

(Note 1): If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

(Note 2): If situation does not belong to Note 1, fill in the columns according to the following regulations:

(1) The columns of "Investee", "Location", "Main business activities", "Initial investment amount" and "Shares held as at December 31, 2021" should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the "Note" column.

(2) The "Net income (loss) of investee company" column should fill in amount of net profit (loss) of the investee for this period.

(3) The "Investment income (loss) recognized" column should fill in the Company (public company) recognized investment income (loss) of its direct subsidiary and recognized investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognized investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognized by regulations.

(Note 3): It is a limited company or a merged company, so there is no number of shares.

(Note 4): The investment gain or loss recognized by the Company include the offset of unrealized gain or loss between associates and the amortization of net equity differences.

(Note 5): It had been written off in preparing the consolidated financial report.

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT$ thousands, unless otherwise indicated)

Information on investment in mainland China

Attachment 9

Investor company	Investee Companies in Mainland China	Main business items	Total Amount of Paid-in Capital	Method of Investment (Note 1)		Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 2)	Carrying Value as of December 31, 2021	Accumulated Inward Remittance of Earnings as of Outflow December 31, 2021
							Outflow	Inflow						
PANJIT International Inc.	Pan Jit Electronics (Wuxi) Co., Ltd.	Rectifier processing and manufacutring	$752,896	2	PAN-JIT ASIA INTERNATIONAL INC.	$502,145	$-	$-	$502,145	$651,315	100.00%	$651,315 (Note 5)	$3,597,520 (Note 5)	$-
	Summergy CO., LTD.	Research & development of Battery management system Manufacturing and sales of technical services	$145,912	2	PAN-JIT ASIA INTERNATIONAL INC.	122,166	-	-	122,166	46,626	70.00%	32,638 (Note 5)	11,763 (Note 5)	-
	Suzhou Grande Electronics CO., LTD.	Chip diodes, triodes and other new types of electronics Sales of semiconductor components and related products, as well as technology and after service	$324,948	2	CONTINENTAL LIMITED	344,900	-	-	344,900	(100,584)	100.00%	(100,584) (Note 5)	762,732 (Note 5)	-
	Wuxi ENR Semiconductor Material Technology Co. Ltd. (Formerly Wuxi ENR Semiconductor Materials Technology Co. Ltd.)	Semiconductor pcaking materials Manufacturing and sales	$87,300	2	ENR APPLIED PACKING MATERIAL CORPORATION	9,037	-	-	9,037	-	-	-	-	-
	Max-Diode Electronic., LTD. (Shenzhen)	New types of electronic components, Semiconductor controlled rectifirer sales	$46,061	2	DYNAMIC TECH GROUP LIMITED	47,151	-	-	47,151	6,159	97.42%	6,000 (Note 5)	14,259 (Note 5)	-
	Pan Jit Electronics (Beijing) CO., LTD.	New types of electronic components, Semiconductor controlled rectifier sales	$13,032	3	Pan Jit Electronics (Wuxi) Co., Ltd.	-	-	-	-	6,694	100.00%	6,694 (Note 5)	16,893 (Note 5)	-
	Pan Jit Electronics (Shandong) CO., LTD.	Semiconductor wafer manufacturing for automobile And protection of discrete devices, integrated circuit chips And production of packaging products	$463,592	3	Pan Jit Electronics (Wuxi) Co., Ltd.	-	-	-	-	57,965	70.28%	40,738 (Note 5)	340,229 (Note 5)	-
	Pan Jit Electronics (Qufu) CO., LTD.	New types of electronic components, Semiconductor controlled rectifier sales	$2,172	3	Pan Jit Electronics (Wuxi) Co., Ltd.	-	-	-	-	(305)	100.00%	(305) (Note 5)	1,397 (Note 5)	-
	PAN JIT SEMICONDUCTOR(XUZHOU) CO., LTD	New types of electronic components, Semiconductor controlled rectifier sales	$335,650	3	Pan Jit Electronics (Wuxi) Co., Ltd.	-	-	-	-	(22,243)	100.00%	(22,243) (Note 5)	313,451 (Note 5)	-

(continued in next page)

(Unit: NT$ thousands, unless otherwise indicated)

Information on investment in mainland China

(continued from previous page)

Investor company	Investee Companies in Mainland China	Main business items	Total Amount of Paid-in Capital	Method of Investment (Note 1)		Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 2)	Carrying Value as of December 31, 2021	Accumulated Inward Remittance of Earnings as of Outflow December 31, 2021
							Outflow	Inflow						
PANJIT International Inc.	Zibo Micro Commercial Components Corp.	Rectifier diode, rectifier bridge, Electronic devices	$724,877	3	Suzhou Grande Electronics Co. Ltd.	$-	$-	$-	$-	($18,276)	26.54%	($4,851)	$177,858	$-
	Jiangsu Aide Solar Energy Technology CO., LTD.	Solar engery product development manufacturing, sales, Self-acting agents of various commodities and technology import and export	$221,795	2	AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	1,573,193	-	-	1,573,193	15,895	94.43%	15,010 (Note 5)	(1,638,416) (Note 5)	-
Pynmax Technology Co., Ltd.	Max-Diode Electronic,. LTD. (Shenzhen)	New types of electronic components, Semiconductor controlled rectifirer	$46,061	2	DYNAMIC TECH GROUP LIMITED	34,806	-	-	34,806	6,159	47.78%	2,943 (Note 5)	6,994 (Note 5)	-

Cumulative investment amount remitted from Taiwan to Mainland China at the end of the period		Investment amount approved by Investment Review Committee of Ministry of Economy	Investment ceiling in Mainland China according to provisions of Investment Review Committee of Ministry of Economy
PANJIT International Inc.	$2,598,592	$2,989,163	(Note 3)
Pynmax Technology Co., Ltd.	$34,806	$34,806	(Note 4) $1,325,328

(Note 1): The methods for engaging in investment in Mainland China include the following:

(1) Direct investment in Mainland China.

(2) Indirectly investment in Mainland China through companies registered in a third region (Please specify the name of the company in third region).

(3) Other methods.

(Note 2): The investment income (loss) recognized in current period:

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

(2) The investment income (loss) were determined based on the following basis,

A. The financial report was audited by an international certified public accounting firm in cooperation with an R.O.C. accounting firm.

B. The financial statements were audited by the auditors of the parent company.

C. Others.

(Note 3): Due to the Company's establishment of the operating headquarters, in accordance with the provisions of the law, the amount of investment in mainland China is not limited.

(Note 4) Calculations of investment ceiling in Mainland China are as follows:

Pynmax Technology Co., Ltd.: NT$2,208,880 thousand × 60% = NT$1,325,328 thousand.

(Note 5): It had been written off in preparing the consolidated financial report.

Information on Major Shareholders

Attachment 10

Unit: shares

Shares / Name of Major Shareholders	Number of shares	Percentage of ownership (%)
Jinmao Investment Co., Ltd.	50,496,710	13.19%

(Note 1): The major shareholders in this attachment are shareholders holding more than 5% of the common and preference stocks that have completed delivery of non-physical registration (including treasury stocks) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation However, the Capital stock recorded in the Company's financial statements and the number of shares actually delivered by the Company without physical registration may differ due to calculation bases

(Note 2): If a shareholder delivers its shareholding information to the trust, the aforesaid information shall be disclosed by the individual trustee who opened the trust account. For information on shareholders, who declare to be insiders holding more than 10% of shares in accordance with the Securities and Exchange Act, and their shareholdings include their shareholdings plus their delivery of trust and shares with the right to make decisions on trust property, please refer to MOPS.

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Tables of Material Accounting Items

Table of Contents

PANJIT International Inc.

1. Detail list for Cash and Cash equivalents

December 31, 2021

Units: NT$ thousands

Items	Summary		Amount	Remark
Petty cash			$210	The exchange rate of U.S. dollar to New Taiwan dollar is 1:27.68
Bank deposit:				The exchange rate for Japanese Yen to New Taiwan Dollar is 1:0.2405
NTD deposit			676,041	The exchange rate for Euro to New Taiwan Dollar is 1:31.32
Foreign currency deposit	USD	20,261,470.23	560,838	The exchange rate of Hong Kong dollar to New Taiwan dollar is 1:3.549
	EUR	346,255.56	10,845	The exchange rate of RMB to New Taiwan dollar is 1:4.344
	JPY	768,434.00	185	
	HKD	170,017.43	603	
	CNY	3,163,010.51	13,740	
	(Unit: in each foreign currency)			
Bank deposit total			1,262,252	
Grand total			$1,262,462	

PANJIT International Inc.

2. Details of the net notes receivable

December 31, 2021

Units: NT$ thousands

Account Name	Summary	Amount	Remark
HANWEI ELECTRONICS CO., LTD.	Payment for goods	$24,406	
PIDEX INTERNATIONAL CO., LTD.	Payment for goods	14,052	
JUNSUN ENTERPRISE CO., LTD.	Payment for goods	13,170	
GREAT TREASURE INC.	Payment for goods	4,326	
Others	(Notes)	4,732	
Total		60,686	
(Less): allowance loss		-	
Net amount		$60,686	

(Note): The balance of a single item does not exceed 5% of the notes receivable balance.

PANJIT International Inc.

3. Schedule of Net Account of Trade Receivable

December 31, 2021

Units: NT$ thousands

Account Name	Summary	Amount	Remark
HongKong FoxPort Technology Company Limited		$127,352	
Others	(Notes)	2,094,668	
(Less): allowance loss		(22,660)	
Net amount		$2,199,360	

(Note): The balance of a single item does not exceed 5% of the accounts receivable balance.

PANJIT International Inc.

4. Schedule of Net Account of Trade Receivable - related parties

December 31, 2021

Units: NT$ thousands

Account Name	Summary	Amount	Remark
PAN JIT ELECTRONIC (WUXI) CO., LTD.	Payment for goods	$173,338	Subsidiaries included in the consolidated financial statements may not make allowances for losses
PAN JIT AMERICAS, INC.	Payment for goods	24,597	
Others	(Notes)	9,195	
Total		207,130	
(Less): allowance loss		-	
Net amount		$207,130	

(Note): The balance of a single item does not exceed 5% of the accounts receivable balance from related parties.

PANJIT International Inc.

5. Statement of Other Receivables

December 31, 2021

Units: NT$ thousands

Items	Summary	Amount	Remark
Non-related parties			
Tax refund receivables	Sales tax	$99,388	
Other receivables	Excise tax, import duty	6,543	
Subtotals		105,931	
Related parties			
PAN JIT ELECTRONIC (WUXI) CO., LTD.	Equipment, miscellaneous revenues	6,180	
Others	(Notes)	815	
Subtotals		6,995	
(Less): allowance loss		-	
Total		$112,926	

(Note): The balance of a single item does not exceed 5% of the other accounts receivable balance.

PANJIT International Inc.

6. Statement of inventories

December 31, 2021

Units: NT$ thousands

Items	Summary	Costs	Net realisable value	Remark
Raw material		$637,296	$544,625	raw materials refers to
				the balance of finished products (including commodities)
Work in process		54,753	54,753	after subtracting the costs
				and sales expenses that
have to be invested to completion		925,842	856,492	.
Total		1,617,891		
Less: Allowance for price decline in inventories		(162,021)		The allowance for inventory depreciation
				is estimated based on the possibility of the
Net amount		$1,455,870		of the inventory and the net slow-moving value.

PANJIT International Inc.

7. Statement of Other current assets

December 31, 2021

Units: NT$ thousands

Items	Summary	Amount	Remark
Prepay	Advance payment, advance expenses, inventory of supplies, etc.	$111,484	
Temporary payment	Labor and health insurance, pension, etc.	27,210	
Other financial assets	Pledged time deposit	14,394	
Other current assets	Advance payment for deposit	12,602	
Total		$165,690	

PANJIT International Inc.

8. Financial assets measured at fair value through other comprehensive profit or loss - non-current

From Jan 01 to Dec 31, 2021

Units: NT$ thousands

Name of financial instrument	Opening balance		Increase in the Period		Decrease in current period		Closing balance			Guarantee or Pledge status	Remark
	Number of shares (thousand shares)	Fair value	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Shareholding ratio	Fair value		
Advanced Microelectronic Products,Inc.	11,552	$92,419	-	$49,098	-	$-	11,552	2.64%	$141,517	None	
				(Note 1)							
Jih Lin Technology Co., LTd.	1,222	92,620	-	49,390	505	$63,252	717	0.70%	77,424	None	
				(Note 1)		(Note 3)					
						1,334					
						(Note 4)					
KAISON GREEN ENERGY TECHNOLOGY CO., LTD.	454	9,096	-	-	90	2,081	364	0.06%	6,655	None	
						(Note 3)					
						360					
						(Note 1)					
Sentelic Corporation	226	11,060	-	7,191	35	2,955	191	0.63%	15,296	None	
				(Note 1)		(Note 3)					
WELLAN SYSTEM CO., LTD.	445	-	-	-	-	-	445	1.53%	-	None	
TAIDEVELOP INFORMATION CORP.	334	-	-	-	-	-	334	3.71%	-	None	
ENERGY MOANA TECHNOLOGY CO., LTD.	1,200	22,543	-	-	-	-	1,200	2.96%	22,543	None	
Neolink Capital Corp.	5,000	51,330	-	-	-	415	5,000	4.28%	50,915	None	
						(Note 1)					
Total		$279,068		$105,679		$70,397			$314,350		

(Note 1): Fair value valuation adjustment

(Note 2): Acquired in the period

(Note 3): Disposal in current period

(Note 4): Dividend distributed from capital reserve

PANJIT International Inc.

9. Statement of Changes in Investments Accounted for Using Equity Method

From Jan 01 to Dec 31, 2021

Units: NT$ thousands

Name	Opening balance		Increase in the Period		Decrease in current period		Closing balance			Market Value or Net Equity		Guarantee or	Remark
	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Shareholding ratio	Amount	Unit price	Total price	Pledge status	
PAN-JIT ASIA INTERNATIONAL INC.	228,086	$5,548,456		$655,936		$182,599	244,086	100.00%	$6,538,446	$33.05	$8,066,594	None	
				(Note 1)		(Note 2)					(Note 4)		
			16,000	454,154									
				(Note 5)									
				62,499									
				(Note 3)									
Pynmax Technology Co., Ltd.	84,462	1,560,142		249,615			84,462	94.60%	1,883,028	$24.74	2,089,600	None	
				(Note 1)							(Note 4)		
				1,720									
				(Note 2)									
				71,551									
				(Note 3)									
MILDEX OPTICAL INC.	21,470	210,935		1,661		27,189	21,470	21.01%	180,958	$13.70	294,139	None	
				(Note 3)		(Note 1)					(Note 4)		
						4,449							
						(Note 2)							
LIFETECH ENERGY INC.	871	1,244				1,299	871	20.57%	(55)	($0.06)	(55)	None	
						(Note 1)					(Note 4)		
Alltop Technology Co., Ltd.	-	-		88,990		3,467	11,162	19.08%	1,570,770	$184.50	2,059,389	None	
				(Note 3)		(Note 2)					(Note 4)		
			11,162	1,455,570									
				(Note 5)									
				29,677									
				(Note 4)									
Total		$7,320,777		$3,071,373		$219,003			$10,173,147		$12,509,667		

(Note 1): The share of the subsidiary's profit or loss, the upstream unrealized sales benefits, counter-current realized sales benefits, and the profit or loss of side-stream transactions between subsidiaries recognized by the equity method.

(Note 2) The balance of translation of the financial statements of foreign operation institutions recognized by equity method

(Note 3): Obtaining or disposing of equity differences in subsidiaries, downstream unrealized profits and losses, insurance of cash dividends, actuarial profits and losses of defined benefit plan, unrealized (gains) and losses of financial assets measured at fair value through other comprehensive income, unearned compensation for employees, etc. recognized under the equity method.

(Note 4): It is recognized based on the shareholding ratio of the investee company.

(Note 5): Based on the seasoned equity offering of the investee company.

PANJIT International Inc.

10. Statement of Changes in Right-of-Use Assets

From Jan 01 to Dec 31, 2021

Units: NT$ thousands

Items	Begining balance	Current change			Closing balance	Remark
		Increase	Decrease	Reclassification		
Land	$1,800	$2,239	($1,800)	-	$2,239	
Buildings	39,689	-	(10,795)	-	28,894	
Transportation equipment	3,675	956	(2,567)	-	2,064	
Other assets	-	499	-	-	499	
Total	$45,164	$3,694	($15,162)	-	$33,696	

PANJIT International Inc.

11. Statement of Accumulated depreciation - Changes in Right-of-Use Assets

From Jan 01 to Dec 31, 2021

Units: NT$ thousands

Items	Begining balance	Current change			Closing balance	Remark
		Increase	Decrease	Reclassification		
Land	$1,490	$747	($1,739)	-	$498	
Buildings	13,336	7,299	(10,795)	-	9,840	
Transportation equipment	2,501	703	(2,567)	-	637	
Other assets	-	111	-	-	111	
Total	$17,327	$8,860	($15,101)	-	$11,086	

PANJIT International Inc.

12. Statement of Other non-current assets

December 31, 2021

Units: NT$ thousands

Items	Summary	Amount	Remark
Prepay for equipment		$301,606	
Prepay for Investment		$1,396,500	
Other non-current assets, others			
Procurement margin	Sinopower Semiconductor Inc.	$210,000	
Procurement margin	Potens Semiconductor Corp.	120,000	
Procurement margin	MOSEL VITELIC Inc.	81,240	
Procurement margin	inergy Technology Inc.	70,000	
Refundable deposit	Others (Note)	7,197	
Total		$488,437	

(Note): The individual balance contained does not exceed other non-current assets - 5% of other balances

PANJIT International Inc.
13. Statement of Short-term Borrowings
December 31, 2021

Units: NT$ thousands

Type of loans	Explanation	Term	Interest rate range	Closing balance	Financing credit	Pledge or Collateral	Note
Credit loan	The Export-Import Bank of the Republic of China- Kaohsiung Branch	2021/10/8～2022/10/8	0.7900%	$150,000		None	
Credit loan	The Export-Import Bank of the Republic of China- Kaohsiung Branch	2021/10/27～2022/10/27	0.7900%	300,000		None	
Credit loan	First Bank - Luzhu Branch	2021/10/29～2022//1/27	0.7500%	150,000		None	
Credit loan	Shanghai Commercial Savings Bank	2021/11/25～2022//11/25	0.8000%	300,000		None	
Export collection financing	Chinatrust Commercial Bank - Minzu Branch	2021/10/29～2022/3/29	0.9000%	304,480		None	
Export collection financing	Chinatrust Commercial Bank - Minzu Branch	2021/11/15～2022/3/30	0.9000%	107,675		None	
Export collection financing	Chinatrust Commercial Bank - Minzu Branch	2021/11/29～2022/5/27	0.9900%	49,547		None	
Export collection financing	Chinatrust Commercial Bank - Minzu Branch	2021/9/3～2022/3/2	0.5500%	34,452		None	
Export collection financing	Yuanta Bank Linya branch	2021/11/15～2022/1/28	0.6934%	107,952		None	
Export collection financing	Yuanta Bank Linya branch	2021/11/29～2022/2/25	0.7142%	68,093		None	
Export collection financing	Yuanta Bank Linya branch	2021/11/15～2022/2/25	0.7694%	168,848		None	
Export collection financing	Yuanta Bank Linya branch	2021/11/29～2022/3/10	0.8025%	14,311		None	
Export collection financing	Yuanta Bank Linya branch	2021/11/29～2022/3/31	0.8025%	71,968		None	
Export collection financing	Yuanta Bank Linya branch	2021/11/29～2022/4/29	0.8025%	8,941		None	
Export collection financing	Cathay United Bank - Gangshan Branch	2021/12/20～2022/3/18	0.7000%	97,434		None	
Export collection financing	Cathay United Bank - Gangshan Branch	2021/12/20～2022/3/18	0.7000%	40,966		None	
Export collection financing	Cathay United Bank - Gangshan Branch	2021/12/28～2022/3/28	0.7300%	53,699		None	
Export collection financing	Cathay United Bank - Gangshan Branch	2021/12/28～2022/3/28	0.7300%	30,448		None	
Export collection financing	Cathay United Bank - Gangshan Branch	2021/12/28～2022/3/28	0.7300%	43,734		None	
Export collection financing	Cathay United Bank - Gangshan Branch	2021/12/28～2022/3/28	0.7300%	65,878		None	
Export collection financing	Taiwan Cooperative Bank Gangshan Branch	2021/11/15～2022/1/28	0.7515%	185,456		None	
Export collection financing	Taiwan Cooperative Bank Gangshan Branch	2021/12/30～2022/3/30	0.7651%	69,200		None	
Export collection financing	Taipei Fubon Commericial Bank Kaohsiung Branch	2021/11/15～2022/2/14	0.8100%	168,848		None	
Export collection financing	Taipei Fubon Commericial Bank Kaohsiung Branch	2021/12/6～2022/3/3	0.8300%	31,832		None	
Export collection financing	Taipei Fubon Commericial Bank Kaohsiung Branch	2021/12/6～2022/4/14	0.8600%	106,568		None	
Export collection financing	Taipei Fubon Commericial Bank Kaohsiung Branch	2021/10/14～2022/1/12	0.4000%	9,396		None	
Export collection financing	Taipei Fubon Commericial Bank Kaohsiung Branch	2021/12/15～2022/3/18	0.4000%	10,148		None	
Export collection financing	Taipei Fubon Commericial Bank Kaohsiung Branch	2021/12/15～2022/4/14	0.4000%	34,452		None	
Export collection financing	O-Bank	2021/11/15～2022/1/14	0.7928%	37,368		None	
Export collection financing	O-Bank	2021/11/15～2022/1/28	0.7928%	54,253		None	
Export collection financing	Mizuho Bank Kaohsiung Branch	2021/11/30～2022/3/31	0.8400%	55,360		None	
Total				$2,931,307			

PANJIT International Inc.
14. Contractual liabilities - current
December 31, 2021

Units: NT$ thousands

Account Name	Summary	Amount	Remark
Phoenix GmbH	Sales payment	$2,453	
VS-ELECTRONIC	Sales payment	1,520	
Phoenix Blomg	Sales payment	1,348	
FCTK	Sales payment	361	
Others	(Notes)	300	
Total		$5,982	

(Note): The single item balance contained does not exceed the contract liability - 5% of the current account balance.

PANJIT International Inc.
15. Statement of Trade Payable
December 31, 2021

Units: NT$ thousands

Account Name	Summary	Amount	Remark
Lefram Technology Corporation	Purchase payment	$166,698	
Jih Lin Technology Co., LTd.	Purchase payment	147,612	
E'DALE TECHNOLOGY CO., LTD.	Purchase payment	59,100	
inergy Technology Inc.	Purchase payment	44,969	
Others	(Notes)	399,831	
Total		$818,210	

(Note): The balance of a single item does not exceed 5% of the accounts payable balance.

PANJIT International Inc.
16. Statement of Trade Payable - Related Parties
December 31, 2021

Units: NT$ thousands

Account Name	Summary	Amount	Remark
Pan-Jit Electronics (Wuxi) Co., Ltd.	Purchase payment	$240,161	
Pynmax Technology Co., Ltd.	Purchase payment	64,792	
Others	(Notes)	5,771	
Total		$310,724	

(Note): The balance of a single item does not exceed 5% of the accounts payable balance from related parties.

PANJIT International Inc.

17. Statement of Other Payables

December 31, 2021

Units: NT$ thousands

Item	Description	Amount	Remarks
Awards and salaries payable	December salary, year-end bonus and estimated cashed-out leaves	$489,859	
Commissions payable	Including NT$47,382 thousand of commissions payable to related parties - Pan-Jit Europe	65,581	
Processing fee payable		103,741	
Equipment expense payable		96,884	
Other expenses payable	Utility expenses, import and export expenses, insurance expenses, labor expenses, pensions, Interest and rent, etc.	241,135	
Total		$997,200	

PANJIT International Inc.

18. Statement of Other current liabilities - others

December 31, 2021

Units: NT$ thousands

Item	Description	Amount	Remarks
Agency fund	Collection for labor and health insurance, food, etc.	$10,069	
temporary receipts	To be written-off	523	
Others		284	
Total		$10,876	

PANJIT International Inc.

19. Other non-current liabilities - Others

December 31, 2021

Units: NT$ thousands

Item	Description	Amount	Remarks
Deferred gain from government grants	Government low-interest loan	$25,671	

PANJIT International Inc.

20. Lease liabilities

December 31, 2021

Units: NT$ thousands

Items	leasing term	Discount rate	Closing balance	Remarks
Land	2021.05.20-2024.05.19	1.3400%	$1,749	
House and building	2020.12.01-2022.11.30	1.3400%	1,311	
House and building	2020.09.05-2025.09.04	1.3400%	17,627	
House and building	2020.04.01-2022.03.31	1.3400%	281	
Transportation equipment	2021.05.28-2023.05.27	1.3400%	221	
Transportation equipment	2021.03.08-2023.03.07	1.3400%	184	
Transportation equipment	2021.01.25-2023.01.24	1.3400%	158	
Transportation equipment	2021.12.04-2024.12.03	1.3400%	813	
Other assets	2021.05.28-2024.05.27	1.3400%	404	
Total			22,748	
Lease liabilities due within one year			(7,981)	
Lease Liabilities - non-current			$14,767	

PANJIT International Inc.

21. Statement of Long-term Borrowings

December 31, 2021

Units: NT$ thousands

Creditor	Summary	Amount borrowed	Term	Interest rate	Pledge or guarantee	Remark
KGI Bank Kaohsiung Branch	Medium-term and long-term loans	200,000	2021.11.03～2022.01.28	0.9100%	None	Repayment method: Due to the different ways of granting credit, there are two repayment methods. The details are as follows: 1. Credit Line A: The borrower shall treat the two years from the date of first use of the credit as the first period, and thereafter shall be a period of three with a total of thirteen installments. The principal shall be repaid on the date of the expiry of each period The first to twelfth periods shall amortize 7.5% of the actual principal balance in each period, and the thirteenth period shall amortize all the outstanding principal balance and interest. 2. Credit Line B: After the borrower applies for the use of the credit line B in accordance with the provisions of this contract one by one, it shall repay all the principal of each quota used on the day when the agreed loan period for each loan principal expires. If the borrower intends to renew the loan upon the expiration of any loan period, it shall notify the credit management bank with the application form seven business days before the expiry date of each loan period or a shorter period agreed by the credit management bank. According to the credit conditions of this contract, the loan will be renewed in whole or in part. The bank for credit line B is able to directly repay the borrower’s unpaid part due to the newly allocated quota, and the part of the same amount does not need to be remitted or allocated separately, and the borrower is deemed to have received the money. The principal used for renewal shall still be repaid in accordance with the method agreed in this paragraph.
Mizuho Bank Kaohsiung Branch	Medium-term and long-term loans	350,000	2021/12/02~2022/06/02	0.8500%	None	
EnTie Bank Kaohsiung Branch	Medium-term and long-term loans	500,000	2021/12/28~2022/03/28	0.9000%	None	
Chang Hwa Commercial Bank Gangshan Branch	Investing Taiwan by Taiwanese Project (Line B)	113,000	2021/03/26~2027/01/15	0.6500%	None	
Chang Hwa Commercial Bank Gangshan Branch	Investing Taiwan by Taiwanese Project (Line B)	84,000	2021/01/29~2027/01/15	0.6500%	None	
Chang Hwa Commercial Bank Gangshan Branch	Investing Taiwan by Taiwanese Project (Line B)	59,000	2020/08/11~2027/01/15	0.6500%	None	
Chang Hwa Commercial Bank Gangshan Branch	Investing Taiwan by Taiwanese Project (Line B)	44,000	2020/01/16~2027/01/15	0.6500%	None	
Taishin International Bank Linya branch	Investing Taiwan by Taiwanese Project (Line B)	23,000	2019/12/06~2026/12/05	0.6500%	None	
Taishin International Bank Linya branch	Investing Taiwan by Taiwanese Project (Line B)	175,000	2021/03/30~2026/12/05	0.6500%	None	
Taishin International Bank Linya branch	Taiwanese businessmen returning to Taiwan (Line A)	400,000	2021/01/15~2026/12/05	0.6500%	None	
Land Bank Gangshan Branch	Investing Taiwan by Taiwanese Project (Line B)	98,333	2021/12/02~2026/11/15	0.8500%	None	
First Commercial Bank Luzhu Branch	Investing Taiwan by Taiwanese Project (Line B)	100,000	2021/04/28~2027/01/15	0.6500%	None	
First Commercial Bank Luzhu Branch	Investing Taiwan by Taiwanese Project (Line B)	9,000	2020/01/16~2027/01/15	0.6500%	None	
First Commercial Bank Luzhu Branch	Investing Taiwan by Taiwanese Project (Line B)	143,000	2020/10/15~2027/01/15	0.6500%	None	
First Commercial Bank Luzhu Branch	Investing Taiwan by Taiwanese Project (Line B)	248,000	2021/03/26~2027/01/15	0.6500%	None	
First Commercial Bank Luzhu Branch	Taiwanese businessmen returning to Taiwan (Line A)	550,000	2021/09/29~2026/12/05	0.8500%	None	
Yuanta Bank Linya branch	Joint loan Line B	500,000	2021/11/15~2022/02/11	0.9502%	Commercial paper guarantee	
Land Bank Gangshan Branch	Joint loan Line B	500,000	2021/11/15~2022/02/11	0.9502%	Commercial paper guarantee	
Total		4,096,333				
(Less): Maturity within one year		(32,458)				
Discount of long-term notes payable		(1,065)				
Unamortized syndication expense		(6,510)				
Deferred gain from government grants		(25,671)				
Net amount		$4,030,629				

PANJIT International Inc.

22. Statement of Operating Revenue

From Jan 01 to Dec 31, 2021

Units: NT$ thousands

Items	QTY (thousand units)	Amount	Remark
Diode rectifier	25,777	$8,207,139	
Surge suppressor	385	392,875	
Others	255	157,594	Raw materials
Total		8,757,608	
(Less): Sales return or discount	(30)	(51,489)	
Net amount		$8,706,119	

(Note): The balance of the individual items contained does not exceed 5% of the operating income balance.

PANJIT International Inc.

23. Statement of Operating Costs

From Jan 01 to Dec 31, 2021

Units: NT$ thousands

Items		Amount
Direct raw material:		
Inbound for the current period		$2,992,901
Plus:	Beginning stock	469,855
	Amount of other transfers	452,868
(Less):	Raw Materials at the end of the period	(637,295)
	Raw materials sold	(142,413)
	Inventory (gain) loss	(208)
	Transfer to other accounts	(156,474)
Consumed for the current period		2,979,234
Direct labour		498,968
Manufacturing expense		942,870
Manufacturing cost		4,421,072
Plus:	Initial goods in process	52,199
	Amount of other transfers	1,782
(Less):	Work in process at the ending of the period	(54,753)
	Transfer to finished products	(543,795)
	Transfer to other accounts	(19,933)
Finished good cost		3,856,572
Plus:	Initial finished goods	555,933
	Acquired in the period	2,041,904
	Work in process inbound	543,795
	Amount of other transfers	1
(Less):	Finished goods at the end of the period	(925,842)
	Inventory (gain) loss	(1,081)
	Transfer to other accounts	(6,620)
Cost of Goods Sold		6,064,662
other operating cost		14,154
Raw materials sold		142,413
Inventory reversal gain		(34,413)
Others (revenue from scrap sales and inventory gain or loss)		(59,633)
Total Operating Cost		$6,127,183

PANJIT International Inc.

24. Statement of Operating Expenses

From Jan 01 to Dec 31, 2021

Units: NT$ thousands

Items	Summary	Selling expense	Remark
Payrolls		$144,707	
Expense for import and export		116,497	
Commission expenditure		115,002	
Miscellaneous expenses		62,704	
Others	The account of which the balance does not exceed 5% of the balance of this account	58,983	
Total		$497,893	

Items	Summary	Administrative expense	Remark
Payrolls		$471,502	
Others	The account of which the balance does not exceed 5% of the balance of this account	119,338	
Total		$590,840	

Items	Summary	Research and development expenses	Remark
Payrolls		$127,745	
Materials		30,698	
Miscellaneous expenses		29,654	
Amortization		23,363	
Others	The account of which the balance does not exceed 5% of the balance of this account	48,935	
Total		$260,395	

PANJIT International Inc.

25. Statement of Non-operating income and expenditures

From Jan 01 to Dec 31, 2021

Units: NT$ thousands

Item	Description	Amount	Note
Interest earned	Interest on bank deposits	$537	
rental receipt		$8,188	
Dividend income		6,278	
Other revenues	Revenue of payment repossession and sample income, etc.	87,604	
Total other revenues		$102,070	
Disposition of plant, property and equipment		($6,988)	
Net loss (gain) on foreign currency exchange		26,512	
Financial assets measured at fair value through profit or loss and liability valuation gain or loss	Stock and forward foreign exchange valuation gain or loss	1,475	
Profits on disposal of investments		2,548	
Miscellaneous expenses		(5,422)	
Impairment of rotary interests of real estate, plant and equipment		348	
Other interests and losses total		$18,473	
Financial cost	Bank loan and lease liabilities	($68,783)	
Proportion of gain or loss from subsidiaries and associates recognized by equity method		$969,520	
Total non-operating income and expenditure		$1,021,817	