Chia Chang Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2021 and 2020 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the combined financial statements of affiliates as of and for the year ended December 31, 2021 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are all the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10 “Consolidated Financial Statements”. In addition, relevant information required to be disclosed in the combined financial statements has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, Chia Chang Co., Ltd. and its subsidiaries did not prepare a separate set of combined financial statements of affiliates.

Very truly yours,

CHIA CHANG CO., LTD.

By

____
KUEI-HSIU SUNG
Chairman

March 22, 2022

勤業眾信聯合會計師事務所
110016 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 110016, Taiwan

Tel :+886 (2) 2725-9988
Fax:+886 (2) 4051-6888
www.deloitte.com.tw

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Chia Chang Co., Ltd.

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted 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 Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Group's consolidated financial statements for the year ended December 31, 2021 are stated as follows:

Occurrence of Recognized Sales Revenue

The sales revenue of the Group in 2021 was higher than that in 2020, and the sales revenue from certain sales to customers in the current year saw a significant increase from that in the previous year. Since the amount and proportion of sales revenue are significant, we have deemed the occurrence of recognized sales revenue from those certain customers as a key audit matter of the consolidated financial statements for the year ended December 31, 2021. Refer to Notes 4 and 21 to the consolidated financial statements for the accounting policies on revenue recognition.

The audit procedures we have performed in respect of the above key audit matter included understanding, assessing and testing of the effectiveness of the design and implementation of the internal control related to the sales revenue. We selected sample transactions of those sales to certain customers to verify the occurrence of sales revenue. We selected sample balances of accounts receivable from those certain customers and performed confirmation procedures, and verified the collection after the reporting period. We conducted alternative audit procedures to those who failed to respond to confirmation request immediately and validated the relevant transaction documents to verify the occurrence of sales revenue.

Other Matter

We have also audited the parent company only financial statements of Chia Chang Co., Ltd. as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

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

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

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

Those charged with governance, including the supervisors, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partners on the audits resulting in this independent auditors' report are Yao-Lin Huang and Suei-Chin Lee.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 22, 2022

Notice to Readers

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

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

CHIA CHANG CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021		2020	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 2,079,687	18	$ 1,921,717	19
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	45	-	44	-
Notes receivable and accounts receivable (Notes 4, 8 and 21)	3,500,115	31	3,076,422	30
Current tax assets (Notes 4 and 23)	146,115	1	174,731	2
Inventories (Notes 4 and 9)	524,001	5	397,045	4
Prepayments	181,587	2	60,866	1
Other financial assets - current (Notes 4 and 6)	2,051,481	18	2,310,291	22
Other current assets (Note 4)	179,188	2	159,883	1
Total current assets	8,662,219	77	8,100,999	79
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 10)	164,082	1	177,779	2
Investments accounted for using the equity method (Notes 4 and 12)	302,808	3	145,658	1
Property, plant and equipment (Notes 4, 13 and 28)	1,535,788	14	1,523,132	15
Right-of-use assets (Notes 4 and 14)	155,318	1	95,772	1
Investment properties (Notes 4, 15 and 28)	54,768	-	55,545	1
Deferred tax assets (Notes 4 and 23)	23,898	-	23,368	-
Other non-current assets (Notes 4 and 19)	412,269	4	127,375	1
Total non-current assets	2,648,931	23	2,148,629	21
TOTAL	$ 11,311,150	100	$ 10,249,628	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 16 and 28)	$ 470,000	4	$ 458,000	5
Notes payable (Note 17)	190,503	2	100,278	1
Accounts payable (Note 17)	1,564,413	14	1,317,294	13
Other payables (Note 18)	648,661	6	572,400	6
Current tax liabilities (Notes 4 and 23)	116,788	1	46,406	-
Lease liabilities - current (Notes 4 and 14)	18,463	-	20,104	-
Other current liabilities	121,370	1	28,032	-
Total current liabilities	3,130,198	28	2,542,514	25
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 23)	201,147	2	201,075	2
Lease liabilities - non-current (Notes 4 and 14)	5,940	-	11,500	-
Guarantee deposits	830	-	600	-
Total non-current liabilities	207,917	2	213,175	2
Total liabilities	3,338,115	30	2,755,689	27
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 4 and 20)				
Ordinary shares	1,423,676	12	1,423,676	14
Capital surplus	2,820,768	25	2,820,599	27
Retained earnings				
Legal reserve	799,339	7	731,633	7
Special reserve	524,565	5	588,402	6
Unappropriated earnings	2,996,941	26	2,447,928	24
Total retained earnings	4,320,845	38	3,767,963	37
Other equity	(597,812)	(5)	(524,565)	(5)
Total equity attributable to owners of the Corporation	7,967,477	70	7,487,673	73
NON-CONTROLLING INTERESTS	5,558	-	6,266	-
Total equity	7,973,035	70	7,493,939	73
TOTAL	$ 11,311,150	100	$ 10,249,628	100

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

CHIA CHANG CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
SALES REVENUE (Notes 4 and 21)	$ 8,718,498	100	$ 7,263,201	100
COST OF GOODS SOLD (Notes 4, 9 and 22)	6,717,203	77	5,553,079	77
GROSS PROFIT	2,001,295	23	1,710,122	23
OPERATING EXPENSES (Notes 4, 8 and 22)				
Selling and marketing expenses	291,491	4	269,446	4
General and administrative expenses	457,661	5	454,082	6
Research and development expenses	76,871	1	84,113	1
Total operating expenses	826,023	10	807,641	11
INCOME FROM OPERATIONS	1,175,272	13	902,481	12
NON-OPERATING INCOME AND EXPENSES (Note 4)				
Share of profit (loss) of associates and joint ventures accounted for using equity method (Note 12)	109,821	1	28,281	1
Interest income	57,990	1	69,448	1
Other income (Note 22)	28,010	-	87,279	1
Exchange losses (Note 31)	(53,557)	-	(136,956)	(2)
Interest expense	(4,855)	-	(3,963)	-
Total non-operating income and expenses	137,409	2	44,089	1
INCOME BEFORE INCOME TAX	1,312,681	15	946,570	13
INCOME TAX EXPENSE (Notes 4 and 23)	(404,588)	(4)	(270,205)	(4)
NET INCOME FOR THE YEAR	908,093	11	676,365	9

(Continued)

CHIA CHANG CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	$ (13,697)	-	$ 13,173	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	(59,550)	(1)	50,664	1
Other comprehensive income (loss)	(73,247)	(1)	63,837	1
TOTAL COMPREHENSIVE INCOME	$ 834,846	10	$ 740,202	10
NET INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	$ 908,801	10	$ 677,063	9
Non-controlling interests	(708)	-	(698)	-
	$ 908,093	10	$ 676,365	9
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	$ 835,554	10	$ 740,900	10
Non-controlling interests	(708)	-	(698)	-
	$ 834,846	10	$ 740,202	10
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 24)				
Basic	$ 6.38		$ 4.76	
Diluted	$ 6.31		$ 4.73	

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

CHIA CHANG CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation											
			Retained Earnings				Other Equity					
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total 1	Exchange Differences on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2020	$ 1,423,676	$ 2,820,599	$ 666,638	$ 394,555	$ 2,385,626	$ 3,446,819	$ (648,459)	$ 60,057	$ (588,402)	$ 7,102,692	$ 6,964	$ 7,109,656
Appropriation of 2019 earnings												
Legal reserve	-	-	64,995	-	(64,995)	-	-	-	-	-	-	-
Special reserve	-	-	-	193,847	(193,847)	-	-	-	-	-	-	-
Cash dividends distributed	-	-	-	-	(355,919)	(355,919)	-	-	-	(355,919)	-	(355,919)
Total appropriation of 2019 earnings	-	-	64,995	193,847	(614,761)	(355,919)	-	-	-	(355,919)	-	(355,919)
Net income for the year ended December 31, 2020	-	-	-	-	677,063	677,063	-	-	-	677,063	(698)	676,365
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	-	50,664	13,173	63,837	63,837	-	63,837
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	677,063	677,063	50,664	13,173	63,837	740,900	(698)	740,202
BALANCE AT DECEMBER 31, 2020	1,423,676	2,820,599	731,633	588,402	2,447,928	3,767,963	(597,795)	73,230	(524,565)	7,487,673	6,266	7,493,939
Appropriation of 2020 earnings												
Legal reserve	-	-	67,706	-	(67,706)	-	-	-	-	-	-	-
Special reserve	-	-	-	(63,837)	63,837	-	-	-	-	-	-	-
Cash dividends distributed	-	-	-	-	(355,919)	(355,919)	-	-	-	(355,919)	-	(355,919)
Total appropriation of 2020 earnings	-	-	67,706	(63,837)	(359,788)	(355,919)	-	-	-	(355,919)	-	(355,919)
Net income for the year ended December 31, 2021	-	-	-	-	908,801	908,801	-	-	-	908,801	(708)	908,093
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	(59,550)	(13,697)	(73,247)	(73,247)	-	(73,247)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	908,801	908,801	(59,550)	(13,697)	(73,247)	835,554	(708)	834,846
Changes in percentage of ownership interests in subsidiaries	-	169	-	-	-	-	-	-	-	169	-	169
BALANCE AT DECEMBER 31, 2021	$ 1,423,676	$ 2,820,768	$ 799,339	$ 524,565	$ 2,996,941	$ 4,320,845	$ (657,345)	$ 59,533	$ (597,812)	$ 7,967,477	$ 5,558	$ 7,973,035

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

CHIA CHANG CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,312,681	$ 946,570
Adjustments for:		
Depreciation	240,970	225,194
Amortization	146,304	208,120
Share of profit or loss of associates and joint ventures	(109,821)	(28,281)
Interest income	(57,990)	(69,448)
Dividend income	(13,073)	(1,692)
Impairment loss on non-financial assets	10,639	4,310
Interest expense	4,855	3,963
Unrealized gain on foreign exchange	(3,862)	(6,835)
Gain on disposal and retirement of property, plant and equipment	(2,604)	(71,125)
Expected credit loss	2,270	330
Net gain on financial assets and liabilities at fair value through profit or loss	(1)	-
Changes in operating assets and liabilities		
Increase in financial assets mandatorily classified as at fair value through profit or loss	-	(44)
Notes receivable	(19,357)	1,137
Accounts receivable	(400,838)	(28,088)
Inventories	(137,714)	2,923
Prepayments	(120,721)	32,413
Other current assets	(172,854)	(147,391)
Notes payable	90,225	(14,136)
Accounts payable	246,057	(11,850)
Other payables	76,551	53,634
Other current liabilities	93,338	(6,284)
Cash generated from operations	1,185,055	1,093,420
Interest received	67,806	80,044
Income tax paid	(306,931)	(317,486)
Net cash generated from operating activities	945,930	855,978
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in prepayments for equipment	(365,482)	(93,079)
Decrease in other financial assets	258,810	234,104
Acquisition of property, plant and equipment	(147,916)	(310,283)
Payments for right-of-use assets	(68,455)	-
Acquisition of investments accounted for using the equity method	(50,000)	-
Dividends received	15,913	3,162
Decrease (increase) in other non-current assets	(15,794)	11,986
Proceeds from disposal of property, plant and equipment	13,128	134,601
Net cash used in investing activities	(359,796)	(19,509)

(Continued)

CHIA CHANG CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends paid	$ (355,919)	$ (355,919)
Repayment of the principal portion of lease liabilities	(28,094)	(33,154)
Increase in short-term borrowings	12,000	93,000
Interest paid	(5,145)	(4,182)
Proceeds from guarantee deposits	230	-
Net cash generated from (used in) financing activities	(376,928)	(300,255)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(51,236)	25,285
NET INCREASE IN CASH AND CASH EQUIVALENTS	157,970	561,499
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	1,921,717	1,360,218
CASH AND CASH EQUIVALENTS, END OF THE YEAR	$ 2,079,687	$ 1,921,717

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

CHIA CHANG CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Chia Chang Co., Ltd. (the "Corporation") was incorporated in September 1985, and engages mainly in manufacturing, processing and trading of various precision machinery, related mechanical mold components, mechanical steel mold accessories and computer peripheral equipment.

The Corporation's shares have been listed on the Taiwan Stock Exchange ("TWSE") since June 2011.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation's board of directors on March 22, 2022.

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

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

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the accounting policies of the Corporation and its subsidiaries (hereinafter collectively referred to as the "Group").

b. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 1)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 2)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2022.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of above standards and interpretations will not have a material impact on the Group's financial position and financial performance.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except that deferred taxes will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2023.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

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

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

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

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

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and its subsidiaries. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

See Note 11, Table 5 and Table 6 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting consolidated financial statements, the functional currencies of the Corporation's foreign operations (including subsidiaries and associates in other countries) that are prepared using functional currencies which are different from the currency of the Corporation are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Corporation and non-controlling interests as appropriate).

f. Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

g. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of the associate attributable to the Group.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Corporation subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

The depreciation on property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, plant and equipment, right-of-use asset and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and equity instruments at FVTOCI.

i. Financial asset at FVTPL

Financial asset is classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and financial assets that do not meet the amortized cost criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 26.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) 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.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable and accounts receivable, other financial assets - current, other receivables and refundable deposits, are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income 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 asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset; and

ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Group always recognizes lifetime Expected Credit Loss (ECL) for accounts receivable. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Group):

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. Financial asset is more than 150 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by an entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by an entity are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Corporation's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All the financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

m. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods comes from sales of metal stamped products. Sales of metal stamped products are recognized as revenue according to the terms of the sale agreed with the customer, such as when the goods have been delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Accounts receivable are recognized concurrently.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

n. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments and in-substance fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

o. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefit expenses in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

p. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carry forward and unused tax credits for purchases of machinery, equipment and technology and research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group and the associates are able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

3) Current and deferred taxes for the period

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the possible impact of the recent development of the COVID-19 in Taiwan and its economic environment implications when making its critical accounting estimates in cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2021	2020
Checking accounts and demand deposits	$ 1,490,722	$ 1,029,743
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	588,211	891,049
Cash on hand	754	925
	$ 2,079,687	$ 1,921,717

As of December 31, 2021 and 2020, time deposits with original maturities of more than 3 months were $2,051,481 thousand and $2,310,291 thousand, respectively, which were classified as other financial assets - current. As of December 31, 2021 and 2020, the interest rates of the time deposits with original maturities more than 3 months were 0.22%-2.85% and 0.38%-2.89%, respectively.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2021	2020
Financial assets - current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	$ 45	$ 44

8. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	December 31	
	2021	2020
Notes receivable	$ 117,710	$ 98,353
Accounts receivable		
At amortized cost	3,384,975	2,980,773
Gross carrying amount	(2,570)	(2,704)
Less: Allowance for impairment loss	3,382,405	2,978,069
Total accounts receivable at amortized cost	$ 3,500,115	$ 3,076,422

The average credit period of sales of goods was 60-180 days. No interest is charged on unpaid accounts receivable.

In order to mitigate credit risk, the management of the Group has delegated qualified personnel in accordance with the segregation of duties principle to be responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivable. The expected credit losses on accounts receivable are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

The following table details the loss allowance of notes receivable and accounts receivable based on the Group's provision matrix.

December 31, 2021

		Past Due				
	Not Past Due	**Less than 90 Days**	**91 to 120 Days**	**121 to 150 Days**	**Over 150 Days**	**Total**
Expected credit loss rate	-	5%	20%	50%	100%	
Gross carrying amount	$ 3,490,887	$ 4,597	$ 4,331	$ 2,744	$ 126	$ 3,502,685
Allowance for impairment loss (Lifetime ECL)	-	(228)	(866)	(1,350)	(126)	(2,570)
Amortized cost	$ 3,490,887	$ 4,369	$ 3,465	$ 1,394	$ -	$ 3,500,115

December 31, 2020

		Past Due				
	Not Past Due	**Less than 90 Days**	**91 to 120 Days**	**121 to 150 Days**	**Over 150 Days**	**Total**
Expected credit loss rate	-	5%	20%	50%	0%-100%	
Gross carrying amount	$ 3,072,140	$ 4,267	$ -	$ -	$ 2,719	$ 3,079,126
Allowance for impairment loss (Lifetime ECL)	-	(214)	-	-	(2,490)	(2,704)
Amortized cost	$ 3,072,140	$ 4,053	$ -	$ -	$ 229	$ 3,076,422

The movements of the allowance for impairment loss of notes receivable and accounts receivable were as follows:

	For the Year Ended December 31	
	2021	2020
Balance at January 1	$ 2,704	$ 2,331
Add: Impairment loss recognized	2,270	330
Less: Amount written off	(2,390)	-
Effect of exchange rate differences	(14)	43
Balance at December 31	$ 2,570	$ 2,704

9. INVENTORIES

	December 31	
	2021	2020
Finished goods	$ 215,123	$ 161,803
Work in progress	106,625	108,135
Raw materials	202,253	127,107
	$ 524,001	$ 397,045

The cost of goods sold included the following:

	For the Year Ended December 31	
	2021	2020
Cost of inventories sold	$ 6,706,564	$ 5,548,769
Inventory write-downs (reversed)	9,070	(675)
Impairment loss on mold (Note 22)	1,569	-
Impairment loss on property, plant and equipment (Note 22)	-	4,985
	$ 6,717,203	$ 5,553,079

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2021	2020
Non-current		
Domestic investments		
Unlisted ordinary shares	$ 164,082	$ 177,779

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

11. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2021	2020	Remark
The Corporation	CHIA CORPORATION	Investment activities	100.00	100.00	-
	GOLDSKY ENTERPRISES LIMITED	International trade	100.00	100.00	-
	Chia Development Co., Ltd.	New business development and investment	100.00	100.00	-
CHIA CORPORATION	TARCOOLA TRADING LIMITED	Investment activities	100.00	100.00	-
	HUGE LINE INTERNATIONAL LIMITED	Investment activities	100.00	100.00	-
	CHIAPEX HOLDING LIMITED	Investment activities	100.00	100.00	-
	CHIA-RUI HOLDING LIMITED	Investment activities	100.00	100.00	-
TARCOOLA TRADING LIMITED	Chia Chang Technology (Suzhou) Co., Ltd.	Manufacturing and selling of IT and optronics components stamped	100.00	100.00	-
HUGE LINE INTERNATION AL LIMITED	Ningbo Chia Chang Electronics Hardware Co., Ltd.	Manufacturing and selling of IT and optronics components stamped	100.00	100.00	-
	Nanjing Chia-Chan Precious electronics Co., Ltd.	Manufacturing and selling of IT and optronics components stamped	100.00	100.00	-
CHIA-RUI HOLDING LIMITED	Quan Rui (Dong Guan) Industrial Co., Ltd.	Manufacturing and selling of IT and optronics components stamped	100.00	100.00	1)
	Chia Chang (Foshan) Industrial Co., Ltd.	Manufacturing and selling of IT and optronics components stamped	-	-	2)
Chia Development Co., Ltd.	Energy Magic Co., Ltd.	Manufacturing of electronic components	50.00	50.00	3)
Chia Chang Technology (Suzhou) Co., Ltd.	Chia Chang Technology (Chong Qing) Co., Ltd.	Manufacturing and selling of IT and optronics components stamped	100.00	100.00	-

1) In order to integrate the production plants in China for improving production efficiency and saving both fixed expenses and management costs, on June 3, 2020, the Corporation's board of directors approved the disposal of the equipment and the termination of the operation of Quan Rui (Dong Guan) Industrial Co., Ltd., a subsidiary in China.

2) Chia Chang (Foshan) Industrial Co., Ltd. completed its liquidation in December 2020, and refunded the remaining share capital to Chia-Rui Holding Limited, which was approved by the Investment Commission, Ministry of Economic Affairs in January 2021.

3) The subsidiaries are not significant subsidiaries, so their financial statements have not been audited. The Group considered that there would be no significant adjustments if such financial statements were audited.

b. Subsidiaries excluded from the consolidated financial statements: None.

c. Details of subsidiaries that have material non-controlling interests: None.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2021	2020
Investment in associates		
Associate that is not individually material	$ 302,808	$ 145,658

	For the Year Ended December 31	
	2021	2020
The Group's share of:		
Net income and other comprehensive income	$ 109,821	$ 28,281

The Group is able to exercise significant influence over Top Taiwan VIII Venture Capital Co., Ltd., an associate that is not individually material, even if it holds less than 20% of its voting right because the Group is a director; therefore, the Group accounted for the investment by using equity method.

The investments accounted for by using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2021 and 2020 were based on the associates' audited financial statements for the same years then ended except Zen Material Technology Inc. and Chia Chain Precious Hardware & Electronics (Suzhou) Co., Ltd. The Group considered that there would be no significant adjustments if such financial statements were audited.

When the Group's share of losses of an associate equals or exceeds its interest in that associate, the Group discontinues recognizing its share of further loss, if any. The amounts of unrecognized share of losses of the associates extracted from the relevant financial statements of the associates, both for the year and cumulatively, were as follows:

	For the Year Ended December 31	
	2021	2020
Unrecognized share of losses of the associates for the year	$ (4,475)	$ (2,075)
Accumulated unrecognized share of losses of the associates	$ (7,067)	$ (2,592)

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Total
Cost					
Balance at January 1, 2020	$ 185,000	$ 814,787	$ 1,947,038	$ 378,811	$ 3,325,636
Additions	141,047	1,626	139,389	28,221	310,283
Disposals	-	(4,521)	(226,784)	(123,212)	(354,517)
Effect of exchange rate differences	-	10,313	23,859	3,661	37,833
Reclassification	-	2,654	25,339	11,336	39,329
Balance at December 31, 2020	$ 326,047	$ 824,859	$ 1,908,841	$ 298,817	$ 3,358,564

(Continued)

	Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Total
Accumulated depreciation and impairment					
Balance at January 1, 2020	$ -	$ 382,403	$ 1,232,394	$ 289,804	$ 1,904,601
Disposals	-	(4,195)	(167,893)	(118,953)	(291,041)
Depreciation expense	-	34,052	128,899	31,660	194,611
Effect of exchange rate differences	-	5,637	14,411	2,228	22,276
Impairment losses recognized	-	-	4,985	-	4,985
Balance at December 31, 2020	$ -	$ 417,897	$ 1,212,796	$ 204,739	$ 1,835,432
Carrying amount at December 31, 2020	$ 326,047	$ 406,962	$ 696,045	$ 94,078	$ 1,523,132
Cost					
Balance at January 1, 2021	$ 326,047	$ 824,859	$ 1,908,841	$ 298,817	$ 3,358,564
Additions	-	975	108,515	38,426	147,916
Disposals	-	(630)	(46,335)	(12,697)	(59,662)
Effect of exchange rate differences	-	(3,573)	(8,637)	(1,393)	(13,603)
Reclassification	-	-	69,122	22,760	91,882
Balance at December 31, 2021	$ 326,047	$ 821,631	$ 2,031,506	$ 345,913	$ 3,525,097
Accumulated depreciation and impairment					
Balance at January 1, 2021	$ -	$ 417,897	$ 1,212,796	$ 204,739	$ 1,835,432
Disposals recognized	-	(630)	(36,539)	(11,969)	(49,138)
Depreciation expense	-	32,810	136,088	42,214	211,112
Effect of exchange rate differences	-	(1,910)	(5,285)	(902)	(8,097)
Impairment losses	-	-	-	-	-
Balance at December 31, 2021	$ -	$ 448,167	$ 1,307,060	$ 234,082	$ 1,989,309
Carrying amount at December 31, 2021	$ 326,047	$ 373,464	$ 724,446	$ 111,831	$ 1,535,788

(Concluded)

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

Buildings	
Main buildings	20-45 years
Elevators	15-20 years
Engineering system	10-20 years
Others	5-8 years
Machinery and equipment	2-10 years
Miscellaneous equipment	2-10 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 28.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	2020
Carrying amount		
Land	$ 121,877	$ 56,863
Buildings	33,441	38,909
	$ 155,318	$ 95,772

	For the Year Ended December 31	
	2021	2020
Additions to right-of-use assets	$ 101,108	$ 31,671
Depreciation charge for right-of-use assets		
Land	$ 3,137	$ 1,779
Buildings	25,944	28,027
	$ 29,081	$ 29,806

b. Lease liabilities

	December 31	
	2021	2020
Carrying amount		
Current	$ 18,463	$ 20,104
Non-current	$ 5,940	$ 11,500

Range of discount rates for lease liabilities was as follows:

	December 31	
	2021	2020
Buildings	0.9%	0.9%

c. Material leasing activities and terms

The Group leases certain land, plant and office with lease terms from 2019 to 2023. These arrangements do not contain renewal or purchase options.

The Group also leases land for producing products in China with lease terms of 44 to 50 years. The Group does not have bargain purchase options to acquire the leasehold land at the end of lease terms.

d. Other lease information

	For the Year Ended December 31	
	2021	2020
Expenses relating to short-term leases	$ 12,072	$ 17,121
Total cash outflow for leases	$ 108,924	$ 49,934

The Group's leases of certain office equipment qualify as short-term leases and leases of certain office equipment qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. INVESTMENT PROPERTIES

Except for depreciation recognized during the year, the Group did not have significant addition, disposal, or impairment of investment properties for the years ended December 31, 2021 and 2020. Investment properties are depreciated on a straight-line basis over the estimated useful life of 45 years.

Management was unable to reliably measure the fair value of investment properties located at Dafeng St., Luzhu District, Taoyuan City 338028, Taiwan (ROC) because of the remote location. The market for comparable properties is inactive and alternative reliable measurements of fair value are not available; therefore, the Corporation determined that the fair value of the investment properties is not reliably measurable.

The investment properties of the Group were held under freehold interests. The investment properties pledged as collateral for bank borrowings are set out in Note 28.

16. SHORT-TERM BORROWINGS

	December 31	
	2021	2020
Secured borrowings		
Bank loans	$ 190,000	$ 190,000
Unsecured borrowings		
Line of credit borrowings	280,000	268,000
	$ 470,000	$ 458,000
Interest rates	0.86%	0.86%-0.88%

The secured borrowings were secured by the Group's land, buildings and the investment properties. Refer to Note 28 for details.

17. NOTES PAYABLE AND ACCOUNTS PAYABLE

Accounts payable are not bearing interest. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

18. OTHER PAYABLES

	December 31	
	2021	2020
Payable for salaries and bonuses	$ 315,717	$ 278,759
Payable for transportation	75,565	76,839
Compensation payable to directors and employees	49,694	41,251
Payable for purchase of equipment	32,814	27,724
Others	174,871	147,827
	$ 648,661	$ 572,400

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation and the its domestic subsidiaries adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The subsidiaries in China are subject to relevant local pension insurance system and annually appropriate a fixed percentage of the salary as the pension cost deposited in designated responsible institution.

b. Defined benefit plans

The Corporation adopted the defined benefit plan under the Labor Standards Act, under which pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Corporation contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, The Corporation assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, The Corporation is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"). The Corporation has no right to influence the investment policy and strategy.

All the employees of the Corporation who are under the defined benefit plan have been converted to defined contribution plan in 2014. The Corporation no longer recognized cost of defined benefit since 2015.

For the years ended December 31, 2021 and 2020, the Corporation contributed $66 thousand and $64 thousand, respectively, to the retirement fund deposited in the Bank of Taiwan. The fair value of plan assets increased by $91 thousand and $196 thousand respectively, because of the interest on the deposits.

20. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2021	2020
Number of shares authorized (in thousands)	180,000	180,000
Shares authorized	$ 1,800,000	$ 1,800,000
Number of shares issued and fully paid (in thousands)	142,368	142,368
Shares issued	$ 1,423,676	$ 1,423,676

The issued ordinary shares, with a par value of NT$10, carry one voting right per share and carry a right to dividends.

The authorized shares include 600 thousand shares reserved for the exercise of employee stock options.

b. Capital surplus

	December 31	
	2021	2020
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	$ 2,784,898	$ 2,784,898
May only be used to offset a deficit		
Changes in percentage of ownership interests in subsidiaries (2)	21,559	21,390
May not be used for any purpose		
Employee share options	14,311	14,311
	$ 2,820,768	$ 2,820,599

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

2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors after the amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 22-(e).

The Corporation distributes dividends after taking into consideration its future capital needs and long-term financial plans. Where the Corporation made a profit in a fiscal year, the Corporation could propose cash dividends between 10% and 100% of distributable earnings. The shareholders may adjust the ratio of dividends to reflect the profit and the adequacy of capital.

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

The appropriations of earnings for 2020 and 2019 were approved in the shareholders' meetings on July 30, 2021 and June 15, 2020, respectively; the amounts were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2020	**2019**
Legal reserve	$ 67,706	$ 64,995
Special reserve (reversal)	$ (63,837)	$ 193,847
Cash dividends	$ 355,919	$ 355,919
Cash dividends per share (NT$)	$ 2.5	$ 2.5

The appropriations of earnings for 2021, which were proposed by the Corporation's board of directors on March 22, 2022, were as follows:

	For the Year Ended December 31, 2021
Legal reserve	$ 90,881
Special reserve	$ 73,247
Cash dividends	$ 427,103
Cash dividends per share (NT$)	$ 3.0

The appropriations of earnings for 2021 are subject to the resolution in the shareholders' meeting to be held on June 22, 2022.

d. Special reserve

On the initial application of IFRSs, the Corporation appropriated to special reserve the amount of $343,684 thousand which is the same amount as the cumulative translation adjustment, and transferred it to retained earnings.

	For the Year Ended December 31	
	2021	**2020**
Balance at January 1	$ 588,402	$ 394,555
Appropriations in respect of:		
Debits to other equity items	-	193,847
Reversals:		
Reversal of the debit to other equity items	(63,837)	-
Balance at December 31	$ 524,565	$ 588,402

21. REVENUE

	For the Year Ended December 31	
	2021	**2020**
Revenue from contracts with customers		
Revenue from the sale of goods	$ 8,718,498	$ 7,263,201

a. Contract information

The goods are sold at the fair value of the consideration received or receivable. The Group eliminates the estimated customer returns, discounts and other similar discounts from the amount of goods sold to determine the revenue from sale of goods.

b. Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Notes receivable and accounts receivable (Note 8)	$ 3,502,685	$ 3,079,126	$ 3,046,245

c. Disaggregation of revenue

Refer to Note 33 for information on disaggregation of revenue.

22. INCOME BEFORE INCOME TAX

a. Other gains and losses

	For the Year Ended December 31	
	2021	2020
Gain on disposal and retirement of property, plant and equipment	$ 2,604	$ 71,125
Dividend income	13,073	1,692
Others	12,333	14,462
	$ 28,010	$ 87,279

b. Impairment losses

As a result of the decline in sales of some products, the estimated future cash flows expected to arise from the related mold (recognized as other current assets) and equipment decreased. Therefore, the Group recognized impairment losses of $1,569 thousand and $4,985 thousand for the years ended December 31, 2021 and 2020, respectively. The Group determined the recoverable amounts of the relevant assets on the basis of their value in use. Since there was no value in use after consideration, the Group recognized the impairment losses in cost of goods sold in the consolidated statements of comprehensive income.

c. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
Other intangible assets	$ 146,304	$ 208,120
Property, plant and equipment	211,112	194,611
Right-of-use assets	29,081	29,806
Investment properties	777	777
	$ 387,274	$ 433,314
An analysis of depreciation by function		
Operating costs	$ 198,146	$ 180,073
Operating expenses	42,047	44,344
Non-operating expenses	777	777
	$ 240,970	$ 225,194
An analysis of amortization by function		
Operating costs	$ 143,857	$ 202,347
Operating expenses	2,447	5,773
	$ 146,304	$ 208,120

d. Employee benefits expense

	For the Year Ended December 31	
	2021	**2020**
Payroll expense	$ 1,334,988	$ 1,206,074
Post-employment benefits		
Defined contribution plans	43,691	12,828
Other employee benefits	115,678	104,016
Total employee benefits expense	$ 1,494,357	$ 1,322,918
An analysis of employee benefits expense by function		
Operating costs	$ 1,071,422	$ 918,366
Operating expenses	422,935	404,552
	$ 1,494,357	$ 1,322,918

e. Compensation of employees and remuneration of directors

The Corporation accrued compensation of employees at rates of no less than 1% and no higher than 15%, and remuneration of directors and supervisors at rates of no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors. The compensation of employees and the remuneration of directors and supervisors for the years ended December 31, 2021 and 2020, which were approved by the Corporation's board of directors on March 22, 2022 and March 23, 2021, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2021	**2020**
Compensation of employees	3.11%	3.29%
Remuneration of directors and supervisors	1.34%	1.88%

Amount

	For the Year Ended December 31	
	2021	**2020**
Compensation of employees	$ 34,694	$ 26,251
Remuneration of directors and supervisors	$ 15,000	$ 15,000

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

There was no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2020 and 2019.

Information on the compensation of employees and remuneration of directors and supervisors resolved by the Corporation's Board of Directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

23. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	For the Year Ended December 31	
	2021	2020
Current tax		
In respect of the current year	$ 388,079	$ 266,808
Income tax on unappropriated earnings	15,334	-
Adjustments for prior years	1,732	627
	405,145	267,435
Deferred tax		
In respect of the current year	(557)	2,770
Income tax expense recognized in profit or loss	$ 404,588	$ 270,205

A reconciliation of accounting profit and income tax expense was as follows:

	For the Year Ended December 31	
	2021	2020
Income before income tax	$ 1,312,681	$ 946,570
Income tax expense calculated at the statutory rate	$ 497,600	$ 347,659
Deferred tax effect of earnings of subsidiaries	(52,197)	(71,125)
Tax-exempt income	(51,406)	(11,360)
Nondeductible expenses in determining taxable income	9,414	8,129
Deduction for tax incentives	(8,143)	(6,043)
Unrecognized loss carryforwards	(7,746)	2,318
Adjustments for prior years' tax	1,732	627
Income tax on unappropriated earnings	15,334	-
Income tax expense recognized in profit or loss	$ 404,588	$ 270,205

b. Current tax assets and liabilities

	December 31	
	2021	2020
Current tax assets		
Prepaid tax - withholding dividends	$ 137,822	$ 165,418
Other	8,293	9,313
	$ 146,115	$ 174,731
Current tax liabilities		
Income tax payable	$ 116,788	$ 46,406

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2021

Temporary Differences	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Closing Balance
Deferred tax assets				
Unrealized amortization expense	$ 21,198	$ 1,038	$ (100)	$ 22,136
Unrealized inventory write-down	1,280	367	(2)	1,645
Unrealized exchange loss	890	(773)	-	117
	$ 23,368	$ 632	$ (102)	$ 23,898
Deferred tax liabilities				
Unappropriated earnings of subsidiaries	$ (200,000)	$	$ -	$ (200,000)
Defined benefit obligations	(308)	(14)	-	(322)
Property, plant and equipment	(767)	(61)	3	(825)
	$ (201,075)	$ (75)	$ 3	$ (201,147)

For the year ended December 31, 2020

Temporary Differences	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Closing Balance
Deferred tax assets				
Unrealized amortization expense	$ 23,043	$ (2,127)	$ 282	$ 21,198
Unrealized inventory write-down	729	542	9	1,280
Unrealized exchange loss	2,257	(1,367)	-	890
	$ 26,029	$ (2,952)	$ 291	$ 23,368
Deferred tax liabilities				
Unappropriated earnings of subsidiaries	$ (200,000)	$ -	$ -	$ (200,000)
Defined benefit obligations	(296)	(12)	-	(308)
Property, plant and equipment	(950)	194	(11)	(767)
	$ (201,246)	$ 182	$ (11)	$ (201,075)

d. Unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2021	2020
Loss carryforwards		
Expiry in 2021	$ -	$ 122
Expiry in 2022	40,111	40,301
Expiry in 2023	66,901	55,205
Expiry in 2024	54,376	46,795
Expiry in 2025	76,371	71,694
Expiry in 2026	580	111
Expiry in 2027	115	115
Expiry in 2028	88	88
Expiry in 2029	1,174	1,174
Expiry in 2030	1,537	1,537
Expiry in 2031	1,656	-
	$ 242,909	$ 217,142

e. Income tax assessments

Income tax returns of the following companies had been assessed by tax authorities:

1) Chia Chang Co., Ltd. - through 2019
2) Energy Magic Co, Ltd. - through 2019
3) Chia Development Co., Ltd. - through 2019

24. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2021	2020
Basic earnings per share	$ 6.38	$ 4.76
Diluted earnings per share	$ 6.31	$ 4.73

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

Net Income for the Year

	For the Year Ended December 31	
	2021	2020
Earnings used in the computation of basic earnings per share	$ 908,801	$ 677,063
Effect of potentially dilutive ordinary shares:		
Employee share options	-	-
Compensation of employees	-	-
Earnings used in the computation of diluted earnings per share	$ 908,801	$ 677,063

Weighted Average Number of Ordinary Shares Outstanding (In Thousand Shares)

	For the Year Ended December 31	
	2021	**2020**
Weighted average number of ordinary shares used in the computation of basic earnings per share	142,368	142,368
Effect of potentially dilutive ordinary shares:		
Employee share options	1,635	894
Compensation of employees	-	-
Weighted average number of ordinary shares used in the computation of diluted earnings per share	144,003	143,262

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

25. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group’s overall strategy remains unchanged.

The capital structure of the Group consists of net debt (borrowing offset by cash and cash equivalents) and equity attributable to owners of the Corporation (comprising issued capital, reserves, retained earnings and other equity).

Key management personnel of the Group review the capital structure on an annual basis. In order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, or the number of new shares issued or repurchased.

26. FINANCIAL INSTRUMENTS

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

   The disclosures of fair value are not required for financial instruments that are not measured at fair value but with carrying value approximating fair value such as cash and cash equivalents, notes and accounts receivable, other financial asset-current, refundable deposits, short-term borrowings, notes payable, accounts payable, other payables and guarantee deposits.

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

1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 45	$ -	$ -	$ 45
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted shares	$ -	$ -	$ 164,082	$ 164,082

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 44	$ -	$ -	$ 44
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted shares	$ -	$ -	$ 177,779	$ 177,779

There were no transfers between Levels 1 and 2 in 2021 and 2020.

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

For the year ended December 31, 2021

	Financial Assets at Fair Value Through Other Comprehensive Income
Balance at January 1, 2021	$ 177,779
Recognized in other comprehensive income	(13,697)
Balance at December 31, 2021	$ 164,082

For the year ended December 31, 2020

	Financial Assets at Fair Value Through Other Comprehensive Income
Balance at January 1, 2020	$ 164,606
Recognized in other comprehensive income	13,173
Balance at December 31, 2020	$ 177,779

3) Valuation techniques and inputs applied for Level 3 fair value measurement

For the domestic non-listed stocks held by the Group and measured at fair value, such fair value is determined by referring to the observable market price or to the comparable company.

c. Categories of financial instruments

	December 31	
	2021	**2020**
Financial assets		
FVTPL		
Mandatorily classified as at FVTPL	$ 45	$ 44
Financial assets at amortized cost (1)	7,684,871	7,370,845
Financial assets at FVTOCI	164,082	177,779
Financial liabilities		
Financial liabilities at amortized cost (2)	2,874,407	2,448,572

1) The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable, accounts receivable, other financial assets - current, other receivables, and refundable deposits.

2) The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, notes payable, accounts payable, other payables, and guarantee deposits.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, accounts receivable, accounts payable, borrowings and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Corporation's treasury function reports quarterly to the Corporation's board of directors.

1) Market risk

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

There has been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group has foreign currency denominated sales and purchases, which expose the Group to foreign currency risk. Parts of the Group's sales are denominated in currencies other than the functional currency of the entity in the Group making the sale, whilst parts of costs are denominated in currencies other than the functional currency of the entity in the Group. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the year are set out in Note 31.

The Group was mainly exposed to the U.S. dollar.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the U.S. dollar. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the year for a 1% change in foreign currency rates. A positive number below indicates a decrease in pre-tax profit associated with the New Taiwan dollar strengthening 1% against the U.S. dollar. For a 1% weakening of the New Taiwan dollar against the U.S. dollar, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	U.S. Dollar Impact	
	For the Year Ended December 31	
	2021	**2020**
Profit or loss*	$ 27,810	$ 26,980

* The result was mainly attributable to the exposure on outstanding receivables and payables in U.S. dollar which were not hedged at the end of the reporting period.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrow funds at fixed interest rates.

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

	December 31	
	2021	**2020**
Fair value interest rate risk		
Financial assets	$ 2,322,308	$ 2,777,954
Financial liabilities	494,403	489,604
Cash flow interest rate risk		
Financial assets	1,808,106	1,453,129

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets, the analysis was prepared assuming the amount of the asset outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by $4,077 thousand and $3,052 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

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

If equity prices had been 1% higher/lower, the pre-tax other comprehensive income for the years ended December 31, 2021 and 2020 would have increased/decreased by $1,641 thousand and $1,778 thousand, respectively, as a result of the changes in financial assets at fair value through other comprehensive income.

2) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation, could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to mitigate credit risk, the management of the Group has delegated qualified personnel in accordance with the segregation of duties principle to be responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

Since the counterparty of current funds and derivative financial instruments is a financial institution with a good credit rating, the Group does not expect any material credit risk.

The Group's concentration of credit risk of 53% and 55% of total accounts receivable as of December 31, 2021 and 2020, respectively, was attributable to the Group's three largest customers.

3) Liquidity risk

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

	December 31	
	2021	**2020**
Unsecured bank loan facilities*		
Amount used	$ 280,000	$ 268,000
Amount unused	670,000	682,000
	$ 950,000	$ 950,000
Secured bank loan facilities*		
Amount used	$ 190,000	$ 190,000
Amount unused	150,000	150,000
	$ 340,000	$ 340,000

* Including the amount signed by the Group and the bank.

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

December 31, 2021

	On Demand or Less than 1 Month	**1-3 Months**	**3 Months-1 Year**	**1+ Years**
Non-derivative financial liabilities				
Non-interest bearing	$ 648,661	$ 1,754,916	$ -	$ 830
Lease liabilities	-	1,150	17,500	5,967
Fixed interest rate borrowings	470,243	-	-	-
	$ 1,118,904	$ 1,756,066	$ 17,500	$ 6,797

December 31, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months-1 Year	1+ Years
Non-derivative financial liabilities				
Non-interest bearing	$ 572,400	$ 1,417,572	$ -	$ 600
Lease liabilities	520	1,040	18,759	11,576
Fixed interest rate borrowings	458,232	-	-	-
	$ 1,031,152	$ 1,418,612	$ 18,759	$ 12,176

27. TRANSACTIONS WITH RELATED PARTIES

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

Compensation of key management personnel

	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	$ 100,238	$ 86,886
Post-employment benefits	940	944
	$ 101,178	$ 87,830

28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral or guarantee for bank financing, amount of endorsement and guarantee, and for issuing commercial paper.

	December 31	
	2021	2020
Property, plant and equipment		
Land	$ 185,000	$ 185,000
Buildings	92,548	95,631
Investment properties	54,768	55,545
	$ 332,316	$ 336,176

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group at the ceiling amounts of guarantees to subsidiaries were as follows:

Subsidiary	Total Amount	Used Amount
GOLDSKY ENTERPRISE LIMITED	$ 498,240 (US$ 18,000)	$ -
CHIA CORPORATION	$ 1,384,000 (US$ 50,000)	$ -

30. OTHER ITEMS

The Group has evaluated the effect of the COVID-19 pandemic which has evolved globally and currently in Taiwan. Because of the industrial characteristics and strategies formulated, the Group has assessed that there were no significant impacts on the Group. With the easing of the epidemic in mainland China and the loosening of policies, the Group's operations have gradually stabilized in 2021.

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2021

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	US$ 27,410	27.680 (USD:NTD)	$ 758,701
USD	US$ 98,155	6.3757 (USD:RMB)	2,716,972
RMB	RMB 1	4.3415 (RMB:NTD)	4
RMB	RMB 32,517	0.1568 (RMB:USD)	141,173
Financial liabilities			
Monetary items			
USD	US$ 7,037	27.680 (USD:NTD)	194,771
USD	US$ 23,160	6.3757 (USD:RMB)	641,075

December 31, 2020

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	US$ 17,260	28.480 (USD:NTD)	$ 491,573
USD	US$ 98,820	6.5249 (USD:RMB)	2,814,486
RMB	RMB 18,211	4.3648 (RMB:NTD)	79,488
RMB	RMB 31,788	0.1533 (RMB:USD)	138,750
Financial liabilities			
Monetary items			
USD	US$ 4,265	28.480 (USD:NTD)	121,471
USD	US$ 21,956	6.5249 (USD:RMB)	625,306

The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31			
	2021		2020	
Functional Currency	**Exchange Rate (Functional Currency: Functional Currency)**	**Net Foreign Exchange Gains (Losses)**	**Exchange Rate (Functional Currency: Functional Currency)**	**Net Foreign Exchange Gains (Losses)**
USD	28.009 (USD:NTD)	$ (12,209)	29.516 (USD:NTD)	$ 8,827
USD	6.4514 (USD:RMB)	(44,314)	6.9002 (USD:RMB)	(158,426)
RMB	4.3415 (RMB:NTD)	(287)	4.2776 (RMB:NTD)	3,323
RMB	0.1550 (RMB:USD)	3,253	0.1449 (RMB:USD)	9,320
		$ (53,557)		$ (136,956)

32. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others. (Table 1)

2) Endorsements/guarantees provided. (Table 2)

3) Marketable securities held. (Table 3)

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

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

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

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (None)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (None)

9) Trading in derivative instruments. (None)

10) Other intercompany relationships and significant intercompany transactions. (Table 4)

b. Information on investees. (Table 5)

c. Information on investments in mainland China

1) Information on any investee Corporation in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year. (None)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year. (None)

c) The amount of property transactions and the amount of the resultant gains or losses. (None)

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes. (Table 2)

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds. (Table 1)

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receiving of services. (None)

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. (Table 7)

33. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments are stamping department and others.

a. Segment revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

	For the Year Ended December 31, 2021		
	Stamping Business	**Others**	**Total**
Revenue from external customers	$ 8,718,498	$ -	$ 8,718,498
Segment income	$ 1,176,937	$ (1,665)	$ 1,175,272
Share of profit or loss of associate and joint venture for using the equity method	(559)	110,380	109,821
Interest income	57,886	104	57,990
Exchange gains and losses	(53,557)	-	(53,557)
Interest expense	(4,855)	-	(4,855)
Other gains and losses	14,937	13,073	28,010
Income before income tax	$ 1,190,789	$ 121,892	$ 1,312,681

	For the Year Ended December 31, 2020		
	Stamping Business	**Others**	**Total**
Revenue from external customers	$ 7,263,017	$ 184	$ 7,263,201
Segment income	$ 904,144	$ (1,663)	$ 902,481
Share of profit or loss of associate and joint venture for using the equity method	(2,840)	31,121	28,281
Interest income	69,226	222	69,448
Exchange gains and losses	(136,956)	-	(136,956)
Interest expense	(3,963)	-	(3,963)
Other gains and losses	85,587	1,692	87,279
Income before income tax	$ 915,198	$ 31,372	$ 946,570

Segment profit represented the profit before income tax earned by each segment without the allocation of central administration costs and directors and supervisors' salaries, share of profit of associates, gains on disposal of interests in associates, lease income, interest income, gains or losses on disposal of property, plant and equipment, gains or losses on disposal of financial instruments, exchange gains or losses, valuation gains or losses on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment assets and liabilities

	December 31	
	2021	2020
Segment assets		
Stamping business segment	$ 10,887,824	$ 9,913,338
Others	423,326	336,290
Consolidated total assets	$ 11,311,150	$ 10,249,628
Segment liabilities		
Stamping business segment	$ 3,337,302	$ 2,755,346
Others	813	343
Consolidated total liabilities	$ 3,338,115	$ 2,755,689

For the purpose of monitoring segment performance and allocating resources between segments:

1) All assets were allocated to reportable segments other than interests in associates accounted for using the equity method, other financial assets, and current and deferred tax assets. Goodwill was allocated to the reportable segments. Assets used jointly by reportable segments were allocated on the basis of the revenue earned by individual reportable segments; and

2) All liabilities were allocated to reportable segments other than borrowings, other financial liabilities, current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable were allocated in proportion to segment assets.

c. Revenue from major products

The following is an analysis of the Group's revenue from its major products.

	For the Year Ended December 31	
	2021	2020
Metal stamped display back cover parts	$ 5,203,120	$ 4,443,068
Metal stamped display front frame parts	1,533,658	1,462,009
Metal stamped server parts	865,048	553,861
Others	1,116,672	804,263
	$ 8,718,498	$ 7,263,201

d. Geographical information

The Group operates in two principal geographical areas: Taiwan and China.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2021	2020	2021	2020
China	$ 6,910,941	$ 5,830,986	$ 1,592,940	$ 1,240,793
Taiwan	1,779,283	1,379,927	549,701	551,929
Others	28,274	52,288	-	2,848
	$ 8,718,498	$ 7,263,201	$ 2,142,641	$ 1,795,570

Non-current assets excluded financial instruments, deferred tax assets and defined benefit assets.

e. Information about major customers

Major customers' that contributed 10% or more to the sales revenue for both 2021 and 2020.

	For the Year Ended December 31	
	2021	2020
Customer A	$ 2,118,955	$ 1,794,773
Customer B	1,212,257	1,185,173
Customer C	917,139	551,094
	$ 4,248,351	$ 3,531,040

CHIA CHANG CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period (Foreign Currencies in Thousands)	Ending Balance (Foreign Currencies in Thousands)	Amount Actually Drawn (Foreign Currencies in Thousands)	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 1)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
1	GOLDSKY ENTERPRISES LIMITED	Chia Chang Co., Ltd	Other receivables	Yes	$ 60,000	$ 60,000	$ -	-	Short-term financing	Not applicable	Operating capital	$ -	-	-	$ 143,299 (US$ 5,177)	$ 286,599 (US$ 10,354)
2	CHIA CORPORATION	Chia Chang Co., Ltd	Other receivables	Yes	600,000	600,000	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	1,281,107 (RMB 295,084)	2,562,219 (RMB 590,169)
		Nanjing Chia-Chan Precious Electronics Co., Ltd.	Other receivables	Yes	55,360 (US$ 2,000)	55,360 (US$ 2,000)	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	1,281,107 (RMB 295,084)	2,562,219 (RMB 590,169)
		Chia Chang Technology (Chong Qing) Co., Ltd	Other receivables	Yes	193,760 (US$ 7,000)	193,760 (US$ 7,000)	21,708 (US$ 5,000)	4.35%	Short-term financing	Not applicable	Operating capital	-	-	-	1,281,107 (RMB 295,084)	2,562,219 (RMB 590,169)
3	Chia Chang Technology (Suzhou) Co., Ltd.	Chia Chang Technology (Chong Qing) Co., Ltd	Other receivables	Yes	260,490 (RMB 60,000)	260,490 (RMB 60,000)	86,830 (RMB 20,000)	4.35%	Short-term financing	Not applicable	Operating capital	-	-	-	633,694 (RMB 145,962)	1,267,392 (RMB 291,925)
4	Ningbo Chia Chang Electronics Hardware Co., Ltd.	Chia Chang Technology (Chong Qing) Co., Ltd	Other receivables	Yes	86,830 (RMB 20,000)	86,830 (RMB 20,000)	65,123 (RMB 15,000)	4.35%	Short-term financing	Not applicable	Operating capital	-	-	-	148,145 (RMB 34,123)	592,580 (RMB 136,492)
		Chia Chang Technology (Suzhou) Co., Ltd.	Other receivables	Yes	86,830 (RMB 20,000)	86,830 (RMB 20,000)	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	148,145 (RMB 34,123)	592,580 (RMB 136,492)
5	Nanjing Chia-Chan Precious Electronics Co., Ltd.	Chia Chang Technology (Chong Qing) Co., Ltd	Other receivables	Yes	43,415 (RMB 10,000)	43,415 (RMB 10,000)	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	61,905 (RMB 14,259)	247,630 (RMB 57,038)
		Chia Chang Technology (Suzhou) Co., Ltd.	Other receivables	Yes	43,415 (RMB 10,000)	43,415 (RMB 10,000)	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	61,905 (RMB 14,259)	247,630 (RMB 57,038)

Note 1: The limit for lending to each borrower is as follows:

a. For companies with transactions and short-term funding needs, the amount for lending to a company shall not exceed 2% of the net equity of the Corporation based on its latest financial statements.. The total amount for lending shall not exceed 5% of the net equity of the Corporation based on its latest financial statements.

b. For associates with short-term funding needs, in which the Corporation holds less than 100% of the voting shares of each associate, the amount for lending shall not exceed 10% of the net equity of the associate. For associates with short-term funding needs, in which the Corporation holds 100% of the voting shares of each associate, the amount for lending shall not exceed 20% of the net equity of the associate.

Note 2: The total amount for lending shall not exceed 40% of the net equity of the Corporation based on its latest financial statements..

Note 3: All intercompany transactions have been eliminated upon consolidation..

CHIA CHANG CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Provided by Parent Company	Endorsement/ Guarantee Provided by Subsidiaries	Endorsement/ Guarantee Provided to Subsidiaries in Mainland China
		Name	Relationship										
0	Chia Chang Co., Ltd	GOLDSKY ENTERPRISES LIMITED	Note 1	$ 3,983,738	$ 498,240 (US$ 18,000)	$ 498,240 (US$ 18,000)	$ -	$ -	6.25%	$ 3,983,738	Yes	No	No
		CHIA CORPORATION	Note 1	3,983,738	1,384,000 (US$ 50,000)	1,384,000 (US$ 50,000)	-	692,000 (US$ 25,000)	17.37%		Yes	No	No
1	Chia Chang Technology (Suzhou) Co., Ltd.	Nanjing Chia-Chan Precious Electronics Co., Ltd.	Note 1	3,983,738	86,830 (RMB 20,000)	86,830 (RMB 20,000)	-	-	1.09%	3,983,738	No	No	Yes
		Chia Chang Technology (Chong Qing) Co., Ltd	Note 1	3,983,738	260,490 (RMB 60,000)	260,490 (RMB 60,000)	-	-	3.27%		No	No	Yes
2	Ningbo Chia Chang Electronics Hardware Co., Ltd.	Nanjing Chia-Chan Precious Electronics Co., Ltd.	Note 1	3,983,738	86,830 (RMB 20,000)	86,830 (RMB 20,000)	-	-	1.09%	3,983,738	No	No	Yes
		Chia Chang Technology (Chong Qing) Co., Ltd	Note 1	3,983,738	86,830 (RMB 20,000)	86,830 (RMB 20,000)	-	-	1.09%		No	No	Yes

Note 1: Subsidiary in which the Corporation directly or indirectly owns more than 50% of its voting shares.

Note 2: According to the Corporation’s endorsement/ guarantee operating procedures, the total amount of guarantee provided by the Corporation to any individual entity shall not exceed 2% of the Corporation’s net equity based on its latest financial statements, except for the guarantee provided to any entity whose voting shares are 100% owned. The total balance of guarantee shall not exceed 50% of the Corporation’s net equity based on its latest financial statements.

CHIA CHANG CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Number of Shares (Units in Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Chia Chang Co., Ltd	Ordinary share(s)							
	Chimei Motor Electronics Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non current	1,372	$ 8,696	7.22	$ 8,696	Notes 1 and 2
TARCOOLA TRADING LIMITED	Mutual fund(s)							
	FSITC RMB Money Market Fund-RMB	None	Financial assets at fair value through profit or loss - current	1	45	-	45	Notes 1 and 2
Chia Development Co., Ltd.	Ordinary share(s)							
	WK Technology Fund IX Ltd.	One of the Corporation’s key management personnel is one of its supervisors	Financial assets at fair value through other comprehensive income - non current	7,690	155,386	7.69	155,386	Notes 1 and 2

Note 1: The unlisted stocks mentioned above are calculated using a valuation method at fair value, and the mutual fund is calculated at net value on December 31, 2021.

Note 2: The securities held at end of period have not been provided as collateral or pledged for loans.

CHIA CHANG CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Transaction Company	Counterparty	Relationship (Note 2)	Transaction Details (Notes 3 and 5)			
				Financial Statement Accounts	Amount	Payment Terms	% to Total Sales or Assets
0	The Corporation	GOLDSKY ENTERPRISES LIMITED	1	Other current liabilities	$ 23,560	Note 6	-
		Chia Chang Technology (Suzhou) Co., Ltd.	1	Accounts payable	25,514	Note 2	-
		Chia Chang Technology (Suzhou) Co., Ltd.	1	Purchase	33,789	Note 2	-
1	CHIA CORPORATION	Chia Chang Technology (Chong Qing) Co., Ltd	3	Other receivables	21,768	Note 5, interest rate 4.35%	-
2	GOLDSKY ENTERPRISES LIMITED	Chia Chang Co., Ltd	2	Accounts receivables	23,560	Note 6	-
3	Chia Chang Technology (Suzhou) Co., Ltd.	Chia Chang Co., Ltd	2	Accounts receivables	25,514	Note 2	-
		Chia Chang Co., Ltd	2	Sales revenue	33,789	Note 2	-
		Nanjing Chia-Chan Precious Electronics Co., Ltd.	3	Purchase	63,322	Note 2	1
		Chia Chang Technology (Chong Qing) Co., Ltd	3	Other receivables	90,261	Note 3, interest rate 4.35%	1
4	Ningbo Chia Chang Electronics Hardware Co., Ltd.	Nanjing Chia-Chan Precious Electronics Co., Ltd.	3	Accounts payable	17,417	Note 2	-
		Nanjing Chia-Chan Precious Electronics Co., Ltd.	3	Purchase	35,858	Note 2	-
		Chia Chang Technology (Chong Qing) Co., Ltd	3	Other receivables	66,216	Note 4, interest rate 4.35%	1
5	Nanjing Chia-Chan Precious Electronics Co., Ltd.	Chia Chang Technology (Suzhou) Co., Ltd.	3	Sales revenue	63,322	Note 2	1
		Ningbo Chia Chang Electronics Hardware Co., Ltd.	3	Accounts receivables	17,417	Note 2	-
		Ningbo Chia Chang Electronics Hardware Co., Ltd.	3	Sales revenue	35,858	Note 2	-
6	Chia Chang Technology (Chong Qing) Co., Ltd	Chia Chang Technology (Suzhou) Co., Ltd.	3	Other payables	90,261	Note 3, interest rate 4.35%	1
		Ningbo Chia Chang Electronics Hardware Co., Ltd.	3	Other payables	66,216	Note 4, interest rate 4.35%	1
		CHIA CORPORATION	3	Other payables	21,768	Note 5, interest rate 4.35%	-

Note 1: The flow of transactions are identified by the following numbers in the “Relationship” column:

a. 1 - from parent company to subsidiary;
b. 2 - from subsidiary to parent company;
c. 3 - between subsidiaries.

Note 2: For the purchase and sales transactions between the Group and its related parties, the collection period is 60-180 days.

Note 3: Other receivables from Chia Chang Technology (Chong Qing) Co., Ltd. recognized by Chia Chang Technology (Suzhou) Co., Ltd. included loan of $86,830 thousand and interest receivable of $3,431 thousand.

Note 4: Other receivables from Chia Chang Technology (Chong Qing) Co., Ltd. recognized by Ningbo Chia Chang Electronics Hardware Co., Ltd. included loan of $65,123 thousand and interest receivable of $1,093 thousand.

Note 5: Other receivables from Chia Chang Technology (Chong Qing) Co., Ltd. recognized by CHIA CORPORATION included loan of $21,708 thousand and interest receivable of $60 thousand.

(Continued)

Note 6: Accounts receivable and accounts payable that resulted from the mold payments on behalf and mold receipts under custody between the Group and the related parties.

Note 7: A transaction is disclosed if it amounts to more than $10,000 thousand.

Note 8: All intercompany transactions have been eliminated upon consolidation.

(Concluded)

CHIA CHANG CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December, 31,2021			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 1)	Note
				December, 31, 2021	December, 31, 2020	Number of Shares	%	Carrying Amount			
Chia Chang Co., Ltd	CHIA CORPORATION	Samoa	Investment holdings	$ 1,513,766	$ 1,513,766	46,740	100.00	$ 6,405,548	RMB 202,300	$ 878,288	Subsidiary
	GOLDSKY ENTERPRISES LIMITED	Samoa	International trade	33,892	33,892	15	100.00	716,559	US$ (24)	(681)	Subsidiary
	Chia Development Co., Ltd.	Taoyuan, Taiwan	New business development and investment	263,564	263,564	19,784	100.00	417,605	121,892	121,892	Subsidiary
	Zen Material Technology Inc.	Kaohsiung, Taiwan	Electronic components production	92,950	92,950	1,334	46.01	-	(1,336)	(55)	Associate
	Top Taiwan VIII Venture Capital Co., Ltd.	Taipei, Taiwan	Investment business	50,000	-	5,000	6.17	49,609	(6,326)	(505)	Associate
CHIA CORPORATION	TARCOOLA TRADING LIMITED	British Virgin Islands	Investment holdings	US$ 30,589	US$ 30,589	37,100	100.00	RMB 730,275	RMB 115,370	Not applicable	Subsidiary
	HUGE LINE INTERNATIONAL LIMITED	Samoa	Investment holdings	US$ 11,400	US$ 11,400	11,601	100.00	RMB 483,982	RMB 82,613	Not applicable	Subsidiary
	CHIAPEX HOLDING LIMITED	Samoa	Investment holdings	US$ 4,911	US$ 4,911	4,851	100.00	RMB 9,589	RMB 53	Not applicable	Subsidiary
	CHIA-RUI HOLDING LIMITED	Samoa	Investment holdings	US$ 23,807	US$ 23,807	23,659	100.00	RMB 53,633	RMB (165)	Not applicable	Subsidiary
Chia Development Co., Ltd.	Energy Magic Co., Ltd.	Taoyuan, Taiwan	Electronic components production	15,496	15,496	1,500	50.00	6,064	(1,414)	Not applicable	Subsidiary
	Top Taiwan IX Venture Capital Co., Ltd.	Taipei, Taiwan	Investment business	100,000	100,000	10,000	12.50	253,199	882,490	Not applicable	Associate

Note 1: Information on investments in mainland China is referred to Table 6.

Note 2: All intercompany transactions have been eliminated upon consolidation.

CHIA CHANG CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment	Share of Profits (Losses) (Note 1)	Carrying Amount as of December 31, 2021	Accumulated Inward Remittance of Earnings as of December 31, 2021
					Outward	Inward						
Chia Chang Technology (Suzhou) Co., Ltd.	Production and sale of IT and optronics metal stamped components	$ 1,247,482 (RMB 287,339)	Indirect investment in TARCOOLA TRADING LIMITED through CHIA CORPORATION, with the former investing operating funds	$ 834,248 (US$ 30,139)	$ -	$ -	$ 834,248 (US$ 30,139)	$ 480,218 (RMB 110,611)	100.00%	$ 480,218 (RMB 110,611) (Note 3)	$ 3,168,487 (RMB 729,814) (Note 3)	$ 734,070 (RMB 169,082)
Ningbo Chia Chang Electronics Hardware Co., Ltd.	Production and sale of IT and optronics metal stamped components	298,634 (RMB 68,786)	Indirect investment in HUGE LINE INTERNATIONAL LIMITED through CHIA CORPORATION, with the former investing operating funds	177,152 (US$ 6,400)	-	-	177,152 (US$ 6,400)	272,994 (RMB 62,880)	100.00%	272,994 (RMB 62,880) (Note 3)	1,481,454 (RMB 341,231) (Note 3)	896,502 (RMB 206,496)
Quan Rui (Dong Guan) Industrial Co., Ltd.	Production and sale of IT and optronics metal stamped components	330,427 (RMB 76,109)	Indirect investment in CHIA-RUI HOLDING LIMITED through CHIA CORPORATION, with the former investing operating funds	145,320 (US$ 5,250)	-	-	145,320 (US$ 5,250)	(373) (RMB -86)	100.00%	(373) (RMB -86) (Note 3)	217,995 (RMB 50,212) (Note 3)	55,962 (RMB 12,890)
Nanjing Chia-Chan Precious Electronics Co., Ltd.	Production and sale of IT and optronics metal stamped components	308,138 (RMB 70,975)	Indirect investment in HUGE LINE INTERNATIONAL LIMITED through CHIA CORPORATION, with the former investing operating funds	-	-	-	-	85,688 (RMB 19,737)	100.00%	85,688 (RMB 19,737) (Note 3)	619,081 (RMB 142,596) (Note 3)	83,227 (RMB 19,170)
Chia Chang Technology (Chong Qing) Co., Ltd	Production and sale of IT and optronics metal stamped components	130,245 (RMB 30,000)	Through Chia Chang Technology (Suzhou) Co., Ltd. invest operating funds	-	-	-	-	10,359 (RMB 2,386)	100.00%	10,359 (RMB 2,386) (Note 3)	64,732 (RMB 14,910) (Note 3)	-
Chia Chain Precious Hardware & Electronics (Suzhou) Co., Ltd.	Production and sale of IT and optronics metal stamped components	152,803 (RMB 35,196)	Indirect investment in CHIAPEX HOLDING LIMITED through CHIA CORPORATION, with the former investing operating funds	135,936 (US$ 4,911)	-	-	135,936 (US$ 4,911)	(11,818) (RMB -2,722)	49.00%	-	-	310,565 (RMB 71,534)

Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
$ 1,292,656 (US$ 46,700)	$ 3,658,881 (US$ 132,185)	$ 4,780,486 (Note 2)

Note 1: Except Chia Chain Precious Hardware & Electronics (Suzhou) Co., Ltd., the share of profit or loss and other comprehensive income of the investments were based on the associates' audited financial statements for the same period.

Note 2: The investment limit is 60% of the Corporation's net equity.

Note 3: All intercompany transactions have been eliminated upon consolidation.

TABLE 7

CHIA CHANG CO., LTD. AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2021

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Yung Hsiang Investment Co., Ltd.	13,438,441	9.43
Hsin Ho Investment Co., Ltd.	11,785,492	8.27

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