TYC BROTHER INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

WITH

REPORT OF INDEPENDENT AUDITORS

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of TYC BROTHER INDUSTRIAL CO., LTD. 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 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, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, TYC BROTHER INDUSTRIAL CO., LTD. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

TYC BROTHER INDUSTRIAL CO., LTD.

By Wu, Chun-Chi
Chairman

March 24, 2022

Independent Auditors' Report

To TYC BROTHER INDUSTRIAL CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of TYC BROTHER INDUSTRIAL CO., LTD. (the "Company") and its subsidiaries (the "Group") as of 31 December 2021 and 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2021 and 2020, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other Matter – Making Reference to the Audits of Component Auditors* section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of 31 December 2021 and 2020, and their consolidated financial performance and cash flows for the years ended 31 December 2021 and 2020, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China on Taiwan.

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

Key Audit Matters

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

<u>Loss Allowance Accounts Receivable</u>

As of 31 December 2021, the balance of accounts receivable and allowance for doubtful accounts of the Group amounted to NT$3,026,760 thousand and NT$246,724 thousand, respectively. Net accounts receivable constituted a material amount of 11 % of the total consolidated assets, which was considered material in the consolidated statements. Since the allowance for doubtful accounts was measured at the lifetime expected credit loss, the account receivables should be appropriately grouped during the measurement process and determine the use of related assumptions in the analysis and measurement, including appropriate aging intervals and their respective loss rate. As the measurement of expected credit loss involves making judgment, analysis and estimates, and the result will affect the net account receivable, we therefore determined this a key audit matter.

Our audit procedures included, but not limited to, evaluating and testing the process of internal control execution management established for receivables; evaluating the appropriateness of management's provisioning policy of allowance for doubtful accounts; analyzing the appropriateness of the grouping of accounts receivable to confirm whether customer groups that have significantly different loss patterns from one another are grouped appropriately; the Group were tested by provision matrix, including evaluating the appropriateness of the aging intervals and the accuracy of the basic data by reviewing the original certificates; performing tests on subsequent collection of receivables; evaluating long-term trends of loss allowance and turnover rate of accounts receivable.

We also considered the appropriateness of disclosure of accounts receivable. Please refer to Notes 5 and 6 of the consolidated financial statements.

Valuation for inventories

As of 31 December 2021, the Group's net inventories amounted to NT$5,579,094 thousand, and constitutes 23% of total consolidated asset, which was considered material in the consolidated statements. Considering the market economy environment change, horizontal competition and numerous inventory items, the loss allowance for loss on inventory valuation and obsolescence required significant management judgment, we therefore determined this as a key audit matter.

Our audit procedures included, but not limited to, evaluating and testing the internal control management established for inventory; evaluating the appropriateness of management's provisioning policy of allowance; sampling net realizable value estimated by inventory valuation, including related sales certificates and recalculating price loss; testing the accuracy of inventory aging time period by sampling related documents and recalculating the accuracy of inventory allowance.

We also considered the appropriateness of disclosure of inventories. Please refer to Notes 5 and 6 of the consolidated financial statements.

Other Matter – Making Reference to the Audits of a Component Auditors

We did not audit the financial statements of certain consolidated subsidiaries, which statements reflect total assets of NT$1,547,689 thousand and NT$1,308,872 thousand, constituting 6.43% and 5.75% of consolidated total assets as of 31 December, 2021 and 2020, respectively, and total operating revenues of NT$2,489,995 thousand and NT$2,140,996 thousand, constituting 15.02% and 14.82% of consolidated operating revenues for the years ended 31 December 2021 and 2020, respectively. We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors. Those associates and joint ventures under equity method amounted to NT$166,913 thousand and NT$162,522 thousand, representing 0.69% and 0.71% of consolidated total assets as of 31 December 2021 and 2020, respectively. The related shares of profits from the associates and joint ventures under the equity method amounted to NT$10,243 thousand and NT$(21,005) thousand, representing 3.11% and (5.15)% of the consolidated net income before tax for the years ended 31 December 2021 and 2020, respectively, and the related shares of other comprehensive income from the associates and joint ventures under the equity method amounted to NT$(3,376) thousand and NT$(7,623) thousand, representing 8.55% and 13.38% of the consolidated other comprehensive income for the years ended 31 December 2021 and 2020, respectively.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China on Taiwan 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 ability to continue as a going concern of the Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China on Taiwan 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 auditing standards generally accepted in the Republic of China on Taiwan, 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 internal control of the Company and its subsidiaries.

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

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

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries 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 2021 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended 31 December 2021 and 2020.

Huang, Shih-Chieh

Lee, Fang-Wen

Ernst & Young, Taiwan
24 March 2022

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TYC BROTHER INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

31 December 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

ASSETS	Notes	31 Dec. 2021	31 Dec. 2020
Current assets			
Cash and cash equivalents	Ⅳ/Ⅵ.1	$898,571	$989,964
Financial assets at fair value through profit or loss, current	Ⅳ/Ⅵ.2	1,034	-
Financial assets measured at amortized cost, current	Ⅳ/Ⅵ.4	168,453	78,676
Notes receivable, net	Ⅳ/Ⅵ.5	23,960	22,416
Notes receivable-related parties, net	Ⅳ/Ⅵ.5/Ⅶ	20,301	13,561
Accounts receivable, net	Ⅳ/Ⅵ.6/Ⅷ	2,638,801	2,450,755
Accounts receivable-related parties, net	Ⅳ/Ⅵ.6/Ⅶ	96,974	61,962
Other receivables	Ⅳ	160,068	115,455
Inventories	Ⅳ/Ⅵ.7/Ⅷ	5,579,094	4,392,436
Other current assets		301,937	327,870
Total current assets		9,889,193	8,453,095
Non-current assets			
Financial assets at fair value through other comprehensive income, non-current	Ⅳ/Ⅵ.3	228,426	191,736
Investments accounted for under the equity method	Ⅳ/Ⅵ.8	1,965,506	1,983,646
Property, plant and equipment	Ⅳ/Ⅵ.9/Ⅷ	7,924,249	8,330,236
Right-of-use asset	Ⅳ/Ⅵ.20	2,085,086	1,863,728
Intangible assets	Ⅳ/Ⅵ.10	71,843	90,673
Deferred tax assets	Ⅳ/Ⅵ.24	497,544	492,841
Prepayment for equipments		1,295,409	1,243,141
Refundable deposits	Ⅷ	54,376	50,887
Other non-current assets-others		42,975	45,152
Total non-current assets		14,165,414	14,292,040
Total assets		$24,054,607	$22,745,135

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

English Translation of Consoildated Financial Statements Originally Issued in Chinese

TYC BROTHER INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

31 December 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Notes	31 Dec. 2021	31 Dec. 2020
Current liabilities			
Short-term borrowings	Ⅳ/Ⅵ.11	$1,909,969	$1,229,994
Short-term notes and bills payable	Ⅳ/Ⅵ.12	639,808	-
Financial liabilities at fair value through profit or loss, current	Ⅳ/Ⅵ.13	3,577	17,020
Notes payable	Ⅳ	314,719	324,990
Accounts payable	Ⅳ	2,324,382	2,325,277
Accounts payable-related parties	Ⅳ/Ⅶ	553,790	610,662
Other payables	Ⅳ	979,507	940,817
Current tax liabilities	Ⅳ/Ⅵ.24	34,071	7,905
Lease liabilities, current	Ⅳ/Ⅵ.20	220,118	188,161
Current portion of long-term liabilities	Ⅳ/Ⅵ.14	151,077	233,580
Other current liabilities		423,941	422,406
Total current liabilities		7,554,959	6,300,812
Non-current liabilities			
Long-term borrowings	Ⅳ/Ⅵ.14	6,217,336	5,774,719
Other long-term borrowings	Ⅳ/Ⅵ.15	-	1,999,439
Deferred tax liabilities	Ⅳ/Ⅵ.24	52,269	56,815
Lease liabilities, non-current	Ⅳ/Ⅵ.20	1,764,024	1,587,850
Net defined benefit liabilities, non-current	Ⅳ/Ⅵ.16	218,271	270,708
Other non-current liabilities-others		56,803	49,866
Total non-current liabilities		8,308,703	9,739,397
Total liabilities		15,863,662	16,040,209
Equity attributable to the parent company			
Capital	Ⅳ/Ⅵ.17		
Common stock		3,128,979	3,128,979
Preferred stock		300,000	-
Capital surplus	Ⅳ/Ⅵ.17	2,577,877	1,381,263
Retained earnings	Ⅳ/Ⅵ.17		
Legal reserve		808,620	783,394
Special reserve		289,982	250,969
Unappropriated earnings		1,134,265	1,176,321
Other equity	Ⅳ/Ⅵ.23		
Exchange differences resulting from translating the financial statements of foreign operations		(446,242)	(395,675)
Unrealized gains or losses on financial assets measured at fair value through other comprehensive income		102,270	105,693
Treasury stock	Ⅳ/Ⅵ.17	(5,996)	(5,996)
Total equity attributable to the parent company		7,889,755	6,424,948
Non-controlling interests	Ⅳ/Ⅵ.17	301,190	279,978
Total equity		8,190,945	6,704,926
Total liabilities and equity		$24,054,607	$22,745,135

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TYC BROTHER INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

ITEMS	Notes	2021	2020
Operating revenues	Ⅳ/Ⅵ.18/Ⅶ	$16,576,615	$14,446,208
Operating costs	Ⅳ/Ⅵ.7.20.21/Ⅶ	(13,569,218)	(11,588,776)
Gross profit		3,007,397	2,857,432
Unrealized profit on sales		(10)	(21)
Realized profit on sales		21	31
Net gross profit		3,007,408	2,857,442
Operating expenses	Ⅳ/Ⅵ.20.21		
Sales and marketing expenses		(1,433,399)	(1,361,817)
General and administrative expenses		(795,939)	(824,142)
Research and development expenses		(344,453)	(425,047)
Expected credit impairment (losses) gains	Ⅳ/Ⅵ.19	(4,914)	20,050
Subtotal		(2,578,705)	(2,590,956)
Operating income		428,703	266,486
Non-operating income and expenses			
Other income	Ⅵ.22	100,858	216,429
Other gains and losses	Ⅵ.22	(136,170)	(32,947)
Finance costs	Ⅵ.22	(135,854)	(171,117)
Share of profit of associates and joint ventures accounted for using the equity method	Ⅳ/Ⅵ.8	71,884	129,050
Subtotal		(99,282)	141,415
Net income before income tax		329,421	407,901
Income tax expense	Ⅳ/Ⅵ.24	(92,812)	(121,214)
Net income		236,609	286,687
Other comprehensive income (loss)	Ⅳ/Ⅵ.23		
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit plan		21,269	(13,716)
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income		(2,740)	49,953
Income tax related to items that will not be reclassified subsequently		(4,254)	2,743
Item that may be reclassified subsequently to profit or loss			
Exchange differences resulting from translating the financial statements of foreign operations		(81,080)	(107,480)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method		14,698	(10,827)
Income tax related to items that may be reclassified subsequently		12,642	22,373
Total other comprehensive income (loss), net of tax		(39,465)	(56,954)
Total comprehensive income (loss)		$197,144	$229,733
Net income attributable to:			
Stockholders of the parent		$193,271	$262,616
Non-controlling interests		43,338	24,071
		$236,609	$286,687
Comprehensive income attributable to:			
Stockholders of the parent		$155,932	$213,244
Non-controlling interests		41,212	16,489
		$197,144	$229,733
Earnings per share (NTD)			
Earnings per share-basic	Ⅳ/Ⅵ.25	$0.62	$0.84
Earnings per share-diluted	Ⅳ/Ⅵ.25	$0.62	$0.84

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TYC BROTHER INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to the parent company											
	Capital			Retained Earnings			Other equity					
ITEMS	Common stock	Preferred stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Treasury stock	Total	Non-controlling interests	Total equity
Balance as of 1 January 2020	$3,128,979	$-	$1,379,947	$713,881	$160,750	$1,521,853	$(306,186)	$55,217	$(5,996)	$6,648,445	$214,329	$6,862,774
Appropriation and distribution of 2019 retained earnings												
Legal reserve	-	-	-	69,513	-	(69,513)	-	-	-	-	-	-
Special reserve	-	-	-	-	90,219	(90,219)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(438,057)	-	-	-	(438,057)	-	(438,057)
Net income for the year ended 31 December 2020	-	-	-	-	-	262,616	-	-	-	262,616	24,071	286,687
Other comprehensive income (loss) for the year ended 31 December 2020	-	-	-	-	-	(10,359)	(89,489)	50,476	-	(49,372)	(7,582)	(56,954)
Total comprehensive income (loss)	-	-	-	-	-	252,257	(89,489)	50,476	-	213,244	16,489	229,733
Adjustments for dividends subsidiaries received from parent company	-	-	1,316	-	-	-	-	-	-	1,316	-	1,316
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	49,160	49,160
Balance as of 31 December 2020	$3,128,979	$-	$1,381,263	$783,394	$250,969	$1,176,321	$(395,675)	$105,693	$(5,996)	$6,424,948	$279,978	$6,704,926
Balance as of 1 January 2021	$3,128,979	$-	$1,381,263	$783,394	$250,969	$1,176,321	$(395,675)	$105,693	$(5,996)	$6,424,948	$279,978	$6,704,926
Appropriation and distribution of 2020 retained earnings												
Legal reserve	-	-	-	25,226	-	(25,226)	-	-	-	-	-	-
Special reserve	-	-	-	-	39,013	(39,013)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(187,739)	-	-	-	(187,739)	-	(187,739)
Net income for the year ended 31 December 2021	-	-	-	-	-	193,271	-	-	-	193,271	43,338	236,609
Other comprehensive income (loss) for the year ended 31 December 2021	-	-	-	-	-	15,968	(50,567)	(2,740)	-	(37,339)	(2,126)	(39,465)
Total comprehensive income (loss)	-	-	-	-	-	209,239	(50,567)	(2,740)	-	155,932	41,212	197,144
Issuance of preference shares	-	300,000	1,195,878	-	-	-	-	-	-	1,495,878	-	1,495,878
Adjustments for dividends subsidiaries received from parent company	-	-	564	-	-	-	-	-	-	564	-	564
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(20,000)	(20,000)
Disposals of financial assets at fair value through other comprehensive income	-	-	-	-	-	683	-	(683)	-	-	-	-
Other	-	-	172	-	-	-	-	-	-	172	-	172
Balance as of 31 December 2021	$3,128,979	$300,000	$2,577,877	$808,620	$289,982	$1,134,265	$(446,242)	$102,270	$(5,996)	$7,889,755	$301,190	$8,190,945

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TYC BROTHER INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended 31 December 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

ITEMS	2021	2020	ITEMS	2021	2020
Cash flows from operating activities:			Cash flows from investing activities:		
Net income before tax	$329,421	$407,901	Acquistion of financial assets at fair value through other comprehensive income	(59,822)	-
Adjustments for:			Proceeds from redemption of financial assets at fair value through other comprehensive income	1,109	-
Income and expense adjustments:			Proceeds from capital reduction of financial assets at fair value through other comprehensive income	19,283	-
Depreciation	1,627,816	1,640,458	Acquistion of financial assets measured at amortized cost	(127,283)	(152,289)
Amortization	42,162	48,240	Proceeds from redemption of financial assets measured at amortized cost	36,496	86,393
Expected credit impairment losses (gains)	4,914	(20,050)	Acquisition of investments accounted for using the equity method	-	(16,602)
Finance costs	135,854	171,117	Acquisition of property, plant and equipment	(1,086,450)	(1,235,706)
Interest income	(3,503)	(4,460)	Proceeds from disposal of property, plant and equipment	11,817	3,761
Dividend income	(2,761)	(1,047)	Increase in refundable deposits	(5,823)	(4,610)
Share of profit of associates and joint ventures accounted for using the equity method	(71,884)	(129,050)	Decrease in refundable deposits	2,152	1,859
(Gains) Losses on disposal of property, plant and equipment	(2,366)	1,504	Acquistion of intangible assets	(23,267)	(22,508)
Reversal of impairmemt loss on non-financial assets	-	(49,399)	Increase in other non-current assets	(25,094)	(51,843)
Unrealized profit on sales	10	21	Decrease in other non-current assets	21,404	56,490
Realized profit on sales	(21)	(31)	Net cash used in investing activities	(1,235,478)	(1,335,055)
Others	(4)	(68)			
Changes in operating assets and liabilities:					
Financial assets at fair value through profit or loss	(1,034)	410	Cash flows from financing activities:		
Notes receivable	(1,543)	4,406	Increase in short-term borrowings	1,744,775	1,889,575
Notes receivable-related parties	(6,738)	5,436	Decrease in short-term borrowings	(1,050,358)	(2,724,900)
Accounts receivable	(190,450)	431,935	Increase in short-term notes and bills payable	800,000	70,000
Accounts receivable-related parties	(37,525)	(16,268)	Decrease in short-term notes and bills payable	(160,192)	(659,354)
Other receivables	(48,641)	72,311	Proceeds from long-term borrowings	2,777,784	4,040,684
Inventories	(1,186,658)	275,603	Repayment of long-term borrowings	(2,416,016)	(3,362,065)
Other current assets	25,933	(48,668)	Increase in other long-term borrowings	-	823
Financial liabilities at fair value through profit or loss	(13,443)	13,608	Decrease in other long-term borrowings	(1,999,439)	-
Notes payable	(10,271)	67,251	Cash payment for the principal portion of the lease liabilties	(196,884)	(184,387)
Accounts payable	(895)	228,520	Increase in other non-current liabilities	575	6,166
Accounts payable-related parties	(56,872)	110,463	Decrease in other non-current liabilities	(2,843)	(9,512)
Other payables	38,304	(19,552)	Cash dividends	(187,175)	(436,741)
Other current liabilities	1,535	9,758	Proceeds from issuing stock	1,495,878	-
Net defined benefit pension liabilities	(31,168)	(28,338)	Change in non-controlling interests	(20,000)	49,160
Cash generated from operations	540,172	3,172,011	Net cash provided by (used in) financing activities	786,105	(1,320,551)
Interest received	3,503	4,460			
Dividend received	105,861	34,692	Effect of exchange rate changes on cash and cash equivalents	(82,449)	(150,342)
Interest paid	(144,951)	(184,693)	Net (decrease) increase in cash and cash equivalents	(91,393)	52,005
Income tax paid	(64,156)	(168,517)	Cash and cash equivalents at beginning of year	989,964	937,959
Net cash provided by operating activities	440,429	2,857,953	Cash and cash equivalents at end of year	$898,571	$989,964

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

(Expressed in Thousands of New Taiwan Dollars Unless Otherwise Stated)

I. HISTORY AND ORGANIZATION

TYC BROTHER INDUSTRIAL CO., LTD. (the “Company”) was incorporated under the laws of the Republic of China on Taiwan (the “ROC”) on 9 September 1986. The Company’s registered office and the main business location is at No.72-2, Xinle Rd., Tainan City Taiwan (R.O.C). The Company's main profitable business projects are the manufacturing, trading and import and export trade business of automobiles, motorcycles and other automobile parts and supplies. The Company became a listed company on the Taiwan Stock Exchange on 6 October 1997.

II. DATE AND PROCEDURES OF AUTHORIZATION OF FINANCIAL STATEMENTS FOR ISSUE

The consolidated financial statements of the Company and subsidiaries (hereinafter referred to as ”the Group”) for the year ended 31 December 2021 and 2020 were authorized for issue in accordance with a resolution of the Board of directors on 24 March 2022.

III. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

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

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

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

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

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

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

B. Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

C. Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)
The amendments clarify what costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

D. Annual Improvements to IFRS Standards 2018 - 2020

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

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

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

Amendment to IAS 41

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

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after 1 January 2022. The group determined that the newly published standards and interpretations have no material impact on the group.

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

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

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

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

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

(2) IFRS 17 "Insurance Contracts"

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

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

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

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

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

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

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

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

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

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

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. The Group determined that the newly published standards and interpretations have no material impact on the Group.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of Compliance

The Group's consolidated financial statements ended 31 December 2021 and 2020 were prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers (Regulations), IFRSs, IASs, IFRIC and SIC, which are endorsed by FSC (TIFRSs).

2. Basis of preparation

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

3. Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

a. power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
b. exposure, or rights, to variable returns from its involvement with the investee; and
c. the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a. the contractual arrangement with the other vote holders of the investee;
b. rights arising from other contractual arrangement;
c. the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If loses control of a subsidiary, it:

a. derecognizes the assets (including goodwill) and liabilities of the subsidiary;
b. derecognizes the carrying amount of any non-controlling interest;
c. recognizes the fair value of the consideration received;
d. recognizes the fair value of any investment retained;
e. recognizes any surplus or deficit in profit or loss; and
f. reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

The consolidated entities are as follows:

Invest Company	Investee Company	Major business	Percentage of Ownership (%) 31 Dec. 2021	31 Dec. 2020
The Company	TI YUAN INVESTMENT CO., LTD. (TI YUAN)	Marketable securities trading business	100.00%	100.00%
The Company	TI FU INVESTMENT CO., LTD. (TI FU)	Marketable securities trading business	100.00%	100.00%
The Company	CONTEK CO., LTD. (CONTEK)	Reinvestment holding activities	100.00%	100.00%
The Company	SUPRA-ATOMIC CO., LTD. (SUPRA-ATOMIC)	Reinvestment holding activities	100.00%	100.00%
The Company	TAMAU MANAGEMENT CONSULTANCY CO., LTD. (TAMAU MANAGEMENT)	Management consult	100.00%	100.00%
The Company	BESTE MOTOR CO., LTD. (BESTE)	Reinvestment holding activities	100.00%	100.00%
The Company	INNOVA HOLDING CORP. (INNOVA)	Reinvestment holding activities	100.00%	100.00%
The Company	JUOKU TECHNOLOGY CO., LTD. (JUOKU TECHNOLOGY)	Manufacturing and sale of automobile parts	72.10%	72.10%
The Company	TYC VIETNAM INDUSTRIAL CO., LTD. (TYCVN)	Manufacture and sale automobile lights	60.00%	60.00% (Note 1)
TI FU	DBM REFLEX OF TAIWAN CO., LTD.(DBM)	Manufacture tooling mold and international trading business	50.00%	50.00%
SUPRA-ATOMIC	SPARKING CO., LTD. (SPARKING)	Reinvestment holding activities	100.00%	100.00%
SUPRA-ATOMIC	UNIMOTOR INDUSTRIAL CO., LTD. (UNIMOTOR)	Reinvestment holding activities	100.00%	100.00%
SUPRA-ATOMIC	EUROLITE CO., LTD. (EUROLITE)	Reinvestment holding activities	100.00%	100.00%
SUPRA-ATOMIC	EUROPILOT CO., LTD. (EUROPILOT)	Reinvestment holding activities	100.00%	100.00%

Invest Company	Investee Company	Major business	Percentage of Ownership (%) 31 Dec. 2021	31 Dec. 2020
SUPRA-ATOMIC	MOTOR-CURIO CO., LTD. (MOTOR-CURIO)	Reinvestment holding activities	100.00%	100.00%
JUOKU TECHNOLOGY	TSM TECH CO., LTD. (TSM)	Reinvestment holding activities	100.00%	100.00%
INNOVA	GENERA CORPORATION (GENERA).	Sale of automobile lights and parts	100.00%	100.00%
INNOVA	W&W REAL PROPERTY, INC.(W&W)	Sale of and rental of real estate	100.00%	100.00%
UNIMOTOR	CHANGZHOU TAMAO PRECISION INDUSTRY CO., LTD.(TAMAO PRECISION)	Manufacture of precision molds and sale of products.	100.00%	100.00%
EUROLITE	T.I.T. INTERNATIONAL CO., LTD. (T.I.T.)	Manufacture and sale of lighting fixtures and daily-use product for automobile	99.98%	99.98%
EUROPILOT	TYC EUROPE B.V. (TYC EUROPE)	Sale of automobile lights	100.00%	100.00%
SPARKING	KUN SHAN TYC HIGH PERFORMANCE CO., LTD.(KUN SHAN TYC)	Manufacture, process and assemble of various high-efficiency energy-saving lamps and accessories	100.00%	100.00%

Note:

(1) The Group invested in the establishment of TYC VIETNAM INDUSTRIAL CO., LTD. in July 2020, holding 60% ownership of the company.

The financial statements and other related information of the consolidated subsidiaries as of 31 December 2021 and 31 December 2020, partially are based solely on the reports of the other independent accountants. Their total assets amounted to NT$1,547,689 thousand and NT$1,308,872 thousand as of 31 December 2021 and 2020; their net operating revenue amounted to NT$2,489,995 thousand and NT$2,140,996 thousand for the years ended 31 December 2021 and 2020.

4. Foreign currency transactions

The Group's consolidated financial statements are presented in NT$, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

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

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

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

5. Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

(a) when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
(b) when the retained interest after the partial disposal of an interest in a joint arrangement or partial disposal of an interest in an associate that includes a foreign operation is financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

6. Current and non-current distinction

An asset is classified as current when:
(a) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
(b) The Group holds the asset primarily for the purpose of trading.
(c) The Group expects to realize the asset within twelve months after the reporting period.
(d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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

All other liabilities are classified as non-current.

7. Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 3 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

8. Financial instruments

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

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

(1) Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

A. the Group's business model for managing the financial assets and
B. the contractual cash flow characteristics of the financial asset.

<u>Financial assets measured at amortized cost</u>

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

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

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

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

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

Financial asset measured at fair value through other comprehensive income

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

A. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

A. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
B. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
C. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

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

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

Financial asset measured at fair value through profit or loss

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

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

(2) Impairment of financial assets

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

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

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

The loss allowance is measured as follows:

A. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
B. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
C. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
D. For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

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

(3) Derecognition of financial assets

A financial asset is derecognized when:
A. The rights to receive cash flows from the asset have expired
B. The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
C. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

(4) Financial liabilities and equity

<u>Classification between liabilities or equity</u>

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

Equity instruments

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

Financial liabilities

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

Financial liabilities at fair value through profit or loss

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

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

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

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

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

Financial liabilities at amortized cost

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

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

Derecognition of financial liabilities

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(5) Offsetting of financial instruments

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

9. Derivative instrument

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

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

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

10. Fair value measurement

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

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

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

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

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

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

11. Inventories

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

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

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

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

12. Non-current assets held for sale and discontinued operations

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

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

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

13. Investments accounted for under the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

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

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

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in additional paid-in capital and investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate or joint venture.

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

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

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

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

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

14. Property, plant and equipment

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

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

Land and improvements	3～10 years
Buildings	2～60 years
Machinery and equipment	2～15 years
Molding equipment	2～10 years
Electrical installations	5～15 years
Transportation equipment	2～10 years
Miscellaneous equipment	2～15 years

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

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

15. Leases

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

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

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

<u>Group as a lessee</u>

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

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

(1) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(3) amounts expected to be payable by the lessee under residual value guarantees;
(4) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
(5) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

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

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

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

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

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

The Group applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

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

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

Group as a lessor

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

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

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

16. Intangible assets

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

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

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

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

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

Patent, trademark rights and others

The cost of patent, trademark rights and others is amortized on a straight-line basis over the legal period (1～25 years).

Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life (1～5 years).

17. Impairment of non-financial assets

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

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

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

18. Treasury shares

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

19. Revenue recognition

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

<u>Sale of goods</u>

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

The credit period of the Group's sale of goods is from 30 to 120 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract.

20. Borrowing cost

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

21. Government subsidies

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

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

22. Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

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

Past service costs are recognized in profit or loss on the earlier of:

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

(2) the date that the Group recognizes restructuring-related costs.

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

23. Income taxes

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

Current income tax

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

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

Deferred tax

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

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

i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

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

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

24. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 *Financial Instruments* either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

Goodwill is measured by cost less accumulated impairment loss. Goodwill arising from a business combination is allocated to each cash-generating units that is expected to benefit from the merge from the date of acquisition, regardless of whether other assets or liabilities of the acquiree are attribute to these cash-generating units. Each unit or unit group representative of the allocated goodwill is the lowest level of goodwill for internal management purposes, and is not greater than the operating department before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

V. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimation and assumptions

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

(1) Fair Value of Financial Instruments

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

(2) Accounts receivables–estimation of impairment loss

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

(3) Inventory

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made.

(4) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination rate, future salary increases, and decrease. For a detailed explanation of the assumptions used to measure the cost of defined benefits and defined benefits obligations, please refer to Note 6.

(5) Income tax

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

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

VI. CONTENTS OF SIGNIFICANT ACCOUNTS

1. Cash and Cash Equivalents

	31 Dec. 2021	31 Dec. 2020
Cash on hand and petty cash	$5,300	$5,376
Saving account	777,570	899,779
Time deposits	23,552	14,091
Investments in bonds with resale agreements - corporate bonds	92,149	70,718
Total	$898,571	$989,964

2. Financial assets at fair value through profit or loss

	31 Dec. 2021	31 Dec. 2020
Mandatorily measured at fair value through profit or loss:		
Derivatives not designated as hedging instruments		
Forward currency contracts	$1,034	$-
Current	$1,034	$-

The Group classified certain of its financial assets at fair value through profit or loss were not pledged.

3. Financial assets at fair value through other comprehensive income

	31 Dec. 2021	31 Dec. 2020
Equity instrument investments measured at fair value through other comprehensive income – Non-current		
Listed companies stocks	$108,655	$109,721
Unlisted companies stocks	119,771	82,015
Total	$228,426	$191,736

The Group classified certain of its financial assets at fair value through other comprehensive income were not pledged.

For equity instrument investments measured at fair value through other comprehensive income, the Group recognized dividends in the amount of NT$2,761 thousand and NT$1,047 thousand for the year ended 31 December 2021 and 2020, the full amount is related to investments held at the end of the reporting period.

4. Financial assets measured at amortized cost

	31 Dec. 2021	31 Dec. 2020
Time deposits	$168,453	$56,182
Investments in bonds with resale agreements - corporate bonds	-	22,494
Total	$168,453	$78,676
Current	$168,453	$78,676

Financial assets measured at amortized cost were not pledged.

The Group classified certain financial assets as financial assets measured at amortized cost. Please refer to Note 6.(19) for more details on loss allowance and Note 12 for more details on credit risk.

5. Notes Receivables and Notes Receivables-Related Parties

	31 Dec. 2021	31 Dec. 2020
Notes receivables	$24,041	$22,498
Less: allowance for doubtful accounts	(81)	(82)
Subtotal	23,960	22,416
Notes receivables-related parties	20,356	13,618
Less: allowance for doubtful accounts	(55)	(57)
Subtotal	20,301	13,561
Total	$44,261	$35,977

Notes receivables were not pledged.

The Group adopted IFRS 9 for impairment assessment. Please refer to Note 6.(19) for more details on accumulated impairment and Note 12 for more details on credit risk.

6. Accounts Receivables and Accounts Receivables-Related Parties

	31 Dec. 2021	31 Dec. 2020
Accounts receivables	$2,881,409	$2,696,063
Less: allowance for doubtful accounts	(242,608)	(245,308)
Subtotal	2,638,801	2,450,755
Accounts receivables-related parties	100,954	63,429
Less: allowance for doubtful accounts	(3,980)	(1,467)
Subtotal	96,974	61,962
Total	$2,735,775	$2,512,717

Please refer to Note 8 for more details on notes receivables under pledge.

Trade receivables are generally on 30-120 day terms. Accounts receivables amounted to NT$ 3,026,760 thousand and NT$2,795,608 thousand as at 31 December 2021 and 2020.
Please refer to Note 6.(19) for more details on impairment of trade receivables for the year ended 31 December 2021 and 2020 and please refer to Note 12 for credit risk disclosure.

7. Inventories

	31 Dec. 2021	31 Dec. 2020
Raw materials	$897,325	$724,146
Work in process	283,079	359,900
Finished goods	3,689,561	2,951,025
Merchandise	709,129	357,365
Net	$5,579,094	$4,392,436

The cost of inventories recognized in expenses amounted to NT$13,569,218 thousand and NT$11,588,776 thousand for the year ended 31 December 2021 and 2020, respectively, including inventory valuation loss NT$55,834 thousand and NT$19,973 thousand for the year ended 31 December 2021 and 2020, respectively.

Please refer to Note 8 for more details on inventories under pledge.

8. Investments Accounted For Under The Equity Method

Details are as follows:

Investee Company	31 Dec. 2021 Amount	31 Dec. 2021 Percentage of ownership	31 Dec. 2020 Amount	31 Dec. 2020 Percentage of ownership
Investments in the associates：				
I YUAN PRECISION INDUSTRIAL CO., LTD	$236,759	18.17%	$238,694	18.17%
JNS AUTO PARTS LIMITED	160,187	20.00%	146,736	20.00%
CHIN-LI-MA HIGHT PERFORMANCE LUMINAIRE CO., LTD.	-	30.00%	-	30.00%
HANGZHOU SUNNYTECH CO., LTD.	10,758	30.00%	11,837	30.00%
ATECH INTERNATIONAL CO., LTD.	54,475	25.00%	58,817	25.00%
Subtotal	462,179		456,084	
Investment in jointly controlled entities：				
PT ASTRA JUOKU INDONESIA	166,913	50.00%	162,522	50.00%
VARROC TYC CORPORATION	1,336,414	50.00%	1,365,040	50.00%
Subtotal	1,503,327		1,527,562	
Total	$1,965,506		$1,983,646	

(1) Investments in associates

The Group’s investments in associates are not individually material. The aggregate carrying amount of the Group’s interests in associates is NT$462,179 thousand, and NT$456,084 thousand, as at 31 December 2021, and 2020, respectively. The aggregate financial information of the Group’s investments in associates is as follows:

	2021	2020
Profit or loss from continuing operations	$32,091	$33,750
Other comprehensive income (post-tax)	1,920	(930)
Total comprehensive income	$34,011	$32,820

The associates had no contingent liabilities or capital commitments as at 31 December 2021, and 2020.

(2) Investments in joint venture

①Information on the material joint venture of the Group:

Company name: VARROC TYC CORPORATION (VARROC)

Nature of relationship with the joint venture: VARROC engages in reinvestment holding activities. Its subsidiary, VARROC TYC AUTO LAMPS CO., LTD. (VTYC) engages in manufacture and sale of lighting fixtures and daily-use product for automobiles.

Principal place of business (country of incorporation)：CHINA

Fair value of the investment in the joint venture when there is a quoted market price for the investment: VARROC TYC is an unlisted entity.

Reconciliation of the joint venture's summarized financial information presented to the carrying amount of the Group's interest in the joint venture:

	31 Dec. 2021	31 Dec. 2020
Current assets	$3,300,989	$3,499,295
Non-current assets	2,855,016	2,564,227
Current liabilities	(3,377,731)	(3,255,330)
Non-current liabilities	(105,425)	(78,070)
Equity	2,672,849	2,730,122
Proportion of the Group's ownership	50%	50%
Subtotal	1,336,424	1,365,061
Eliminations from intercompany transactions	(10)	(21)
Carrying amount of the investment	$1,336,414	$1,365,040

	31 Dec. 2021	31 Dec. 2020
Cash and cash equivalents	$572,991	$859,979
Current financial liabilities excluding trade and other payables and provisions	(176,201)	(335,111)
Non-current financial liabilities excluding trade and other payables and provisions	(43,507)	-

	2021	2020
Operating revenue	$5,170,314	$4,247,161
Depreciation expense	210,271	196,361
Amortization expose	133,581	46,291
Interest income	7,611	9,821
Interest expense	5,970	18,730
Income tax expense or income	(56,735)	14,495
Profit or loss from continuing operations	59,100	232,609
Other comprehensive income	13,215	(109)
Total comprehensive income	72,315	232,500

The joint venture had no contingent liabilities or capital commitments as at 31 December 2021, and 2020. VTYC cannot distribute its profits until it obtains the consent from the two venture partners.

②The Group's investments in PT ASTRA JUOKU INDONESIA are not individually material. The aggregate carrying amount of the Group's interests in PT ASTRA JUOKU INDONESIA is NT$166,913 thousand, and NT$162,522 thousand, as at 31 December 2021, and 2020 , respectively. The aggregate financial information of the Group's investments in PT ASTRA JUOKU INDONESIA is as follows:

	2021	2020
Profit or loss from continuing operations	$10,243	$(21,005)
Other comprehensive income (post-tax)	(3,376)	(7,623)
Total comprehensive income	$6,867	$(28,628)

The joint venture had no contingent liabilities or capital commitments as at 31 December 2021, and 2020. PT ASTRA JUOKU INDONESIA cannot distribute its profits until it obtains the consent from the two venture partners.

③We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method. Those associates and joint ventures under equity method amounted to NT$166,913 thousand and NT$162,522 thousand, as at 31 December 2021 and 2020, respectively. The related shares of profits from the associates and joint ventures under the equity method amounted to NT$10,243 thousand and NT$(21,005) thousand, for the years ended 31 December 2021 and 2020, respectively, and the related shares of other comprehensive income from the associates and joint ventures under the equity method amounted to NT$(3,376) thousand and NT$(7,623) thousand, for the years ended 31 December 2021 and 2020, respectively.

9. Property, plant and equipment

Owner occupied property, plant and equipment

	Land	Land and improvement	Buildings	Machinery and equipment	Molding equipment	Electrical equipment	Transportation equipment	Miscellaneous equipment	Construction in progress	Total
Cost:										
1 Jan. 2021	$992,938	$18,099	$3,384,418	$2,427,836	$9,808,353	$301,770	$214,971	$1,095,146	$237,944	$18,481,475
Addition	-	-	6,809	48,270	934,907	766	3,237	34,002	11,276	1,039,267
Disposal	-	-	(1,156)	(85,288)	(939,512)	-	(3,828)	(10,946)	-	(1,040,730)
Other	-	(4,773)	236,832	9,274	-	-	2,084	32,798	(244,316)	31,899
Exchange difference	(5,630)	(345)	(8,404)	(18,993)	(21,950)	(1,845)	(859)	(16,786)	3,067	(71,745)
31 Dec. 2021	$987,308	$12,981	$3,618,499	$2,381,099	$9,781,798	$300,691	$215,605	$1,134,214	$7,971	$18,440,166
1 Jan. 2020	$999,135	$18,369	$3,393,137	$2,477,076	$9,455,107	$299,529	$215,046	$1,127,266	$227,938	$18,212,603
Addition	-	-	7,924	127,439	1,273,398	2,821	10,981	22,088	12,698	1,457,349
Disposal	-	-	(367)	(155,167)	(905,440)	-	(11,082)	(44,029)	-	(1,116,085)
Other	-	-	941	-	-	635	774	862	(2,458)	754
Exchange difference	(6,197)	(270)	(17,217)	(21,512)	(14,712)	(1,215)	(748)	(11,041)	(234)	(73,146)
31 Dec. 2020	$992,938	$18,099	$3,384,418	$2,427,836	$9,808,353	$301,770	$214,971	$1,095,146	$237,944	$18,481,475
Depreciation and impairment:：										
1 Jan. 2021	$-	$8,434	$1,260,873	$1,734,688	$6,171,820	$185,414	$109,227	$680,783	$-	$10,151,239
Depreciation	-	740	138,648	149,991	1,029,931	12,686	18,419	100,026	-	1,450,441
Disposal	-	-	(1,004)	(77,941)	(938,322)	-	(3,104)	(10,908)	-	(1,031,279)
Other	-	(989)	8,959	1,420	-	(229)	-	1,937	-	11,098
Exchange difference	-	(400)	(9,544)	(16,894)	(21,939)	(1,847)	(826)	(14,132)	-	(65,582)
31 Dec. 2021	$-	$7,785	$1,397,932	$1,791,264	$6,241,490	$196,024	$123,716	$757,706	$-	$10,515,917
1 Jan. 2020	$49,399	$7,490	$1,137,797	$1,743,579	$6,044,184	$171,850	$99,631	$627,217	$-	$9,881,147
Depreciation	-	1,207	133,069	160,426	1,047,334	14,668	20,433	101,179	-	1,478,316
Reversal of impairment loss	(49,399)	-	-	-	-	-	-	-	-	(49,399)
Disposal	-	-	(325)	(154,511)	(905,425)	-	(10,882)	(42,685)	-	(1,113,828)
Other	-	-	-	-	-	75	696	(80)	-	691
Exchange difference	-	(263)	(9,668)	(14,806)	(14,273)	(1,179)	(651)	(4,848)	-	(45,688)
31 Dec. 2020	$-	$8,434	$1,260,873	$1,734,688	$6,171,820	$185,414	$109,227	$680,783	$-	$10,151,239
Net book value:										
31 Dec. 2021	$987,308	$5,196	$2,220,567	$589,835	$3,540,308	$104,667	$91,889	$376,508	$7,971	$7,924,249
31 Dec. 2020	$992,938	$9,665	$2,123,545	$693,148	$3,636,533	$116,356	$105,744	$414,363	$237,944	$8,330,236

The amount of capitalized interests and interest rates are as follows:

Items	2021	2020
Construction in progress and prepayment for equipments	$9,483	$13,127
The interest rate interval of borrowing cost capitalization	0.73%~0.97%	0.93%~1.18%

The material components of building that have different useful lives are the main buildings and factories, which are depreciated over 60 years and 35 years, respectively.

The material components of equipment are mainly the processing equipment, which are depreciated over 10 years.

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

10. Intangible assets

	Trademark right	Patent	Goodwill	Software	Other intangible assets	Total
Cost:						
1 Jan. 2021	$11,947	$10,226	$10,174	$195,602	$61,615	$289,564
Addition - acquired separately	885	2,058	-	15,636	4,688	23,267
Decrease	(515)	(422)	-	(7,194)	(17,590)	(25,721)
Exchange differences	-	-	-	228	-	228
31 Dec. 2021	$12,317	$11,862	$10,174	$204,272	$48,713	$287,338
1 Jan. 2020	$11,398	$8,171	$10,174	$180,519	$56,806	$267,068
Addition - acquired separately	549	2,055	-	15,095	4,809	22,508
Exchange differences	-	-	-	(12)	-	(12)
31 Dec. 2020	$11,947	$10,226	$10,174	$195,602	$61,615	$289,564
Amortization and impairment:						
1 Jan. 2021	$5,538	$2,752	$-	$144,847	$45,754	$198,891
Amortization	1,675	956	-	30,936	8,595	42,162
Decrease	(515)	(422)	-	(7,194)	(17,590)	(25,721)
Exchange differences	-	-	-	163	-	163
31 Dec. 2021	$6,698	$3,286	$-	$168,752	$36,759	$215,495
1 Jan. 2020	$3,768	$1,864	$-	$109,139	$35,879	$150,650
Amortization	1,770	888	-	35,707	9,875	48,240
Exchange differences	-	-	-	1	-	1
31 Dec. 2020	$5,538	$2,752	$-	$144,847	$45,754	$198,891
Net book value:						
31 Dec. 2021	$5,619	$8,576	$10,174	$35,520	$11,954	$71,843
31 Dec. 2020	$6,409	$7,474	$10,174	$50,755	$15,861	$90,673

The Group did not recognized impairment loss of goodwill in 2021 and 2020.

Amortization expense of intangible under the statement of comprehensive income：

	2021	2020
Operating cost	$16,118	$15,232
Operating expense	26,044	33,008
Total	$42,162	$48,240

11. Short-term Borrowings

	Interest rate	31 Dec. 2021	31 Dec. 2020
Unsecured Loans	0.82%~1.60%	$1,591,558	$949,222
Secured Loans	3.25%~3.69%	318,411	280,772
Total		$1,909,969	$1,229,994

Please refer to Note 8 for the detail of the assets including land, buildings, part of accounts receivables and inventories pledged as collateral.

12. Short-term notes and bills payable

	31 Dec. 2021		
Guarantors	Interest rate	Amount	Pledge or Collateral
Commercial paper payable			
International Bills Finance Corporation	0.85%	$170,000	none
Mega Bills Finance Corporation	0.85%	160,000	none
Dah Chung Bills Finance Corporation	0.84%	150,000	none
China Bills Finance Corporation	0.84%	160,000	none
Subtotal		640,000	
Less: Discount of commercial paper payable		(192)	
Net		$639,808	

31 Dec. 2020 : None

13. Financial liabilities at fair value through profit or loss

	31 Dec.2021	31 Dec.2020
Held for trading：		
Derivatives not designated as hedging instruments		
Forward exchange agreement	$-	$917
Cross currency swaps agreement	3,577	16,103
Total	$3,577	$17,020
Current	$3,577	$17,020

14. Long-term Borrowing

Details are as follows:

	31 Dec. 2021		
Creditors	Amount	Interest rate	Redemption
First Bank	$800,000	0.45%	From 1 Jul. 2019 to 15 Sep. 2026. Principal are repaid monthly, starting from 17 Oct. 2022, and interests are repaid monthly.
First Bank	300,000	0.90%	From 16 Aug. 2021 to 16 Aug. 2023. Interests are repaid monthly and bullet repayment on expiry date.
Chang Hwa Bank	700,000	0.50%	From 9 Aug. 2019 to 15 Aug. 2029. Principal are repaid monthly, starting from 17 Oct. 2022, and interests are repaid monthly.
Bank of Taiwan	200,000	0.90%	From 6 Jul. 2021 to 6 Jul. 2023. After applying for each drawdown within the credit line, each transaction shall not exceed 180 days. Interests are repaid monthly and bullet repayment on expiry date.
Bank of Taiwan	450,000	0.72%	Form 6 Jul. 2021 to 15 Jun. 2026. The grace period of 2 years. Principal are repaid monthly, and interests are repaid monthly.
DBS Bank	300,000	0.57%	From 6 Nov. 2019 to 15 Oct. 2024. Principal are repaid monthly, starting from 17 Oct. 2022, and interests are repaid monthly.
DBS Bank	270,000	0.85%	From 14 Apr. 2021 to 14 Apr. 2023. After applying for each drawdown within the credit line, pay off all principal and interest payable of each drawn down facility on the expiry date of each principal loan.
KGI Bank	200,000	0.89%	From 29 Dec. 2021 to 10 Jan. 2024. Interests are repaid monthly and bullet repayment on expiry date.

Creditors	31 Dec. 2021 Amount	Interest rate	Redemption
Yuanta Bank	550,000	0.85%	From 27 Aug. 2021 to 27 Aug. 2023. After applying for each drawdown within the credit line, each transaction shall not exceed 180 days. Interests are repaid monthly and bullet repayment on expiry date.
Hua Nan Bank	500,000	0.46%~0.66%	From 24 Jul. 2020 to 24 Jul. 2025. Principal are repaid monthly, starting from 15 Aug. 2023, and interests are repaid monthly.
Hua Nan Bank	100,000	0.88%	From 5 Feb. 2021 to 5 Feb. 2023. Interests are repaid monthly and bullet repayment on expiry date.
Taipei Fubon Bank	350,000	0.85%	From 26 Sep. 2021 to 26 Sep. 2023. Each transaction shall not exceed 180 days. Interests are repaid monthly and bullet repayment on expiry date.
First Bank	358,456	1.38%	From 27 Dec. 2016 to 27 Dec. 2031. Principal are repaid by 52 quarterly payments, starting from 27 Dec. 2018 to the maturity date. Interests are repaid monthly.
First Bank	445,000	1.25%~1.27%	From 26 Nov. 2021 to 20 Dec. 2023. Interests are repaid monthly and bullet repayment on expiry date.
Hua Nan Bank	80,000	1.27%	From 7 Dec. 2021 to 7 Dec. 2022. Interests are repaid monthly and bullet repayment on expiry date.
Bank Sinopac	150,000	1.35%	From 29 Jun. 2021 to 29 Jun. 2023. Interests are repaid monthly and bullet repayment on expiry date.
Yuanta Bank	180,000	1.30%	From 30 Nov. 2021 to 29 Nov. 2023. Interests are repaid monthly and bullet repayment on expiry date.
Mega Bank	70,000	1.32%	Form 10 Aug. 2021 to 10 Aug. 2026. The grace period of 2 years. Principal are repaid monthly, and interests are repaid monthly.

Creditors	31 Dec. 2021 Amount	Interest rate	Redemption
Chang Hwa Bank	50,000	1.25%	From 27 Dec. 2021 to 26 Dec. 2023. Interests are repaid monthly and bullet repayment on expiry date.
California Bank & Trust (CBT)	65,387 (USD 2,362)	3.35%	Form 1 Jul. 2021 to 30 Jun. 2028. Principal are repaid monthly, and interests are repaid monthly.
DBS Bank	249,570 (USD 9,000)	0.60%	From 14 Apr. 2021 to 14 Apr. 2023. After applying for each drawdown within the credit line, each transaction shall not exceed 180 days. Interests are repaid monthly and bullet repayment on expiry date.
Subtotal	6,368,413		
Less: current portion	(151,077)		
Total	$6,217,336		

Creditors	31 Dec. 2020 Amount	Interest rate	Redemption
First Bank	$800,000	0.45%	From 1 Jul. 2019 to 15 Sep. 2026. Principal are repaid monthly, starting from 17 Oct. 2022 , and interests are repaid monthly.
First Bank	200,000	0.95%	From 14 Aug. 2020 to 14 Aug. 2022. Interests are repaid monthly and bullet repayment on expiry date.
Chang Hwa Bank	700,000	0.50%	From 9 Aug. 2019 to 15 Aug. 2029. Principal are repaid monthly, starting from 17 Oct. 2022 , and interests are repaid monthly.
Bank of Taiwan	200,000	0.96%	From 24 Jun. 2020 to 24 Jun. 2022. After applying for each drawdown within the credit line, each transaction shall not exceed 180 days. Interests are repaid monthly and bullet repayment on expiry date.

	31 Dec. 2020		
Creditors	Amount	Interest rate	Redemption
DBS Bank	300,000	0.57%	From 6 Nov. 2019 to 15 Oct. 2024. Principal are repaid monthly, starting from 17 Oct. 2022, and interests are repaid monthly.
DBS Bank	280,000	0.91%	From 14 Apr. 2020 to 14 Apr. 2022. After applying for each drawdown within the credit line, each transaction shall not exceed 180 days. Interests are repaid monthly and bullet repayment on expiry date.
Mega Bank	150,000	0.92%	From 14 Jun. 2020 to 13 Jun. 2022. Interests are repaid monthly and bullet repayment on expiry date.
KGI Bank	340,000	0.92%	From 29 Nov. 2020 to 29 Nov. 2022. Interests are repaid monthly and bullet repayment on expiry date.
Mizuho Bank	600,000	0.90%	From 20 Nov. 2020 to 20 Nov. 2022. Interests are repaid monthly and bullet repayment on expiry date.
Yuanta Bank	520,000	0.95%	From 19 Aug. 2020 to 18 Aug. 2022. After applying for each drawdown within the credit line, each transaction shall not exceed 180 days. Interests are repaid monthly and bullet repayment on expiry date.
Shin Kong Bank	100,000	0.90%	From 24 Jul. 2020 to 24 Jul. 2025, each drawdown must not exceed 90 days, Interests are repaid monthly and bullet repayment on expiry date.
Hua Nan Bank	200,000	0.46%	From 24 Jul. 2020 to 24 Jul. 2025. Principal are repaid monthly, starting from 15 Aug. 2023, and interests are repaid monthly.
First Bank	394,304	1.38%	From 27 Dec. 2016 to 27 Dec. 2031. Principal are repaid by 52 quarterly payments, starting from 27 Dec. 2018 to the maturity date. Interests are repaid monthly.

Creditors	31 Dec. 2020 Amount	Interest rate	Redemption
First Bank	137,000	1.27%	From 31 Dec. 2020 to 31 Dec. 2022. Interests are repaid monthly and bullet repayment on expiry date.
First Bank	116,000	1.27%	From 31 Dec. 2020 to 31 Dec. 2022. Interests are repaid monthly and bullet repayment on expiry date.
First Bank	60,600	**1.47%**	Form 29 Nov. 2016 to 29 Nov. 2023, grace period of two years. Principal are repaid after the grace period, and interests are repaid monthly.
Bank Sinopac	80,000	1.40%	From 16 Jun. 2020 to 30 Jun. 2022. Interests are repaid monthly and bullet repayment on expiry date.
O-bank	44,445	1.43%	From 15 Dec. 2016 to 15 Dec. 2021. Principal are repaid by 8 quarterly payments, starting from 15 Dec. 2019 to the maturity date. Interests are repaid monthly.
O-bank	50,000	1.43%	From 29 Jan. 2018 to 15 Jan. 2021. Interests are repaid monthly and bullet repayment on expiry date.
O-bank	60,000	1.28%	From 22 Mar. 2019 to 1 Sep. 2022. Principal are repaid by 4 quarterly payments, starting from 1 Dec. 2021 to the maturity date. Interests are repaid monthly.
O-bank	400,000	1.30%	From 25 Dec. 2019 to 1 Jun. 2023. Principal are repaid by 10 quarterly payments, starting from 1 Mar. 2021 to the maturity date. Interests are repaid monthly.
Chang Hwa Bank (The syndicated loan agreement led)	400,000	1.80%	From 13 Apr. 2018 to 13 Apr. 2023. Interests are repaid monthly and bullet repayment on expiry date.
California Bank & Trust (CBT)	68,087 (USD 2,425)	3.30%	Form 12 Jul. 2013 to 31 Jul. 2021. Principal are repaid monthly, and interests are repaid monthly.

Creditors	31 Dec. 2020 Amount	Interest rate	Redemption
DBS Bank	114,120 (USD 4,000)	0.80%	From 14 Apr. 2020 to 14 Apr. 2022. After applying for each drawdown within the credit line, each transaction shall not exceed 180 days. Interests are repaid monthly and bullet repayment on expiry date.
KGI Bank	57,060 (USD 2,000)	0.85%	From 29 Nov. 2020 to 29 Nov. 2022. Interests are repaid monthly and bullet repayment on expiry date.
Subtotal	6,011,616		
Less: current portion	(233,580)		
Less: unamortized expense	(3,317)		
Total	$5,774,719		

Note:

(1) On 31 Jan. 2018, the Company and its subsidiary, JUOKU TECHNOLOGY CO., LTD. reached a syndicated loan agreement with Chang Hwa Bank (the syndicated loan agreement lead bank) and other 12 banks, amounting to NT$3,980,000 thousand. The period of the loan agreement is five years starting from the first drawdown day of the loan within 6 months from the agreement execution date. The loan has been repaid in advance in the third quarter of 2021, and the loan amount has been written off. The Company's annual and semi-annual consolidated financial statements shall maintain specific current ratio, debt ratio, interest coverage multiple and other financial ratios during the term of the agreement and until the obligations under the agreement are fully paid off. The consolidated financial statements of the Company comply with the above joint loan covenant.

(2) On 1 Jul. 2021, California Bank & Trust (CBT) offered credit line of USD 2,387 thousand to W&W REAL PROPERTY, INC. From the execution date of and for the duration of the contract, the calculation of the financial ratios shall be based on the information recorded in the borrower’s latest certified financial report or audit report and shall comply with the financial ratios as follows: Debt service coverage ratio shall be no less than 1.25.

(3) In 2019, the Group financed with designated banks in accordance with the “Project Loan Guidelines to Welcoming Overseas Taiwanese Businesses Return to Invest in Taiwan”, and entered into contract terms and normative matters, and completed them in accordance with the approval letter.

15. Other Long-term Borrowing

31 Dec. 2021 : None

	31 Dec. 2020		
Guarantors	Contract period	Interest rate	Amount
Commercial paper payable			
Chang Hwa Bank (The syndicated loan agreement led)	From 31 Jun. 2018 to 31 Jun. 2023.	1.48%	$2,000,000
Less: Discount of commercial paper payable			(561)
Net			$1,999,439

16. Post-Employment Benefits

Defined contribution plan

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

Subsidiaries located in the People's Republic of China will contribute social welfare benefits based on a certain percentage of employees' salaries or wages to the employees' individual pension accounts.

Pension benefits for employees of overseas subsidiaries and branches are provided in accordance with the local regulations.

Expenses under the defined contribution plan for the years ended 31 December 2021 and 2020 were NT$64,800 thousand and NT$70,970 thousand, respectively.

Defined benefits plan

The Group adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Group contributes an amount equivalent to 2%～3% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before end of each year, the Company and subsidiaries make estimates of the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the following year, the Company will make up the difference in one appropriation before the end of March of the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under a mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes control and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with IAS 19. The Company expects to contribute NT$57,226 thousand to its defined benefit plan during the 12 months beginning after December 31 2021.

The defined benefit obligations were expected to mature in 2027 to 2040 and 2028 to 2040 as of December 31 2021 and 2020, respectively.

Pension costs recognized in profit or loss are as follows:

	2021	2020
Current service cost	$2,977	$3,310
Net interest on the net defined benefit liabilities	867	1,848
Settlements from the plan	-	(5,000)
Total	$3,844	$158

Reconciliations of liabilities (assets) of the defined benefit obligation and plan assets at fair value are as follows:

	31 Dec. 2021	31 Dec. 2020	1 Jan. 2020
Defined benefit obligation	$465,362	$503,471	$512,085
Plan assets at fair value	(247,091)	(232,763)	(226,755)
Net defined benefit liabilities	$218,271	$270,708	$285,330

Reconciliations of liabilities (assets) of the defined benefit plan are as follows:

	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities (assets)
As of 1 January 2020	$512,085	$(226,755)	$285,330
Pension costs recognized in profit or loss：			
Current service cost	3,310	-	3,310
Interest expenses (income)	3,338	(1,490)	1,848
Past service cost and gains or losses arising from settlements	(5,000)	-	(5,000)
Subtotal	1,648	(1,490)	158
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	1,837	-	1,837
Actuarial gains and losses arising from changes in financial assumptions	14,354	-	14,354
Experience adjustments	5,537	-	5,537
Remeasurements of the defined benefit assets	-	(8,012)	(8,012)
Subtotal	21,728	(8,012)	13,716
Payment of benefit obligation	(31,990)	31,990	-
Contribution by employer	-	(28,496)	(28,496)
As of 31 December 2020	503,471	(232,763)	270,708
Pension costs recognized in profit or loss：			
Current service cost	2,977	-	2,977
Interest expenses (income)	1,625	(758)	867
Subtotal	4,602	(758)	3,844
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	(2,311)	-	(2,311)
Actuarial gains and losses arising from changes in financial assumptions	(18,619)	-	(18,619)
Experience adjustments	3,340	-	3,340
Remeasurements ofthe defined benefit assets	-	(3,680)	(3,680)
Subtotal	(17,590)	(3,680)	(21,270)
Payment of benefit obligation	(25,121)	25,121	-
Contribution by employer	-	(35,011)	(35,011)
As of 31 December 2021	$465,362	$(247,091)	$218,271

The principal assumptions used in determining the Group's defined benefit plan are shown below:

	31 Dec. 2021	31 Dec. 2020
Discount Rate	0.64%~0.87%	0.31%~0.42%
Expected rate of salary increase	0.50%~3.00%	0.50%~3.00%

Sensitivity analysis for significant assumption as at 31 December 2021 and 2020 is, as show below:

	2021		2020	
	Defined benefit obligations increase	Defined benefit obligations decrease	Defined benefit obligations increase	Defined benefit obligations decrease
Discount Rate increase by 0.5%	$-	$(3,503)	$-	$(16,685)
Discount Rate decrease by 0.5%	28,395	-	34,659	-
Rate of future salary increase by 0.5%	55,539	-	66,323	-
Rate of future salary decrease by 0.5%	-	(3,210)	-	(16,289)

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

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

17. Equity

(1) Capital

As of 31 December 2021 and 2020, TYC BROTHER INDUSTRIAL CO., LTD.'s registered capital was both NT$4,000,000 thousand with par value at NT$10 per share and has issued 400,000 thousand common shares, and had issued ordinary share capital in the amount of $3,128,979 with 400,000 thousand common shares. The Company has also issued preferred share capital of $300,000 and $0, 30,000 thousand shares and 0 shares respectively.

Preferred stock

On 21 March, 2021, the Company's board of directors resolved to increase each capital by issuing preference shares A, which was approved by the FSC under a letter dated 26 May, 2021, and the record date of capital increase was determined as of 5 August, 2021, it was expected to issue 30,000 thousand shares having a face value of $10 per share at the issue price of NT$50 per share. The right and obligation of this issue are as follows:

A. Maturity date: No maturity date. The preferred shareholders have no rights to request the Company to buy back Preferred Share A. The Company has rights to buy back all or part of the Preferred Share A as of five years after the issue date. The preferred shares still outstanding will retain the aforementioned rights and obligations. If the Company pays out dividends in the year of buyback, the dividend amount will be prorated based on the outstanding days.

B. Dividends: The dividend yield of the preferred share A is 4% (annual rate), (5-year interest rate swap (IRS) rate, 0.64275% + fixed rate, 3.35725%) and calculated at the issue price per share. The five-year IRS rate will be reset on the next business day five years after the issue date and every five years thereafter. The record date of the reset is two business days of financial institutions in Taipei prior to the reset date. The five-year IRS rate is the arithmetic mean of the offer prices of Reuter's TAIFXIRS and COSMOS3 at 11 a.m. on the record date of the reset (business day of financial institutions in Taipei). If the aforesaid offer prices are unavailable on the record date of the reset, the five-year IRS rate shall be determined by the Company based on the principle of good faith and reasonable market conditions.

C. Dividend payment: The preferred share dividends are fully distributed in cash every year. After the financial statements are adopted in an annual general meeting, the Board of Directors shall authorize the chairman to set the record date for paying the preferred share dividends of the previous year. The number of dividends issued in the year of issue and in the year of redemption is calculated based on the actual number of days of issue in the current year.

D. The Company shall apply the current year's earnings, if any, to pay for taxes as stipulated by laws and regulations, offset accumulated losses of previous years, and allocate 10% as legal reserve pursuant to laws and regulations. Special reserve shall be set aside or reversed from net shareholder's equity reduction in current or accumulative in prior years in accordance with related regulations. The remaining earnings along with the accumulated unappropriated earnings in prior years as shareholder bonus, and shall be appropriated as preferred share dividends in accordance with the Article 7-1, Articles of Incorporation.

E. The Company has discretion over the distribution of preferred stock dividends. If the Company does not generate any or sufficient profits during the year for the distribution of preferred stock dividends, it may resolve not to pay out the dividends and preferred stockholders have no rights to object. The Board of Directors shall propose a surplus earnings distribution in accordance with Article 32-1, Articles of Incorporation to be adopted by the annual general meeting. After the surplus earnings distribution is adopted, the distributable amount of preferred share and common shares shall be distributed to preferred shares first.

F. The preferred shares A issued are non-cumulative; that is, the undistributed dividends or shortages in dividends distributed shall not be accumulated and paid in subsequent years when profits are generated.

G. Participating privilege: The preferred shareholders A are not entitled to common shares' cash or share dividends derived from earnings or capital reserve.

H. Distribution of residual property: Preferred shareholders A have a higher claim to the Company's residual properties than common stockholders. Different types of preferred shares issued by the Company grant holders the same rights to claims, and preferred shareholders stay subordinate to general creditors. The amount preferred shareholders are entitled to is capped at the product of number of outstanding preferred shares at the time of distribution and issuance price.

I. Voting rights: Preferred shareholders A have neither voting nor election rights. However, they may be elected as Directors. They have voting rights in preferred shareholders' meetings or with respect to agendas associated with the rights and obligations of preferred shareholders in shareholders' meetings.

J. Conversion to ordinary shares: Preferred Share A is non-convertible.

K. Capital reserve issued at preferred share A premium shall not be used as capital during the issuance of the preferred share.

L. For cash offering of new shares, the preferred shareholders have the same preemptive rights as the common shareholders.

(2) Capital surplus

	As at	
	31 Dec. 2021	31 Dec. 2020
Issuance of shares		
Common stock	$1,023,509	$1,023,509
Preferred stock	1,195,878	-
Subtotal	2,219,387	1,023,509
Treasury stock transactions	28,891	28,891
Bond conversion	239,469	239,469
Share of changes in net assets of associate and joint ventures accounted for using the equity method	73,530	73,530
Adjustments for dividends subsidiaries received from parent company	12,583	12,019
Other	4,017	3,845
Total	$2,577,877	$1,381,263

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

(3) Treasury stock

As of 31 December 2021, 31 December 2020, the Company's shares held by the subsidiary, Company TI FU INVESTMENT CO., LTD. was NT$5,996 thousand, respectively , and the number of treasury stock held by TI FU INVESTMENT CO., LTD. was 940 thousand , respectively. These shares held by Company TI FU INVESTMENT CO., LTD. were acquired for the purpose of financing before the amendment of the Company Act on 12 November 2001.

(4) Retained earnings and dividend policies

The Company's Articles of Incorporation provide that the current net income, after deducting the previous years' losses, shall appropriate 10% as legal reserve, and set aside or reverse special reserve based on the net deduction of shareholders' equity that occurred in the current year and accumulated in the previous period according to the company laws and other regulations of R.O.C. If there is still more than the accumulated undistributed income in the previous year, If there is a balance, and the accumulated undistributed surplus is a shareholder dividend, the balance shall be distributed after the distribution of special dividends (not less than 50% of the available surplus for the current year, of which the cash dividend shall not be less than 10%). The board of directors shall draft a distribution proposal and submit it to the shareholders meeting for a resolution of distribution.

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

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

The FSC on 31 March 2021 issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it.

The appropriations of earnings for 2021 were resolved at the board of directors’ meeting on 24 March 2022. The appropriations of earning for 2020 were resolved at the general shareholders’ meeting on 3 August 2021. The plans were as follows:

	Appropriation of earnings		Dividend per share (NT$)	
	2021	2020	2021	2020
Legal reserve	$20,992	$25,226		
Special reserve	53,990	39,013		
Common stock -cash dividend	156,449	187,739	NT$0.50/ per share	NT$0.60/ per share
Preferred stock -cash dividend (Note)	23,671	-	NT$0.80/ per share	

Note: Calculated based on the number of days outstanding in 2021 and the interest rate of shares at 4%.

Please refer to Note 6.(21) for relevant information on estimation basis and recognized amount of employees compensations and remunerations to directors and supervisors.

(5) Non-controlling interests:

	2021	2020
Beginning balance	$279,978	$214,329
Profit (loss) attributable to non-controlling interests	43,338	24,071
Other comprehensive income attributable to non-controlling interests, net of tax：		
Remeasurements of defined benefit plans	1,047	(614)
Exchange differences resulting from translating the financial statements of foreign operations	(3,173)	(6,445)
Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	-	(523)
Distribute dividends to subsidiaries	(20,000)	(10,000)
Other	-	59,160
Ending balance	$301,190	$279,978

18. Operating revenue

Revenue from contracts with customers	2021	2020
Sale of goods	$15,631,209	$13,733,967
Other revenue	945,406	712,241
Total	$16,576,615	$14,446,208

Analysis of revenue from contracts with customers during the year is as follows:

(1) Disaggregation of revenue

For the year ended 31 December 2021：

	Taiwan Dept	Asian Dept	U.S. Dept	European Dept	Total
Sale of goods	$5,451,586	$567,129	$7,378,429	$2,234,065	$15,631,209
Other revenue	941,574	3,461	371	-	945,406
Total	$6,393,160	$570,590	$7,378,800	$2,234,065	$16,576,615
Timing of revenue recognition:					
At a point in time	$6,393,160	$570,590	$7,378,800	$2,234,065	$16,576,615

For the year ended 31 December 2020：

	Taiwan Dept	Asian Dept	U.S. Dept	European Dept	Total
Sale of goods	$4,902,412	$404,336	$6,445,609	$1,981,610	$13,733,967
Other revenue	710,570	1,170	501	-	712,241
Total	$5,612,982	$405,506	$6,446,110	$1,981,610	$14,446,208
Timing of revenue recognition:					
At a point in time	$5,612,982	$405,506	$6,446,110	$1,981,610	$14,446,208

19. Expected credit losses / (gains)

	2021	2020
Operating Expense- Expected credit losses(gains)		
Notes Receivables	$(3)	$3
Accounts Receivables	4,917	(20,053)
Total	$4,914	$(20,050)

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

The credit risk for measured at amortized cost is assessed as low (the same as the assessment result in the beginning of the period). Therefore, the loss allowance is measured at an amount equal to 12-month expected credit losses. As the Group transacts with are financial institutions with good credit, no allowance for losses has been provided in this period.

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

The Group considers trade receivables that the credit loss is actually included in the impairment loss except for individual customers by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using provision matrix, details are as follow:

As at 31 December 2021

		Overdue				
	Not yet due (Note)	<=90 days	91-180 days	181-270 days	>=271 days	Total
Gross carrying amount	$2,602,021	$204,275	$9,162	$409	$210,893	$3,026,760
Loss ratio	0%~1%	10%~15%	55%~60%	100%	100%	
Lifetime expected credit losses	(7,533)	(22,808)	(5,081)	(409)	(210,893)	(246,724)
Carrying amount	$2,594,488	$181,467	$4,081	$-	$-	$2,780,036

As at 31 December 2020

	Not yet due (Note)	Overdue <=90 days	Overdue 91-180 days	Overdue 181-270 days	Overdue >=271 days	Total
Gross carrying amount	$2,456,427	$109,364	$8,390	$5,507	$215,920	$2,795,608
Loss ratio	0%~1%	5%~10%	55%~60%	80%~90%	100%	
Lifetime expected credit losses	(10,487)	(10,936)	(4,841)	(4,730)	(215,920)	(246,914)
Carrying amount	$2,445,940	$98,428	$3,549	$777	$-	$2,548,694

Note：The Group's note receivables are not overdue.

The movement in the provision for impairment of note receivables and accounts receivables during the year ended 2021 and 2020 is as follows:

	Note receivables	Accounts receivables
1 Jan. 2021	$139	$246,775
Addition/(reversal) for the current period	(3)	4,917
Write off	-	(5,104)
31 Dec. 2021	$136	$246,588
1 Jan. 2020	$136	$286,259
Addition/(reversal) for the current period	3	(20,053)
Write off	-	(19,431)
31 Dec. 2020	$139	$246,775

20. Leases

(1) Group as a lessee

The Group leases various properties, including real estate such as land, buildings machinery and equipment, transportation equipment and other equipment. The lease terms range from 2 to 50 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follow:

A. Amounts recognized in the balance sheet

(a) Right-of-use assets

The carrying amount of right-of-use assets

	As at	
	31 Dec. 2021	31 Dec. 2020
Land	$1,208,889	$1,210,489
Buildings	874,291	636,836
Machinery and equipment	-	11,851
Transportation equipment	1,906	4,552
Total	$2,085,086	$1,863,728

For the year ended 31 December 2021 and 2020, the Group's additions to right-of-use assets amounting to NT$418,676 thousand and NT$23,187 thousand.

(b) Lease liabilities

	As at	
	31 Dec. 2021	31 Dec. 2020
Current	$220,118	$188,161
Non-current	1,764,024	1,587,850
Total	$1,984,142	$1,776,011

Please refer to Note 6.22(3) for the interest on lease liabilities recognized for the year ended 31 December 2021 and 2020 and refer to Note 12.(5) Liquidity Risk Management for the maturity analysis for lease liabilities as at 31 December 2021 and 2020.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	2021	2020
Land	$2,714	$2,684
Buildings	171,678	155,602
Machinery and equipment	337	911
Transportation equipment	2,646	2,657
Other equipment	-	288
Total	$177,375	$162,142

C. Income and costs relating to leasing activities

	2021	2020
The expenses relating to short-term leases	$1,852	$2,912
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	1,416	1,348

D. Cash outflow relating to leasing activities

For the year ended 31 December 2021 and 2020, the Group's total cash outflows for leases amounting to NT$245,397 thousand and NT$234,979 thousand.

21. For the year ended 31 December 2021 and 2020, the Group's personnel, depreciation and amortization expenses are summarized as follows:

Function / Character	2021			2020		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefits expense						
Salaries	$860,328	$784,175	$1,644,503	$790,966	$816,754	$1,607,720
Insurances	93,945	77,782	171,727	83,145	52,324	135,469
Pensions	35,804	32,840	68,644	30,555	40,573	71,128
Other personnel expenses	44,216	25,046	69,262	40,867	25,441	66,308
Depreciations	1,311,554	316,262	1,627,816	1,327,092	313,366	1,640,458
Amortization	16,118	26,044	42,162	15,232	33,008	48,240

According to the Articles of Incorporation, 1% of profit of the current year is distributable as employees' compensation and no higher than 3% of profit of the current year is distributable as remuneration to directors and supervisors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on the profit level, the Company estimated NT$12,000 thousand employees' compensation and NT$5,200 thousand remuneration to directors and supervisors as salaries expenses. A resolution was approved at a Board of Directors meeting held on 24 March 2022 to distribute NT$ 12,000 thousand and NT$5,200 thousand in cash as employee's compensation and remuneration to directors and supervisors, respectively.

There is no significant difference between the actual employee bonuses and remuneration to directors and supervisors distributed from the 2020 earnings and the estimated amount in the financial statements for the year ended 2020.

22. Non-operating income and expenses

(1) Other income

	2021	2020
Rent income	$3,905	$4,447
Interest income	3,503	4,460
Dividend income	2,761	1,047
Government subsidy income	39,311	131,867
Other income-other	51,378	74,608
Total	$100,858	$216,429

(2) Other gains and losses

	2021	2020
Losses (Gains) on disposal of property, plant and equipment	$2,366	$(1,504)
Foreign exchange (losses) gains, net	(151,655)	(55,778)
Reversal (Loss) of Impairment	-	49,399
Gains (losses) on financial assets or liabilities at fair value through profit or loss	19,604	(1,387)
Other losses	(6,485)	(23,677)
Total	$(136,170)	$(32,947)

(3) Finance costs

	2021	2020
Interest on borrowings from bank	$(90,609)	$(124,785)
Interest on lease liabilities	(45,245)	(46,332)
Total	$(135,854)	$(171,117)

23. Components of other comprehensive income (loss)

Year ended Dec. 31, 2021	Arising during the period	Income tax profit (expense)	Net of tax
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit pension plans	$21,269	$(4,254)	$17,015
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income	(2,740)	-	(2,740)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(81,080)	15,581	(65,499)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	14,698	(2,939)	11,759
Total	$(47,853)	$8,388	$(39,465)

Year ended Dec. 31, 2020	Arising during the period	Income tax profit (expense)	Net of tax
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit pension plans	$(13,716)	$2,743	$(10,973)
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income	49,953	-	49,953
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(107,480)	20,207	(87,273)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(10,827)	2,166	(8,661)
Total	$(82,070)	$25,116	$(56,954)

24. Income Tax

The major components of income tax expense (income) for 2021 and 2020 are as follows:

Income tax recorded in profit or loss

	2021	2020
Current income tax expense (benefit):		
Current income tax charge	$72,206	$102,897
Adjustments in respect of current income tax of prior Periods	21,538	(22,182)
Deferred tax expense (income):		
Deferred tax expense (income) related to origination and reversal of temporary differences	(18,077)	49,624
Deferred income tax related to recognition and derecognition of tax losses and unused tax credits	16,228	(11,571)
Other components of deferred tax expense (income)	917	2,446
Total income tax expense (income)	$92,812	$121,214

Income tax relating to components of other comprehensive income

	2021	2020
Deferred tax expense (income):		
Exchange differences on translation of foreign operations	$(15,581)	$(20,207)
Remeasurements of the defined benefit plan	4,254	(2,743)
Share of other comprehensive income(loss) of associates and joint ventures accounted for using the equity method	2,939	(2,166)
Income tax relating to components of other comprehensive income	$(8,388)	$(25,116)

A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rate is as follows:

	2021	2020
Accounting profit before tax from continuing operations	$329,421	$407,901
Tax at the domestic rates applicable to profits in the country concerned	$128,520	$161,246
Tax effect of revenues exempt from taxation	(34,081)	(34,721)
Tax effect of expenses not deductible for tax purposes	195	1,233
Tax effect of deferred tax assets/liabilities	(23,360)	15,638
Adjustments in respect of current income tax of prior periods	21,538	(22,182)
Total income tax expenses recorded in profit or loss	$92,812	$121,214

Significant components of deferred income tax assets and liabilities are as follows:

For the year ended December 31, 2021

	As of 1 Jan. 2021	Recognized in income	Recognized in other comprehensive income	Exchange differences	As of 31 Dec. 2021
Temporary differences					
Unrealized exchange losses (gains)	$3,867	$3,351	$-	$-	$7,218
Allowance for doubtful debts	43,166	651	-	(30)	43,787
Allowance for inventory valuation losses	34,307	14,072	-	(166)	48,213
Exchange differences on translation of foreign operations	98,698	-	12,642	-	111,340
Financial assets at fair value through profit or loss	3,404	(2,896)	-	-	508
Unrealized profits or losses on transactions with associates	91,421	6,477	-	-	97,898
Reserve for land value increment tax	(38,717)	-	-	-	(38,717)
Compensated absences provisions	11,007	259	-	(33)	11,233
Net defined benefit liabilities, non-current	54,141	(6,233)	(4,254)	-	43,654
Depreciation difference for tax purpose	(14,369)	4,046	-	248	(10,075)
Impairment on property, plant and equipment	6,501	(301)	-	-	6,200
Inventories difference for tax purpose	43,084	5,516	-	(597)	48,003
Impairment loss of assets	2,598	(2,598)	-	-	-
Other	29,192	(11,308)	-	(410)	17,474
Unused tax losses	67,726	(9,187)	-	-	58,539
Deferred income tax (expenses)		$1,849	$8,388	$(988)	
Deferred tax assets and liabilities net	$436,026				$445,275
As presented on the financial statement:					
Deferred tax assets	$492,841				$497,544
Deferred tax liabilities	$(56,815)				$(52,269)

For the year ended December 31, 2020

	As of 1 Jan. 2020	Recognized in income	Recognized in other comprehensive income	Exchange differences	As of 31 Dec. 2020
Temporary differences					
Unrealized exchange losses (gains)	$17,324	$(13,457)	$-	$-	$3,867
Allowance for doubtful debts	52,795	(9,500)	-	(129)	43,166
Allowance for inventory valuation losses	30,074	4,809	-	(576)	34,307
Exchange differences on translation of foreign operations	76,325	-	22,373	-	98,698
Financial assets at fair value through profit or loss	600	2,804	-	-	3,404
Unrealized profits or losses on transactions with associates	94,469	(3,048)	-	-	91,421
Reserve for land value increment tax	(38,717)	-	-	-	(38,717)
Compensated absences provisions	10,341	827	-	(161)	11,007
Net defined benefit liabilities, non-current	57,066	(5,668)	2,743	-	54,141
Depreciation difference for tax purpose	7,547	(23,528)	-	1,612	(14,369)
Impairment on property, plant and equipment	16,761	(10,260)	-	-	6,501
Inventories difference for tax purpose	39,781	5,795	-	(2,492)	43,084
Impairment loss of assets	2,598	-	-	-	2,598
Other	29,455	1,602	-	(1,865)	29,192
Unused tax losses	56,155	11,571	-	-	67,726
Deferred income tax (expenses)		$(38,053)	$25,116	$(3,611)	
Deferred tax assets and liabilities net	$452,574				$436,026
As presented on the financial statement:					
Deferred tax assets	$517,419				$492,841
Deferred tax liabilities	$(64,845)				$(56,815)

The following table contains information of the unused tax losses of the Group:

Entity	Year	Tax losses for the period	Unused tax losses as at 31 Dec. 2021	Unused tax losses as at 31 Dec. 2020	Expiration year
TYC	2020	$220,069	$217,069	$256,006	2030
JUOKU	2017	169,608	134,404	169,608	2027
	2018	68,571	68,571	68,571	2028
	2019	13,876	13,876	20,876	2029
	2020	5,808	5,808	5,808	2030
			$439,728	$520,869	

Unrecognized deferred tax assets

As of 31 December 2021 and 2020, deferred tax assets have not been recognized in respect of unused tax losses, unused tax credits and deductible temporary differences amounting to NT$29,407 thousand and NT$36,448 thousand, respectively, as the future taxable profit may not be available.

The assessment of income tax returns

As of 31 December 2021, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	The assessment of income tax returns
The Company	2018
Subsidiary－JUOKU TECHNOLOGY	2019
Subsidiary－DBM	2019
Subsidiary－TI YUAN	2019
Subsidiary－TI FU	2019
Subsidiary－TAMAU MANAGEMENT	2019

25. Earnings per share

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

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	2021	2020
(1) Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$193,271	$262,616
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	311,958	311,958
Basic earnings per share (NT$)	$0.62	$0.84

(2) Diluted earnings per share	2021	2020
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$193,271	$262,616
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	311,958	311,958
Effect of dilution:		
Employee bonus－stock (in thousands)	759	1,064
Weighted average number of ordinary shares outstanding after dilution (in thousands)	312,717	313,022
Diluted earnings per share (NT$)	$0.62	$0.84

During the reporting date and the date the financial statement was prepared, no other transactions affected the common shares and dilutive potential ordinary shares.

VII. RELATED PARTIES TRANSACTIONS

Information of the related parties that had transactions with the Group during the financial reporting period is as follow:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
FORTOP INDUSTRIAL CO., LTD.	Substantive related party
BRITEVIEW AUTOMOTIVE LIGHTING CO., LTD.	The Group is director of the Company
I YUAN PRECISION INDUSTRIAL CO., LTD.	Associate
TAYIH KENMOS AUTO PARTS CO., LTD.	Substantive related party
JNS AUTO PARTS LIMITED	Associate
VARROC TYC AUTO LAMPS CO., LTD.	Joint Venture
TA YIH INDUSTRIAL CO., LTD.	Substantive related party
HANGZHOU SUNNYTECH CO., LTD	Associate
PT ASTRA JUOKU INDONESIA	Joint Venture
BUILDUP INTERNATIONAL TRADING CO., LTD.	Substantive related party
KUNSHAN ATECH AUTOPARTS MANUFACTURING CO., LTD.	Associate
DBM REFLEX ENTERPRISES INC.	Substantive related party

Significant related party transactions

(1) Sales

	2021	2020
Joint Venture		
VARROC TYC AUTO LAMPS CO., LTD.	$46,526	$29,358
PT ASTRA JUOKU INDONESIA	132,162	27,992
Subtotal	178,688	57,350
Other related party		
BRITEVIEW AUTOMOTIVE LIGHTING CO., LTD.	50,048	51,303
TA YIH INDUSTRIAL CO., LTD.	13,281	29,250
FORTOP INDUSTRIAL CO., LTD.	22,747	20,985
Other	7,151	7,054
Subtotal	93,227	108,592
Total	$271,915	$165,942

The Group sold products to some related parties who were single manufacturers, therefore the price could not be compared. The payment term was T/T 150 days. The sales price of some related parties is equivalent to that of non-related parties, and the terms of collection are every other month, payable between 1 to 3 months, which is equivalent to ordinary transactions.

(2) Purchases

	2021	2020
Joint Venture	$1,823	$1,132
Associates		
I YUAN PRECISION INDUSTRIAL CO., LTD.	506,930	541,080
Other	12,940	22,503
Subtotal	519,870	563,583
Other related party		
FORTOP INDUSTRIAL CO., LTD.	919,027	743,844
BUILDUP INTERNATIONAL TRADING CO., LTD.	283,806	207,929
Other	44,159	27,774
Subtotal	1,246,992	979,547
Total	$1,768,685	$1,544,262

The Group purchases goods from some related parties. The bargaining method for purchases is the same as that of non-related parties. The payment terms are the next month of the purchase, payable between 1 to 3 months, which is equivalent to ordinary transactions. The purchase price and payment terms of other related parties are equivalent to those of ordinary transactions.

(3) Notes receivables - related parties

	31 Dec. 2021	31 Dec. 2020
Joint Venture	$8,393	$1,501
Other related party		
BRITEVIEW AUTOMOTIVE LIGHTING CO., LTD.	10,494	11,716
FORTOP INDUSTRIAL CO., LTD.	1,469	401
Subtotal	11,963	12,117
Total	20,356	13,618
Less: allowance for doubtful accounts	(55)	(57)
Net	$20,301	$13,561

(4) Accounts receivables - related parties

	31 Dec. 2021	31 Dec. 2020
Joint Venture		
PT ASTRA JUOKU INDONESIA	$60,246	$17,916
VARROC TYC AUTO LAMPS CO., LTD.	23,213	26,769
Subtotal	83,459	44,685
Other related party		
BRITEVIEW AUTOMOTIVE LIGHTING CO., LTD.	9,873	8,746
TA YIH INDUSTRIAL CO., LTD.	5,848	7,491
Other	1,774	2,507
Subtotal	17,495	18,744
Total	100,954	63,429
Less: allowance for doubtful accounts	(3,980)	(1,467)
Net	$96,974	$61,962

(5) Other receivables - related parties

	31 Dec. 2021	31 Dec. 2020
Joint Venture	$1,802	$4,428
Associates	-	12
Other related party	919	142
Total	$2,721	$4,582

(6) Accounts payables - related parties

	31 Dec. 2021	31 Dec. 2020
Joint Venture	$1,390	$121
Associates		
I YUAN PRECISION INDUSTRIAL CO., LTD.	185,744	264,861
Other	2,341	2,170
Subtotal	188,085	267,031
Other related party		
FORTOP INDUSTRIAL CO., LTD.	305,983	302,845
Other	58,332	40,665
Subtotal	364,315	343,510
Total	$553,790	$610,662

(7) Key management personnel compensation

	2021	2020
Short-term employee benefits	$50,352	$47,002
Post-employment benefits	728	670
Total	$51,080	$47,672

VIII. ASSETS PLEDGED AS SECURITY

	Amount		
Item	31 Dec. 2021	31 Dec. 2020	Purpose of pledge
Property, plant and equipment-Land	$356,194	$356,797	Bank borrowings
Property, plant and equipment-Buildings	840,597	874,343	Bank borrowings
Refundable deposits	29,472	29,472	Collateral for land lease
Inventories	484,537	1,371,621	Bank borrowings
Accounts receivable	626,897	1,021,166	Bank borrowings
Total	$2,337,697	$3,653,399	

IX. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENT

As of 31 December 2021, the Company was involved in the following activities that were not shown in the financial statements:

1. In order to assist the subsidiary T.I.T. INTERNATIONAL CO., LTD. in obtaining loan credit line, the Company issued a Stand-by L/C USD 2,000 thousand as a guarantee.

2. According to “The Regulations Governing the Establishment and Management of Bonded Warehouses”, the Company paid guarantee payable of bonded warehouse registration in the amount of NT$ 8,000 thousand.

3. On 8 July 2020, the Court of California in the United States of America dismissed all claims brought in the United States by Pilot Inc.(Pilot) in relation to commercial disputes including distribution contracts between Pilot and the Company and its subsidiary GENERA and its employees. Pilot again submitted the same dispute to the Singapore International Arbitration Centre for arbitration. The Company's appointed counsel, based on the available information, assessed that Pilot's claim for damages was not supported by relevant evidence and was not legally justified. As of the financial report adoption date of 24 March, 2022, it is not possible to assess the impact of the lawsuit on the Company's financials and business based on the information currently available.

4. In June 2021, the Company was informed that HYUNDAI MOTOR COMPANY and KIA CORPORATION filed a patent infringement lawsuit in the Court of California in the United States, claiming that the Company and its subsidiary GENERA infringed its lamp patents nos. 478 and 931. Having been made aware of the content of the action, the Company, together with its subsidiary GENERA, has appointed lawyers to carry out the proceedings in the interests of the Company. As of the financial report adoption date of 24 March, 2022, it is not possible to assess the impact of the lawsuit on the Company's financials and business based on the information currently available.

X. SIGNIFICANT DISASTER LOSS

None.

XI. SIGNIFICANT SUBSEQUENT EVENTS

None.

XII. OTHER

1. Categories of financial instruments

Financial Assets

	31 Dec. 2021	31 Dec. 2020
Financial assets at fair value through profit or loss：		
Mandatorily measured at fair value through profit or loss	$1,034	$-
Financial assets at fair value through other comprehensive income	228,426	191,736
Financial assets measured at amortized cost:		
Cash and cash equivalents (excludes cash on hand)	893,271	984,588
Financial assets measured at amortized cost	168,453	78,676
Notes receivables (related parties included)	44,261	35,977
Accounts receivables (related parties included)	2,735,775	2,512,717
Other receivable	160,068	115,455
Refundable deposits	54,376	50,887
Subtotal	4,056,204	3,778,300
Total	$4,285,664	$3,970,036

Financial Liabilities

	31 Dec. 2021	31 Dec. 2020
Financial liabilities measured at amortized cost:		
Short-term borrowings and short-term notes and bills payable	$2,549,777	$1,229,994
Payables	4,172,398	4,201,746
Long-term borrowings (current portion included)	6,368,413	6,008,299
Other long-term borrowings	-	1,999,439
Lease liabilities	1,984,142	1,776,011
Guarantee deposit (under the account of other non-current liabilities-others)	44,413	43,341
Subtotal	15,119,143	15,258,830
Financial liabilities at fair value through profit or loss:		
Held for trading	3,577	17,020
Total	$15,122,720	$15,275,850

2. Financial risk management objectives and policies

The Group's risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant financial activities, due approval process by the board of directors and audit committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

3. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise currency risk, interest rate risk, and other price risk (such as equity instruments related risks).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Group also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Group's foreign currency risk is mainly affected by USD and EUR. Sensitivity analysis is as follows:

a. When NTD strengthens/weakens against USD by 1%, the profit for the years ended 31 December 2021 and 2020 decreases/increases by NT$1,140 thousand and NT$47 thousand, respectively.
b. When NTD strengthens/weakens against EUR by 1%, the profit for the years ended 31 December 2021 and 2020 decreases/increases by NT$4,725 thousand and NT$4,564 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings and entering into interest rate swaps. Hedge accounting does not apply to these swaps as they do not qualify for it.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended 31 December 2021 and 2020 to increase/decrease by NT$7,055 thousand and NT$5,999 thousand, respectively.

Equity price risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under held for trading financial assets or available-for-sale financial assets, while unlisted equity securities are classified as available-for-sale. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's board of directors reviews and approves all equity investment decisions.

At the reporting date, a change of 10% in the price of the listed companies stocks classified as equity instruments investments measured at fair value through other comprehensive income could have an impact of NT$156 thousand and NT$110 thousand on the equity attributable to the Group for years ended 31 December 2021 and 2020, respectively.

Please refer to Note 12(9) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

4. Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain customer's credit risk will also be managed by taking credit enhancement procedures, such as requesting for prepayment or insurance.

As of 31 December 2021 and 2020, accounts receivables from top ten customers represented 20.59% and 24.01% of the total trade receivables of the Group, respectively. The credit concentration risk of other accounts receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counterparties.

5. Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, bank borrowings and finance leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial instruments

	Less than 1 year	2 to 3 years	3 to 4 years	> 5 years	Total
31 Dec. 2021					
Borrowings	$2,079,962	$4,796,324	$1,077,071	$537,132	$8,490,489
Short-term notes and bills payable	640,000	-	-	-	640,000
Payables	4,172,398	-	-	-	4,172,398
Lease liabilities(Note)	259,693	481,818	445,026	1,005,743	2,192,280
31 Dec. 2020					
Borrowings	$1,477,946	$6,202,065	$989,288	$786,366	$9,455,665
Payables	4,201,746	-	-	-	4,201,746
Lease liabilities(Note)	238,121	397,406	322,715	1,041,846	2,000,088

Note：Information about the maturities of lease liabilities is provided in the table below:

	Maturities			
	Less than 5 years	5 to 10 years	10 to 15 years	Total
31 Dec. 2021	$1,186,537	$444,153	$561,590	$2,192,280
31 Dec. 2020	958,242	438,370	603,476	2,000,088

6. Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities as at 31 December 2021 and 2020:

	Short-term borrowings	Short-term notes and bills payable	Long-term Borrowings (Current portion included)	Other borrowings	Lease liabilities	Total liabilities from financing activities
1 Jan. 2021	$1,229,994	$-	$6,008,299	$1,999,439	$1,776,011	$11,013,743
Cash flows	694,417	639,808	361,768	(1,999,439)	(196,884)	(500,330)
Non-cash change	-	-	-	-	418,300	418,300
Foreign exchange movement	(14,442)	-	(1,654)	-	(13,285)	(29,381)
31 Dec. 2021	$1,909,969	$639,808	$6,368,413	$-	$1,984,142	$10,902,332

	Short-term borrowings	Short-term notes and bills payable	Long-term Borrowings (Current portion included)	Other borrowings	Lease liabilities	Total liabilities from financing activities
1 Jan. 2020	$2,124,718	$589,354	$5,334,394	$1,998,616	$1,981,248	$12,028,330
Cash flows	(835,325)	(589,354)	678,619	823	(184,387)	(929,624)
Non-cash change	-	-	-	-	20,624	20,624
Foreign exchange movement	(59,399)	-	(4,714)	-	(41,474)	(105,587)
31 Dec. 2020	$1,229,994	$-	$6,008,299	$1,999,439	$1,776,011	$11,013,743

7. Fair value of financial instruments

(1) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

A. The carrying amount of cash and cash equivalents, trade receivables, refundable deposits, accounts payable, guarantee deposit and other current liabilities approximate their fair value due to their short maturities.

B. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities etc.) at the reporting date.

C. Fair value of equity instruments without market quotations (including private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities)

D. Fair value of debt instruments without market quotations, bank loans, short-term notes and bills payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

(2) Fair value of financial instruments measured at amortized cost

The book value of financial assets and liabilities at fair value through profit or loss approaches fair value.

(3) Fair value measurement hierarchy for financial instruments

Please refer to Note 12.(9) for fair value measurement hierarchy for financial instruments of the Group.

8. Derivative financial instruments

The Group's derivative financial instruments include forward currency contracts and embedded derivatives. The related information for derivative financial instruments not qualified for hedge accounting and not yet settled as at 31 December 2021 and 2020 is as follows:

Forward currency contracts

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

Items (by contract)	Notional Amount	Contract Period
As at 31 Dec. 2021		
Forward currency contract	Sell foreign currency USD 6,000 thousand	From 14 Dec. 2021 to 24 Jan. 2022
Forward currency contract	Sell foreign currency EUR 2,000 thousand	From 16 Dec. 2021 to 14 Feb. 2022
As at 31 Dec. 2020		
Forward currency contract	Sell foreign currency EUR 1,000 thousand	From 30 Nov. 2020 to 25 Feb. 2021

With regard to the forward foreign exchange contracts, as they have been entered into to hedge the foreign currency risk of net assets or net liabilities, and there will be corresponding cash inflow or outflows upon maturity and the Group has sufficient operating funds, the cash flow risk is insignificant.

Cross Currency Swaps Contract

Cross currency swaps contract is used to avoid exchange rate and interest rate risks, but these contracts were not designated as hedging instruments. The unexpired cross currency swaps contract that the Group did not apply hedging accounting are as follows:

31 December 2021：

Contract amount	Contract period	Interest rate paid	Charge interest rate	During the exchange
Swap out USD 6,000 thousand	From 17 Apr.	-	0.61%	From 18 Jan.
Exchange into NT$ 168,000	2020 to 17 Apr.			2021 to 18 Jan.
thousand	2022	0.66%	-	2022

Contract amount	Contract period	Interest rate paid	Charge interest rate	During the exchange
Swap out USD 3,000 thousand	From 17 Apr.	-	0.61%	From 26 Mar.
Exchange into NT$ 84,600	2020 to 17 Apr.			2021 to 28 Mar.
thousand	2022	0.66%	-	2022

31 December 2020：

Contract amount	Contract period	Interest rate paid	Charge interest rate	During the exchange
Swap out USD 4,000 thousand	From 17 Apr.	-	0.81%	From 10 Mar.
Exchange into NT$ 119,840	2019 to 17 Apr.			2020 to 10 Mar.
thousand	2021	0.80%	-	2021

Contract amount	Contract period	Interest rate paid	Charge interest rate	During the exchange
Swap out USD 2,000 thousand	From 29 Nov.	-	0.85%	From 13 Mar.
Exchange into NT$ 59,856	2019 to 29 Nov.			2020 to 4 Mar.
thousand	2021	0.74%	-	2021

Contract amount	Contract period	Interest rate paid	Charge interest rate	During the exchange
Swap out USD 3,000 thousand	From 3 Jun.	-	0.75%	From 20 Mar.
Exchange into NT$ 90,645	2019 to 3 Jun.			2020 to 17 Mar.
thousand	2030	0.50%	-	2021

The aforementioned derivatives transaction counterparties are well-known domestic and foreign banks with good credit, so the credit risk is not high.

9. Fair value measurement hierarchy

(a) Fair value measurement hierarchy

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

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

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

Level 3 - Unobservable inputs for the asset or liability

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

(b) Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

31 Dec. 2021

	Level 1	Level 2	Level 3	Total
Financial assets at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contract	$-	$1,034	$-	$1,034
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	108,655	-	119,771	228,426
Financial liabilities at fair value:				
Financial liabilities at fair value through profit or loss				
Cross currency swaps contract	-	3,577	-	3,577

31 Dec. 2020

	Level 1	Level 2	Level 3	Total
Financial assets at fair value:				
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	$109,721	$-	$82,015	$191,736
Financial liabilities at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contracts	-	917	-	917
Cross currency swaps contract	-	16,103	-	16,103

Transfers between Level 1 and Level 2 during the period

During the year ended 31 December 2021 and 2020, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	At fair value through other comprehensive income - stocks	At fair value through other comprehensive income - stocks
	2021	2020
Beginning balances	$82,015	$73,572
Total gains and losses recognized:		
Amount recognized in OCI(presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	7,039	8,443
Acquired in the period	50,000	-
Proceeds from capital reduction in the period	(19,283)	-
Ending balances	$119,771	$82,015

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As at 31 December 2021

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's profit or loss by NT$12,958 thousand

As at 31 December 2020

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's profit or loss by NT$8,894 thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's Finance Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

10. Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	31 Dec. 2021		
	Foreign Currency	Exchange	NTD
Financial Assets			
Monetary items:			
USD	$94,616	27.687853	$2,619,714
EUR	14,271	31.403533	448,160
CNY	25,409	4.350654	110,546
Financial Liabilities			
Monetary items:			
USD	96,496	27.687853	2,671,767
EUR	1,225	31.403533	38,469
CNY	25,624	4.350654	111,481

	31 Dec. 2020		
	Foreign Currency	Exchange	NTD
Financial Assets			
Monetary items:			
USD	$81,686	28.077249	$2,293,518
EUR	14,129	34.433169	486,506
CNY	32,833	4.294707	141,008
Financial Liabilities			
Monetary items:			
USD	81,851	28.077249	2,298,151
EUR	1,875	34.433169	64,562
CNY	25,439	4.294707	109,253

The Group has various functional currencies, no information about the foreign exchange gains or losses by a specific currency is available. For the years ended 31 December 2021 and 2020, the foreign exchange gains or losses on monetary financial assets and financial liabilities were NT$151,655 thousand, NT$55,778 thousand, respectively.

The above information is disclosed based on the carrying amounts of the foreign currencies (after conversion to the functional currency).

11. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

XIII. ADDITIONAL DISCLOSURES

(1) The following are additional disclosures for the Company and its affiliates as required by the R.O.C. Securities and Futures Bureau:

(a) Financing provided to others for the year ended 31 December 2021: Please refer to Attachment 2.

(b) Endorsement/Guarantee provided to others for the year ended 31 December 2021: Please refer to Attachment 3.

(c) Securities held as of December 31, 2021 (excluding subsidiaries, associates and joint venture): Please refer to Attachment 4.

(d) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the capital stock for the year ended 31 December 2021: None.

(e) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock for the year ended 31 December 2021: None.

(f) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock for the year ended 31 December 2021: None.

(g) Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of the capital stock f for the year ended 31 December 2021: Please refer to Attachment 5.

(h) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock as of December 31, 2021: Please refer to Attachment 6.

(i) Names, locations and related information of investees as of December 31, 2020(excluding investment in Mainland China): Please refer to Attachment 7.

(j) Financial instruments and derivative transactions: Please refer to Note6(2), Note6(13) and Note12(8).

(k) The business relationship, significant transactions and amounts between parent company and subsidiaries: Please refer to Attachment 1.

(2) Investment in Mainland China:

(a) Investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, net income (loss) of investee company, percentage of ownership, investment income (loss), carrying amount of investments, cumulated inward remittance of earnings and limits on investment in Mainland China: Please refer to Attachment 8.

(b) Directly or indirectly significant transactions through third regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss, and other events with significant effects on the operating results and financial condition: Please refer to Attachment 2, Attachment 3 and Attachment 8.

(3) Information on major shareholders: Please refer to Attachment 9.

XIV. SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on its products and services and has four reportable segments as follows:

Taiwan Market: Responsible for all orders and production of lamps and molds in Taiwan.
Asian Market: Responsible for all orders and sales of lamps and molds in Asia.
U.S. Market: Responsible for the order and sales of all lighting products in the Americas.
European Market: Responsible for the order and sales of all lighting products in Europe.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements. However income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segment are on an arm’s length basis in a manner similar to transactions with third parties.

1. Segment information about profit and loss.

2021	Taiwan Market	Asian Market	U.S. Market	European Market	Adjustments and eliminations	Total
Revenue						
External customers	$6,393,160	$570,590	$7,378,800	$2,234,065	$-	$16,576,615
Inter-segment(Note)	6,948,915	492,481	-	-	(7,441,396)	-
Total revenue	$13,342,075	$1,063,071	$7,378,800	$2,234,065	$(7,441,396)	$16,576,615
Segment profit	$446,180	$(20,217)	$156,837	$54,014	$(307,393)	$329,421

2020	Taiwan Market	Asian Market	U.S. Market	European Market	Adjustments and eliminations	Total
Revenue						
External customers	$5,612,982	$405,506	$6,446,110	$1,981,610	$-	$14,446,208
Inter-segment(Note)	5,829,073	476,539	-	-	(6,305,612)	-
Total revenue	$11,442,055	$882,045	$6,446,110	$1,981,610	$(6,305,612)	$14,446,208
Segment profit	$456,487	$10,690	$312,565	$70,327	$(442,168)	$407,901

Note: Inter-segment revenue are eliminated on consolidation and recorded under the "adjustment and elimination" column.

1. Geographic information:

A. From external client revenue: based on the country of the customer

Country	2021	2020
Taiwan	$1,112,259	$1,138,291
China	403,521	307,498
Netherlands	2,261,440	2,007,306
America	7,699,221	6,717,146
Other	5,100,174	4,275,967
Total	$16,576,615	$14,446,208

B. Non-current assets:

Country	31 Dec. 2021	31 Dec. 2020
Taiwan	$9,497,737	$9,814,927
China	765,270	822,939
Others	1,156,555	935,064
Total	$11,419,562	$11,572,930

2. Product information:

Product	2021	2020
Automobile lights	$14,087,277	$12,406,375
General Merchandise	1,247,596	1,218,794
Models	296,336	108,798
Others	945,406	712,241
Total	$16,576,615	$14,446,208

3. Important client information:

	2021	2020
Client A	$1,722,790	$1,741,506

Attachment 1: Significant intercompany transactions between consolidated entities

No.(Note 1)	Related-party	Counter party	Relationship with the Company (Note 2)	Transactions			
				Account	Amount	Collection periods	Percentage of consolidated operating revenues or consolidated total assets (Note 3)
0	The Company	JUOKU TECHNOLOGY	1	Purchase	$305,392	credit on 90 days	1.84%
0	The Company	JUOKU TECHNOLOGY	1	Accounts payables	123,573	credit on 90 days	0.51%
0	The Company	JUOKU TECHNOLOGY	1	Mold equipment	41,773	60% advance prepaid,and the balance 40% will be paid after acceptance	0.17%
0	The Company	JUOKU TECHNOLOGY	1	Sales	28,597	credit on 90 days	0.17%
0	The Company	DBM	1	Mold equipment	72,289	60% advance prepaid,and the balance 40% will be paid after acceptance	0.30%
0	The Company	T.I.T.	1	Purchase	237,798	credit on 60 days	1.43%
0	The Company	T.I.T.	1	Accounts payables	68,181	credit on 60 days	0.28%
0	The Company	T.I.T.	1	Sales	108,365	T/T150 days	0.65%
0	The Company	T.I.T.	1	Accounts receivables	47,290	T/T150 days	0.20%
0	The Company	EUROPE	1	Sales	1,909,486	T/T120 days	11.52%
0	The Company	EUROPE	1	Accounts receivables	534,600	T/T120 days	2.22%
0	The Company	TAMAO PRECISION	1	Accounts payables	35,051	credit on 90 days	0.15%
0	The Company	TAMAO PRECISION	1	Mold equipment	271,431	60% advance prepaid,and the balance 40% will be paid after acceptance	1.13%
0	The Company	GENERA	1	Sales	4,253,801	T/T135 days	25.66%
0	The Company	GENERA	1	Accounts receivables	1,988,403	T/T135 days	8.27%
0	The Company	KUN SHAN TYC	1	Sales	171,673	T/T120 days	1.04%
0	The Company	KUN SHAN TYC	1	Accounts receivables	194,146	T/T120 days	0.81%
0	The Company	KUN SHAN TYC	1	Purchase	58,850	credit on 120 days	0.36%
0	The Company	KUN SHAN TYC	1	Accounts payables	26,369	credit on 120 days	0.11%
1	SUPRA-ATOMIC	KUN SHAN TYC	3	Other receivables	24,867 (USD900)	Financing	0.10%

(Note 1)The Company and its subsidiaries are coded as follows:

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

(Note 2)Transactions are categorized as follows:

1. The holding company to subsidiary.
2. Subsidiary to holding company.
3. Subsidiary to subsidiary.

(Note 3)The percentage with respect to the consolidated asset/liability for transactions of balance sheet items are based on each item's balance at period-end.
For profit or loss items, interim cumulative balances are used as basis.

(Note 4)The exchange rate of the USD to the NTD is 1: 27.63.

Attachment 2: Financing provided to others

No. (Note 1)	Lender	Counter-party	Financial statement account	Related Party	Maximum balance for the period (Note 7)	Ending balance	Actual amount provided	Interest rate	Nature of financing (Note 4)	Amount of sales to (purchases from) counter-party (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit of financing amount for individual counter-party (Note 2)	Limit of total financing amount (Note 3)	Note
													Item	Value			
1	SUPRA-ATOMIC	KUN SHAN TYC	Other receivables	Y	$24,867 (USD 900)	$24,867 (USD 900)	$24,867 (USD 900)	2.70%	2	$-	Need for operating	$-	-	$-	1,369,401	$1,369,401	(Note 8)

(Note 1) The financial information of the parent company and its subsidiaries are coded as follows:

(1) The Company is coded "0".

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

(Note 2) Limit of financing amount for individual counterparty:

(1) Business contacts: limit of financing amount for individual counterparty shall not exceed 20% of the lender's net asste's value and the amount needed for operation. The amount of operation is the amount of business transaction in recent year between the lender and the counterparty.

(2) Necessary of need for operating：Limit of financing amount for individual counterparty shall not exceed 20% of the lender's net assets value as of the period.

(3) Individual financing between foreign companies of which subsidiaries directly and indirectly hold 100% voting shares is not subject to the limit of 20% of the lender's net assets value as of the period, but is limited to 100% of total assets.

(Note 3) Limit of total financing amount shall not exceed 40% of the subsidiary's net asset value.

(1) Individual financing between foreign companies of which subsidiaries directly and indirectly hold 100% voting shares is not subject to the limit of 40% of the lender's net asset of thef period, but is limited to 100% total assets.

(Note 4) The financing provided to others are coded as follows:

(1) Business contacts is coded "1".

(2) Short-term financing is coded "2".

(Note 5) If financing provided to others is coded "1" , the amount of business transactions should be filled in. The amount of operation is the amount of business transaction in recent year between lender and the counterparty.

(Note 6) If financing provided to others is coded "2". The reasons for the necessary loans and funds and the use of the loans and counterparty shall be specified, such as repayment, purchasing equipments, necesarry for operating, etc.

(Note 7) The balance of which is the maximum balance of financing provided to others in the current year.

(Note 8) The above transactions made between consolidated entities in the Group have been eliminated.

(Note 9) The exchange rate of the USD to the NTD is 1:27.63.

Attachment 3: Endorsement/Guarantee provided to others

No. (Note1)	Endorsor/ Guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party (Note 3)	Maximum balance for the period (Note 5)	Ending balance (Note 6)	Actual amount provided (Note7)	Amount of collateral guarantee/ endorsement	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee/ endorsement amount (Note 4)	Parent company's guarantee/ endorsement amount to subsidiaries	Subsidiaries' guarantee/ endorsement amount to parent company	Guarantee/ endorsement amount to company in Mainland China	Note
		Company name	Releationship (Note 2)											
0	The Company	KUN SHAN TYC	(2)	$1,577,951	$524,970 (USD 19,000)	$524,970 (USD 19,000)	$442,080 (USD 16,000)	-	6.65%	$3,155,902	Y	N	Y	(Note 8)
0	The Company	T.I.T.	(2)	1,577,951	138,150 (USD 5,000)	138,150 (USD 5,000)	138,150 (USD 5,000)	-	1.75%	3,155,902	Y	N	N	(Note 8)
0	The Company	JUOKU TECHNOLOGY	(2)	1,577,951	900,000	-	-	-	-	3,155,902	Y	N	N	(Note 8)

(Note 1) The Company and its subsidiaries are coded as follows:

(1) The Company is coded "0".

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

(Note 2) According to the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers" issued by the R.O.C. Securities and Futures Bureau, the receiving parties shall be disclosed as one of the following:

(1) A company with which it does business.

(2) A company in which the public company directly and indirectly holds more than 50% of the voting shares.

(3) A company that directly and indirectly holds more than 50 % of the voting shares in the public company.

(4) A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.

(5) A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

(6) A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.

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

(Note 3) Limit of guarantee/endorsement amount for receiving party is 20% of the net worth of the financial report reviewed by the certified public accountants as of 31 December 2021.

(Note 4) Limit of total guarantee/ endorsement amount is 40% of the net worth of the financial report reviewed by the certified public accountants as of 31 December 2021.

(Note 5) The balance of which is the maximum balance of endorsement/guarantee provided to others in the current year.

(Note 6) The amount the Company and its subsidiaries approved through the board of directors for the endorsements for others.

(Note 7) The actual amount drawn within endorsement balance by the endorsed company.

(Note 8) The above transactions made between consolidated entities in the Group have been eliminated.

(Note 9) The exchange rate of USD to NTD is 1:27.63.

Attachment 4: Securities held as of 31 December 2021. (Excluding subsidiaries, associates and joint ventures)

Holding Company	Type and name of securities(Note1)	Relationship	Financial statement account	as of 31 December 2021				Note
				Shares(per)	Book value	Percentage of ownership (%)	Fair value	
The Company	Unlisted stock-FORTOP INDUSTRIAL CO.,LTD	Substantive related parties of the company	Financial assets measured at fair value through other comprehensive gains and losses, non-current	391,722	$43,157	19.59%	$43,157	No guarantee or pledge
	Unlisted stock-BRITEVIEW AUTOMOTIVE LIGHTING CO., LTD.	The parent company is its corporate director	Financial assets measured at fair value through other comprehensive gains and losses, non-current	360,000	13,327	18.00%	13,327	No guarantee or pledge
	Unlisted stock-WK Technology Fund IV Ltd.	None	Financial assets measured at fair value through other comprehensive gains and losses, non-current	170,467	255	1.60%	255	No guarantee or pledge
	Unlisted stock-WK Technology Fund Ltd.	None	Financial assets measured at fair value through other comprehensive gains and losses, non-current	4,219	41	0.42%	41	No guarantee or pledge
	Unlisted stock- WK Technology Fund V Ltd.	None	Financial assets measured at fair value through other comprehensive gains and losses, non-current	476,850	470	1.67%	470	No guarantee or pledge
	Unlisted stock-WK Technology Fund VI Ltd.	None	Financial assets measured at fair value through other comprehensive gains and losses, non-current	289,000	228	1.14%	228	No guarantee or pledge
	Listed stock-LSC Ecosystem Corporation	None	Financial assets measured at fair value through other comprehensive gains and losses, non-current	3,333,333	50,000	2.82%	50,000	No guarantee or pledge
	Listed stock-LASTER TECHCO., LTD	None	Financial assets measured at fair value through other comprehensive gains and losses, non-current	583,421	25,700	0.60%	25,700	No guarantee or pledge
JUOKU TECHNOLOGY	Unlisted stock-WK Technology Fund VI Ltd.	Investment company measured at fair value through other comprehensive gains and losses	Financial assets measured at fair value through other comprehensive gains and losses, non-current	144,500	1,041	0.57%	1,041	No guarantee or pledge
TSM	Fuzhou Ching Ho Automobile Accessory Co., Ltd.	Investment company measured at fair value through other comprehensive gains and losses	Financial assets measured at fair value through other comprehensive gains and losses, non-current	-	8,010	3.73%	8,010	No guarantee or pledge
TI YUAN	Unlisted stock- WK Technology Fund VII Ltd.	None	Financial assets measured at fair value through other comprehensive gains and losses, non-current	179,200	964	1.06%	964	No guarantee or pledge
	Listed stock-I YUAN PRECISION INDUSTRIAL CO., LTD.	The Company measured at fair value for using equity method.	Investment accounting for using equity method	900,914	38,152	2.51%	-	No guarantee or pledge(Note 2)
TI FU	Listed stock-T.Y.C. BROTHER INDUSTRIAL CO., LTD.	Holding company's parent company	Financial assets measured at fair value through other comprehensive gains and losses, non-current	939,707	18,230	-	18,230	No guarantee or pledge(Note 3)
	Unlisted stock-WK Technology Fund V Ltd.	None	Financial assets measured at fair value through other comprehensive gains and losses, non-current	238,425	1,761	0.83%	1,761	No guarantee or pledge
	Unlisted stock-WK Technology Fund VI Ltd.	None	Financial assets measured at fair value through other comprehensive gains and losses, non-current	72,250	517	0.29%	517	No guarantee or pledge
	Listed stock-LASTER TECH CO., LTD.	None	Financial assets measured at fair value through other comprehensive gains and losses, non-current	1,883,216	82,955	1.95%	82,955	No guarantee or pledge

(Note 1)Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9 ‘Financial instruments’.
(Note 2)The investment was accounted for using the equity method in the consolidated financial statement.
(Note 3)The above transactions made between consolidated entities in the Group have been eliminated.

Attachment 5: Related party transactions for purchases and sales exceeding the lower of NT$100 million or 20 percent of the capital stock as of 31 December 2021

Related party	Counterparty	Relationship	Intercompany Transactions				Details of non-arm's		Notes and accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total consolidated purchase (Sales)	Terms	Unit price	Terms	Carrying amount	Percentage of total consolidated receivables (payable)	
The Company	GENERA	Subsidiary of the Company	Sales	$4,253,801	38.00%	T/T 135 days	The price is determined according to the US OEM price×0.24 as the reference price	Generally, payment is received 1 to 3 months after the end of the month. Due to the long distance of transportation, longer payment terms will be imposed.	Accounts receivable $1,988,403	50.15%	(Note 1)
	TYC EUROPE	Subsidiary of the Company	Sales	1,909,486	17.06%	T/T 120 days	A single manufacturer and no other manufacturers to compare	Generally, payment is received 1 to 3 months after the end of the month. Due to the long distance of transportation, longer payment terms will be imposed.	Accounts receivable 534,600	13.48%	(Note 1)
	KUN SHAN TYC	Subsidiary of the Company	Sales	171,673	1.53%	T/T 120 days	comparable to general customers		Accounts receivable 194,146	4.90%	(Note 1)
	T.I.T.	Subsidiary of the Company	Sales	108,365	0.97%	T/T 150 days	comparable to general customers		Accounts receivable 47,230	1.19%	(Note 1)
	JUOKU TECHNOLOGY	Subsidiary of the Company	Purchases	305,392	3.86%	credit on 90 days	comparable to general customers		Accounts payable 123,573	4.70%	(Note 1)
	T.I.T.	Subsidiary of the Company	Purchases	237,798	3.01%	credit on 60 days	comparable to general customers		Accounts receivable 68,181	2.60%	(Note 1)
	FORTOP INDUSTRIAL CO.,LTD	Substantive related parties of the company	Purchases	873,087	11.03%	credit on 90 days	comparable to general customers		Accounts payable 294,294	11.20%	-
	I YUAN PRECISION INDUSTRIAL CO., LTD.	The Company measured at fair value for using equity method.	Purchases	506,930	6.41%	credit on 90 days	comparable to general customers		Accounts payable 179,521	6.83%	-
	BUILDUP INTERNATIONAL TRADING CO., LTD.	Substantive related parties of the Company	Purchases	236,306	2.99%	credit on 20 days	comparable to general customers		Accounts payable 21,200	0.81%	-
JUOKU TECHNOLOGY	The Company	Holding company's parent company	Sales	404,213	20.98%	T/T 90 days	N/A		Accounts receivable 123,552	26.67%	(Note 1)
JUOKU TECHNOLOGY	PT ASTRA JUOKU INDONESIA	Joint ventures of the Company	Sales	132,162	6.86%	credit on 90 days	N/A		Accounts receivable 60,246	13.00%	-
T.I.T.	The Company	Holding company's parent company	Sales	211,833 (THB 260,014)	47.01%	T/T 90 days	N/A		Accounts receivable 69,247 (THB 84,997)	49.41%	(Note 1)
TAMAO PRECISION	The Company	Holding company's parent company	Sales	194,211 (USD 7,029)	71.82%	T/T 90 days	N/A		Accounts receivable 157,187 (USD 5,689)	75.89%	(Note 1)
KUN SHAN TYC	The Company	Holding company's parent company	Purchases	176,104 (CNY 40,774)	62.50%	T/T 120 days	N/A		Accounts payable 194,796 (CNY 45,102)	85.54%	(Note 1)
GENERA	The Company	Holding company's parent company	Purchases	4,106,870 (USD 148,638)	75.27%	T/T 135 days	N/A		Accounts payable 1,828,473 (USD 66,177)	83.83%	(Note 1)
TYC EUROPE	The Company	Holding company's parent company	Purchases	1,800,466 (EUR 57,856)	100.00%	T/T 120 days	N/A		Accounts payable 504,611 (EUR 16,215)	100.00%	(Note 1)
T.I.T.	The Company	Holding company's parent company	Purchases	103,038 (THB 126,473)	39.18%	T/T 90 days	N/A		Accounts payable 40,106 (THB 49,228)	49.87%	(Note 1)

(Note 1) The above transations made between consolidated entities in the Group have been eliminated.
(Note 2) The exchange rate of USD to NTD is 1:27.63.
The exchange rate of EUR to NTD is 1:31.12.
The exchange rate of THB to NTD is 1:0.8147.
The exchange rate of CNY to NTD is 1:4.319.

Attachment 6: Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock as of December 31, 2021

Related party	Counterparty	Relationship	Amount	Average collection turnover	Overdue account receivable-related parties		Amount received in subsequent period	Allowance for doubtful debts	Note
					Amount	Processing method			
The Company	GENERA	Subsidiary of the Company	$1,988,403	2.33	$371,309	Collection has been strengthened	$882,379	$-	(Note 1)
	TYC EUROPE	Subsidiary of the Company	534,600	4.47	30	Collection has been strengthened	226,612	-	(Note 1)
	KUN SHAN TYC	Subsidiary of the Company	194,146	0.95	164,265	Collection has been strengthened	10,911	-	(Note 1)
JUOKU TECHNOLOGY	The Company	Holding company's parent company	123,552	3.32	-	Collection has been strengthened	63,154	-	(Note 1)

(Note 1)The above transactions made between consolidated entities in the Group have been eliminated.
(Note 2)The exchange rate of the USD to the NTD is 1:27.63

Attachment 7: Names, locations, main businesses and products, original investment amount, investment as of 31 December 2021, net income (loss) of investee company and investment income (loss) recognized as of 31 December 2021: (Excluding investment in Mainland China)

Investor	Investee company	Address	Main businesses and products	Initial Investment		Investment as of 31 December 2021			Net income (loss) of investee company	Investment income (loss) recognized (Note2)	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value (Note1)			
The Company	JUOKU TECHNOLOGY	No. 25, Gongye 3rd Rd., Annan Dist., Tainan City	Manufacturing, and sale of automobile parts	$313,730	$313,730	27,923,401	72.10%	$227,157	$56,406	$40,669	(Note4)
	TI YUAN	12F., No. 212, Yuping Rd., Anping Dist., Tainan City	Marketable securities trading business	30,053	30,053	5,731	100.00%	53,313	1,623	1,623	(Note4)
	TI FU	12F., No. 212, Yuping Rd., Anping Dist., Tainan City	Marketable securities trading business	30,076	30,076	12,000	100.00%	187,003	26,312	26,312	(Note4)
	TAMAU MANAGEMENT	18F., No. 573, Qingping Rd., Anping Dist., Tainan City	Management consult	1,000	1,000	260,000	100.00%	4,327	120	120	(Note4)
	SUPRA-ATOMIC	British Virgin Islands	Reinvestment holding activities	2,819,741 (Note 5)	2,836,371	65,932,450	100.00%	1,104,756	(15,760)	(15,760)	(Note4)
	BESTE	British Virgin Islands	Reinvestment holding activities	322,939	322,939	12,072,000	100.00%	1,336,457	29,547	29,547	(Note4)
	CONTEK	British Virgin Islands	Reinvestment holding activities	66,512	66,512	2,186,000	100.00%	56,080	(5,054)	(5,054)	(Note4)
	I YUAN PRECISION INDUSTRIAL CO., LTD	No. 25, Zhongxing S. St., Sanchong Dist., New Taipei City	Manufacturing, processing and sale of automobile parts	126,907	126,907	5,617,854	15.66%	198,606	51,086	9,282	The Company measured at fair value for using equity method.
	INNOVA	Delaware, U.S.A	Reinvestment holding activities	745,370	745,370	5,549	100.00%	1,135,535	94,051	94,051	(Note4)
	TYCVN	Vietnam	Manufacture and sale automobile lights	88,740	88,740	-	60.00%	84,445	954	572	(Note4)

Attachment 7: Names, locations, main businesses and products, original investment amount, investment as of 31 December 2021, net income (loss) of investee company and investment income (loss) recognized as of 31 December 2021: (Excluding investment in Mainland China)

Investor	Investee company	Address	Main businesses and products	Initial Investment (Note1)		Investment as of 31 December 2021			Net income (loss) of investee company	Investment income (loss) recognized (Note2)	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value (Note1)			
JUOKU TECHNOLOGY	TSM	British Virgin Islands	Reinvestment holding activities	$10,122	$10,122	300,000	100.00%	$9,284	-	-	(Note4)
	PT ASTRA JUOKU INDONESIA	Indonesia	Manufacture and sale automobile lights	276,640	276,640	1,126,500	50.00%	166,913	20,486	10,243	-
TI FU	DBM	No. 54, Xinle Rd., Tainan City	Manufacture tooling mold and international trading business	25,500	25,500	8,750,000	50.00%	138,975	53,114	26,557	(Note4)
SUPRA-ATOMIC	EUROPILOT	British Virgin Islands	Reinvestment holding activities	396,767 (USD 14,360)	396,767 (USD 14,360)	14,359,821	100.00%	483,690	37,054	37,054	(Note4)
	MOTOR-CURIO	British Virgin Islands	Reinvestment holding activities	52,304 (USD 1,893)	52,304 (USD 1,893)	1,893,400	100.00%	160,313	28,814	28,814	(Note4)
	SPARKING	British Virgin Islands	Reinvestment holding activities	992,359 (USD 35,916)	992,359 (USD 35,916)	30,915,717	100.00%	224,212	(105,413)	(105,413)	(Note4)
	EUROLITE	British Virgin Islands	Reinvestment holding activities	573,544 (USD 20,758)	573,544 (USD 20,758)	14,697,972	100.00%	161,240	21,248	21,248	(Note4)
	UNIMOTOR	British Virgin Islands	Reinvestment holding activities	190,288 (USD 6,887)	190,288 (USD 6,887)	6,887,000	100.00%	312,223	1,953	1,953	(Note4)
EUROPILOT	TYC EUROPE	Henery Moorest roat 25 1328 LS Almere HOLLAND	Sale automobile lights	396,767 (USD 14,360)	396,767 (USD 14,360)	120,000	100.00%	483,658	46,195	46,195	(Note4)
EUROLITE	T.I.T.	350/132 Srikrung House Rama 3 Road Chongnonsi Yannawa Bangkok, Thailand	Manufacture and sale of lighting fixtures and daily-use product for automobile	573,544 (USD 20,758)	573,544 (USD 20,758)	4,994,900	99.98%	161,183	21,253	21,249	(Note4)
BESTE	VARROC TYC CORPORATION	British Virgin Islands	Reinvestment holding activities	388,809 (USD 14,072)	388,809 (USD 14,072)	14,072,000	50.00%	1,336,424	59,100	29,550	-
CONTEK	ATECH INTERNATIONAL	Cayman Islands	Reinvestment holding activities	62,168 (USD 2,250)	62,168 (USD 2,250)	2,250,000	25.00%	54,475	(19,243)	(4,811)	-
INNOVA	GENERA	State of California, U.S.A.	Sale of automobile lights and parts	342,308 (USD 12,389)	342,308 (USD 12,389)	12,388,505	100.00%	1,499,176 (USD 54,259)	117,179 (USD 4,241)	117,179 (USD 4,241)	(Note4)
	W&W	State of California, U.S.A.	Sale of and rental of real estate	27,630 (USD 1,000)	27,630 (USD 1,000)	1,000,000	100.00%	86,454 (USD 3,129)	6,300 (USD 228)	6,300 (USD 228)	(Note4)

(Note 1)The book value of the investment using the equity method is the net amount after deducting the unrealized gains and losses of downstream transactions

(Note 2)The investment income recognized didn't eliminate unrealized gain or loss on transactions between the Company and its investees.

The groups recognized I YUAN PRECISION INDUSTRIAL CO., LTD at 18.17% investment gains and losses.

(Note 3)The company treats shares of the Company that the subsidiaries hold as treasury stocks.

The book value of the investment using the equity method is the net amount after deducting the treasury stocks.

(Note 4)The above transactions made between consolidated entities in the Group have been eliminated.

(Note 5)SUPRA-ATOMIC CO., LTD. applied for a capital reduction on 5 August, 2021 and returned the share price of NT$16,630 thousand.

(Note 7)The exchange rate of USD to NTD is 1:27.63.

Attachment 8: Investment in Mainland China

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of 1 January 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of 31 Decembe 2021	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 2)	Carrying Value as of 31 December 2021	Accumulated Inward Remittance of Earnings as of 31 December 2021
					Outflow	Inflow						
VARROC TYC AUTO LAMPS CO.,LTD.	Manufacture automobile lights	$746,010 (USD 27,000)	(1)VARROC TYC CORPORATION	$351,730 (USD 12,730)	$-	$-	$351,730 (USD 12,730)	$54,150	50%	$27,075	$2,672,749	$523,243
CHANGZHOU TAMAO PRECISION INDUSTRY CO., LTD. (Note 3)	Manufacture and sale of precision molds	178,683 (USD6,467)	(1)UNIMOTOR	178,683 (USD 6,467)	-	-	178,683 (USD 6,467)	1,957	100%	1,957	312,053	-
HANGZHOU SUNNYTECH CO., LTD.	Industrial styling and product design	8,077 (CNY 1,870)	(1)SPARKING	4,587 (USD 166)	-	-	4,587 (USD 166)	(3,655)	30%	(1,097)	10,758	-
JNS AUTO PARTS LIMITED	Manufacture automobile parts	276,300 (USD 10,000)	(1)MOTOR-CURIO	55,260 (USD 2,000)	-	-	55,260 (USD 2,000)	154,721	20%	30,944	157,439	-
KUN SHAN TYC HIGH PERFORMANCE (Note 3)	Manufacture, process and assemble of various high-efficiency energy-saving lamps and accessories	828,900 (USD30,000)	(1)SPARKING	967,050 (USD 35,000)	-	-	967,050 (USD 35,000)	(104,215)	100%	(104,215)	213,426	-
CHIN-LI-MA HIGHT PERFORMANCE LUMINAIRE CO., LTD.	Design amd manufacture high-efficiency energy-saving lamps	12,434 (USD 450)	(2)TAMAO PRECISION	-	-	-	-	-	30%	-	-	-
KUNSHAN ATECH AUTOPARTS MANUFACTURING CO., LTD.	Manufacture automobile parts	193,410 (USD 7,000)	(1)ATECH INTERNATIONAL CO., LTD.	48,353 (USD 1,750)	-	-	48,353 (USD 1,750)	(13,069) (USD (473))	25%	(3,260) (USD (118))	88,913 (USD 3,218)	-
ATECH(JIANGSU) INDUSTRIAL TECHNOLOGY CO., LTD.	Manufacture automobile parts	55,260 (USD 2,000)	(1)ATECH INTERNATIONAL CO., LTD.	13,815 (USD 500)	-	-	13,815 (USD 500)	(2,514) (USD (91))	25%	(635) (USD (23))	56,282 (USD 2,037)	-

Accumulated Investment in Mainland China	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
$1,947,086 (USD 70,470)	$1,771,884 (USD 64,129)	(Note 4)

(Note 1) Methods of investment are divided into three:

(1)Indirectly investment in Mainland China through companies registered in a third region

(2)Reinvest with Mainland China company's own funds.

(3)Other

(Note 2) The investment income recognized didn't eliminate unrealized gain or loss on transactions between the Company and its investees.

(Note 3) The above transactions made between consolidated entities in the Group have been eliminated.

(Note 4) According to 97.8.22 “Regulations Governing Permission for Investment or Technical Cooperation in Mainland China" and the amendment to “Review Principles of Investment or Technical Cooperation in Mainland china", the cumulative amount of investors' investment in Mainland China according to the upper limit set for other enterprises: 60% of its net value or the consolidated net value, whichever is higher. However, enterprises for which the Industrial Development Bureau of the Ministry of Economic Affairs issued the certificate of compliance or the Taiwan subsidiaries of international enterprises shall not be subject to the restriction. The Company qualifies as business headquarters

(Note 5) The exchange rate of the USD to the NTD is 1:27.63

The exchange rate of the CNY to the NTD is 1:4.319.

Attachment 9:Information on major shareholders

Name of ordinary shares / Name of major shareholders	Number of shares held	Percentage of ownership
TA YIH TA INVESTMENT CO., LTD.	64,655,288	18.85%
YIH HENG INVESTMENT CO., LTD.	57,420,654	16.74%

(Note 1) The main shareholder information in this table is calculated based on the information available from the Taiwan Depository & Clearing Corporation on the last business day at the end of each quarter.The total number of ordinary shares and special shares held by the shareholders which have completed the dematerialized delivery and registration of the shares of the Company (including treasury shares) is more than 5%.

The share capital recorded in the Company's financial report and the number of shares actually delivered by the Company with dematerialized registration may differ because the calculation bases were different.

(Note 2) If the above information included the shareholders' shares transferred to a trust, it is disclosed by the individual settlor account opened by the trustee. Where the shareholders declared insider equity holding for more than 10% shareholding according to the Securities and Exchange Act, such holdings shall include the shares held by shareholders and the trusted assets with right to use. For information regarding insider shareholding declaration, please refer to the Market Observation Post System of the Taiwan Stock Exchange Corporation.