Stock Code: 6548

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Chang Wah Technology Co., Ltd.

Chang Wah Technology Co., Ltd.

2021 Annual Report
(Translation)

Printed on April 30, 2022

1. Spokesperson:

   Name: Yan, Shu-Ping

   Title: Manager

   Tel: (07)962-8202

   E-mail: cwtkh@cwtcglobal.com

   Deputy Spokesperson: Lin, Chun-Chi

   Title: Senior Manager

   Tel: (07)962-8202

   E-mail: cwtkh@cwtcglobal.com

2. Headquarters, Branches and Plant:

   Address of Headquarters: No. 24, Kaifa Rd., Nanzi Dist., Kaohsiung City

   Tel: (07)962-8202

   Address of Plant: No. 24, Kaifa Rd., Nanzi Dist., Kaohsiung City

   Tel: (07)962-8202

   Branch office in Japan: 1746-2, Ohkuchi-Ushio, Isa, Kagoshima, Japan

3. Stock Transfer Agent:

   Name: Transfer Agency Department, SinoPac Securities Corporation

   Address: 3F, No. 17, Po'ai Rd., Taipei City

   Tel: (02)2381-6288

   Website: https://www.sinotrade.com.tw/

4. The Names of the CPA for the Financial Statements of the Most Recent Fiscal Year, Name of Accounting Firm, Address, Website and Tel:

   Name of CPA: CPA Lee-Yuan Kuo, CPA Hung-Ju Liao

   Name of the Accounting Firm: Deloitte & Touche

   Address: 3F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City

   Tel: (07)530-1888

   Website: https://www.deloitte.com.tw/

5. The name of the trading venue where the overseas securities are listed for trading and the method for inquring the information of the overseas securities: None

6. Corporate Website: https://www.cwtcglobal.com/

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I. Letter to Shareholders

Dear Shareholders,

Thank you shareholders for taking your time to participate in the 2022 Shareholders Meeting. The operation of 2021 is reported as follows:

1. <u>Operating Performance in 2021</u>

(1) Business Result

(Consolidated) Unit: NT$ thousands

Item	2021		2020		2019	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Operating revenue	12,792,169	100%	9,678,146	100%	9,320,275	100%
Operating cost	9,386,479	74%	7,873,240	81%	7,739,451	83%
Gross profit	3,405,690	26%	1,804,906	19%	1,580,824	17%
Gross profit margin	26%	—	19%	—	17%	—
Operating profit	2,210,299	17%	960,286	10%	832,870	9%
Net profit before tax	2,249,184	18%	966,360	10%	899,022	10%
Net profit after tax	1,738,645	14%	790,618	8%	618,915	7%

(Parent Company Only) Unit: NT$ thousands

Item	2021		2020		2019	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Operating revenue	4,817,610	100%	3,517,381	100%	3,495,028	100%
Operating cost	4,184,502	87%	3,240,619	92%	3,174,573	91%
Gross profit	633,108	13%	276,762	8%	320,455	9%
Gross profit margin	13%	—	8%	—	9%	—
Operating profit	421,294	9%	126,989	4%	158,345	5%
Net profit before tax	1,846,595	39%	727,233	21%	750,019	21%
Net profit after tax	1,714,378	36%	773,840	22%	607,304	17%

(2) Budget Implementation: The Company did not disclose the financial forecast in 2021.

(3) Analysis of financial structure, solvency and profitability:

(Consolidated)

Year / Item	2021	2020	2019
Financial structure			
Debt asset ratio	43%	55%	53%
Long-term capital to property, plant and equipment	425%	397%	343%
Net asset value per share (Note)	22.24	15.02	13.89
Solvency			
Current ratio	233%	231%	219%
Quick ratio	156%	147%	173%
Profitability			
Return on total assets	13%	7%	6%
Return on equity	25%	15%	12%
Net Margin	14%	8%	7%
Earnings per share(Note)	4.81	2.19	1.72

Note: The change of share par value has been completed in September 2019. After the separation, the share par value is changed to NT$ 1 for each share.

(Parent Company Only)

Year / Item	2021	2020	2019
Financial structure			
Debt asset ratio	39%	49%	47%
Long-term capital to property, plant and equipment	1245%	1780%	2149%
Net asset value per share(Note)	22.24	15.02	13.89
Solvency			
Current ratio	154%	203%	131%
Quick ratio	109%	130%	122%
Profitability			
Return on total assets	14%	8%	7%
Return on equity	25%	15%	12%
Net Margin	36%	22%	17%
Earnings per share(Note)	4.81	2.19	1.72

Note: The change of share par value has been completed in September 2019. After the separation, the share par value is changed to NT$ 1 for each share.

(4) Research and development status:

The Company uses the technology architecture similar to Pre-Mold lead frame combined with automated molding process and has the advantage of many years of experience in semiconductor packaging. It actively engages in the research and development of pre-molded plastic molding lead frame brackets for the "heterogeneous integration" design system architecture, and strives to streamline the progress of commercial mass production.

2. Business Plan for 2022

The semiconductor industry peaked in 2021 as it benefited from the business opportunities of remote technology as a result of COVID-19. The recovery of global economic growth rate brought about growth in the demand for semiconductors from the terminal application market. Furthermore, the constant shortages and price hikes boosted prices as well as demand of the semiconductor industry.

We expect 2022 to still be a year full of challenges. Thus, we will focus on smart manufacturing and further expand our presence in the global market to become one of the major suppliers of metal substrates in the world.

Based on our operating results, market supply, demand conditions and marketing policies, we estimate that our major sales volume in 2021 will increase by 5~10% compared to 2020.

Production and Marketing Strategies

1. Develop high added-value products according to the trend of market development and establish a leading position in the market.
2. Continue to develop advanced application markets, improve customer satisfaction, and strengthen partnerships with major international manufacturers.
3. Introduce intelligent manufacturing to improve production capacity and increase market share.
4. Strengthen customer service and continue to enhance the quality of products.

3. Strategy of Future Development

Although the growth momentum of domestic semiconductor market will decelerate in 2022, the entire industry continues to stay sound and stable. Order visibility and future prospect remain promising.

As for taking sides in the confrontation between two major economies – U.S. and China, supply chain reorganization and protection of talents and intellectual property, they remain to be global issues. We expect to see choices on resilience and efficiency emerge as countries build their own supply chains. Furthermore, the introduction of ESG concept to the semiconductor industry as well as green generation advancement through carbon neutrality will also become another development focus of the industry.

IV. **The Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Conditions**

In response to changes in the environment, besides adjusting and revising corporate governance related information in accordance with the new regulations promulgated by the securities authorities, the Company will strive to strengthen supply chain integration, increase product self-manufacture, improve production processes to reduce production costs, and pay close attention to the future development trend of products and work with customers to develop superior products with high added value, in order to increase revenue and improve overall profitability with an aim to respond to changes in the overall environment, and move towards sustainable operation.

Chairperson: Canon, Huang　　　　President: Hung, Chuen-Sing

II. Company Profile

1. Date of Incorporation: December 24, 2009.

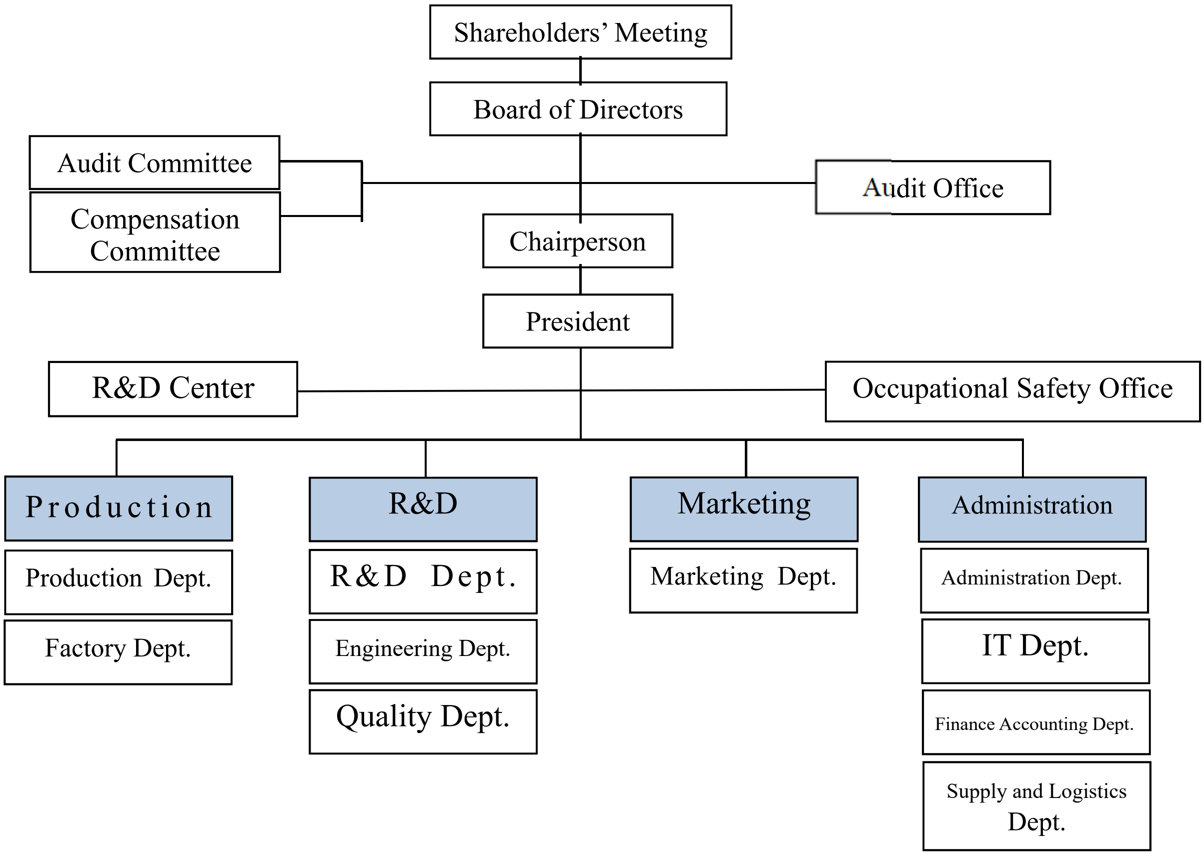
2. Company History (in the most recent year and by the print date of the annual report):

Year	Major Event
2021	1. In March, the board of directors resolved to build a new plant with NT$390 million (excluding tax) to meet the company's future operational needs and capacity expansion. 2. In July, the board of directors resolved to issue the first domestic secured convertible bonds with an amount of NT$1.5 billion. 3. In August, the board of directors resolved to merge the 100%-owned material subsidiary, SH Electronics Taiwan Co., Ltd. 4. In December, the board of directors resolved to establish a new investment company for the needs of future developments.
2022	1. In March, the board of directors resolved to acquire land and plants with NT$450 million for future operational needs and capacity expansion.

III. Corporate Governance Report

1. Organization:

(1) Organizational Chart of the Company:



(2) Major Corporate Functions:

Department	Main Duties
Audit Office	Performance of internal audit and risk assessment, planning and implementation of internal control system, measurement of operational efficiency, provision of system improvement suggestions and implementation of supervision of group subsidiaries.
President	Planning and execution of the Company's overall operation, development and execution of the Company's medium and long-term operational strategies, establishment and supervision of the organization and operation of various departments and systems.
R&D Center	Research and development of the company's future short, medium and long-term products and technologies.
Marketing Dept.	Market development and sales, customer services and consulting, business resource planning, management and utilization, industry data investigation and collection.
R&D Dept.	Market survey of new products, research and development and production of new technologies and molds, initial business activities and customer service of new products.
Engineering Dept.	Process yield rate control and quality yield rate improvement, project development for products, test mass production for new product introduction, sample delivery planning and sample shipment control, estimation of composition and loss of original equipment in the plant.
Quality Dept.	Establishment and maintenance of quality systems, supplier audit management, incoming material and process quality control, response and improvement activities to internal and external customer audit, product reliability testing assurance, maintenance of instrument calibration system, handling and tracking of customer complaints and exceptions.
Production Dept.	Planning of production line operation mode and production process, control of production schedule and planning of production targets.

Department	Main Duties
Factory Dept.	Development of safety operation standards, inspection and coordination of the elimination of risk factors, training of labor laws and regulations, labor safety and hygiene, operation environmental protection equipment, treatment of sewage, administration of plants and maintenance of water and electric facilities.
Supply and Logistics Dept.	Arrangement of production capacity, control of delivery time, production and sales coordination, material planning and control of production cost, management of outsourcing production and warehouse control.
Finance Accounting Dept.	Accounting management, fund scheduling, tax management and investor relations, etc.
Administration Dept.	Human resource planning, various education courses, integrated company operation management and general affairs, etc.
IT Dept.	Establishment, introduction and maintenance of software and hardware information systems and development of smart technology applications.

2. Information of Director, President, Vice President, Senior Manager, and Head of Departments:
(1) Directors:

April 16, 2022

Title	Nationality/ Country of Origin	Name	Gender/Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Positions	Executives or Directors who are spouses or within two degrees of kinship			Remark (Note 3)
							Shares	% (Note 1)	Shares	% (Note 2)	Shares	% (Note 2)	Shares	% (Note 2)			Title	Name	Relation	
Chairperson	ROC	Yuan Yao Energy Technology Co., Ltd. Representative: Canon, Huang	Male/61~70	2021.07.22	3	2021.07.22	6,397,000	1.76%	13,397,000	3.49%	0	0%	0	0%	Department of Mechanical Engineering, Chung Yuan Christian University Design engineer at Yang Iron Precision Corp. Process engineer at ASE Electronics Inc. Product engineer at Orient Semiconductor Electronics Ltd. Assistant Manager at Wah Lee Industrial Corp.	Chairperson and concurrently President and CEO of Chang Wah Electromaterials Inc. Chairperson and concurrently CEO of Chang Wah Technology Co., Ltd. Chairperson of JMC Electronics Co., Ltd. Chairperson of Chang Wah Energy Technology Co., Ltd Director of eChem Solutions Corp. Representative of juristic person director, Elite Semiconductor Microelectronics Technology Inc. Representative of juristic person director, Vizionfocus Inc. Representative of juristic person director, How Wei Holding (Cayman) Co., Ltd. Chairperson of SH Asia Pacific Pte.Ltd. Representative of juristic person director, WSP Electromaterials Ltd. Director of CWE Holding Co., Ltd. Director of Broadwell Worldwide Ltd. Chairperson of Silver Connection Co., Ltd. Representative of juristic person director, Silver Contacts Co., Ltd. Representative of juristic person director, Silver Tai Co., Ltd.	None	None	None	None
							0	0%	2,590,000	0.67%	0	0%	0	0%						
Director	ROC	Chang Wah Electromaterials Inc. Representative: Huang, Siou-Cyuan	Male/71~80	2021.07.22	3	2021.07.22	194,738,970	53.48%	200,267,970	52.13%	0	0%	0	0%	Department of Electrical Engineering, Tatung University Director of the Department of Production, Timex (Taiwan) Inc. Vice president of non-PC business cluster of HP Taiwan Information Technology Ltd. Vice President, Hon Hai Precision Industry Co., Ltd. Vice Chairperson, Innolux Corporation	Director of Chang Wah Electromaterials Inc. Chairperson of Vizionfocus Inc. Representative of juristic person director, Chang Wah Technology Co., Ltd.	None	None	None	None
							0	0%	10,379,710	2.70%	0	0%	0	0%						
Director	HK	Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing	Male/51~60	2021.07.22	3	2009.12.21	194,738,970	53.48%	200,267,970	52.13%	0	0%	0	0%	Hong Kong Polytechnic University General manager of Possehl Electronics Hong Kong Ltd. General manager of Sumiko Precision Mold Taiwan Co., Ltd. General manager of Sumiko Electronics Taiwan Co., Ltd. General manager of SH Electronics Taiwan Co., Ltd.	Director of Chang Wah Electromaterials Inc. President and representative of juristic person director of Chang Wah Technology Co., Ltd. Representative of juristic person director, JMC Electronics Co., Ltd. Representative of juristic person director, How Wei Holding (Cayman) Co., Ltd Director of SH Electronics Suzhou Co., Ltd. Director of SH Electronics Chengdu Co., Ltd. Director of SH Precision Chengdu Co., Ltd. Chairperson of Malaysian SH Electronics Sdn.Bhd. Director of SH Asia Pacific Pte. Ltd. Representative of juristic person director, Silver Contacts Co., Ltd.	Senior Manager	Sun, Ming-Chuan	Spouse	None
							0	0%	2,338,790	0.64%	0	0%	0	0%						

Title	Nationality/ Country of Origin	Name	Gender/Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Positions	Executives or Directors who are spouses or within two degrees of kinship			Remark (Note 3)
							Shares	% (Note 1)	Shares	% (Note 2)	Shares	% (Note 2)	Shares	% (Note 2)			Title	Name	Relation	
Director	ROC	Chang Wah Electromaterials Inc. Representative: Tsai, Rong-Dong	Male	2021.07.22	3	2009.12.21	194,738,970	53.48%	200,267,970	52.13%	0	0%	0	0%	MBA, Indiana University General manager and consultant, Ta Chong Commercial Bank General manager, Taishin International Bank	Representative of juristic person director, Gold Circit Electronics Ltd. Representative of juristic person director, Chang Wah Technology Co., Ltd. Independent Director/Audit Committee Member/ Compensation Committee Member of Elite Material Co., Ltd Independent Director/Audit Committee Member/ Compensation Committee Member of ALi Corporation Independent Director/Audit Committee Member/ Compensation Committee Member/Risk Management Committee Member/ Corporate Governance and Nomination Committee Member of Mecuries Life Insurance Co., Ltd.	None	None	None	None
							0	0%	0	0%	0	0%	0	0%						
Independent Director	ROC	Lin, Yi-Jing	Female/41~50	2021.07.22	3	2018.05.08	0	0%	0	0%	0	0%	0	0%	Department of Accounting, Tunghai University Vice general manager, Deloitte & Touche Assistant manager, Deloitte & Touche Representative of juristic person supervisor, An Wei International Co., Ltd.	Certified public accountant, Ching Cheng Accounting Firm Responsible person, Ching Cheng Management Consultants Co., Ltd. Independent Director/Audit Committee Member/ Compensation Committee Member of Contrel Technology Co., Ltd. Supervisor of Ken Sean Industries Co., Ltd. Independent Director/Audit Committee Member/ Compensation Committee Member of Sun Rise E&T Corporation Independent Director/Audit Committee Member/ Compensation Committee Member of Chang Wah Technology Co., Ltd.	None	None	None	None
Independent Director	ROC	Lin, Ren-Lin	Male/61~70	2021.07.22	3	2018.05.08	0	0%	0	0%	0	0%	0	0%	Master of Information Management, the City University of New York General manager, Konlin Digital Technology Co., Ltd. Vice general manager, Hanyu Electronic Technology Co., Ltd. Manager, Walsin Lihwa Corporation	General manager, Hsin Yi Recreation Enterprise Co., Ltd. Independent Director/Audit Committee Member/ Compensation Committee Member of Chang Wah Technology Co., Ltd.	None	None	None	None
Independent Director	ROC	Ou, Jia-Ruey	Male/61~70	2021.07.22	3	2021.07.22	0	0%	0	0%	0	0%	0	0%	Doctor of Philosophy, Institute of Transportation, National Chiao Tung University Chairperson of CPC Corporation, Taiwan Director of China Steel Corporation President of Dayeh University Director-general of Bureau of Energy, Ministry of Economic Affairs Head of the Export Processing Zone Administration, Ministry of Economic Affairs	Chairperson of Sino-Arabian Cultural and Economic Association Independent Director/Audit Committee Member/ Compensation Committee Member of Chang Wah Technology Co., Ltd.	None	None	None	None

Note 1: The shareholding ratio is calculated based on 364,131,050 shares.
Note 2: The shareholding ratio is calculated based on 384,198,680 shares.
Note 3: Chairperson and President or person of equivalent position (top manager) are the same person, are spouse or first-degree relative to each other: None.

Major shareholders of the institutional shareholders

April 16, 2022

Name of Institutional Shareholders	Major Shareholders (Note)
Chang Wah Electromaterials Inc.	Wah Lee Industrial Corp. (28.71%)； Shin Shin Investment Co., Ltd. (8.24%)； Fubon Life Insurance Co., Ltd. (6.54%)； Yuan Yao Energy Technology Co., Ltd. (6.11%)； Citibank custody of the Singapore government fund account (4.94%)； Besijie Investment Co., Ltd. (3.10%)； JMC Electronics Co., Ltd. (2.05%)； Citibank International Personal Bank Singapore- The investment account entrusted by the manager, Government of Singapore Investment Limited (1.04%)； JPMorgan Chase Bank N.A. in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (0.79%)； Li, Wu-Fang(0.78 %)

Note: Please fill in the names of the major shareholders of the corporation (the top ten in terms of shareholding) and their shareholdings.

Major shareholders of the institutional shareholders of which the major shareholders are juristic persons

April 16, 2022

Name of Institutional Shareholders	Major Shareholders (Note)
Wah Lee Industries Co., Ltd.	Kang Tai Investment Co., Ltd. (8.29%)； Fuhsih Investment Co., Ltd. (6.53%)； Deh Wei Investment Co., Ltd. (5.03%)； Dingbao Corp. (3.28%)； Chang, Jui-chin (2.73%)； Jing Zan Insurance Co., Ltd. (2.65%)； Property trust account of employee stock ownership union of Wah Lee Industries Co., Ltd. entrusted to the China Trust Commercial Bank (2.07%)； Hsieh, Chin-Yen (1.74%)； Chen, Jun-Ying(1.57%)； Yeh, Ching-Pin (1.45%)
Shin Shin Investment Co., Ltd.	Canon, Huang (99.995%)； Huang, Chiun-chieh (0.005%)
Fubon Life Insurance Co., Ltd	Fubon Financial Holding Co., Ltd. (100%)
Yuan Yao Energy Technology Co., Ltd.	Canon, Huang (98.50%)； Huang, Hsing-lan (0.86%)； Liao, Fang-lu (0.64%)
Citibank custody of the Singapore government fund account	Non-corporate, NA
Besijie Investment Co., Ltd.	Huang Si-ying(4.61%)； Huang, Pei-mei (4.61%)； Huang, Yu-chieh (3.47%)； Chang, Shu-hui (87.31%)
JMC Electronics Co., Ltd.	Chang Wah Electromaterials Inc. (42.81%)； ChipMO Technologies Inc. (10.00%)； Canon, Huang (2.96%)； Li, Mei-Lien (1.07%)； AsusTek Computer Inc. (1.00%)； Li, Sheng-Che(0.96%)； Hung, Hsien-Yeh (0.65%)； Li, Wan-shia (0.59%)； Huang, Mei-hsueh (0.50%)； Yang, Pi-Hua (0.37%)
Citibank International Personal Bank Singapore- The investment account entrusted by the manager, Government of Singapore Investment Limited	Non-corporate, NA
JPMorgan Chase Bank N.A. in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	Non-corporate, NA

Note: Fill in the name of the main shareholder of the legal person (their shareholding ratio accounts for the top ten) and their shareholding ratios.

Professional qualifications of Directors and independence of Independent Directors

April 30, 2022

Conditions / Name	Professional Qualification and Experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Yuan Yao Energy Technology Co., Ltd. Representative: Canon, Huang	He graduated from the Department of Mechanical Engineering in Chung Yuan Christian University. Once served as an assistant vice president at several multinational corporations such as ASE Electronics Inc., Orient Semiconductor Electronics Ltd., and Wah Lee Industrial Corp., he has been involved in the operation and strategic management of semiconductor industry for more than 30 years. Besides being the Chairperson of CWE Group (including Chang Wah Electromaterials Inc., the Company and JMC Electronics Co., Ltd.), he is a director in companies within the electronic technology industry chain with expertise in governance. Thus, he has experience in marketing, industry know-how, leadership, decision-making and business management. He is not a person of any conditions defined in Article 30 of the Company Act.	–	0
Chang Wah Electromaterials Inc. Representative: Huang, Siou-Cyuan	He graduated from the Department of Electrical Engineering in Tatung University. Once served as vice president or vice chairperson at several multinational corporations such as HP Taiwan Information Technology Ltd., Hon Hai Group, and Innolux Corporation, he has been involved in the high-tech industry for more than 30 years and is now the chairperson of Vizionfocus Inc., and director of Vizio Inc. He has vast experience in corporate governance, marketing, industry know-how, leadership, decision-making and business management. He is not a person of any conditions defined in Article 30 of the Company Act.	–	0

Conditions / Name	Professional Qualification and Experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing	He graduated from Hong Kong Polytechnic University. Once served as president of Possehl Electronics Hong Kong Ltd., Sumiko Precision Mold Taiwan Co., Ltd. and Sumiko Electronics Taiwan Co., Ltd., he has been involved in the operation and strategic management of semiconductor industry for more than 30 years. He is now the President of the Company and a Director in entities of the CWE Group. He has vast experience in corporate governance, marketing, industry know-how, leadership, decision-making and business management to give opinions concerning corporate governance and operation management to the Board of Directors of the Company. He is not a person of any conditions defined in Article 30 of the Company Act.	–	0
Chang Wah Electromaterials Inc. Representative: Tsai, Rong-Dong	He graduated from Indiana University with an MBA. Once served as president of Ta Chong Commercial Bank and Taishin International Bank, he has been involved in the operation and strategic management of finance industry for more than 30 years. He is now the independent directors of companies including Elite Material Co., Ltd and Mecuries Life Insurance Co., Ltd. He has vast experience in corporate governance, marketing, industry know-how, leadership, decision-making, business management as well as accounting and financial analysis to give opinions concerning corporate governance and operation management to the Board of Directors of the Company. He is not a person of any conditions defined in Article 30 of the Company Act.	–	3

Name \ Conditions	Professional Qualification and Experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Lin, Yi-Jing	She graduated from the Department of Accounting in Tunghai University. She passed the Senior Examinations for Certified Public Accountants and has a CPA license. She was an assistant vice president of Deloitte & Touche, specializing in corporate finance and accounting. Serving as independent director in several companies including Contrel Technology Co., Ltd. and Sun Rise E&T Corporation, she has vast experience in business management as well as accounting and finance analysis to give opinions concerning corporate governance and operation management to the Board of Directors of the Company. She is not a person of any conditions defined in Article 30 of the Company Act.	She satisfies the independence criteria after verified against independence elements set out in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	2
Lin, Ren-Lin	He graduated from the City University of New York with a Master of Information Management. Once served as vice president of Hanyu Electronic Technology Co., Ltd. and president of Konlin Digital Technology Co., Ltd., he has been involved in the operation and strategic management of electronics industry for more than 20 years. He is now the president of Hsin Yi Recreation Enterprise Co., Ltd. He has vast experience in corporate governance, marketing, industry know-how, leadership, decision-making and business management to give opinions concerning corporate governance and operation management to the Board of Directors of the Company. He is not a person of any conditions defined in Article 30 of the Company Act.	He satisfies the independence criteria after verified against independence elements set out in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	0

Name \ Conditions	Professional Qualification and Experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Ou, Jia-Ruey	He graduated from the Institute of Transportation of National Chiao Tung University with a PhD. He has been the Director-general of Bureau of Energy, Ministry of Economic Affairs, President of Dayeh University, and chairperson of CPC Corporation, and accumulated vast experience in the industry, government and academy. He is now the chairperson of Sino-Arabian Cultural and Economic Association. He has vast experience in corporate governance, leadership, decision-making and business management to give opinions concerning corporate governance and operation management to the Board of Directors of the Company. He is not a person of any conditions defined in Article 30 of the Company Act.	He satisfies the independence criteria after verified against independence elements set out in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	0

Note 1: Professional qualifications and experiences: Describe the professional qualifications and experiences of individual Director and Supervisor. For Audit Committee members with accounting or finance expertise, relevant background and work experience shall be stated. Also, clarify if conditions defined in Article 30 of the Company Act exist.

Note 2: The independence of Independent Directors shall be described. Relevant criteria include but not limited to whether the Independent Director, his/her spouse, and relatives within the second degree of kinship are directors, supervisors or employees of the Company or any of its affiliates; the number of the Company's shares held by the Independent Director, his/her spouse, and relatives within the second degree of kinship (or by nominee arrangement) and the percentages, whether they are directors, supervisors or employees of companies having specific relationship with the Company (please refer to Subparagraphs 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies) and the amount of compensation for provision of commerce, law, finance, accounting or related services to the Company or its affiliates in the past two years.

Diversity of the Board of Directors

(1) Board diversity policy

The Board diversity policy is set out in Chapter III "Enhancement of Board Function" of the Company's "Guidelines for Corporate Governance".

The Board shall govern corporate strategies, supervise the management and be responsible to the Company and the shareholders' meetings. Procedures and arrangements of the corporate governance system shall ensure the Board would exercise its authority pursuant to applicable laws and regulations, the Articles of Incorporation or the resolutions of the shareholders' meeting.

The Company's Board shall have seven to nine Directors based on its business scale, shareholdings of major shareholders as well as the needs of practical operation.

The concept of diversity shall be incorporated in the composition of Board members. Besides banning Directors who are also managers of the Company on taking up more than one-third of Director seats, appropriate diversity guidelines are formulated based on operations, business types and developments. These guidelines shall include but not limited to the standards of the following two aspects:

1. Fundamental conditions and values: Gender, age, nationality, culture, etc. and female Directors

are advised to account for one-third of all Directors.
2. Professional knowledge and skills: Professional background (e.g., law, accounting, industry, finance, marketing or technology), professional skills, industry experience, etc.

Board members shall generally possess the knowledge, skills and understanding required to fulfill their mandates. To achieve the ideal goal of corporate governance, the Board as a whole shall possess the following capabilities:

1. Business judgement
2. Accounting and finance analysis
3. Business management
4. Crisis management
5. Industry knowledge
6. Global market perspective
7. Leadership
8. Decision-making

(2) Specific management goals of Board diversity

Board diversity facilitates an effective operation of the Board. The Company's nomination and selection of Board members comply with the Articles of Incorporation and adopt the candidate nomination system to ensure the diversity and independence of Board members. Besides banning Directors who are also managers of the Company on taking up more than one-third of Director seats, more than one female Director candidates can be invited and nominated, and Directors with different professional knowledge are selected to give ideas and contributions of different dimensions, thereby further strengthening the Board function.

(3) Implementation of Board diversity

Based on the management goals of banning Directors who are also managers of the Company on taking up more than one-third of Director seats, having at least one female Director and encompassing corporate strategy, accounting, taxation, finance, law, administration and production management in the expertise of the Board, the Company sets up seven seats of Directors (including three Independent Directors) for the fifth Board elected in July 2021. There is one female Director and the professional backgrounds of Board members range from the industry, accounting, technology to management. Directors have the knowledge, skills and understanding required to fulfill their mandates and their industry experience and competence are diverse and complementary.

In addition, Directors who are also employees of the Company account for 28.57% of all Directors while Independent Directors and the female Director account for 42.86% and 14.29%, respectively. The average tenure of Independent Director is three years and the seniority of Independent Director Ou, Jia-Ruey is one year while the seniority of Independent Directors Lin, Yi-Jing and Lin, Ren-Lin is four years. All Independent Directors have not been served consecutively for more than three terms. The Board members of current term have achieved all specific management goals of Board diversity.

Diverse backgrounds of Board members are as follows:

April 30, 2022

Diversified Core Competency / Name		Basics									Professional Knowledge and Skills				
		Nationality	Gender	Employees	Age			Independent Director Term and Experience			Industry Operation	Marketing Management	Technology R&D	Risk Management	Accounting and Finance Analysis
					Less than 60 years old	61~70 years old	More than 71 years old	Less than 3 years	3~9 years	More than 9 years					
Chairperson	Yuan Yao Energy Technology Co., Ltd. Representative: Canon, Huang	ROC	Male	V		V					V	V	V	V	
Director	Chang Wah Electromaterials Inc. Representative: Huang, Siou-Cyuan	ROC	Male				V				V	V	V	V	
Director	Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing	HK	Male	V	V						V	V	V	V	
Director	Chang Wah Electromaterials Inc. Representative: Tsai, Rong-Dong	ROC	Male			V					V	V		V	V

Diversified Core Competency / Name		Basics									Professional Knowledge and Skills				
		Nationality	Gender	Employees	Age			Independent Director Term and Experience			Industry Operation	Marketing Management	Technology R&D	Risk Management	Accounting and Finance Analysis
					Less than 60 years old	61~70 years old	More than 71 years old	Less than 3 years	3~9 years	More than 9 years					
Independent Director	Lin, Yi-Jing	ROC	Female		V				V					V	V
Independent Director	Lin, Ren-Lin	ROC	Male			V			V		V	V		V	
Independent Director	Ou, Jia-Ruey	ROC	Male			V		V			V	V		V	

(2) Information of President, Vice President, Senior Manager, Head of Departments:

April 16, 2022

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Positions	Managers who are Spouses or Within Two Degrees of Kinship			Acquisition of Employee Stock Options by Managers(Note 2)	Remark (Note 4)
					Shares	% (Note 1)	Shares	% (Note 1)	Shares	% (Note 1)			Title	Name	Relation		
President	HK	Hung, Chuen-Sing	Male	Mar. 17, 2017	2,338,790	0.61%	0	0%	0	0%	Hong Kong Polytechnic University General manager of Possehl Electronics Hong Kong Ltd. General manager of Sumiko Precision Mold Taiwan Co., Ltd. General manager of Sumiko Electronics Taiwan Co., Ltd.	Director of Chang Wah Electromaterials Inc. Representative of juristic person director, JMC Electronics Co., Ltd. Representative of juristic person director, How Wei Holding (Cayman) Co., Ltd Director of SH Electronics Suzhou Co., Ltd. Chairperson of SH Electronics Chengdu Co., Ltd. Chairperson of SH Precision Chengdu Co., Ltd. Chairperson of Malaysian SH Electronics Sdn.Bhd. Director of SH Asia Pacific Pte. Ltd. Representative of juristic person director, Silver Connection Co., Ltd.	Senior Manager	Sun, Ming-Chuan	Spouse	None	None
Vice President	ROC	Li, Jhih-Hong	Male	Jul. 1, 2017	0	0.00%	0	0%	0	0%	Dept. of Electrical Engineering, National Yunlin University of Science and Technology VQA/Leader、Projector Leader and Testing Manager of Philips Electronics Manager of Chang Wah Electromaterials Inc. Project Manager of Siliconware Precision Industries Co., Ltd.	None	None	None	None	None	None
Vice President	ROC	Lu, Hung-Chin (Note 3)	Female	Jan. 1, 2022	30,380	0.01%	0	0%	0	0%	Dept. of Chemical Engineering, Chung Yuan University Senior Process Manager of Sumiko Electronics Taiwan Co., Ltd. Senior Process Manager of SH Electronics Taiwan Co., Ltd. Vice President of Process of SH Electronics Taiwan Co., Ltd.	None	None	None	None	None	None
Vice President	ROC	Wen, Wen-Yu (Note 3)	Male	Jan. 1, 2022	10,000	0.00%	0	0%	0	0%	Master of Industrial Engineering and Management, Chung Hua University Administrative Director of Wellstech Optical Co., Ltd. Manager of Administration Dept. of Chang Wah Electromaterials Inc.	None	None	None	None	None	None

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Positions	Managers who are Spouses or Within Two Degrees of Kinship			Acquisition of Employee Stock Options by Managers(Note 2)	Remark (Note 4)
					Shares	% (Note 1)	Shares	% (Note 1)	Shares	% (Note 1)			Title	Name	Relation		
Senior Manager	ROC	Hsu, Pai-Hsiang	Male	Jun. 19, 2014	458,000	0.12%	0	0%	0	0%	Master of College of Mechanical Engineering, National Chiao Tung University ITRI Technology Project President	Director of Malaysian SH Electronics Sdn. Bhd.	None	None	None	None	None
Senior Manager	ROC	Yang, Chung-Chi	Male	Jun. 19, 2014	308,000	0.08%	0	0%	0	0%	Department of Mechanical Engineering, National Kaohsiung University of Applied Sciences Manager of Taiwan IC Packaging Corporation Section Chief of OSE	None	None	None	None	None	None
Senior Manager	ROC	Lin, Huang-Chieh (Note 3)	Male	Jan. 1, 2022	0	0.00%	0	0%	0	0%	Dept. of Mechanical Engineering, Nanya Institute of Technology Section Manager of Flexium Interconnect, Inc. Production Manager of Sumiko Electronics Taiwan Co., Ltd. Director of Manufacturing of JMC Electronics Co., Ltd. Manager of Electroplating of SH Electronics Taiwan Co., Ltd. Factory Chief of SH Electronics Taiwan Co., Ltd.	None	None	None	None	None	None
Senior Manager	HK	Sun, Ming-Chuan (Note 3)	Female	Jan. 1, 2022	0	0.00%	0	0%	0	0%	City University of Hong Kong Procurement and Logistics Manager of Possehl Electronics Hong Kong Ltd. Procurement and Logistics Manager of Sumiko Precision Mold Taiwan Co., Ltd. Procurement and Logistics Manager of Sumiko Electronics Taiwan Co., Ltd.	None	President	Hung, Chuen-Sing	Spouse	None	None
Accounting Manager	ROC	Lin, Chun-Chi	Male	Mar. 17, 2017	0	0%	0	0%	0	0%	Dept. of Accounting, National Cheng Kung University Financial Manager of SH Electronics Taiwan Co., Ltd. Financial Manager of Sumiko Electronics Taiwan Co., Ltd. Assistant Officer of Deloitte Touche Tohmatsu Limited (Taiwan)	None	None	None	None	None	None
Financial manager	ROC	Yan, Shu-Ping	Female	Apr. 30, 2015	454,040	0.12%	0	0%	0	0%	Dept. of Accounting, Providence University Assistant manager of Chang Wah Electromaterials Co., Ltd.	None	None	None	None	None	None

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Positions	Managers who are Spouses or Within Two Degrees of Kinship			Acquisition of Employee Stock Options by Managers(Note 2)	Remark (Note 4)
					Shares	% (Note 1)	Shares	% (Note 1)	Shares	% (Note 1)			Title	Name	Relation		
Audit Supervisor	ROC	Hsu, Liang-Fang	Female	Mar. 1, 2017	386,000	0.10%	0	0%	0	0%	Master of English Education, New York University Chairperson Office Special Assistant of Chang Wah Electromaterials Inc. Manager of Business Dept. and Management Dept. of Chang Wah Electromaterials Inc. Business Secretary of Wah Lee Industrial Corp.	Supervisor of SH Electronics Suzhou Co., Ltd. Supervisor of SH Electronics Chengdu Co., Ltd. Supervisor of SH Precision Chengdu Co., Ltd. Supervisor of CWTC (Shanghai) Inc. Supervisor of Shanghai Chang Wah Electromaterials Inc. Director of Shing Zheng Investment Co., Ltd.	None	None	None	None	None

Note 1: The shareholding ratio is calculated based on 384,198,680 shares.

Note 2: The first (2013) employee stock option certificates issued by the Company expired on June 18, 2008, and there are no unexecuted share subscriptions.

Note 3: Due to reorganization, Vice Presidents Lu, Hung-Chin and Wen, Wen-Yu and Assistant Vice Presidents Lin, Huang-Chieh and Sun, Ming-Chuan took office on January 1, 2022.

Note 4: Chairperson and President or person of equivalent position (top manager) are the same person, are spouse or first-degree relative to each other: None.

3. Remuneration of Directors, President, and Vice President in the Most Recent Fiscal Year:

(1) Remuneration of Directors and Independent Directors:

December 31, 2021 /Unit: NT$ thousands; %

Title	Name	Remuneration of Directors (Note 1)								Total of A, B, C and D and as a % of Net Income				Relevant Remuneration Received by Directors Who are Also Employees								Total of A, B, C, D, E, F and G and as a % of Net Income				Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary
		Base Compensation (A)		Severance Pay (B)		Bonus to Directors (C)		Allowances (D)		The Company		Companies in the consolidated financial statements		Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Bonus (G)				The Company		Companies in the consolidated financial statements		
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	Total	%	Total	%	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company Cash	The Company Stock	Companies in the consolidated financial statements Cash	Companies in the consolidated financial statements Stock	Total	%	Total	%	
Chairperson	Canon, Huang (Note 2) Yuan Yao Energy Technology Co., Ltd. Representative: Canon, Huang (Note 2)	0	6,005	0	0	1,000	1,000	24	24	1,024	0.06%	7,029	0.40%	840	840	0	0	0	0	0	0	1,864	0.11%	7,869	0.45%	無
Juristic Person Director	Chang Wah Electromaterials Inc.	0	0	0	0			0	0					0	0	0	0	0	0	0	0					無
	Representative: Hung, Chuen-Sing	0	14,778	0	0			24	24					0	6,480	0	121	0	0	0	0					無
	Representative: Tsai, Rong-Dong	0	0	0	0	2,300	2,300	24	24	2,372	0.14%	17,150	0.99%	0	0	0	0	0	0	0	0	2,372	0.14%	23,751	1.37%	無
	Representative: Chou, Kang-Chi (Note 3)	0	0	0	0			12	12					0	0	0	0	0	0	0	0					無
	Representative: Huang, Siou-Cyuan (Note 2)	0	0	0	0			12	12					0	0	0	0	0	0	0	0					無
Director	Huang, Siou-Cyuan (Note 2)	0	0	0	0	350	350	12	12	362	0.02%	362	0.02%	0	0	0	0	0	0	0	0	362	0.02%	362	0.02%	無
Director	Chen, Cheng-Hong (Note 3)	0	0	0	0	350	350	12	12	362	0.02%	362	0.02%	0	0	0	0	0	0	0	0	362	0.02%	362	0.02%	無
Independent Director	Lin, Yi-Jing	600	600	0	0	0	0	24	24	624	0.04%	624	0.04%	0	0	0	0	0	0	0	0	624	0.04%	624	0.04%	無
Independent Director	Lin, Ren-Lin	600	600	0	0	0	0	24	24	624	0.04%	624	0.04%	0	0	0	0	0	0	0	0	624	0.04%	624	0.04%	無
Independent Director	Chuang, Chen (Note 3)	350	350	0	0	0	0	12	12	362	0.02%	362	0.02%	0	0	0	0	0	0	0	0	362	0.02%	362	0.02%	無
Independent Director	Ou, Jia-Ruey (Note 4)	250	250	0	0	0	0	12	12	262	0.01%	262	0.01%	0	0	0	0	0	0	0	0	262	0.01%	262	0.01%	無
Total		1,800	22,583	0	0	4,000	4,000	192	192	5,992	0.35%	26,775	1.54%	840	7,320	0	121	0	0	0	0	6,832	0.40%	34,216	1.97%	無

1. Please state the policy, system, standard and structure of remuneration payment to the Independent Director and state the relevance to the amount of remuneration based on the responsibilities, risks, investment time and other factors:
According to the "Director Remuneration Management Measures" of the Company, when an Independent Director performs his/her duties in the company, regardless of the Company's operating profit or loss, the Company may pay each Independent Director NT$30,000 to NT$50,000 per month ; Article 5 of "Rules Governing the Scope of Powers of Independent Directors ", Independent Director do not participate in the company's surplus distribution.
2. Except as disclosed in the above table, the remuneration received by the director of the company for providing services to all companies in the financial report (such as serving as a consultant for non-employees, etc.) in the most recent year: none

Note 1: Handled in accordance with the Company's articles of association and the Rules Governing the Remuneration Directors.
Note 2: The Company held a Board election in the annual shareholders' meeting on July 22, 2021 where Chairperson Canon Huang was replaced by the representative of juristic person director, Yuan Yao Energy Technology Co., Ltd., and Director Huang, Siou-Cyuan was replaced by the representative of juristic person director, Chang Wah Electromaterials Inc.
Note 3: Representative of juristic person director, Chou, Kang-Chi, Director Chen, Cheng-Hong and Independent Director Chuang, Chen resigned on July 22, 2021.
Note 4: Independent Director Ou, Jia-Ruey took office on July 22, 2021.

(2) Remuneration of the President and Vice President:

December 31, 2020 /Unit: NT$ thousands; %

Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Bonus (D)				Total of A, B, C and D and as a % of Net Income				Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company		All companies in the consolidated financial statements		The Company		All companies in the consolidated financial statements		
								Cash	Stock	Cash	Stock	Total	%	Total	%	
CEO	Canon, Huang	600	600	0	0	240	240	0	0	0	0	840	0.05%	840	0.05%	None
President	Hung, Chuen-Sing	0	6,000	0	121	0	480	0	0	0	0	0	0%	6,601	0.38%	None
Vice President	Li, Jhih-Hong	1,992	1,992	108	108	0	0	1,942	0	1,942	0	4,042	0.24%	4,042	0.23%	None

(3) Name of the Managers Who Distribute the Employee Bonus and the Situation of Distribution:

FY2021; Unit: 1,000 shares NT$ thousands; %

	Title (Note 1)	Name (Note 1)	Employee Bonus - in Stock	Employee Bonus - in Cash (Note 2)	Total	Ratio of Total Amount to Net Income (%)
Managers	CEO	Canon, Huang	0	6,071	6,071	0.35%
	President	Hung, Chuen-Sing				
	Vice President	Li, Jhih-Hong				
	Vice President	Lu, Hung-Chin				
	Vice President	Wen, Wen-Yu				
	Senior Manager	Yang, Chung-Chi				
	Senior Manager	Hsu, Pai-Hsiang				
	Senior Manager	Lin, Huang-Chieh				
	Senior Manager	Sun, Ming-Chuan				
	Senior Manager	Lin, Jun-Chi				
	Manager	Yan, Shu-Ping				

Note 1: Individual names and titles shall be disclosed, however, the profit distribution may be disclosed in summary.

Note 2: The employees remuneration in 2021 was approved by the board of directors on March 17, 2022.

Note 3: The scope of application of managers, as stipulated in Letter Taitsaizhengsanzi No.0920001301 dated Mar. 27, 2003, is as follows:

(1) President and the person of equivalent level
(2)Vice President and the person of equivalent level
(3)Senior Manager and the person of equivalent level
(4) Financial department supervisor
(5) Accounting department supervisor
(6)Other persons who have to right to manage the affairs of the company and sign documents on behalf of the company

(4) Compare and explain the analysis of the total remuneration paid to the Director, President and Vice President of the Company in the most recent two years by the Company and all companies in the consolidated statement as a percentage of the net profit after tax in the individual financial reports, and explain the policy, standard, combination, and the procedure of setting remuneration and their correlation with business performance and future risks:

1. Analysis of the proportion of the total remuneration paid by the Company and all companies in the consolidated statements to the company's Directors, President and Vice Presidents in the net profit after tax in the individual financial reports in the most recent two years:

Unit: NT$ thousands; %

Title	2020				2021			
	The Company		All companies in the consolidated financial statements		The Company		All companies in the consolidated financial statements	
	Total remuneration paid	Ratio of total amount to net income (%)	Total remuneration paid	Ratio of total amount to net income (%)	Total remuneration paid	Ratio of total amount to net income (%)	Total remuneration paid	Ratio of total amount to net income (%)
Director, President and Vice Presidents	16,773	2.17%	44,316	5.61%	10,874	0.63%	38,258	2.2%

2. The Company's remuneration policies, standards and combinations, procedures for determining remuneration, and their relationship with operating performance and future risks:

(1) Remuneration of Directors:

Remuneration of Directors includes compensation to Independent Directors, travel allowance, and compensation to Directors. Compensation to Independent Directors shall be paid regardless of whether the Company has generated profits. Travel allowance is paid based on the actual attendance at the Board meetings. As for compensation to Directors, it is determined based on the Articles of Incorporation and reviewed by the Remuneration Committee before submitting to the Board and shareholders' meeting for approval. Compensation to individual Directors would take into account the outcome of Director performance evaluations conducted in accordance with the "Board of Directors Performance Evaluation Measures". Payments are made after the remuneration proposal is reviewed by the Remuneration Committee and resolved in the Board meeting.

(2) Remuneration of President and Vice Presidents:

Remuneration of the President and Vice Presidents includes salary, bonus, and employee compensation. Salaries are determined based on the Company's personnel rules while bonus and employee compensation would take into account the positions and responsibilities assumed and whether there is a violation of ethical code or risk event such as damage to the corporate image or reputation, improper internal management and malpractice, besides profitability of the year and the Articles of Incorporation. The remuneration percentage is determined by considering the management's goal achievement rate, profitability, operational efficiency and degree of contribution in order to provide reasonable compensation. Reasonable and fair performance risk would be linked with the compensation and the Company would also refer to the salary levels among peers. The distribution of bonus and employee compensation is separately reviewed by the Remuneration Committee and resolved in the Board meeting.

(3)Future risks:

The remuneration policies and procedures are closely related to business performance and future risk exposure.

4. Implementation of Corporate Governance:

(1) Board of Directors:

A total of 4 (A) Board meetings were held between January 1, 2021 and July 21, 2021. The attendances of Directors were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Chairperson	Canon, Huang	4	0	100%	Resigned on July 22, 2021
Institutional Director	Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing	4	0	100%	None
Institutional Director	Chang Wah Electromaterials Inc. Representative: Chou, Kang-Chi	4	0	100%	Resigned on July 22, 2021
Institutional Director	Chang Wah Electromaterials Inc. Representative: Tsai, Rong-Dong	4	0	100%	None
Director	Huang, Siou-Cyuan	4	0	100%	Resigned on July 22, 2021
Director	Chen, Cheng-Hong	4	0	100%	Resigned on July 22, 2021
Independent Director	Lin, Yi-Jing	4	0	100%	None
Independent Director	Lin, Ren-Lin	4	0	100%	None
Independent Director	Chuang, Chen	4	0	100%	Resigned on July 22, 2021
Note: The actual attendance rate (or as a nonvoting delegate) (%) is calculated on the basis of the number of Board meetings held and the actual number of attendances during the term of office.					

A total of 4 (A) Board meetings were held between July 22, 2021 and December 31, 2021. The attendances of Directors were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Chairperson	Yuan Yao Energy Technology Co., Ltd. Representative: Canon, Huang	4	0	100%	Took office on July 22, 2021
Institutional Director	Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing	4	0	100%	None
Institutional Director	Chang Wah Electromaterials Inc. Representative: Tsai, Rong-Dong	4	0	100%	None
Institutional Director	Chang Wah Electromaterials Inc. Representative: Huang, Siou-Cyuan	4	0	100%	Took office on July 22, 2021

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Independent Director	Lin, Yi-Jing	4	0	100%	None
Independent Director	Lin, Ren-Lin	4	0	100%	None
Independent Director	Ou, Jia-Ruey	4	0	100%	Took office on July 22, 2021
Note: The actual attendance rate (or as a nonvoting delegate) (%) is calculated on the basis of the number of Board meetings held and the actual number of attendances during the term of office.					

Other mentionable items:

1.If the operation of the board is in one of the following circumstances, the date of Board of Directors Meeting, the period, the content of the motion, opinions of all the Independent Directors and the company's handling of Independent Directors' opinions should be stated:

(1) The circumstances referred to in Article 14-3 of the Securities and Exchange Act: The Company has established the Audit Committee. Article 14-3 of the Securities and Exchange Act is no longer applicable pursuant to Article 14-5 of the same Act.

(2) In addition to the aforesaid matters, other board meeting decisions that have been opposed or reserved by independent directors with records or written statements: The company did not have the above-mentioned situations.

2. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

Date of Board of Directors Meeting	**Name of Director**	**Motion**	**Reason**	**Participation and Voting**
Mar. 17, 2021	Canon, Huang、Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing Representative: Tsai, Rong-Dong	Ratification of obtaining and disposal of securities.	Being the Director	In addition to the ratification of the acquisition and disposal of the securities of JMC Electronics Co., Ltd. securities. This motion, except for the temporary absence of Directors Canon, Huang, Hung, Chuen-Sing and Tsai, Rong-Dong due to avoidance of conflict of interests, was passed unanimously after the acting Chairman consulted the remaining present directors.
Mar. 17, 2021	Canon, Huang、Huang, Siou-Cyuan、Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing Representative: Tsai, Rong-Dong、Lin, Ren-Lin、Lin, Yi-Jing	Full re-election of Directors and nomination of candidates for Directors.	Being the Director	This motion was discussed and voted on a one-by-one basis. Except for the absence of the directors for avoiding conflict of interests, this motion was agreed to by the majority of the present directors and was therefore passed.
Mar. 17, 2021	Canon, Huang、Huang, Siou-Cyuan、Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing Representative: Tsai, Rong-Dong、Lin, Ren-Lin、Lin, Yi-Jing	Lifting of the non-competition restriction on new Directors	Being the Director	This motion was discussed and voted on a one-by-one basis. Except for the absence of the directors for avoiding conflict of interests, this motion was agreed to by the majority of the present directors and was therefore passed.

Date of Board of Directors Meeting	Name of Director	Motion	Reason	Participation and Voting
Apr. 20, 2021	Canon, Huang、Huang, Siou-Cyuan、Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing Representative: Tsai, Rong-Dong、Lin, Ren-Lin、Lin, Yi-Jing	Results of the review of shareholders' proposals and nomination of candidates for directors (including independent directors).	Being the Director	This motion was discussed and voted on a one-by-one basis. Except for the absence of the directors for avoiding conflict of interests, this motion was agreed to by the majority of the present directors and was therefore passed.
May 7, 2021	Canon, Huang、Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing	The transfer of the first-time repurchased shares to the employees.	Being the Director	This motion, except for the temporary absence of Chairperson Canon, Huang and Director Hung, Chuen-Sing due to avoidance of conflict of interests, was passed unanimously after the acting Chairman consulted the remaining present directors.
Aug. 6, 2021	Lin, Ren-Lin、 Lin, Yi-Jing、Ou, Jia-Ruey	The appointment of the fourth Remuneration Committee members.	Being the Independent Director	This motion, except for the temporary absence of Independent Directors Lin, Ren-Lin, Lin, Yi-Jing, and Ou, Jia-Ruey due to avoidance of conflict of interests, was passed unanimously after the Chairperson consulted the remaining present Directors.
Aug. 6, 2021	Yuan Yao Energy Technology Co., Ltd. Representative: Canon, Huang、Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing	Signing of a plant leasing contract with JMC Electronics Co., Ltd.	Being the Director	This motion, except for the temporary absence of Chairperson Canon, Huang and Director Hung, Chuen-Sing due to avoidance of conflict of interests, was passed unanimously after the acting Chairperson consulted the remaining present directors.
Aug. 6, 2021	Yuan Yao Energy Technology Co., Ltd. Representative: Canon, Huang、Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing	Merger with the 100%-owned subsidiary, SH Electronics Taiwan Co., Ltd.	Being the Director	This motion, except for the temporary absence of Chairperson Canon, Huang and Director Hung, Chuen-Sing due to avoidance of conflict of interests, was passed unanimously after the acting Chairperson consulted the remaining present directors.
Aug. 6, 2021	Yuan Yao Energy Technology Co., Ltd. Representative: Canon, Huang、Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing	Ratification of obtaining and disposal of securities.	Being the Director	In addition to the ratification of the acquisition and disposal of the securities of JMC Electronics Co., Ltd. securities. This motion, except for the temporary absence of Directors Canon, Huang and Hung Chuen-Sing due to avoidance of conflict of interests, was passed unanimously after the acting Chairperson consulted the remaining present directors.
110.11.05	Yuan Yao Energy Technology Co., Ltd. Representative: Canon, Huang、Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing Representative: Tsai, Rong-Dong、Representative: Huang, Siou-Cyuan	Details and date for the distribution of remuneration of Directors.	Being the Director	This motion, except for the non-participation of the directors in the discussion and voting due to avoidance of conflict of interests in accordance with the law, was passed unanimously by the remaining present directors. (As the motion was about their own interests of remuneration distribution, the directors were absent from the discussion and voting on their own renumeration in accordance with the law.)

Date of Board of Directors Meeting	Name of Director	Motion	Reason	Participation and Voting
110.11.05	Yuan Yao Energy Technology Co., Ltd. Representative: Canon, Huang、Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing Representative: Tsai, Rong-Dong、Representative: Huang, Siou-Cyuan	Signing of a supplemental agreement to the business cooperation contract with the parent company, Chang Wah Electromaterials Inc.	Being the Director	This motion, except for the temporary absence of Chairperson Canon Huang and Directors Huang, Siou-Cyuan, Hung, Chuen-Sing, and Tsai, Rong-Dong due to avoidance of conflict of interests, was passed unanimously after the acting Chairperson consulted the remaining present Directors.
110.12.21	Yuan Yao Energy Technology Co., Ltd. Representative: Canon, Huang、Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing	2021 performance bonus and 2022 salary for the managers.	Being the Director	This motion, except for the temporary absence of Chairperson Canon, Huang and Director Hung, Chuen-Sing due to avoidance of conflict of interests, was passed unanimously after the acting Chairperson consulted the remaining present directors.

3.The implementation of the Board of Directors' evaluation shall disclose the evaluation cycle and period, evaluation scope, method and evaluation content of the Board of Directors' self (or peer) evaluation.

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Reason	Evaluation Content
Once a year	From 2021/01/01 to 2021/12/31	Entire Board of Directors	Self-evaluation (Directors and Independent Directors perform evaluation)	1. Participation in the operation of the company 2. Improvement of the quality of board decision-making 3. The composition and structure of the board of directors 4. Director selection and continuing education 5. Internal control
		Individual Directors	Self-evaluation (Directors and Independent Directors perform evaluation)	1. Comprehension of company goals and tasks 2. Perception of Directors' Responsibility 3. Degree of participation in the company's operations 4. Internal relationship management and communication 5. Directors' professional and continuing education 6. Internal control
		Functional Committees	Self-evaluation (Directors and Independent Directors perform evaluation)	1. Participation in the operation of the company 2. Perception of the responsibilities of functional committees 3. Improve the decision-making quality of functional

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Reason	Evaluation Content
				committees 4. Composition of functional committees and member selection 5. Internal control

The Company completed the 2021 Board performance evaluation in December 2021 and reported the outcome in the Board meeting on March 17, 2022 for review and improvement. The average scores of self-evaluation on Board performance and individual Board members were 4.51 and 4.39 (out of 5), respectively, indicating a sound operation of the Board. The average score of self-evaluation on Remuneration Committee and Audit Committee was 4.76 (out of 5), showing the Committees operate smoothly and comply with corporate governance, thereby effectively enhancing the Board functions.

4. The objectives of strengthening the functions of the Board of Directors in the current and most recent year (such as setting up an audit committee, enhancing information transparency, etc.) and evaluation of the implementation:

Strengthening the functional objectives of the Board of Directors	Evaluation of Implementation
1. Continue to improve information transparency	The Company appoints dedicated personnel to be responsible for the disclosure of company information and the update of company website information according to laws and regulations.
2. Actively establish communication with stakeholders	1. The Company has spokespersons and acting spokespersons serving as the communication channel for stakeholders or they can go to the stakeholder section of the company's website to ask questions and give suggestions online. 2. Every year, the shareholders' meeting accepts shareholder proposals according to the schedule. Shareholders with the right to propose can apply to the Company during the acceptance period, and the Company will convene a Board of Directors meeting to review it according to regulations.
3. Improve the operational efficiency and decision-making ability of the Board of Directors	The Board of Directors of the Company has established "Rules and Procedures for Shareholders Meetings" in accordance with the "Measures for Board Meetings of Public Offering Companies", and the operation of the Board of Directors is handled in accordance with "Rules and Procedures for Board of Directors Meetings".
4. Strengthen supervisory capabilities	The Company has set a "Scope of Powers of Independent Directors" and established a Remuneration Committee and an Audit Committee to strengthen the corporate governance functions of the Board of Directors.
5. Strengthen professional knowledge	The Company provides the Directors with information on training courses every month and encourages them to participate in the courses in order to meet the requirements of Directors’ training hours.
6. Purchase liability insurance for directors and managers	The Company has renewed director and manager liability insurance, and reported to the Board of Directors on December 18, 2020.

(2) Audit Committee:

In accordance with Article 14-4 of the Securities and Exchange Act, the Company has established the Audit Committee, which is composed of all Independent Directors of the Company.

1. Professional qualifications and experiences of Audit Committee members

Title (Note 1)	Conditions / Name	Professional Qualification and Experience	Remarks
Independent director (Convener)	Lin, Yi-Jing	Please refer to the professional qualifications of Directors and independence of Independent Directors section in "III. Corporate Governance Report" (page 11 to 14) for details.	None
Independent director	Lin, Ren-Lin		None
Independent director	Ou, Jia-Ruey		Note 2
Independent director	Chuang, Chen	N/A	Note 2

Note 1: Please fill in Independent Director or Others. (Please identify the convener where appropriate.)
Note 2: Independent Director Ou, Jia-Ruey took office on July 22, 2021. Independent Director Chuang, Chen resigned on July 22, 2021.

2. The Audit Committee is responsible for the fair presentation of the Company's financial statements; the appointment (discharge), independence and performance of the Company's CPAs; the effective implementation of internal controls; regulatory compliance; and controls over existing or potential risks of the Company. Its main powers are listed as follows:
   (a) To formulate or amend internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
   (b) To assess the effectiveness of the internal control system.
   (c) To formulate or amend procedures for material financial or business activities pursuant to Article 36-1 of the Securities and Exchange Act; for example, acquisition or disposal of assets, derivatives transactions, loans to other parties, and provision of endorsements or guarantees to other parties.
   (d) Matters involving Directors' personal interests.
   (e) Material asset or derivatives transactions.
   (f) Material loans to other parties or provision of endorsement or guarantees.
   (g) Offering, issuance, or private placement of equity-type marketable securities.
   (h) Appointment and discharge of CPAs or their compensation.
   (i) Appointment or discharge of a financial, accounting, or internal audit officer.
   (j) Annual and semi-annual financial reports.
   (k) Other material matters stipulated by the Company or the competent authorities.
3. Review financial reports

   The Board has prepared the Company's 2021 business report, consolidated and parent company only financial statements and earnings distribution proposal. The consolidated and parent company only financial statements were audited by independent auditors, CPAs Kuo, Li-Yuan and Liao, Hung-Ju, of Deloitte & Touche with independent auditors' reports issued. The above-mentioned business report, consolidated and parent company only financial statements and earnings distribution proposal have been reviewed and determined to be accurate by the Audit Committee.
4. Assess the effectiveness of internal controls

   The Audit Committee assessed the internal control system of the Company as of December 31, 2021. The assessment covered the level of achievement concerning the effectiveness and efficiency of operations; the reliability, timeliness and transparency of the financial reporting; and compliance with applicable laws and regulations. The design and execution of internal control systems were found to be effective.

5. CPAs

Audit Committee is responsible for assessing the independence of the Company’s accounting firm to ensure the impartiality of financial reports. The Company’s Financial Department had completed the independence evaluation of CPAs using the "Accountant Independence Evaluation Form" (which is in reference with No. 10 of the "Professional Ethics Bulletin" and Article 47 of the "Accountants Act"). The outcome was submitted to the Audit Committee before reporting to the Board on the same day of December 18, 2020 to approve the independence of CPAs Kuo, Li-Yuan and Liao, Hung-Ju of Deloitte & Touche, as they both met the Company’s standards for independence. They were qualified to be the Company’s CPAs in 2021.

6. A total of 2 (A) Audit Committee meetings were held between January 1, 2021 and July 21, 2021. The attendances of Independent Directors were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Independent director	Lin, Yi-Jing	2	0	100%	None
Independent director	Lin, Ren-Lin	2	0	100%	None
Independent director	Chuang, Chen	2	0	100%	Resigned on July 22, 2021
Note: The actual attendance rate (or as a nonvoting delegate) (%) is calculated on the basis of the number of Audit Committee meetings held and the actual number of attendances during the term of office.					

A total of 3 (A) Audit Committee meetings were held between July 22, 2021 and December 31, 2021. The attendances of Independent Directors were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Independent director	Lin, Yi-Jing	3	0	100%	None
Independent director	Lin, Ren-Lin	3	0	100%	None
Independent director	Ou, Jia-Ruey	3	0	100%	Took office on July 22, 2021
Note: The actual attendance rate (or as a nonvoting delegate) (%) is calculated on the basis of the number of Audit Committee meetings held and the actual number of attendances during the term of office.					

7.Other mentionable items:

(1) If there is any of the circumstances in the operation of the Audit Committee that are listed below, then the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified.

A.Circumstances referred to in Article 14-5 of the Securities and Exchange Act.

Date of Audit Committee Meeting	Period	Motion	Opinion or Major Recommendation of Independent Director	Resolution of Audit Committee	Company's handling of the decision of Audit Committee
Mar. 17, 2021	18th Time, 2nd Session	The Company's 2020 IFRSs financial report.	None	Passed unanimously	Proposed in the Board of Directors Meeting and passed unanimously
		The Company's 2020 operation report.	None		
		The Company's Statement on Internal Control.	None		
		The Company's capital loan to its subsidiary SH Electronics Suzhou Co., Ltd. at the amount of US$4.5 million.	None		
		Ratification of obtaining and disposal of securities.	None		
		Revision of the Company's measures.	None		
		Selection of building contractor of new plants.	None		
May 7, 2021	19th Time, 2nd Session	Ratification of obtaining and disposal of securities.	None	Passed unanimously	Proposed in the Board of Directors Meeting and passed unanimously
		Issuance of the first domestic secured convertible bonds.	None		
Aug. 6 , 2021	1st Time, 3rd Session	Signing of a plant leasing contract with JMC Electronics Co., Ltd.	None	Passed unanimously	Proposed in the Board of Directors Meeting and passed unanimously
		Proposal to merge the 100%-owned subsidiary, SH Electronics Taiwan Co., Ltd.	None		
		Ratification of obtaining and disposal of securities.	None		
Nov. 5, 2021	2nd Time, 3rd Session	The 2022 audit plan.	None	Passed unanimously	Proposed in the Board of Directors Meeting and passed unanimously
		Amendments to the Company's "Rules Governing the Long and Short-term Investments".	None		
		Ratification of obtaining and disposal of securities.	None		
		Signing of a supplemental agreement to the business cooperation contract with the parent company, Chang Wah Electromaterials Inc.	None		
Dec. 21, 2021	3rd Time, 3rd Session	Appointment and remuneration of accountants in 2021.	None	Passed unanimously	Proposed in the Board of Directors Meeting and passed unanimously
		The Company's capital loan to its subsidiary SH Electronics Suzhou Co., Ltd. at the amount of US$9.5 million.	None		
		Ratification of obtaining and disposal of securities.	None		
		Additional acquisitions of electrical and mechanical engineering equipment for new plants.	None		
		Additional acquisitions of fixed assets.	None		
		Establishment of a new investment company.	None		

B. Other than the abovementioned matters, the resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors: None.

(2) If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None.

(3) Communications between the independent directors, the Company's chief internal auditor and CPA (e.g. the items, methods and results of audits of corporate finance or operations, etc.):

A. Communication methods of independent directors with internal audit supervisor and accountants:

(A) The Company established an audit committee on December 10, 2015.The shareholders' meeting re-elected three independent directors for the 3rd term on July 22, 2022.

(B) The accountant shall explain to the independent directors in the Audit Committee meeting at least once every six months on the results of the audit or review of the Company's financial statements and the impact of the revision and release of IFRSs on the Company.

(C) The audit unit of the Company regularly submits various internal audit reports to the independent directors, and irregularly talks with them; since the establishment of the audit committee, the audit unit has had regular talks with the members of the Audit Committee at least once a quarter.

(D) The audit supervisor, accountant and independent directors usually communicate directly through emails, phones or meetings as needed.

B. Summary of the communication between independent directors (Audit Committee) and accountants at regular meetings:

Date	Communication Keypoints	Suggestions of Independent Directors
Mar. 17, 2021	2020 IFRSs financial report.	None
Dec. 21, 2021	1. The key audit items of the accountant's audit report in new form in FY 2021. 2. Appointment and remuneration of accountants in FY 2022.	None
Mar. 17, 2022	2021 IFRSs financial report.	None

C. Summary of the communication between independent directors and internal audit supervisors at regular meetings:

Date	Communication Keypoints	Suggestions of Independent Directors
Mar. 17, 2021	1. Execution status of 2020 Q4 Audit Plan. 2. Passed the review of the Company's Statement on Internal Control.	None
May 7, 2021	Execution status of 2021 Q1 Audit Plan.	None
Aug. 6, 2021	Execution status of 2021 Q2 Audit Plan.	None
Nov. 5, 2021	1. Execution status of 2021 Q3 Audit Plan. 2. 2022 Audit Plan.	None
Mar. 17, 2022	1. Execution status of 2021 Q4 Audit Plan. 2. Passed the review of the Company's Statement on Internal Control.	None

(3) Composition, Responsibilities and Operations of the Remuneration Committee:

1. Composition of Operation of the Remuneration Committee

<table>
<tr><th>Title
(Note 1)</th><th>Conditions
Name</th><th>Professional Qualification and Experience</th><th>Independence Criteria</th><th>Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member</th><th>Remarks</th></tr>
<tr><td>Independent Director (Convener)</td><td>Lin, Ren-Lin</td><td colspan="2" rowspan="3">Please refer to the professional qualifications of Directors and independence of Independent Directors section in “III. Corporate Governance Report” (page 11 to 14) for details.</td><td>0</td><td>None</td></tr>
<tr><td>Independent Director</td><td>Lin, Yi-Jing</td><td>2</td><td>None</td></tr>
<tr><td>Independent Director</td><td>Ou, Jia-Ruey</td><td>0</td><td>Note 2</td></tr>
<tr><td>Independent Director</td><td>Chuang, Chen</td><td>N/A</td><td>N/A</td><td>0</td><td>Note 2</td></tr>
</table>

Note 1：Please fill in Independent Director or Others. (Please identify the convener where appropriate.)
Note 2：Independent Director Ou, Jia-Ruey took office on July 22, 2021. Independent Director Chuang, Chen resigned on July 22, 2021.

2. Responsibilities of the Remuneration Committee:
   (1) Formulate and regularly review managers' performance evaluation and the policies, systems, standards and structures of directors and remuneration.
   (2) Regularly evaluate and determine the remuneration of directors and managers.

3. Operation of the Remuneration Committee:
   (1) There are 3 members of our Remuneration Committee.
   (2) Tenure of the fourth Remuneration Committee: July 22, 2021 to July 21, 2024.
   A total of 2 (A) Remuneration Committee meetings were held between January 1, 2021 and July 21, 2021. The attendances were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Convener	Lin, Ren-Lin	2	0	100%	None
Committee Member	Lin, Yi-Jing	2	0	100%	None
Committee Member	Chuang, Chen	2	0	100%	Resigned on July 22, 2021
Note: Attendance rate (%) is calculated based on the number of meetings of the Audit Committee during their tenure and the number of actual attendance.					

   A total of 2 (A) Remuneration Committee meetings were held between July 22, 2021 and December 31, 2021. The attendances were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Convener	Lin, Ren-Lin	2	0	100%	None
Committee Member	Lin, Yi-Jing	2	0	100%	None
Committee Member	Ou, Jia-Ruey	2	0	100%	Took office on July 22, 2021
Note: Attendance rate (%) is calculated based on the number of meetings of the Audit Committee during their tenure and the number of actual attendance.					

Other mentionable items:

1. The date and period of the most recent Remuneration Committee meeting, the content of the motion, the results of the resolution, and the Company's handling of the Compensation Committee's opinion.

Date of Remuneration Committee meeting	**Period**	**Motion**	**Resolution**	**Company's handling of the resolution**
Mar. 17, 2021	9th Time, 3rd Session	2020 employee compensation distribution ratios and total provision	Passed unanimously	Proposed in the Board of Directors Meeting and passed unanimously
		2020 bonus to the directors distribution ratios and total provision		
May 7, 2021	10th Time, 3rd Session	Transfer of first-time repurchased shares to the employees.	Passed unanimously	Proposed in the Board of Directors Meeting and passed unanimously
Nov. 5, 2021	1st Time, 4th Session	Details and date of distribution of bonus to the Directors.	Passed unanimously	Proposed in the Board of Directors Meeting and passed unanimously
Dec. 21, 2021	2nd Time, 4th Session	2021 performance bonus to the Managers and 2022 salaries.	Passed unanimously	Proposed in the Board of Directors Meeting and passed unanimously
		2021 bonus to the directors distribution ratios and total provision.		

2. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.

3 Resolutions of the remuneration committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

(4) Implementation of Corporate Governance and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons:

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	✓		The company has formulated the "Pragmatic Guidelines for Corporate Governance" and disclosed the operation status on the Company's website and the Market Observation Post System. No material difference was found.	No material difference was found.
2. Shareholding structure & shareholders' rights				
(1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		1. For issues such as shareholders' suggestions or questions or disputes, in addition to the spokespersons and proxy spokespersons, the Company appoints a stock transfer agent to handle them.	(1) No material difference was found.
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(2) The company reports on the Market Observation Post System in accordance with the monthly shareholding change notifications of insiders (directors, supervisors, managers and major shareholders holding more than 10% of the shares), and assigns a stock transfer agency to handle stock affairs in accordance with the law. The Company has control over the list of major shareholders and the ultimate controllers of major shareholders in most cases.	(2) No material difference was found.
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		(3) The Company has formulated relevant operating procedures in the internal control system in accordance to law. In addition to the "Measures for Group Enterprises, Specific Companies Transacting with Related Persons", the auditors regularly supervise the implementation of the procedures.	(3) No material difference was found.
(4) Does the company establish internal rules against insiders trading with undisclosed	✓		(4) The Company has formulated the "Procedures for Processing of Important Internal Information" and the "Measures Governing the	(4) No material difference was found.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
information?			Prevention against Insider Trading" to prohibit insiders from using undisclosed information on the market to trade securities.	
3. Composition and Responsibilities of the Board of Directors (1) Does the Board develop and implement a diversified policy for the composition of its members?	✓		(1) The Company's "Guidelines for Corporate Governance" in effect has stated that Board composition shall incorporate diversity and strive to implement diversity policy. Please refer to page 14 to 16 for the diversity policy, management plans and implementation of the Company.	(1) No material difference was found.
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?		✓	(2) The Company follows the regulations of the competent authority to set up a remuneration committee and an audit committee, and has established operating standards; various functional committees have not been established due to the needs of business operations. In the future, the Company will be establish the committees in accordance with the regulations of the competent authority and based on company's operational needs.	(2)Other types of functional committees will be established based on actual needs.
(3) Does the company establish a standard to measure the performance of the Board, and implement it annually? And are the results of measurement reported to the Board and used as the reference for the remuneration, nomination and re-election of its members?	✓		(3) The Company has formulated the "Board of Directors Performance Evaluation Measures", and conducts regular performance evaluation every year and discloses relevant information on the Company's website. The results of the performance evaluation have been submitted to the Board of Directors on March 17, 2022, and used as a reference for the remuneration of individual Di2rectors and the nomination for renewal.	(3) No material difference was found.
(4) Does the company regularly evaluate the independence of CPA	✓		(4) The process of the Company's evaluation of the independence of CPA in 2022 is as follows: the Company's Financial Department completes the "Accountant Independence Evaluation Form" for	(4) No material difference was found.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			CPA Lee-Yuan Kuo and Hung-Ju Liao (the evaluation is in reference with "Professional Ethics Bulletin" No. 10 and Article 47 of the "Accountants Act"), the items evaluated all meet the company's independence evaluation standards, and they are adequate to serve as a certified accountant of the Company. The relevant evaluation form was sent to the Audit Committee on December 21, 2021 for approval and submitted to the Board of Directors on the same day for resolution.	
4. Does the listed or company allocate appropriate number of competent corporate governance personnel, and appoint a supervisor of corporate governance to be responsible for corporate governance related matters (including but not limited to providing information required by Directors and Supervisors for business execution, assisting Directors and Supervisors in complying with laws and regulations, and handling matters related to the meetings of the Board of Directors meeting and the shareholders meeting, and prepare the minutes of the shareholders meeting and the shareholders meeting, etc.)?	✓		The Company has dedicated staff responsible for corporate governance related matters, but has not designated a corporate governance supervisor. The relevant progress made in 2021 is as follows: 1. Regularly provide information on the training courses for board members, so that all members of the Board of Directors can complete at least 6 hours of training courses; and provide the Board of Directors with the necessary information to perform the business, and assist the Board of Directors with complying with laws and regulations. 2. Evaluate and purchase "Board and Manager Liability Insurance" for board members. 3. Irregularly convene communication meetings for accountants, independent board of directors, and audit and accounting supervisors to implement the internal audit and control system. For details of the communication meeting records, please refer to the company's website. https://www.cwtcglobal.com/ 4. Drafted agenda of the Board of Directors are provided to the Directors seven days in advance. The Company convenes meetings and provides meeting materials, and the Directors are notified in advance if the issues	No material difference was found.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			require interest avoidance. The minutes of the meeting are completed within 20 days after the meeting. 5. The Company was invited to join road shows in 2021, establishing diverse communication channels with investors. 6. The Company processed the registration prior to the date of the shareholders meeting in accordance with the law, prepared meeting notices, meeting handbooks, and minutes of proceedings within the statutory time limit, and handled registration change matters during the amendment of the articles of association or the re-election of directors.	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		The Company has set up the official website to include relevant financial business and product information to provide reference for interested parties; the Company has spokespersons and acting spokespersons to handle external communication matters and makes proper use of the public information system; the Company's stakeholders are all You can contact us through our website. Once we receive any questions or suggestions from interested parties, we will reply as soon as possible (Website: https://www.cwtcglobal.com/) Please refer to Note for details of the identity of the stakeholders, issues of concern, communication channels and response methods.	No material difference was found.
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The company appointed the Stock Service Department of the SinoPac Securities Co., Ltd. to handle the affairs of the shareholders meeting.	No material difference was found.
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of	✓		(1) The Company has set up a website, and financial business and corporate governance information are disclosed in accordance with regulations	(1) No material difference was found.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
corporate governance?			"Company Official Website-Investor Section" (Website: https://www.cwtcglobal.com/) and "Market Observation Post System」(Website: https://mops.twse.com.tw/) in accordance with the regulations.	
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		(2) The Company has dedicated personnel responsible for the disclosure of the its major information and enters such information on the Market Observation Post System and the Company's website on time, and also implements the spokesperson system in accordance with the regulations; and uploads audiovisual information such as the investor conference on the company's website.	(2) No material difference was found.
(3) Does the company announce and report annual financial reports within two months after the end of the fiscal year, and publish the financial reports for the first, second and third quarters and the operating conditions of each month before the prescribed deadline?		✓	(3) The Company currently publishes the annual financial report and the financial report for the first, second and third quarters and the operation of each month in accordance with the "Taipei Exchange Rules Governing Information Reporting by Companies with TPEx Listed Securities".	(3) Same as abstract explanation.
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and	✓		1. The company has formulated the "Rules Governing the Terms of Reference of Independent Directors" to improve the Company's corporate governance system, and purchase the Director liability insurance in accordance with the rules: each compensation request and the cumulative compensation limit during the insurance period is US$5 million. 2. Employees' rights and interests: The company protects the rights and interests of employees in accordance with the Labor Standards Act. 3. Employee care: The Company upholds the employees as its company's most important asset. It	No material difference was found.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
purchasing insurance for directors and supervisors)?			maintains a harmonious atmosphere through self-management by employees and mutual respect, and establishes various rules and systems to ensure the rights and interests of both the Company and employees. In addition, through the welfare committee and administrative organizations, various welfare benefits and care can be provided to employees in a timely manner for them work in a care-free manner. 4. Investor relations: A spokesperson and acting spokesperson system has been established and stock transfer agencies and stock service staff are in place to handle shareholder questions and suggestions. 5. Supplier relations: The Company regularly evaluates suppliers and adequately communicate with them to maintain a good relationship. 6. Stakeholder's rights: Stakeholders of the Company can contact us through the Company's website. Once we receive questions or suggestions from interested parties, we will reply as soon as possible (Website: https://www.cwtcglobal.com/) 7. Implementation of risk management policies and risk measurement standards: The company conducts various risk management and evaluations in accordance with the regulations of the competent authority. 8. Customer policy and implementation: The company regularly investigates customer satisfaction and has a customer complaint handling system to maintain a good and stable relationship with customers. 9. Purchase of liability insurance for Directors and Supervisors by the Company: The Company has purchased liability insurance for the Directors and reports in the Board of Director meeting after signing a new insurance contract every year.	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			10. For the training and education of the directors in 2021 and up to the publication of the annual report, please refer to page 42.	

9. Please explain the improvement regarding the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year, and propose efforts to be strengthened in the first priority and measures for the areas which have not yet improved:

(1) The improvement:

1. To increase global presence, the Company started to disclose the English version of shareholders' meeting materials in 2021.
2. The Company voluntarily disclosed remuneration of the President and the Vice Presidents.

(2) Efforts and measures requiring strengthening in the first priority:

1. To enhance disclosures relating to professional qualification and experience, major tasks and operations of Audit Committee members.
2. Periodically disclose the implementation and outcome of internal performance evaluations on functional committees at the corporate website or annual report.

Note: The status of stakeholders, issues of concern, communication channels and response methods in 2021.

Status of stakeholders	Issues of concern	Communication channels, response methods and communication frequency	Communication with stakeholders in 2021
Shareholders and Investors	◆Corporate governance ◆Dividend policy ◆Operational performance	◆Market Observation Post System: The media or the Market Observation Post System immediately disclose important information, such as corporate governance, operating performance, and other relevant information that shareholders and investors are concerned about. ◆Stakeholder section of the company website ◆Convene shareholders' meeting once a year and publish the annual report ◆Investor conference ◆Consulting spokesperson ◆Set up concierges of service and stakeholders for two-way communication Stock service agent concierge information: Contact: Stock Service Department, SinoPac Securities Co., Ltd.	◆Real-time important information is published on the Market Observation Post System and the company website ◆The Company has set up a special section for stakeholders on the company's website for shareholders and investors to ask questions and make suggestions. ◆The regular shareholders meeting was held and the annual report was published on July 22, 2021. ◆ The Company was invited to participate in the investor conference on March 25, April 6, October 1 and November 23, 2021.

Status of stakeholders	Issues of concern	Communication channels, response methods and communication frequency	Communication with stakeholders in 2021
		Tel:(02)2381-6288 Stakeholder concierge information: Contact: Ms. Hsu Tel: (07)36222663 ext.210 Email: michelle.hsu@cwtcglobal.com	
Employee	◆Employee benefits ◆Labor Relations ◆Complaint mechanism and channels	◆Internal website or internal e-mail announcement: Various welfare matters (employee health check), Welfare Committee information (festival activities, dinner parties, lucky draws and employee travel, etc.), employee welfare plans, education and training courses, etc. ◆Labor-management conference ◆Stakeholder section of company website	◆Announcements are regularly updated on the internal website or through the internal e-mails ◆Annual health check once a year ◆Hold a dinner party and departmental dinners ◆In order to improve internal benefits and reward employees for financial planning, the employee stock ownership trust service was launched in 2020. ◆Employee travel reimbursement ◆ Regularly arrange education and training courses for employees ◆Convene labor-management meetings on a regular basis, inviting employees to participate in activities such as discussing labor conditions and labor benefits. ◆The Company has set up a special section for stakeholders on the company's website for employees to ask questions and make suggestions.
Customer	◆Customer service	◆Dedicated customer service personnel	◆Immediate response to customers

The trainings received by the Company's Directors in the most recent year and as of the publication date of the annual report:

Title	Name	Date	Course	Number of Hours
Chairperson	Canon, Huang	Jul. 30, 2021	Trends of Mergers and Acquisitions and Developments of Investment Holding Companies in Taiwan	3
		Aug. 9, 2021	Corporate Governance and Securities Regulations	3
Representative of juristic person director	Huang, Siou-Cyuan	Aug. 9, 2021	Corporate Governance and Securities Regulations	3
		Sep. 1, 2021	Certificate of the 13th Taipei Corporate Governance Forum	3
Representative of juristic person director	Hung, Chuan-Sing	Sep. 1, 2021	Certificate of the 13th Taipei Corporate Governance Forum	3
		Sep. 15, 2021	Seminar of Responsibilities and Risk Management of Directors and Supervisors	3
Representative of juristic person director	Tsai, Rong-Dong	Apr. 28, 2021	Enhancement of Corporate Sustainability-CSR、ESG and SDGs	3
		Mar. 27, 2021	Forum on the Principle of Fair Treatment of Consumers – From the Life Cycle of Insurance Products	3
		Jul. 28, 2021	Balancing Digital Transformation of Enterprises with Cyber Security Risk to Create a Win-Win Solution	3
		Aug. 19, 2021	Business Ethics and Money Laundering Prevention	3
Independent Director	Lin, Yi-Jing	Sep. 15, 2021	Seminar of Responsibilities and Risk Management of Directors and Supervisors	3
		Oct. 18, 2021	Seminar of Insider Equity Promotion for OTC/Emerging Companies	3
		Mar. 10, 2022	An International Perspective on Independent Directors and the 2022 Shareholders' Meetings	1
Independent Director	Lin, Ren-Lin	Oct. 1, 2021	Case Study on CSR and ESG Practices under Corporate Governance Evaluation	3
		Oct. 18, 2021	Seminar of Insider Equity Promotion for OTC/Emerging Companies	3
Independent Director	Ou, Jia-Ruey	Sep. 15, 2021	Seminar of Responsibilities and Risk Management of Directors and Supervisors	3
		Oct. 18, 2021	Seminar of Insider Equity Promotion for OTC/Emerging Companies	3
		Oct. 26, 2021	Technology Developments and Applications of Artificial Intelligence	3
		Dec. 7, 2021	Looking at Taiwanese Business Operations and M&A Strategies from the Perspective of Global Political and Economic Situation	3

The trainings received by the Company's Manager in the most recent year and as of the publication date of the annual report:

Title	Name	Date	Course	Number of Hours
Accounting Supervisor	Lin, Chun-chi	2021/09/16~2021/09/17	Continuing Training Class for Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	12

(5) Implementation of Corporate Social Responsibility and the Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish a governance structure for sustainability developments and set up an exclusively (or concurrently) dedicated sustainability unit with senior management authorized by the board to handle relevant issues under the supervision of the board?	✓		In the Company’s structure for sustainability development, the President is designated as the convener and the President Office is responsible for coordinating and managing relevant matters. The Board of Directors would supervise and give guidance on environmental, social and corporate governance issues within the sustainability development. The management team shall report the implementation results and corporate strategies to the Board annually. In addition to monitoring the progress of strategies, the Board would urge the management team to make necessary adjustments. Please refer to page 49 for details on sustainability developments.	No material difference was found.
2. Does the company conduct risk assessments on environmental, social and corporate governance issues related to operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		The Company has established the “Code of Practice for Sustainable Development” (formerly the Code of Practice for Corporate Social Responsibility) and disclosed it on the corporate website. The Code clearly states that our corporate social responsibility (CSR) policy is to implement corporate governance, develop a sustainable environment, maintain social welfare schemes, and enhance CSR disclosures as well as sets out potential risks and countermeasures. Please refer to page 49 for details on our promotion of sustainable developments.	No material difference was found.
3. Environmental issues (1) Does the company establish proper environmental management systems based on the characteristics of their industries?	✓		(1) In response to international trends and customer requirements, the company has established an environmental management system and received ISO 14001:2015 certification (on April 21, 2021, valid until April 17, 2025) .	(1) No material difference was found.
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		(2) The Company conducts waste treatment and recycling control based on the internal control of scraped products entering and exiting the warehouse; the raw materials used in the company’s products all comply with EU regulations and customer requirements for environmentally prohibited substances, namely the "Environmental Restricted Substance Control Standard" such as Restriction of Hazardous Substances (ROHS), halogen-free (HF), EU chemical policy (REACH), etc., and customer requirements for environmentally prohibited substances; and focus on the improvement of product efficiency to achieve the purpose of low power consumption and	(2) No material difference was found.

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			reduction of environmental impact.	
(3) Does the Company assess the potential risks and opportunities of climate change to businesses now and in the future, and take measures to respond to climate-related issues?		✓	(3) The Company has not yet assessed the current and future potential risks and opportunities to businesses in respect of climate change. Nor has it adopted measures to respond to climate-related issues, which will be included in the discussion in the future.	(3) Same as abstract explanation.
(4) Does the company make statistics on greenhouse gas emissions, water consumption, and total waste weight in the past two years, and formulate policies for energy saving and carbon reduction, greenhouse gas reduction, water reduction, or other waste management?	✓		(4) In order to create an energy-saving and carbon-reduction atmosphere, the Company leads all employees to implement energy-saving policies, actively promotes energy-saving measures, reduces Cost of sales, and enhances competitiveness. The policies adopted are as follows: ① The company has implemented energy-saving and carbon-reduction measures. The factory has completely shifted to energy-saving LED lamps. It advocates constant temperature of air-conditioning, and power and air-conditioning can be turned off at will to reduce energy waste. ②Continuously carry out garbage classification, recycling and reduction. ③Reduce lamp usage in non-office areas.	(4) No material difference was found.
4. Social issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(1) Relevant systems and rules of the Company are in compliance with the Labor Standards Act. We support and respect international human rights treaties, including the "United Nations Universal Declaration of Human Rights", "United Nations Guiding Principles on Business and Human Rights" and "International Labor Organization". The Company allocates employee pensions in accordance with regulations; establishes an employee welfare committee to handle various welfare matters; regularly holds labor and management meetings to communicate ideas and suggestions so as to achieve a harmonious win-win situation for both sides; all employee appointments, discharges and salary payment are executed in accordance with the Company's management system for protecting the rights and interests of employees; emphasizes its core values through newcomer education and training, and attaches importance to labor, business ethics, child labor, labor-management	(1) No material difference was found.

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			relations, working hours and fairness principles; to protect labor human rights, we are convinced that every employee should be treated fairly and humanely ; formulated "Sexual Harassment Prevention Measures; Appeals and Disciplinary Measures" and established the complaint channels to protect the rights and interests of female employees.	
(2) Does the Company formulate and implement reasonable employee welfare measures (including salary, vacation and other benefits, etc.) and appropriately reflect operating performance or results in employee compensation?	✓		(2) The Company has formulated working rules and related personnel management regulations, which cover the basic wages, working hours, vacations, pension payments, labor and health insurance payments, occupational accident compensation, etc. of the employees hired by the company, all in compliance with the relevant provisions of the Labor Standards Act. The Employee Welfare Committee has been established with the members elected by the employees to handle various welfare issues; the Company's remuneration policy is based on personal ability, contribution to the company, performance and has a positive correlation with operating performance.	(1) No material difference was found.
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		(3) The company attaches great importance to the health of colleagues. For mental health, there are unobstructed communication channels, employee interviews, gender equality complaint mailboxes and president mailboxes, as well as health seminars held irregularly; for physical health, it conducts new employee and annual physical examinations as a way to 2) The provide the employees with information on health management; for work health, in addition to maintaining a safe working environment, work safety-related training is held every year, disaster prevention and emergency response twice a year; training on chemicals safety and emergency response exercise are held once a year to enhance employees' safety awareness and strengthen their emergency response capabilities.	(1) No material difference was found.
(4) Does the company provide its employees with career development and training sessions?	✓		(4) The Company will provide appropriate job titles, salary, grades to the employees based on their work level, personal ability, performance, etc. for them to fully deliver their abilities and create maximum profits; for employees whose performance does not meet the requirements, in addition to strengthening	(1) No material difference was found.

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			on-the-job training , the department supervisors should give appropriate care and guidance in order for them to catch up; for employees with good performance, in addition to being placed in greater roles according to their ability and willingness, they will be rewarded with promotion and provided with further training and development opportunities according to their career plans.	
(5) With regard to customer health and safety, customer privacy, marketing and labeling of products and services, does the Company follow relevant laws and international standards, and formulate relevant consumer protection policies and complaint procedures?	✓		(5) For the Company’s product marketing and labeling, product labeling and delivery specifications are established and implemented in accordance with customer requirements; import and export operations are implemented in accordance with government regulations and import and export and bonded operation specifications. The Company has set up a complaint mechanism and channel for interested parties, and maintains a good communication channel with customers, provides transparent and effective customer complaint handling procedures for products and services. The customer complaint handling procedures contain steps for handling customer complaints and goods return and replacement procedures to protect the rights of customers in using the products. The company purchases product liability insurance for products which are in direct contact with consumers in order to protect them.	(2) No material difference was found.
(6) Does the Company formulate supplier management policies which require suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor human rights, and the implementation?	✓		(6) The Company has set up a "Supplier Management Program". When purchasing, environmental safety and social impact are listed as evaluation items. The liability clauses in the proposed new version of the supplier contract will be included in the relevant provisions. The Company conducts regular supplier evaluations on suppliers as a reference basis for the procurement unit to carry out procurement operations.	(3) No material difference was found.
5. Does the Company refer to the internationally accepted standards or guidelines for compiling reports to prepare corporate social responsibility reports and other reports that		✓	The Company currently does not fall within the scope of the law that requires the production of corporate social responsibility report. Therefore, it has not produced a report which discloses the company's non-financial information, such as a corporate social responsibility report. Such report	Same as abstract explanation.

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td>disclose the Company's non-financial information? Has the aforesaid report obtained the validation or assurance opinion of the third-party certification body?</td><td></td><td></td><td>will be compiled in the future according to the legal requirements and the company's operational needs.</td><td></td></tr>
<tr><td colspan="5">6. If the Company has established the corporate social responsibility principles based on “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies”, please describe any discrepancy between the Principles and their implementation: No material difference was found.</td></tr>
<tr><td colspan="5">7. Other important information to facilitate better understanding of the company’s corporate social responsibility practices (Such as the systems and measures adopted by the Company for environmental protection, community participation, social contribution, social services, social benefits, consumer rights, human rights, safety and health, and other social responsibility activities and implementation status):
(1) For environmental protection: The Company implements control in accordance with the laws and regulations regarding environmental protection, and promotes the ISO14001 environmental management system.
(2) For consumer rights: The Company has dedicated personnel responsible for handling customer complaints for protection of consumer rights.
(3) For human rights, safety and health:
The Company upholds internationally recognized labor rights, such as freedom of association, collective bargaining rights, care for disadvantaged groups, prohibition of child labor, elimination of various forms of forced labor, elimination of hiring and employment discrimination, etc., and ensures our personnel policies are free of differential treatment based on gender, race, socio-economic class, age, marital and family status, etc. for equal and fair employment, recruitment terms, salary, benefits, training, evaluation and promotion opportunities. We also comply with international human rights treaties, including the “United Nations Universal Declaration of Human Rights”, “United Nations Guiding Principles on Business and Human Rights” and “International Labor Organization” to prevent any infringement or violation of human rights. For situations which jeopardize labor rights, the Company provides an effective and appropriate complaint mechanism to ensure a fair and transparent complaint process.
The company strictly complies with local government labor laws and regulations, establishes appropriate management methods and procedures, and communicates and promotes them internally.

The Company pays attention to the following human rights based on its operating projects and characteristics and proposes corresponding policies to facilitate the promotion of relevant internal action plans:

1. Compliance with international human rights and legal requirements: The Company does not allow any violation of human rights, such as appointing children under the age of 16 for labor, and regularly inspects, controls and promotes the efforts in complying with such requirements.
2. Provision of a fair working environment: The Company provides employees with fair employment opportunities, a good working environment and reasonable benefits in accordance with the Labor Standards Act, and ensures that the employees are not subject to any discrimination, harassment or any unfair treatment based on race, nationality, gender, religious beliefs, age, political positions, etc.
3. Provision of a safe working environment: The Company has security personnel 24 hours a day a to help maintain the safety of the plant especially during night time. Its monitoring system, access control system, fire protection system and various machinery and equipment are regularly entrusted to professional companies for maintenance and inspection work once a month; disaster prevention and emergency response twice a year, training on chemical safety and emergency response exercise once a year; in accordance with the provisions of the Occupational Safety and Health Law, the Company appoints government-recognized agencies and professionals to implement operating environment monitoring operations twice a year to understand the actual state of exposure of the staff to the hazard factors in the factory. According to the law, on 2020.1.1, the Company appoints physicians and nurses from</td></tr>
</table>

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	

professional medical institutions to enter the plant to conduct employee health management for the prevention of human musculoskeletal hazards, protection of maternal health, prevention of diseases caused by abnormal workloads, etc., for safeguarding the physical and mental health of employees. The plant promotes 6S and disciplinary management, and the audit team members take turns to audit the 6S in the factory once a week, in order to beautify the working environment, strengthen the safety of the plant area, and improve work efficiency. In addition, work instructions for preventing illegal infringements in the workplace are established in accordance with the law, and a written statement prohibiting workplace violence in the workplace is posted on the bulletin to achieve a workplace with zero violence in the workplace.

In addition, the Company has labor safety and health management personnel to implement management and control in accordance with government laws and regulations. Through regular labor-management meetings and various employee communication channels, communication between management and employees is established to fulfill the responsibility of respecting employees' human rights and protecting their rights.

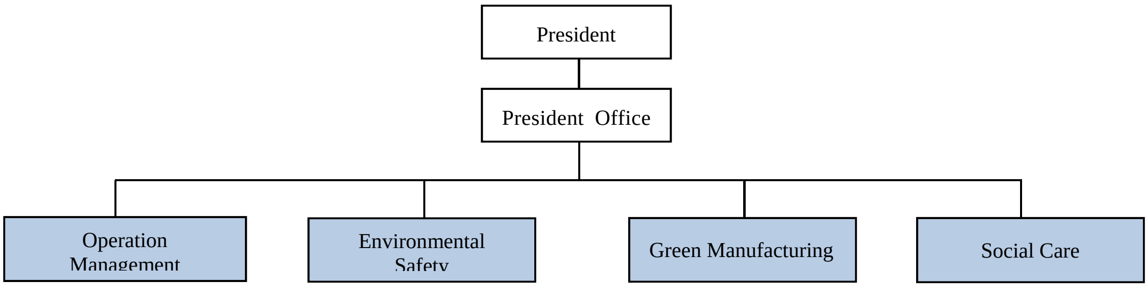
(4) Other social responsibility activities: In response to the recruitment and training program of Bureau of Labor, the company provides job opportunities for students under poverty line and senior job-seekers through recruitment.

(5) Product certification: The Company has obtained ISO9001, IATF 16949 and ISO14001 certifications.

Certification	Effective Period	Date of Certification
ISO 9001: 2015	Mar. 26, 2021~ Mar. 25, 2024	Jan. 18, 2021~Jan. 19, 2021
IATF 16949: 2016	Mar. 26, 2021~ Mar. 25, 2024	Jan. 18, 2021~Jan. 19, 2021
ISO14001: 2015	Apr. 17, 2025	Apr. 21, 2022

Promotion of Sustainable Development:

1. Structure for Promotion of Sustainable Development



2. Governance for Promotion of Sustainable Development
   (1) President Office: Align with corporate governance trends and comply with laws and regulations.
   (2) Environmental Management and Factory Unit: Draw up safety operation standards, examine and eliminate risk factors, operate environmental protection equipment, and treat sewage.
   (3) Group-level Environmental Safety Unit: Maintain labor relations, employee health and safety, and arrange various educational courses.

3. Risk Assessment for Promotion of Sustainable Development

Material Issues	**Risk Evaluation Items**	**Risk Management Policies or Measures**
Environmental	Environmental protection Climate change	Push for a reduction in process water consumption, build wastewater recycling facilities, and improve wastewater treatment efficiency with the target of increasing the recycling volume by 10% each year.
		Commit to energy saving and carbon reduction, carry out greenhouse gas inventory annually and set the goal of reducing carbon dioxide emissions each year.
Social	Workplace safety Employee recruitment and training	Conduct at least two plant-wide disaster prevention drills and emergency responses every year, covering earthquakes, fires, chemical leakage, etc. and incorporating scenario setting based on operation characteristics and hazard types.
		Give priority to locals in terms of recruitment and hiring. The Company's training courses include orientation and on-the-job training. Courses are assessed with effectiveness evaluated to motivate employees and obtain appropriate authorization.
Corporate Governance	Regulatory Compliance	Ensure regulatory compliance of all personnel and operations by establishing a governance organization and implementing internal control mechanisms.

(6) Implementation of Ethical Corporate Management and Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons

Evaluation Item	Implementation			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
1. Establishment of ethical corporate management policies and programs (1) Does the company established the ethical corporate management policies approved by the Board and declare the policies and procedures in its guidelines and external documents, as well as the commitment from its board to implement the policies?	✓		(1) The Company has formulated the "Code of Business Integrity Management", "Code of Ethical Conduct", "Business Integrity Procedures and Behavior Guidance" to specifically regulate the matters that directors, managers and employees of the Company should pay attention to when performing business.	(1) No material difference was found.
(2) Does the company establish assessment mechanism for the risk of unethical conducts, regularly analyze and assess the operating activities with higher risk of unethical conducts in its business scope, establish appropriate precautions against high-potential unethical conducts or listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies?	✓		(2) The Company has established work rules and employee assessment and management methods, clearly specifying relevant rewards and punishment methods, and clearly stipulated the relevant operating procedures in the "Business Integrity Procedures and Behavior Guide", and the material violations of integrity will be subject to discharge or dismissal and the information such as the name of the violating person , date of violation, details of violation and handling of the violation will be internally published. It is also stipulated that if the Company makes political donations or charitable donations or sponsorships at	(2) No material difference was found.

Evaluation Item	Implementation			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			an amount exceeding NT$ 500,000 and NT$100,000 respectively, it shall be reported to the Board of Directors for approval.	
(3) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies?	✓		(3) The Company’s work rules clearly stipulate that the employee found engaging in malpractice and will accepting bribes while on duty with concrete evidence verified to be true are deemed to be in violation of the labor contract or work rules, and the labor contract can be terminated, and the employee will be subject to the procedures stated in the "Business Integrity Procedures and Behavior Measures" for receiving illegitimate benefits and facilitation payments. In addition, the "Business Integrity Procedures and Behavior Guidance" also stipulate the handling of the personnel involved in dishonest conduct, and encourages internal and external personnel to report dishonest behaviors or improper conducts. If the report is verified to be true, the relevant unit of the Company should review the relevant internal control system and operating procedures, and proposed	(3) No material difference was found.

Evaluation Item	Implementation			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			improvement measures to prevent the same behavior from recurring.	
2. Fulfill operations integrity policy				
(1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		(1) The Company has set up a "Supplier Management Program" which includes the environmental impact as an item of assessment when making a purchase. The Company's work rules and "Business Integrity Procedures and Behavior Guidance" prohibit employees from providing and accepting improper benefits when performing business duties.	(1) No material difference was found.
(2) Has the Company set up a dedicated unit under the Board of Directors to enhance business integrity management and regularly (at least once a year) report to the Board of Directors of its integrity management policies, plans for preventing dishonest behaviors, and supervision of implementation?	✓		(2) In the "Business Integrity Procedures and Behavior Guidance", the Company designates the Business Ethics Committee as a dedicated unit to implement the revision, implementation, and consulting services of these operating procedures and behavior guidance, and it reported to the Board of Directors on March 17, 2022 of the implementation of corporate business integrity in 2021.	(2) No material difference was found.
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels,	✓		(3) The Company has set up the employee opinion mailboxes and the "employee grievance handling system" to provide employees with a channel for	(3) No material difference was found.

Evaluation Item	Implementation			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
and implement it?			suggestions to strengthen labor-employment cooperation. If employees have rights and interests impaired or have other opinions, they can also directly use the administrative system by directly submitting complaints to the personnel unit. The personnel unit will work with the supervisor of each unit to immediately investigate and handle the complaints, or report them to a higher level, and notify the complainant of the results or the handling situation. All employees of the company can report violations or conflicts of interest to the human resources unit or directly to the President.	
(4) Has the Company has established an effective accounting system and internal control system for the realization of business integrity with the internal audit unit drawing up a relevant audit plan based on the assessment results of dishonest behavior risks, and verifying compliance with the plan for preventing dishonest behaviors based on it, or entrusted an accountant to perform the audit?	✓		(4) In order to reasonably ensure the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with relevant laws and regulations, the Company has established an accounting system, an internal control system and related management methods to realize the spirit of business integrity; the Company's internal auditors regularly audit relevant compliance matters of all the	(4) No material difference was found.

Evaluation Item	Implementation			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	✓		units of the Company. (5) The Company pays attention to the realization of the principle of integrity by all employees in its daily business. In 2021, the Company participated in the internal and external education and training programs (including related courses on integrity management, regulatory compliance and internal control) for a total of 117 person-hours.	(5) No material difference was found.
3. Operation of Company's Integrity Channel (1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	✓		(1) The company has set up employee suggestion mailboxes and "employee grievance handling system" to provide employees with a channel for suggestions to strengthen labor-employment cooperation. In addition, in the "Business Integrity Procedures and Behavior Guidance", the Integrity Management Committee is designated as the dedicated unit, and the punishment, appeal system and disciplinary action have been established.	(1) No material difference was found.
(2) Does the company establish standard operating procedures for confidential reporting on	✓		(2) The handling of all employee issues will be given a high degree of confidentiality and timeliness, and the relevant	(2) No material difference was found.

Evaluation Item	Implementation			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
investigating accusation cases?			personnel who deal with the whistleblower in accordance with "Business Integrity Procedures and Behavior Guidance" shall declare in writing that the identity of the whistleblower and the content of the report will be kept confidential. In the case of serious violation of integrity, the violating employee shall be discharged or dismissed in accordance with relevant laws and regulations or the company's personnel regulations, and the title and name of the violater, date of violation, facts of violation and the status of handling will be announced internally.	
(3) Does the company provide proper whistleblower protection?	✓		(3) The Company is responsible for the confidentiality of the whistleblower. Relevant personnel who deal with the whistleblower in accordance with "Business Integrity Procedures and Behavior Guidance" shall declare in writing that the identity of the whistleblower and the content of the report will be kept confidential. The company promises to protect the whistleblower from the being improperly treated.	(3) No material difference was found.
4. Strengthening information disclosure Does the company disclose its	✓		The Company has set up a website to disclose information	No material difference was

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation</th><th rowspan="2">Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td>ethical corporate management policies and the results of its implementation on the company’s website and MOPS?</td><td></td><td></td><td>on business integrity and clearly states that it should try its best to ensure that the company's disclosure of information to the public is complete, fair, correct, timely and understandable.</td><td>found.</td></tr>
<tr><td colspan="5">5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation:
The company has formulated the "Code of Business Integrity ". The Business Integrity Committee is the dedicated unit to handle matters related to the operating procedures and report to the Board of Directors regularly. Its operation is consistent with the code of business integrity of listed and OTC companies and no material difference was found.
6 Other important information to facilitate a better understanding of the company’s ethical corporate management policies:
The Company submitted the "Corporate Integrity Management Report" to the Board of Directors on March 17, 2022 In accordance with the Code of Business Integrity.</td></tr>
</table>

(7) The query method for the Company’s Practice Guidelines for Corporate Governance and related regulations:

The Company has not yet formulated a corporate governance code. However, for the "Listed and OTC Companies Practice Guidelines for Corporate Governance” it has formulated relevant systems and regulations and published them on the Market Observation Post System and its website (which includes the Company’s Articles of Association, Rules of Procedures for Shareholders Meetings, Rules for the Exercise of Rights and Participation in Decisions by Legal Persons with Controlling Capability, Rules for Board of Directors Meetings, Methods for Director Election, Rules for the Scope of Responsibilities of Independent Directors, Code of Ethics, Procedures for Acquiring or Disposing of Assets, Procedures for Capital Loans to Others, Endorsement and Guarantee Procedures, Audit Committee Organizational Rules, Remuneration Committee Organizational Rules, Code of Business Integrity, Business Integrity Procedures and Behavior Guidance, and Corporate Social Responsibility Code of Practice) are available for investors to inquire at:
https://www. cwtcglobal.com/.

(8) Other important information to facilitate a better understanding of the company’s implementation of corporate governance:

In order to establish a good internal processing and disclosure mechanism for material information , avoid improper information leakage, and ensure the consistency and correctness of the information published externally , the Company has formulated the "Internal Material Information Processing Procedures" .

(9) Implementation of Internal Control Systems:

1. Statement of Internal Control System:

Chang Wah Technology Co., Ltd.

Statement of Internal Control System

Date: March 17, 2022

The internal control system of the Company in 2021, according to the result of self-assessment is thus stated as follows:

1. The Company acknowledges that the implementation and maintenance of internal control system is the responsibility of Board of Directors and management, and the Company has established such system. The internal capital system is aimed to reasonably assure that the goals such as the effectiveness and the efficiency of operations (including profitability, performance and protection of assets), the reliability of financial reporting and the compliance of applicable law and regulations are achieved.
2. The internal control system has its innate restriction. An effective internal control system can only ensure the foregoing three goals are achieved; nevertheless, due to the change of environment and conditions, the effectiveness of internal control system will be changed accordingly. However, the internal control system of the Company has self-monitoring function and the Company will take corrective action once any defect is identified.
3. According to the effective judgment items for the internal control system specified in "Highlights for Implementation of Establishing Internal control System by Listed Companies" (hereinafter referred to as "Highlights") promulgated by Securities and Futures Commission, Ministry of Finance R.O.C., the Company has made judgment whether or not the design and execution of internal control system is effective. The judgment items for internal control adopted by “Highlights” are, based on the process of management control, for classifying the internal control into five elements: 1.Control environment; 2.Risk assessments; 3.Control activities; 4.Information and communication; and 5.Monitoring. Each element also includes a certain number of items. For the foregoing items, refer to "Highlights".
4. The Company has adopted the aforesaid judgment items for internal control to evaluate the effectiveness of design and execution of internal control system.
5. Based on the above-mentioned result of evaluation, the Company suggests that the internal control system established on Dec. 31, 2021, including the design and execution of internal control relating to the effectiveness and efficiency of operation, the reliability of financial reporting, the compliance of applicable law and regulations has been effective and they can reasonably assure the aforesaid goals have been achieved.
6. This statement will be the main content for annual report and prospectus and will be disclosed publicly. If the above contents have any falsehood and concealment, it will involve in the liability as mentioned in Article 20, 32, 171 and 174 of Securities and Exchange Law.
7. This statement has been approved by the meeting of Board of Directors on March 17, 2022, and 0 of those 9 directors in presence oppose and all agree at the contents of this statement.

Chang Wah Technology Co., Ltd.

Chairperson: Canon, Huang Signature:

President: Hung, Chuen-cheng Signature:

2. Audit report of the accountant's project for review of internal control: none.

(10) In the most recent year and as of the publication date of the annual report, the punishment on the Company and its internal personnel in accordance with the law, or penalties imposed by the Company on its internal personnel for violating the provisions of the internal control system with the results which may have a significant impact on shareholder rights or securities prices should be specified for punishment content, main deficiencies and improvement: none.

(11) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

1. Material resolutions of the regular shareholders' meeting:

Session	Date	Material resolution	Implementation
Regular Shareholders' Meeting	July 22, 2021	1. Passed the resolution to recognize the Company's FY2020 business report and financial statements.	Completed
		2. Passed the resolution to 10) In recognize the company's surplus distribution in FY2020.	Passed the resolution to distribute cash dividends of NT$467,445,906 (NT$1.32 per share) to shareholders. The Board of Directors resolved to set December 23, 2020 and June 21, 2021 as the record dates and January 13, 2021 and July 14, 2021 as the distribution dates for cash dividends from earnings distributions of the first and second half of 2020, respectively. The distributions were completed as scheduled.
		3. Passed the resolution to revise "Rules and Procedures for Shareholders Meetings".	Followed as revised.
		4. Passed the resolution to revise "Articles of Association".	Followed as revised.
		5. Passed the resolution to hold an election of all Directors (including three Independent Directors).	Seven Directors (including three Independent Directors) were elected. They were approved to be registered at the Export Processing Zone Administration, Ministry of Economic Affairs on August 4, 2021
		6. Passed the lifting of non-competition restrictions on representatives of juristic person directors.	Completed.

2. Material resolutions of the board of directors meeting:

Session	Date	Material resolution
4th Board of Directors Meeting, 19th Session	March 17, 2021	1. Passed the Company's employee compensation distribution ratios in 2020. 2. Passed the Company's bonus to Directors distribution ratios in 2020. 3. Passed the Company's 2020 IFRSs financial report. 4. Passed the Company's 2020 operation report.

Session	Date	Material resolution
		5. Passed the 2020 surplus distribution. 6. Passed the Company's Statement on Internal Control. 7. Passed the ratification of letter of comfort sent on behalf of the subsidiary Malaysian SH Electronics Sdn. Bhd. 8. Passed the ratification of letter of comfort sent on behalf of the subsidiary SH Precision Chengdu Co., Ltd. 9. Passed the Company's capital lending of US$4.5 million to its subsidiary SH Electronics Suzhou Co., Ltd. 10. Passed ratification of obtaining and disposal of securities. 11. Passed revision of the Company's measures. 12. Passed the selection of the contracted builder of the Company's new plants. 13. Passed the total reelection of the directors and nomination of the candidates for directors. 14. Passed the lifting of non-competition restriction on new Directors. 15. Passed the date and place of 2021 shareholders meeting and the reason for the meeting.
4th Board of Directors Meeting, 20th Session	April 20, 2021	1. Passed the shareholder motions and review results of the nomination of the candidates for directors.
4th Board of Directors Meeting, 21th Session	May 7, 2021	1. Passed the details of distribution of cash dividends of distribution of surplus of the second half of 2020. 2. Passed the ratification of obtaining and disposal of securities. 3. Passed the transfer of the first-time repurchased shares to the employees. 4. Passed the issuance of the first domestic secured convertible bonds.
4th Board of Directors Meeting, 22th Session	June 30, 2021	1. Passed the changes to the date, venue and matters associated with the 2021 annual shareholders' meeting. 2. Passed the revision of the method of buying back the shares of Chang Wah Technology Co., Ltd. for transfer to the employees. 3. Passed the transfer of the first-time repurchased shares to the employees.
5th Board of Directors Meeting, 1st Session	July 22, 2021	Passed the election of Chairperson.
5th Board of Directors Meeting, 2nd Session	August 6, 2021	1. Passed the Company's 2021 Q2 IFRSs financial report. 2. Passed the appointment of the fourth Remuneration Committee members. 3. Pass the signing of a plant leasing contract with JMC Electronics Co., Ltd. 4. Passed the merger with the 100%-owned subsidiary, SH Electronics Taiwan Co., Ltd. 5. Passed the ratification of obtaining and disposal of securities.
5th Board of Directors Meeting, 3rd Session	November 5, 2021	1. Passed the 2022 Audit Plan. 2. Passed the amendments to the Company's "Rules Governing the Long and Short-term Investments". 3. Passed the Company's ratification of obtaining and disposal of securities. 4. Passed the distribution of surplus in the first half of 2021. 5. Passed the details and date of bonus to the Directors. 6. Passed the signing of a supplemental agreement to the business cooperation contract with the parent company, Chang Wah Electromaterials Inc.
5th Board of Directors Meeting, 4th Session	December 21, 2021	1. Passed the appointment and renumeration of accountants in 2022. 2. Passed the Company's capital lending of US$9.5 million to its subsidiary SH Electronics Suzhou Co., Ltd. 3. Passed the ratification of obtaining and disposal of securities. 4. Passed the lines of credit of financial institutions in 2022. 5. Passed the 2022 budget plan. 6. Passed the 2022 group capital expenditure budget. 7. Passed the additional acquisitions of electrical and mechanical engineering equipment for new plants. 8. Passed the additional acquisitions of fixed assets. 9. Passed the establishment of a new investment company.

Session	Date	Material resolution
		10. Passed the 2021 performance bonus and 2022 salary for the managers.
5th Board of Directors Meeting, 5th Session	March 17, 2022	1. Passed the 2021 employee dividends distribution ratios and total provision. 2. Passed the distribution ratios of 2021 bonus to the directors and total provision. 3. Passed the Company's 2021 IFRSs financial report. 4. Passed the Company's 2021 operation report. 5. Passed the 2021 surplus distribution. 6. Passed the Company's Statement on Internal Control. 7. Passed ratification of obtaining and disposal of securities. 8. Passed revision of the Company's measures. 9. Passed the conversion of the first domestic secured convertible bonds for new shares. 10. Passed the additional acquisitions of air conditioning equipment for new plants. 11. Passed the acquisition of land and plants from MEKTEC Corporation. 12. Passed the issuance of employee restricted stocks. 13. Passed the date and place of 2022 shareholders meeting and the reason for the meeting.
5th Board of Directors Meeting, 6th Session	April 29, 2022	1. Passed whether to include shareholders' proposals in the upcoming annual shareholders' meeting. 2. Passed ratification of obtaining and disposal of securities. 3. Passed the amendments to the Company's "Articles of Incorporation".

(12) Major Issues of Record or Written Statements Made by Any Director Dissenting to Important Resolutions Passed by the Board of Directors: None.

(13) Resignation or Dismissal of the Company's Key Individuals, Including the Chairman, President, and Heads of Accounting, Finance, Internal Audit and R&D: None.

5. Information Regarding the Company's Audit Fee

Unit: NT$ thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Remarks
Deloitte & Touche	Lee-Yuan Kuo Hung-Ju Liao	2021Q1~2021Q4	6,235	582	6,817	None

(1) The amounts of non-audit fees and items of non-audit services: Including business registration, transfer pricing report, tax compliance audit, and travel, typing and printing expenses incurred by CPAs.
(2) Change of the accounting firm with the audit fee paid during the year of change being less than the public fee of the previous year: None.
(3) Audit fee reduced by more than 10% compared with the previous year: None.

6. Replacement of CPA

(1) Regarding the former CPA

Replacement Date	December 18, 2020	
Replacement reasons and explanations	The original CPA of the Company were Liu, Yu- Hsiang (CPA A) and Hung-Ju Liao (CPA B) from Deloitte & Touche. Due to internal restructuring at Deloitte & Touche , the CPA of the Company were changed to Lee-Yuan Kuo (CPA C) and Hung-Ju Liao (CPA D), beginning 2021Q1.	
Describe whether the	Parties / Status	CPA	The Company

<table>
<tr><td rowspan="2">Company terminated or the CPA did not accept the appointment</td><td colspan="2">Termination of appointment</td><td>None</td><td>None</td></tr>
<tr><td colspan="2">No longer accepted (continued) appointment</td><td>None</td><td>None</td></tr>
<tr><td>Other issues (except for unqualified issues) in the audit reports within the last two years</td><td colspan="4">2021: None
2020: None</td></tr>
<tr><td rowspan="7">Differences with the company</td><td rowspan="5">Yes</td><td>None</td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td>None</td><td colspan="2">Disclosure of Financial Statements</td></tr>
<tr><td>None</td><td colspan="2">Audit scope or steps</td></tr>
<tr><td>None</td><td colspan="2">Others</td></tr>
<tr><td></td><td colspan="2"></td></tr>
<tr><td>None</td><td colspan="3">✓</td></tr>
<tr><td colspan="4">Remarks/specify details: None.</td></tr>
<tr><td>Other Revealed Matters

(the matters that shall be disclosed in accordance with Clause 1-4 to 1-7, Paragraph 6, Article 10 of the Guidelines)</td><td colspan="4">None</td></tr>
</table>

(2) Regarding the successor CPA

Name of accounting firm	Deloitte & Touche
Name of CPA	CPA Lee-Yuan Kuo and CPA Hung-Ju Liao
Date of appointment	December 18, 2020
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

(3) Former accountant's reply to Item 1 and Item 2-3, Paragraph 6 Article 10 of these Standards: Not applicable.

7. Where the company's chairperson, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its CPA or at an affiliated enterprise of such accounting firm: none.

8. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

(1) Changes in Shareholding of Directors, Managers and Major Shareholders

Unit: Shares

Title	Name	2021		As of April 30, 2022	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairperson	Canon, Huang (Note 1)	0	0	0	0
Juristic Person Director	Yuan Yao Energy Technology Co., Ltd. (Note 1)	7,000,000	0	0	0
Representative of juristic person director	Yuan Yao Energy Technology Co., Ltd. Representative: Canon, Huang (Note 1)	(14,800,000)	0	0	0
Juristic Person Director and Major Shareholder	Chang Wah Electromaterials Inc.	7,382,000	0	(20,300,000)	0
Representative of juristic person director and President	Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing	150,000	0	0	0
Representative of juristic person director	Chang Wah Electromaterials Inc. Representative: Chou, Kang-Chi (Note 1)	0	0	0	0
Representative of juristic person director	Chang Wah Electromaterials Inc. Representative: Tsai, Rong-Dong	0	0	0	0
Representative of juristic person director	Chang Wah Electromaterials Inc. Representative: Huang, Siou-Cyuan (Note 1)	0	0	0	0
Director	Huang, Siou-Cyuan (Note 1)	0	0	0	0
Director	Chen, Cheng-Hong (Note 1)	0	0	0	0
Independent Director	Lin, Yi-Jing	0	0	0	0
Independent Director	Lin, Ren-Lin	0	0	0	0
Independent Director	Chuang, Chen (Note 1)	0	0	0	0
Independent Director	Ou, Jia-Ruey (Note 1)	0	0	0	0
Vice President	Li, Jhih-Hong	0	0	0	0
Vice President	Lu, Hung-Chin (Note 2)	0	0	0	0
Vice President	Wen, Wen-Yu (Note 2)	0	0	0	0
Senior Manager	He, Rong-Zong (Note 2)	10,000	0	0	0
Senior Manager	Yang, Chung-Chi	(270,000)	(500,000)	(13,000)	0

Title	Name	2021		As of April 30, 2022	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Senior Manager	Hsu, Pai-Hsiang	(42,000)	(350,000)	0	0
Senior Manager	Lin, Huang-Chieh (Note 2)	0	0	0	0
Senior Manager	Sun, Ming-Chuan (Note 2)	0	0	0	0
Finance Supervisor	Yan, Shu-Ping	0	0	0	0
Accounting Supervisor	Lin, Jun-Ji	6,000	0	(6,000)	0

Note 1：The Company held a Board election in the annual shareholders' meeting on July 22, 2021 where Chairperson Canon Huang was replaced by the representative of juristic person director, Yuan Yao Energy Technology Co., Ltd., and Director Huang, Siou-Cyuan was replaced by the representative of juristic person director, Chang Wah Electromaterials Inc. Thus, the date was the cut-off point in the calculation of changes in shareholding. Representative of juristic person director, Chou, Kang-Chi, Director Chen, Cheng-Hong and Independent Director Chuang, Chen resigned on July 22, 2021. Thus, the calculation of changes in shareholding ended on that date. Independent Director Ou, Jia-Ruey took office on July 22, 2021. Therefore, the calculation of changes in shareholding started on that date.

Note 2：Due to reorganization, Vice Presidents Lu, Hung-Chin and Wen, Wen-Yu and Assistant Vice Presidents Lin, Huang-Chieh and Sun, Ming-Chuan took office on January 1, 2022. Therefore, the calculation of changes in shareholding started on that date. Assistant Vice President He, Rong-Zong resigned on January 1, 2022. Thus, the calculation of changes in shareholding ended on that date.

(2) Those to whom the equities of the directors, managers and major are transferred are related parties: None.

(3) Those against whom the equities of the directors, managers and major are pledged are related parties: None.

9. Relationship information, if among the 10 largest shareholders any one is a related party, or is the spouse or a relative within the second degree of kinship of another:

April 16, 2022; Unit: Shares

Name (Note 1)	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Second Degree of Kinship (Note 3)		Remark
	Shares	Shareholding % (Note 2)	Shares	Shareholding % (Note 2)	Shares	Shareholding % (Note 2)	Name	Relation	
Chang Wah Electromaterials Inc.	200,267,970	52.13%	0	0%	0	0%	Huang, Siou-Cyuan	Director	None
Chang Wah Electromaterials Inc. Representative: Canon, Huang	2,590,000	0.67%	0	0%	0	0%	Yuan Yao Energy Technology Co., Ltd.	In Second Degree of Kinship with the Chairperson	None
							Besjie Investment Co., Ltd.	In Second Degree of Kinship with the Chairperson	None
							JMC Electronics Co., Ltd.	Chairperson the same person	None
							Shin Shin Investment Co., Ltd.	Spouse of the Chairperson	None
Fubon Life Insurance Co., Ltd.	27,415,240	7.14%	0	0%	0	0%	None	None	None
Fubon Life Insurance Co., Ltd. Representative: Tsai, Ming-hsing	0	0%	0	0%	0	0%	None	None	None
Yuan Yao Energy Technology Co., Ltd.	13,397,000	3.49%	0	0%	0	0%	None	None	None
Yuan Yao Energy Technology Co., Ltd. Representative: Huang, Sai-ying	121,000	0.03%	0	0%	0	0%	Chang Wah Electromaterials Inc.	In Second Degree of Kinship with the Chairperson	None
							Besjie Investment Co., Ltd.	Chairperson the same person	None
							JMC Electronics Co., Ltd.	In Second Degree of Kinship with the Chairperson	None
							Shin Shin Investment Co., Ltd.	In Second Degree of Kinship with the Chairperson	None
Besjie Investment Co., Ltd.	13,095,980	3.41%	0	0%	0	0%	None	None	None

Name (Note 1)	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Second Degree of Kinship (Note 3)		Remark
	Shares	Shareholding % (Note 2)	Shares	Shareholding % (Note 2)	Shares	Shareholding % (Note 2)	Name	Relation	
Besjie Investment Co., Ltd. Representative: Huang, Sai-ying	121,000	0.03%	0	0%	0	0%	Chang Wah Electromaterials Inc.	In Second Degree of Kinship with the Chairperson	None
							Yuan Yao Energy Technology Co., Ltd.	Chairperson the same person	None
							JMC Electronics Co., Ltd.	In Second Degree of Kinship with the Chairperson	None
							Shin Shin Investment Co., Ltd.	In Second Degree of Kinship with the Chairperson	None
Huang, Siou-Cyuan	10,379,710	2.70%	0	0%	0	0%	Chang Wah Electromaterials Inc.	Director	None
Cathay Life Insurance Co., Ltd.	7,098,000	1.85%	0	0%	0	0%	None	None	None
Cathay Life Insurance Co., Ltd. Representative: Huang, Tiao-Kuei	0	0%	0	0%	0	0%	None	None	None
Investment account of the Singapore government entrusted to Citibank Taiwan	6,462,220	1.68%	0	0%	0	0%	None	None	None
Jin Chiao Li Co., Ltd.	6,066,020	1.58%	0	0%	0	0%	None	None	None
Jin Chiao Li Co., Ltd. Representative: Tsai, Kui-chih	0	0%	10,379,710	2.70%	0	0%	Huang, Siou-Cyuan	Spouse	None
JMC Electronics Co., Ltd.	4,322,000	1.13%	0	0%	0	0%	None	None	None
JMC Electronics Co., Ltd. Representative: Canon, Huang	2,590,000	0.67%	0	0%	0	0%	Chang Wah Electromaterials Inc.	Chairperson the same person	None
							Yuan Yao Energy Technology Co., Ltd.	In Second Degree of Kinship with the Chairperson	None
							Besjie Investment Co., Ltd.	In Second Degree of Kinship with the Chairperson	None
							Shin Shin Investment Co., Ltd.	Spouse of the Chairperson	None

Name (Note 1)	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Second Degree of Kinship (Note 3)		Remark
	Shares	Shareholding % (Note 2)	Shares	Shareholding % (Note 2)	Shares	Shareholding % (Note 2)	Name	Relation	
Shin Shin Investment Co., Ltd.	4,266,680	1.11%	0	0%	0	0%	None	None	None
Shin Shin Investment Co., Ltd. Representative: Chang, Shu-hui	0	0%	2,590,000	0.67%	0	0%	Chang Wah Electromaterials Inc.	Spouse of the Chairperson	None
							Yuan Yao Energy Technology Co., Ltd.	In Second Degree of Kinship with the Chairperson	None
							Besjie Investment Co., Ltd.	In Second Degree of Kinship with the Chairperson	None
							JMC Electronics Co., Ltd.	Spouse of the Chairperson	None

Note 1: All the top ten shareholders should be listed. If they are legal person shareholders, the names of the legal person shareholders and the names of the representatives should be listed separately.

Note 2: The calculation of the shareholding ratio refers to the calculation of the shareholding ratio in the name of shareholder, his/her spouse, his/her minor children or the name of others; the shareholding ratio is calculated based on 364,131,050 shares.

Note 3: The shareholders listed in the previous disclosure, including legal persons and natural persons, shall disclose their relationship in accordance with the issuer's financial report preparation standards.

10. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company:

December 31, 2021

Investee Company	Investment Made by the Company		Investment Made by Entities Directly or Indirectly Controlled by Directors, Supervisors, Managers		Total Investment	
	Shares	Percentage	Shares	Percentage	Shares	Percentage
CWTC (Shanghai) Inc.	NA(Note 2)	100%	—	—	NA (Note 2)	100%
SH Electronics Taiwan Co., Ltd.	41,000,000	100%	—	—	41,000,000	100%
SH Asia Pacific Pte. Ltd.	21,206,103	100%	—	—	21,206,103	100%
Malaysian SH Electronics Sdn. Bhd.	—	—	23,000,000	100%	23,000,000	100%
SH Electronics Suzhou Co., Ltd.	—	—	NA (Note 2)	100%	NA (Note 2)	100%
WSP Electromaterials Ltd.	—	—	5,235,000	100%	5,235,000	100%
SH Electronics Chengdu Co., Ltd.	—	—	NA (Note 2)	100%	NA (Note 2)	100%
SH Precision Chengdu Co., Ltd.	—	—	NA (Note 2)	100%	NA (Note 2)	100%
Shanghai Chang Wah Electromaterials Inc.	—	—	NA (Note 2)	69%	NA (Note 2)	69%

Note 1: Investment by the Company accounted for using equity method.
Note 2: No shares are issued for the company is not a limited company.

IV. Capital Overview

1. Capital and Shares

(1) Source of Capital:

April 30, 2022

Month/ Year	Offering Price	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT$ thousands)	Shares	Amount (NT$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
April 2022	-	700,000,000	700,000,000	384,198,680	384,198,680	Conversion of convertible bonds NT$20,067,630.	None	Note

Note: Approved by the Administration of Export Processing Zone, Ministry of Economic Affairs on April 6, 2022 by letter No. 1110003319.

April 30, 2022; Unit: Shares

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Registered common shares	384,198,680	315,801,320	700,000,000	Shares of a listed company traded OTC

Information about the comprehensive reporting system: No applicable.

(2) Shareholder Structure:

April 16, 2022

Shareholder / Quantity	Government Agencies	Financial Institutions	Other Juridical Persons	Individuals	Foreign Institutions & Natural Persons	Total
Number of Shareholders	0	14	57	8,169	79	8,319
Shareholding (Shares)	0	35,080,648	265,447,043	62,285,652	21,385,337	384,198,680
Percentage	0	9.13%	69.09%	16.21%	5.57%	100.00%

(3) Shareholding Distribution Status

April 16, 2022

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	1,087	180,947	0.05%
1,000 ~ 5,000	6,016	10,842,751	2.82%
5,001 ~ 10,000	587	4,769,797	1.24%
10,001 ~ 15,000	185	2,395,691	0.63%
15,001 ~ 20,000	92	1,675,843	0.44%
20,001 ~ 30,000	99	2,509,727	0.65%
30,001 ~ 40,000	56	1,997,590	0.52%
40,001 ~ 50,000	28	1,287,905	0.34%
50,001 ~ 100,000	62	4,353,144	1.13%
100,001 ~ 200,000	33	4,700,674	1.22%
200,001 ~ 400,000	27	7,965,164	2.07%
400,001 ~ 600,000	15	7,089,210	1.85%
600,001 ~ 800,000	3	2,086,000	0.54%
800,001 ~ 1,000,000	4	3,643,850	0.95%
1,000,001 or over	25	328,700,387	85.55%
Total	8,319	384,198,680	100.00%

(4) List of Major Shareholders: (Note)

April 16, 2022

Shareholder's Name \ Shares	Shareholding	Percentage
Chang Wah Electromaterials Inc.	200,267,970	52.13%
Fubon Life Insurance Co., Ltd.	27,415,240	7.14%
Yuan Yao Energy Technology Co., Ltd.	13,397,000	3.49%
Besjie Investment Co., Ltd.	13,095,980	3.41%
Huang, Siou-Cyuan	10,379,710	2.70%
Cathay Life Insurance Co., Ltd.	7,098,000	1.85%
Investment account of the Singapore government entrusted to Citibank Taiwan	6,462,220	1.68%
Jin Chiao Li Co., Ltd.	6,066,020	1.58%
JMC Electronics Co., Ltd.	4,332,000	1.13%
Shin Shin Investment Co., Ltd.	4,266,680	1.11%

Note: If there are less than ten shareholders with at least 5% ownership, the names of the top ten shareholders in terms of percentage of ownership, the amount and percentage of ownership should be disclosed.

(5) Market Price, Net Worth, Earnings, Dividends per Share and Related Information:

Unit: NT$ /thousand shares

Item \ Year			2020	2021	As of April 30, 2022 (Note 8)
Market Price per Share (Note 1)	Highest Market Price		63.60	115.50	113.50
Market Price per Share (Note 1)	Lowest Market Price		17.20	52.30	89.20
Market Price per Share (Note 1)	Average Market Price		44.67	83.00	98.99
Net Worth per Share (Note 2)	Before Distribution		15.02	22.24	—
Net Worth per Share (Note 2)	After Distribution		14.10	20.52 (Note 9)	—
Earnings per Share	Weighted Average Shares		353,198	356,736	—
Earnings per Share	EPS (Note 3)	Before Adjusment	2.19	4.81	—
Earnings per Share	EPS (Note 3)	Adjusted	2.19	4.81	—
Dividends per Share	Cash Dividends		1.32	2.40 (Note 9)	—
Dividends per Share	Stock Dividends	Dividends from Retained Earnings	—	—	—
Dividends per Share	Stock Dividends	Dividends from Capital Surplus	—	—	—
Dividends per Share	Accumulated Undistributed Dividends (Note 4)		—	—	—
Return on Investment	Price / Earnings Ratio (Note 5)		20.40	17.26	—
Return on Investment	Price / Dividend Ratio (Note 6)		33.84	34.58 (Note 9)	—
Return on Investment	Cash Dividend Yield Rate (%) (Note 7)		2.96	2.89 (Note 9)	—

Note 1: The highest and lowest market prices for each year are listed, and the average market price for each year is calculated based on the value and volume of transactions for each year.

Note 2: Please use the number of shares issued at the end of the year as the basis and fill in the following year's shareholders' meeting to resolve the distribution.

Note 3: If there is a retroactive adjustment due to a no-compensation stock allotment, etc., the Earnings per share before and after the adjustment should be listed.

Note 4: If the conditions of issuance of equity securities provide that unpaid dividends for the current year may be accumulated and paid in the year of earnings, the dividends accumulated and unpaid as of the current year should be disclosed separately.

Note 5: Price / Earnings Ratio = Average Market Price / Earnings per Share

Note 6: Price / Dividend Ratio = Average Market Price / Cash Dividends per Share

Note 7: Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price

Note 8: Net value and earnings per share should be presented for the most recent quarterly period ended on the printing date of the annual report, and the rest should be presented for the current year ended on the printing date of the annual report.

Note 9: The dividend amount for the second half of 2021 resolved by the Board of Directors Meeting on March 17, 2022 shall be included.

(6) Dividend Policy and Implementation Status:

1. Dividend Policy:

The amendments to the Company's Articles of Incorporation had been approved by the Company's shareholders in its meeting held in June 2020, which stipulate that earnings distribution or loss make-up may be made after the close of each semi-annual fiscal period. If there is any surplus at the end of each semi-annual fiscal period, the Company shall first make up for losses, estimate and retain the taxable contributions and compensation to employees and directors, and set aside 10% of the legal reserve, except when the legal reserve has reached the Company's total capital, and set aside or reverse the special reserve as required by law or regulations prescribed by the competent authority. If there is any surplus, the remaining balance shall be added to the accumulated undistributed earnings of the previous semi-accounting year, and the board of directors shall prepare a proposal for the distribution of the earnings, which shall be resolved by the shareholders' meeting if the earnings are to be distributed by issuing new shares, or by the board of directors if the earnings are to be distributed in cash.

If there is any surplus in the Company's annual final accounts, the Company shall first pay taxes and make up for losses, and then set aside 10% as legal reserve, except when the accumulated legal reserve has reached the Company's total capital, and set aside or reverse the special reserve as required by law or the competent authority; if there is any remaining balance, the Company may give priority to the distribution of dividends from the preferred shares; if there is any unappropriated earnings from prior years, the Board of Directors shall prepare a proposal for the distribution of earnings, which shall be resolved by the shareholders' meeting if the distribution is to be made by issuing new shares.

The amendments to the Company's Articles of Incorporation had been approved by the Company's shareholders in its meeting held in June 2020. Before the amendment, if there is any surplus at the end of each semi-annual fiscal period, the Company shall first make up for losses, estimate and retain the taxable contributions and compensation to employees and directors, and set aside 10% of the legal reserve, except when the legal reserve has reached the Company's total capital, and set aside or reverse the special reserve as required by law or regulations prescribed by the competent authority. If there is any surplus, the remaining balance shall be added to the accumulated undistributed earnings of the previous semi-accounting year, and the board of directors shall prepare a proposal for the distribution of the earnings, which shall be resolved by the shareholders' meeting if the earnings are to be distributed by issuing new shares, or by the board of directors if the earnings are to be distributed in cash.

If there is any surplus in the Company's annual final accounts, the Company shall first pay taxes and make up for losses, and then set aside 10% as legal reserve, except when the accumulated legal reserve has reached the Company's total capital, and set aside or reverse the special reserve as required by law or the competent authority; if there is any unappropriated earnings from prior years, the Board of Directors shall prepare a proposal for the distribution of earnings, which shall be resolved by the shareholders' meeting if the distribution is to be made by issuing new shares.

The Company is in line with the overall environment and the growth characteristics of the industry, as well as the long-term financial planning of the Company, in order to achieve sustainable and stable business development. The Company’s dividend policy is based on the residual dividend policy, which is based on the Company’s future capital budget plan to measure the annual capital requirements, and the remaining earnings are distributed in the form of cash and stock dividends after reserving the necessary capital for financing. The distribution steps are as follows:

(1) Determine the best capital budget.

(2) Determine the amount of financing needed to meet the previous capital budget.

(3) Determine the amount of capital to be financed by retained earnings.

(4) The remaining earnings may be distributed to the shareholders in the form of dividends, after reserving an appropriate amount for operating needs, and the distribution should be no less than 10% of the Company’s distributable earnings for the year, provided that the portion of cash dividends is no less than 10% of the total dividends to be paid.

2. Proposed Distribution of Dividend:

The Board of Directors Meeting of the Company resolved the following in the first half of 2020 and the second half of 2020:

	Second half of 2021	First half of 2021
Board of Directors Meeting Date of Resolution	March 17, 2022	Nov. 5, 2021
Legal reserve	$ 133,381	$ 55,332
Special reserve (reversed)	$ 64,892	($ 34,256)
Cash Dividends	$ 646,123	$ 246,872
Cash dividends per share (NT$)	$ 1.72	$ 0.68

3. The dividend policy expected to change significantly: None.

(7) The effect of the proposed free distribution on the Company's operating results and earnings per share:

There is no proposed free distribution for the Company's earnings distribution for the year ended December 31, 2021.

(8) Employees and Bonus to Directors:

1. The number or scope of employees and Bonus to Directors as set forth in the Articles of Incorporation:

The Company shall distribute compensation to employees at no less than 1% and no more than 12% of the Company's profitability for the year and shall distribute compensation to directors at no more than 1.5% of the Company's profitability for the year. However, if the Company has accumulated deficits, the Company shall first make up for them.

Compensation to employees may be distributed in the form of shares or in cash to employees of parents or subsidiaries of the company meeting certain specific requirements that are entitled to receive shares or cash; such requirements shall be established by the board of directors.

Profit of the current year referred to in the first paragraph refers to the net income before taxation for the current year before the distribution of compensation to employees and compensation to directors.

The distribution of compensation to employees and compensation to directors shall be made 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; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

2. The basis for estimating the amount of employee and bonus to Directors, the basis for calculating the number of shares of employee compensation distributed by stock, and the accounting treatment if the actual amount of distribution differs from the estimated amount:

   Employees and directors' compensation is calculated based on management's estimate of the amount that could be paid and the percentage set forth in the Articles of Incorporation. If the Board of Directors' meeting subsequently resolves that the actual amount of distribution differs materially from the estimated amount, the difference is recorded as profit or loss in the year of the resolution.

3. The approval of the distribution of remuneration in Board of Directors' Meeting:

   (1) The amount of employee compensation and Bonus to Directors distributed in cash or stock. If there is any discrepancy between the amount and the estimated amount of expense recognized, the amount of the discrepancy, the reason for the discrepancy and the treatment of the discrepancy should be disclosed:

   The Board of Directors' meeting held on March 17, 2022 approved the distribution of cash compensation to employees and remuneration to directors in the amount of $18,693 thousands and $4,000 thousands, respectively, which were not different from the amounts recognized in the consolidated financial statements for the year ended December 31, 2021.

   (2) The amount of employee compensation distributed in stock and its proportion to the total amount of profit after tax and total employee compensation reported in the individual or separate financial statements for the period:

   The Company did not distribute employee compensation in stock.

4. The actual distribution of employees and Bonus to Directors in the previous year:

   (1) The actual allotment of employees and Bonus to Directors in the previous year was. as follows:

FY2020 Distribution of Earnings	Distribution by Resolution	Actual Distribution
Bonus to Employees	NT$7,386 thousands	NT$7,386 thousands
Bonus to Directors	NT$4,000 thousands	NT$4,000 thousands

FY2020 Distribution of Earnings	Distribution by Resolution	Actual Distribution
Date when the Resolution Passed by the Board	March 17, 2021	
Date when the Report Passed in the Shareholders' Meeting	July 22, 2021	

(2) If there is any difference between the above amount and the amount recognized for employees and Bonus to Directors, please state the difference, the reason for the difference and the treatment: No difference.

(9) Repurchase of the Company's shares

(1) Repurchase of the Company's shares by the Company (if completed)

April 30, 2022

Instance	First time of 2018 (Note 1)
Purpose	Transferred to employees
Buyback Period	May 10, 2018~July 6, 2018
Repurchased interval price	NT$272.5~564
Type and Volume of Repurchased Shares	Ordinary shares 10,940,000 shares (Note 2)
Amount of Repurchased Shares	NT$437,809,094
The ratio of the Repurchased Shares to the Planned Buyback Shares (%)	72.93%
Cancelled and Transferred Shares	2,394,000 shares
Cumulated holding Volume	8,546,000 shares (Note 2)
The ratio of the Cumulated holding Volume to the total issued shares (%)	2.22%

Note 1: In order to maintain both the rights of shareholders and the market mechanism, the repurchase of this time is not executed at its full scale.

Note 2: The change of share par value has been completed in September 2019. After the separation, the share par value is changed to NT$ 1 for each share, thus the "type and volume of repurchased shares" and the "cumulated holding volume" is adjusted.

(2) Repurchase of the Company's shares by the Company (if still in progress): None.

2. Corporate Bonds:

(1) Details of Corporate Bonds:

Type of corporate bond	First domestic secured convertible bonds
Issue date	July 19, 2021
Denomination	NT$100,000
Place of issuance and listing	Issued in Taiwan and listed on Taipei Exchange
Issue price	NT$120.56
Total amount	NT$1,500,000,000
Coupon rate	Coupon rate of 0%
Tenure	5 years; maturity date: July 19, 2026
Guarantor	Hua Nan Commercial Bank Ltd. E.Sun Commercial Bank, Ltd.
Trustee	Taishin International Bank Co., Ltd.
Underwriter	KGI Securities Co., Ltd.

Legal counsel		Handsome Attorneys-at-Law Attorney Ya-Wen Qiu
Auditor		Deloitte & Touche Auditors of the most recent year: Yu-Hsiang Liu, Hung-Ju Liao Auditors of the most recent quarter: Lee-Yuan Kuo, Hung-Ju Liao
Repayment		Except for early conversion, early redemption by the Company, exercise of put options by the creditors and repurchase by the Company for cancellation, the Company would make a lump sum cash payment equals to the face value of the bonds upon maturity.
Outstanding principal		NT$0
Redemption or early repayment clause		Please refer to the rules governing the issuance and conversion of corporate bonds.
Restrictions		None
Name of credit rating agency, date of rating and the rating of corporate bond		None
Other rights	Amount of converted (exchanged or subscribed) ordinary shares, global depository receipts or other marketable securities as of the date of the annual report	Converted to 20,067,630 ordinary shares
	Rules governing the issuance and conversion (exchange or subscription)	Please refer to the bond issuance data under the bonds section of the Market Observation Post System.
Possible dilutive effect on equity and impacts on shareholders' equity from the rules governing the issuance and conversion, exchange or subscription as well as issuance conditions		The bonds were delisted from Taipei Exchange on January 19, 2022. Thus, they would not affect the shareholders' equity.
Custodian		None

(2) Conversion of Convertible Bonds:

Type of corporate bond		First domestic secured bonds	
Item / Year		2021	As of January 19, 2022
Market price	Highest	148	138.60
	Lowest	120	125.45
	Average	135.57	127.42
Conversion Price		74.5	74.5
Issue Date and Conversion Price at Issuance		Issue date: July 19, 2021 Conversion price at issuance: NT$75.0/share	Issue date: July 19, 2021 Conversion price at issuance: NT$75.0/share
Conversion Obligation		Issuance of new shares	Issuance of new shares

3. Preferred Shares: None.
4. Global Depository Receipts: None.
5. Employee Stock Options: None.
6. Restrictions on the application of new shares for employees' rights: None.
7. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.
8. Financing Plans and Implementation: None.

V. Operational Highlights

1. Business Activities:

(1) Business Scope:

1. Main areas of business operations

Business Category Codes	Business Item
C805050	Industrial Plastic Products Manufacturing
CC01080	Electronic Parts and Components Manufacturing
F119010	Wholesale of Electronic Materials
F219010	Retail Sale of Electronic Materials
CA01130	Copper Material Rolls over Extends and Crowding
CA02010	Metal Architectural Components Manufacturing
CC01020	Electric Wires and Cables Manufacturing
CC01110	Computers and Computing Peripheral Equipment Manufacturing
CQ01010	Die Manufacturing
CA02090	Metal line Products Manufacturing
CA02990	Other Fabricated Metal Products Manufacturing Not Elsewhere Classified
F106030	Wholesale of Die
F113010	Wholesale of Machinery
F113020	Wholesale of Household Appliance
F113050	Wholesale of Computing and Business Machinery Equipment
F113070	Wholesale of Telecom Instruments
F206030	Retail Sale of Die
F213010	Retail Sale of Household Appliance
F213030	Retail sale of Computing and Business Machinery Equipment
F213060	Retail Sale of Telecom Instruments
F213080	Retail Sale of Machinery and Equipment
F213100	Retail Sale of Pollution Controlling Equipment
F401010	International Trade
CC01040	Lighting Facilities Manufacturing
E603090	Illumination Equipment Construction
IG03010	Energy Technical Services
ZZ99999	All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Revenue distribution

Unit: NT$ thousands; %

Year / Major Products	2020		2021	
	Sales Revenue	%	Sales Revenue	%
IC lead frame	7,407,616	76.54	9,670,223	75.59
Epoxy Resin	1,420,708	14.68	1,903,264	14.88
LED lead frame	704,665	7.28	953,721	7.46
Others	145,157	1.50	264,961	2.07
Total	9,678,146	100.00	12,792,169	100.00

3. Main products (service):

Our products are widely used in the IC industry and optoelectronics industry under the continuation of semiconductor industry:

Industries	Current Product Items
Integrated Circuit (IC) Industry	IC semiconductors are critical active components, and their applications are divided into four categories, including consumer electronics (including communications, personal mobility devices and information), automotive electronics, industrial electronics and others. Our products (IC lead frame) are divided into Stamped IC Lead Frame and Etched IC Lead Frame due to the complexity of the number of pins. In addition, it can also provide ICs with a variety of options in package design (package process options), which will have a high potential for IC design and development. Therefore, the demand for metal lead frames in the IC industry will continue to be stable, and our products are highly futuristic and are expected to continue to grow.
Optoelectronics Industry	Our products (EMC lead frame) are mainly used as one of the main materials for the production of light emitting diode (LED) packaging. The consumer market and applications of this industry (indoor and outdoor lighting, backlight modules, outdoor displays, automotive interior and exterior lighting, photographic flash and high brightness projectors...many applications) are still growing in the product lifecycle and are gradually expanding to replace the original light source as one of the new trends and energy saving synonyms. Our products have excellent characteristics in plastic selection (high heat resistance, yellowing resistance, UV resistance, small size and high current capability) and will continue to increase in demand in the market.

4. New products (service) development:

Based on the LED products	In the field of IC products
Metal lead frame for medium and high power applications.	Large size and high density lead frame.
Development of exclusive metal lead frame for automotive use (special coating).	Long-legs type lead frame.
Develop integrated packaging lead frame.	High leg (multi-row) type lead frame.
Development of Flip-Chip Flat Panel lead frame.	Flip-Chip flat panel lead frame.

(2) Industry Overview:

1. Current status and development of the industry:

The role of our company in the IC and LED industry supply chain is to provide materials for the packaging process after the production of wafers. In the same way as all IC and LED package manufacturers, we are the post-production material supplier in the whole industry chain.

The four main categories of ICs are analog ICs, logic ICs/ASICs, memory and microprocessors. In recent years, due to the prevalence of smart handheld devices, product appearance emphasizes on slim, short, multi-functional, power-saving, inexpensive, fast, aesthetic and 4C convergence, resulting in application processors and next-generation memory components and modules that are thinner, shorter and require higher transmission rates. This will be a major issue for material suppliers in the face of the future demand for packaging materials and packaging trends.

Light Emitting Diode (LED) has been widely used in the backlight module of lighting and flat panel liquid crystal display (TFT LCD), which has replaced the original CCFL light source in the backlight module application and created a wave of replacement. In the lighting market, international well-known manufacturers such as Philips, Osram and Cree have taken the lead in reducing prices, which has led to rapid growth in overall lighting demand. After the overall industry has reached an economic scale and become attractive at a price, other related industries have been introduced to use it.

Based on the light-emitting diode (LED) principle, light-emitting characteristics, light source effect and other special performance of the light source structure, automotive lighting, outdoor color (RGB) display screens with specific specifications and huge size and other industrial products that demand high specifications have gradually entered the application of LED products.

2. Upstream, midstream, and downstream industry linkages:

(1)IC Industries:

The supply chain of the semiconductor industry consists of IC design companies, which, after the completion of product design, are commissioned by professional foundries or IDM factories (integrated semiconductor factories, from IC design, manufacturing, packaging, testing to final sales) to produce semi-finished wafers, which are tested at the front end, then transferred to professional packaging factories for cutting and packaging, and finally to professional testing factories for post-testing, and the finished products are sold to system manufacturers for assembly and production as system products through sales channels. Therefore, the process is divided into three stages: upstream IC design, midstream IC and wafer fabrication, and downstream IC packaging and testing. The upstream process is the process of using CAD and other auxiliary tools to express the specifications and functions of the customer's or self-developed products through the circuit design of the IC.

The midstream process is to take the wafer made by the foundry, print the basic circuit pattern on the photomask, and then fabricate the circuit and circuit components on the wafer by oxidation, diffusion, CVD, etching, and ion implantation. Since the circuit design on ICs is a layered structure, it is necessary to go through several iterations of photomask input, pattern creation, and circuit and component formation before a complete integrated circuit can be produced.

The downstream process is to test the electrical properties of the diced wafers before packaging, and then cover the wafers with plastic, ceramic or metal to protect them from contamination and to make them easier to assemble, in order to achieve electrical connection and heat dissipation between the wafer and the electronic system.

(2)LED Industries

LED (Light-Emitting Diode) is a semiconductor electronic component that converts electrical energy into light output under current drive, making it one of the major light sources in modern times. LEDs are divided into three stages: upstream Epitaxy, midstream Chip and downstream packaging. The upstream process mainly involves growing multiple layers of multi-material films of different thicknesses on a single chip; in general, the materials used and the structure of the epitaxial layer will determine the wavelength, brightness, quality, and other product characteristics of the LED, and therefore has the highest added value in the entire value chain.

The midstream chip manufacturing is based on the structure of the LED components, metal vapor deposition is performed first, and then the metal electrodes are made on the epitaxial crystal through photomask etching and heat treatment, followed by thinning and polishing of the substrate and cutting into very fine LED chips, which uses technologies in the process such as photomask, dry or wet etching, vacuum vapor deposition and die cutting.

The downstream packaging mainly uses DIE-Bond and Wire-Bond packaging technologies to fix LED chips in the lead frame, and after EMC packaging and testing, they are formed into LED components, and then these components are manufactured into various LED modules such as Lamp, Digital Display, Cluster and SMD through SMT (Surface Mount Technology) process to provide end-use products.

(3) lead frame industries

Metal lead frame industry description

<table>
<tr><th>Industries</th><th>Upstream</th><th>Midstream</th><th>Downstream</th><th>Product-related Applications</th></tr>
<tr><td>IC</td><td rowspan="2">Copper alloys, nickel-iron alloys, industrial epoxies</td><td rowspan="2">lead frame manufacturing plants</td><td>IC packaging plant</td><td rowspan="2">LCD panels, automobiles, computers and peripheral products, lighting fixtures, handheld consumer electronics, precision instruments, aerospace industry.</td></tr>
<tr><td>LED</td><td>LED packaging plant</td></tr>
</table>

3. Trends of product development and competition:

(1) Product Development Trends

①IC

The carrier materials required in the semiconductor assembly process are lead frame and IC carrier board. The lead frames have different pin arrangements due to the complexity of the IC signal output and the size limitation of the packaged components, which makes the number of pins differently. The manufacturing is also divided into Stamped IC Leadframe, Etched IC Leadframe and Power/Signl Discrete/Other Leadframe due to the complexity of the number of pins.

Stamped lead frame requires a mold to be made in advance and the mold has to be costed, but the mold can be used continuously, so the average unit price of stamped lead frame is decreasing year by year. The etched lead frame is very different from the stamping process and the production volume has increased greatly. The lead frame for discrete components has fewer pins, and the pins are not as closely spaced as the first two, so the unit price is lower than the first two.

QFN and QFP lead frames are mostly etched processes, which are competitive with IC carrier boards in terms of cost and price as well as product stability, and the overall demand for etched lead frame products is still strong.

Due to the rapid development of the 5G and automotive electronics markets, high reliability packaging technologies are being emphasized in the market, meaning that they can maintain their functionality under various harsh environments, and therefore surface treatment to increase bonding will be the key to high-end lead frames. For example, in the automotive electronics market, the surface treatment and packaging method must be designed in a comprehensive manner to meet the requirements of weather resistance, vibration resistance and corrosion resistance. In addition, in the 5G infrastructure, the power devices must be able to withstand the special requirements of continuous heat generation, and the surface treatment must be specially designed to meet their needs.

②LED

At present, the LED packaging lead frame is mainly composed of plastic and copper (stamping or etching), and the plastic type is the most likely to affect the light emitting diode (LED) in providing a stable light source of the key materials, the main application materials are divided into two categories: thermoplastic injection (PPA, PCT) and thermosetting epoxy resin (EMC, SMC).

However, after PCT material was developed and promoted, it is better than PPA in terms of high temperature tolerance, long time yellowing at high temperature, reflectivity, low water absorption, UV resistance and light color stability, plus it contains ceramic fiber, so it has the shrinkage rate and good dimensional stability. It has better weather resistance and environmental adaptability, and is widely used for large outdoor LED displays in the early stage.

The EMC lead frame has better characteristics of high heat resistance, UV resistance, high current, small size and yellowing resistance, which brings new options for LED packaging factories pursuing uninterrupted cost reduction. The demand for EMC lead frame is increasing rapidly, and the price of EMC lead frame is also decreasing after reaching the economic scale in a short time.

At present, EMC lead frame can be divided into Punch Type design and Maping design, and most of the original LED packaging factories that directly import EMC with their original production equipment use Punch Type as the main importing force due to the limitation of equipment. The main reason is that the integrated design gives the packaging manufacturers a price advantage in the initial purchase of materials and can improve the production efficiency and yield in the process, and with the cost advantage in the multiplication effect at both ends, it is easy to get market orders. However, because of the high demand of process technology compared with the drop-in production process, it takes time to develop and expand the talents.

(2) Competitive market situation

According to a report by the Semiconductor Industry Association International (SEMI), the global semiconductor packaging materials market is growing rapidly with mobile electronics and increasing product functionality, leading to new forms of semiconductor packaging that require smaller, thinner and more complex materials than typical PC or industrial application-related packaging solutions of the past. SEMI estimates that the semiconductor packaging materials market will continue to be driven by portable smart mobile devices, but the automotive electronics market, big data, high-end computing computers and data centers are also key drivers for continued growth in the semiconductor packaging materials market.

Since packaging materials are a key to making semiconductor packaging designs thinner, lighter and more functional, providing the necessary reliability of the packaging system and achieving cost reductions. However, due to the slow growth of the industry as a whole, most manufacturers are pursuing low cost, resulting in low revenue growth and cost pressure on material suppliers, and the trend toward thinner packaging materials, the demand for some materials is gradually decreasing. The demand for some materials is decreasing.

The future trend of lead frame market, lead frame is still the key material of packaging technology, widely used in analog IC, power supply, LED and other lowerlead-count devices. According to SEMI's research, the global lead frame market will grow at a compound annual growth rate of 3.2% from 806.3 billion units in 2019 to 944.9 billion units in 2024, and the overall lead frame market turnover is expected to grow from US$3.174 billion in 2019 to US$3.268 billion in 2024.

In terms of package types, LFCSP (Leadframe chip scale package, mainly QFN), which is widely used in wireless communication, personal computer, automotive electronics and wireless transmission functions, is growing the fastest, mainly because its thin and short characteristics are very suitable for portable devices and wireless transmission, whether it is used in 3C electronic products, power management and automotive The main reason is that its thin and light characteristics are very suitable for portable devices and wireless transmission, whether in 3C electronics, power management and automotive electronics. According to SEMI research, LFCSP is the fastest growing type in the overall lead frame market, since 2004, the annual CAGR is as high as 23%, if not including LFCSP, the overall lead frame market in the past 15 years, the CAGR is only 2.6%, therefore, SEMI concluded that LFCSP is the main factor driving the overall lead frame market growth. Therefore, SEMI concluded that LFCSP is the most important factor to drive the growth of the overall lead frame market. Looking ahead, SEMI estimates that the LFCSP shipment will grow from 124.4 billion units in 2019 to 173.5 billion units in 2024, the CAGR is estimated to reach 7%, far exceeding the annual compound growth rate of the overall lead frame market. On the other hand, the volume of SOT-based packaging lead frame shipments will grow from 281.3 billion units in 2019 to 315.6 billion units in 2024. From SEMI's forecast, the future lead frame development trend is bound to be thin, light, short and multi-functional at the same time, in the continued introduction of new technologies, LFCSP lead frame products in the cost and stability of the advantages will become more and more obvious, and become the mainstream of IC packaging applications, in addition, LFSCP in logic IC and analog IC applications will continue to increase, further replacing the original In addition, the application of LFSCP in logic ICs and analog ICs will continue to increase, further replacing the original QPF market.

(3) Research and Development:

1. Research and Development Expenses:

Unit: NT$ thousands

Year	2021	As of April 30, 2022
Amount	461,211	128,723

2. Research and Development Achievements:

Year	Technologies and Products
2021	① Development of carrier boards for Mini LED packaging ② Carrier boards for developing indoor lighting products ③ Development of carrier boards for smart watches

Year	Technologies and Products
	④ Development of carrier boards for UV applications
2022 (As of April 30)	① Development of carrier boards for VCSEL ② Development of carrier boards for EMC lead frame with side view LED for backlight applications in laptop

3. Future R&D Plans and the estimated investment in research and development in the most recent year and by the print date of the annual report:

(1) Future R&D Plans

Serial No.	Future R&D Plans
1	Continuing to develop new processes and production technologies to improve product performance (reliability, yield) and reduce costs to help increase our customers' competitiveness and expand overall market demand.
2	Develop single in-line design with no breakpoint.
3	Develop highly reliable composite lead frame.
4	Develop new cutting alignment method to mitigate the area deviation issue of discrete lead frame in packaging.
5	Optimize proprietary automotive (special coating) products to pass the stringent environmental cycle testing conditions for automotive applications.
6	Optimized development of substrates for Mini LED packaging.
7	Optimize product designs for front lighting of cars, automotive display and outdoor lighting.

(2)Estimated investment in R&D

The Company's research and development expenses will be gradually allocated according to the progress of new product and technology development, and the annual research and development expenses will be gradually increased according to the future growth of the Company's business scale in order to support future research and development plans and increase market competitiveness. The estimated research and development expenses for 2022 are approximately $362,349 thousands.

(4) Long-term and Short-term Development:

1. Short-term Development:

The company will focus on the market development of stamping, etching and plating process, with the expansion of production capacity to strengthen the competitiveness of advantageous products in the market, in order to achieve stable growth in business volume; and assist customers to develop other areas of product application, so that the company can consolidate the existing market and make full use of advantageous resources and economies of scale to continue to reduce production costs, in order to provide customers with the most advantageous cost, the best quality and the most rapid service to provide customers with the most advantageous products and services at the best cost, quality and speed.

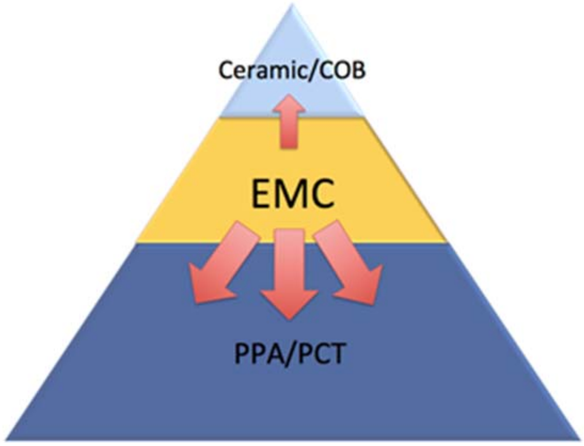
2. Long-term Development:

(1)IC lead frame development plan

We are actively engaged in the development of IC Pre-Molded Lead Frame (IC PMLF) products for IC packaging by using the similar technology structure of LED flat metal lead frame and combining with the automatic molding process technology, and with the advantage of many years of experience in semiconductor packaging. We are committed to diversification and product diversification in order to maintain our long term management.

(2)LED lead frame development plan

EMC lead frame is mainly used in medium power applications at this stage, and the company has introduced LED EMC QFN lead frame products into medium to high power and high power applications through process technology and innovation capability. In the low and medium power segment, we can increase the penetration of traditional PPA/PCT market by reducing the cost.



2. Market and Sales Overview

(1) Market Analysis:

1. Sales (Service) Region

Unit: NT$ thousands

Region \ Year		2020 Sale Revenue	2020 %	2021 Sale Revenue	2021 %
Domestic Sale		2,398,924	24.79%	3,274,922	25.60%
Export	Asia	6,390,551	66.03%	8,506,101	66.50%
	Europe	772,271	7.98%	897,028	7.01%
	Others	116,400	1.20%	114,118	0.89%
	Subtotal	7,279,222	75.21%	9,517,247	74.40%
Total		9,678,146	100.00%	12,792,169	100.00%

2. Market Share (%):

According to SEMI data, the Company's market share is estimated to be 9.5% in 2021.

3. Future market supply, demand and growth:

Although the short-term volatility is high due to the impact of COVID-19 epidemic and supply-demand imbalance in 2020-2021, SEMI still believes that with the widespread application of automotive electronics and the popularization of electric vehicles, the automotive market will still be the main factor for the growth of semiconductor devices in the future. The compound annual growth rate is estimated to be 8.2% from 2019 to 2024. The five major application markets for automotive semiconductors are safety system, powertrain, car audio/video, chassis system and body electronics (each accounting for 15-18% of the total). Finally, in the analysis of automotive semiconductors by product category, Mckinsey research points out that micro components (including MCU, MPU and DSP), analog products (including ASSP and ASIC) and optics and sensors will be the three main product areas of automotive semiconductors in the future.

SEMI believes that the next highest compound growth rate is 8.0% for data centers and 4.4% for smart mobile devices, mainly from the cloud, huge computing and 5G commercialization driven. In addition, due to the COVID 19 pandemic, it is estimated that the demand for telecommuting and distance education in 2020-2022, will also boom. Moreover, with the popularization of wifi 6, the demand for laptops and high computing center is also driven by its generation. In addition, with the popularization of wifi 6, the demand for laptops and high computing centers will also be driven by its generation.

According to the World Semiconductor Trade Statistics (WSTS) report in 2020, integrated ICs are expected to account for 45% of the total IC market in 2021, followed by memory ICs and logic ICs at 16% and 14%.

4.Competition Niche:

(1) Professional and stable process of technology and R&D team

Our R&D team has many years of semiconductor technology and experience, and we are able to grasp the key technology of our products appropriately, and we have the ability to develop new products by ourselves, so we can fully grasp the changes of the whole market, and make our products have the leading advantage of high cost performance.

(2) Ability to develop and design major equipment on your own

In the production process, stamping, debinding and electroplating are the main production processes. The improvement of product yield mainly depends on the stability and precision of the machines and equipment and the application of key parameters of the equipment. The main process equipments are developed and designed by ourselves, and the automatic equipments are manufactured by professional semiconductor equipment manufacturers, so that we can produce high quality and competitive products.

(3) Technology and equipment applications span a wide range of fields

The technology of our LED EMC lead frame is derived from Transfer Molding for IC packaging. With the accumulated experience of producing LED EMC lead frame, we are able to utilize the similar technology structure of LED flat metal lead frame and actively invest in the flat preformed wire support for IC packaging, and the main equipment has commonality, so we can utilize the production capacity to the maximum effect without investing large capital expenditure.

5. Development Vision of favorable, unfavorable Factors and response actions:

(1) Favorable Factors:

A.LF CSP packaged lead frame shall be the mainstream

According to the SEMI research report, the demand for the lead frame category of IC QFN, which is part of LFCSP, will reach 7% CAGR from 2019 to 2024, which is higher than the overall industry average of 3.2%.

The Company has significantly increased the proportion of semiconductor lead frame products through the transfer of investment companies, among which, the Company's main product QFN is classified as LFCSPP, and the Company has placed special emphasis on the increase of QFN production capacity, which is expected to meet the huge demand of this market in the future.

B. Growing demand in lead frame application markets

Although the short-term volatility is high due to the COVID-19 pandemic and supply-demand imbalance in 2020-2021, SEMI still believes that with the widespread application of automotive electronics and the popularization of electric vehicles, the automotive market will remain the main factor for the growth of semiconductor devices in the future, with the annual compound growth rate of about 8.2%. The five major application markets for automotive semiconductors are safety systems, powertrain, automotive audio/video, chassis systems and body electronics (15-18% each), with the strongest growth in safety and powertrain applications in the future. Finally, in the analysis of automotive semiconductors by product category, Mckinsey's research points out that micro components (including MCU, MPU and DSP), analog products (including ASSP and ASIC) and optics and sensors will be the three main product areas of automotive semiconductors in the future.

LED smart lighting products are developed towards personalization and intelligent control to satisfy personal comfort, safety and energy saving, and their added value is much greater than that of traditional lighting products. Philips, OSRAM and Cree have invested in and launched smart-linked light bulb systems, which can set the lighting mode, time and dimming atmosphere through smartphones or positioning, enabling consumers to increase their willingness to retire and accelerate the growth momentum of the LED lighting industry.

To sum up, the rise of automotive IC and smart lighting IC applications and the potential market for LED lighting, driven by this trend, is very favorable to the long-term development of the lead frame application industry, and the lead frame application lighting products are extensive, coupled with the Company has successfully entered the supply chain of international brand manufacturers, the expanding trend of the smart lighting market will also drive the growth of the lead frame industry.

(2) Unfavorable Factors and Response actions:

A. Upstream raw material price fluctuations may lead to higher production costs

The Company's main raw materials are copper, ferro-nickel alloys and precious metals such as gold and palladium, etc. Fluctuations in raw material prices are closely related to the Company's production costs, which in turn affects profitability. In recent years, international copper prices and precious metal prices have been highly volatile, making it difficult to control production costs. Fluctuations in raw material prices will affect the

Company's ability to control costs.

Response actions:

The Company actively maintains close interaction with a number of upstream suppliers and keeps an eye on changes in raw material prices to ensure a stable supply of materials and to diversify the risk of concentration of supply. In addition, the Company has agreed with its sales customers to adjust the prices of copper and precious metals on a quarterly basis to appropriately reflect the increase in costs due to the increase in raw material prices. In addition, the company continues to invest in research and development, using various materials or composite materials as lead frame substrates, utilizing the characteristics of different materials to enhance the added value of products, actively establishing a vertically integrated process for products, and promoting the change of product material certification, which can not only enhance the added value of products, but also deepen its own process capabilities and reduce its dependence on upstream raw materials.

B.Most imports and sales are denominated in foreign currencies, making profits vulnerable to changes in exchange rates

The Company's sales price quotation is mainly in U.S. dollars, and the foreign currency import quotation is mainly in Japanese yen and U.S. dollars, and the fluctuation of exchange rate will affect the Company's profit to a certain extent due to the volatility of international foreign exchange market.

Response actions:

The Company's imports of raw materials are also denominated in U.S. dollars to partially offset the exchange rate risk of its sales, and the Company tries to cover all purchase expenses with sales revenue in the same currency to achieve a natural hedging effect. In addition, the Company will adjust the selling price in response to the changes in the exchange rate and maintain good interaction with financial institutions in order to study the movements of the exchange rate for reference of hedging operations.

C.R&D talent technical capability and risk of change

Lead frame companies need to master the key R&D and process technology in order to gain market dominance and competitive advantage in the market. The most important assets and the basis of business development are the strength of the research and development personnel and the accumulated experience of the process personnel in raw materials and machinery and equipment, and the research and development and process personnel need to accumulate experience and cultivate over a long period of time.

Response actions:

In order to enhance employees' loyalty to the Company, the Company promotes the participation of the staff and R&D personnel in the Company's management decisions and the sharing of management results by encouraging employees to subscribe to stock options, distributing employee compensation, employee stock ownership trusts, and distributing year-end bonuses, thereby creating a sense of identity. Since human resources are the basis of the company's operation, in addition to providing a good working environment and excellent employee benefits, we also promote the technical level of our

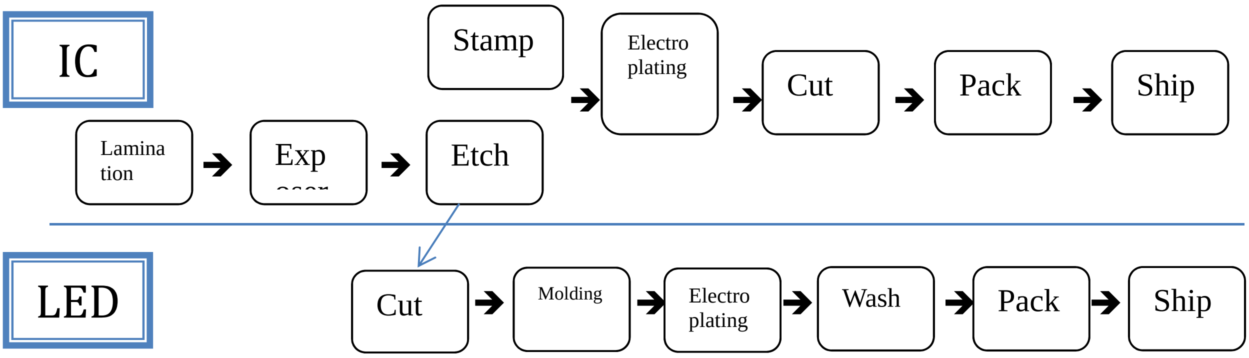
R&D staff through technical exchanges and R&D experience transfer, so that employees can grow with the company and reduce the turnover rate and establish the foundation of the company's sustainable operation. In addition, we actively establish and implement a mechanism for the preservation and control of R&D results, intellectual property and patent rights to reduce the impact of staff turnover on the company.

(2) Main Use and Production Procedures of Main Products:

1.Major Products and Their Main Uses:

Leadframes can be divided into three categories according to the different chips used: IC Lead Frame, Optoelectronics Lead Frame and LED Lead Frame. Lead frame is one of the three major raw materials (lead frame, gold wire, and potting compound) for IC chip and LED die packaging. The role of the lead frame is to carry the semiconductor components or LED die, itself as a medium for the transmission of signals from the semiconductor components to the external printed circuit board wiring; or through the positive and negative current conduction on the lead frame to make the electronic and electric hole on the LED die to combine to produce light. It is also responsible for the LED die heat dissipation function, which plays a key role in the LED luminous efficiency. Leadframes are key materials for packaging technology and are widely used in analog ICs, power supplies, LEDs and other lower lead-count devices. The specifications are divided into stamped IC leadframes, etched IC leadframes, and power/signal/other discrete leadframes.

2.Major Products and Their Production Processes:



(3) Supply Status of Main Materials:

1. Major Materials

Major Materials	Major Suppliers	Supply Status
Copper Alloy Coils	Wieland、Poongsan、Nikko Metals	Good
Iron-Nickel Alloy Coils	Hitachi Metals、UMETOKU	Good
Silver	Metalor	Good
Gold, Palladium	Metalor、JPC	Good
Epoxy Resin	Showa Denko Semiconductor Materials (Taiwan) Co., Ltd., Chang Wah Electromaterials Inc.	Good

2. Major Products

Major Products	Major Suppliers	Supply Status
lead frame	OM	Good
Epoxy Resin	Sumitomo Bakelite Co., Ltd. (Suchou)	Good

(4) The names of customers who have accounted for more than 10% of the total purchase (sales) in any of the last two years and the amount and proportion of their purchase (sales), together with the reasons for the increase or decrease:

1. Customers accounting for 10% or more of the total purchases of the Company and its subsidiaries in the last two years

Name:

Unit: NT$ thousands；%

Item	2020				2021			
	Name	Amount	As a percentage of net imports for the year (%)	Relationship with the Issuer	Name	Amount	As a percentage of net imports for the year (%)	Relationship with the Issuer
1	Manufacturer A	1,343,186	22.81	None	Manufacturer A	1,801,981	22.58	None
2	OM	760,058	12.91	None (Note)	OM	796,247	9.98	None
3	Manufacturer B	691,807	11.75	None	Manufacturer B	794,273	9.95	None
	Others	3,094,538	52.53	—	Others	4,586,748	57.49	—
	Net imports	5,889,589	100.00	—	Net imports	7,979,249	100.00	—

Note: The Company, which originally held 49% of OM, disposed of 44% of OM in April 2020 and lost its significant influence on the Company, which was an equity-method investee before April 2020.

2. Customers accounting for 10% or more of the total sales of the Company and its subsidiaries in the last two years

Name:

Unit: NT$ thousands；%

Item	2020				2021			
	Name	Amount	As a percentage of net sales for the year (%)	Relationship with the Issuer	Name	Amount	As a percentage of net sales for the year (%)	Relationship with the Issuer
1	Chang Wah Electromaterials Inc.	2,359,558	24.38	Parent Company	Chang Wah Electromaterials Inc.	3,002,934	23.47	Parent Company
	Others	7,318,588	75.62	—	Others	9,789,235	76.53	—
	Net sales	9,678,146	100.00	—	Net sales	12,792,169	100.00	—

(5) Production in the Last Two Years:

Unit: NT$ thousands

Output \ Year		2020			2021		
Major Products	Quantity Unit	Capacity	Quantity (Note 1)	Amount (Note 2)	Capacity	Quantity (Note 1)	Amount (Note 2)
IC lead frame	KPC	177,983,214	127,156,299	7,427,079	214,172,606	152,253,179	9,801,421
Epoxy Resin	KG	—	3,903,278	1,327,883	—	5,203,529	1,781,246
LED lead frame	KPC	11,000,000	5,972,995	435,716	12,699,872	7,809,298	540,394
Other (Note 3)	—	—	—	104,525	—	—	161,955
Total		—	—	9,295,203	—	—	12,285,016

Note 1: Incoming shipments from distributors included.

Note 2: Incoming value of the distributors included.

Note 3: The quantity is not disclosed because the quantity units are not consistent.

(6) Shipments and Sales in the Last Two Years

Unit: NT$ thousands

Sales Value \ Year		2020				2021			
		Local		Export		Local		Export	
Major Products	Quantity Unit	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
IC lead frame	KPC	5,221,512	1,975,005	105,874,007	5,432,611	8,168,022	2,667,473	118,577,398	7,002,750
Epoxy Resin	KG	—	—	3,903,278	1,420,708	—	—	5,202,689	1,903,264
LED lead frame	KPC	4,541,055	411,807	1,513,937	292,858	5,470,644	569,547	2,054,538	384,174
Other	—	—	12,112	—	133,045	—	37,902	—	227,059
Total		—	2,398,924	—	7,279,222	—	3,274,922	—	9,517,247

3. The Number, Average Years of Service, Average Age and Educational Attainment of the Employees of the Company in the Last Two Years and by the Print Date of the Annual Report

Unit: Person

Year		2020	2021	As of April 30, 2022
Number of Employees	Sales Personnel	49	37	36
	Management Staff	145	146	143
	Research and Development Staff	118	213	231
	Production Staff	1,615	1,670	1,678
	Total	1,927	2,066	2,088
Average Age		36	40	40
Average Years of Service		9	9	9
Education	Ph.D.	0%	0%	0%
	Masters	2%	2%	2%
	Bachelor's Degree	27%	31%	31%
	Senior High School (and Below)	71%	67%	67%

4. Environmental Protection Expenditure:

None. In the most recent year and by the print date of the annual report, the losses suffered due to pollution of the environment (including compensation and environmental protection audit results of violations of environmental laws and regulations, the date of the penalty, the amount of the penalty, the provisions of the violation, the description of the violation, and the details of the penalty should be listed), and disclose the current and future estimated amounts and measures: None. The Company shall disclose the estimated amount of current and potential future losses and response measures: None.

5. Labor Relations:

(1) To present the company's various employee welfare plans, training and retirement systems and their implementation, as well as the agreements between employers and employees and measures to protect the rights and interests of employees:

1. Employee welfare measures and implementation:

The Company has established an Employee Welfare Committee in accordance with the law and has allocated welfare funds in accordance with the relevant laws and regulations, and has instructed the relevant units to plan and implement the following welfare policies:

A. Employee Insurance:

(A) The company provides employees with labor and health insurance and labor retirement.

(B) Group Insurance: The company provides group insurance for employees.

B. Employee bonuses and stock options: According to government regulations and the Company's related regulations.

C. Training courses: For the sustainable development of the company and to improve the quality of employees, various courses are held from time to time.

D. Group activities: Regular staff trips, departmental dinners, fun competitions and other activities, and funding to encourage employees to participate.

E. Gifts: such as birthday gifts, bonuses for the three festivals, etc. We also provide subsidies to our employees for weddings, funerals, etc.

2. Staff training and training situation:

In order to meet the need of the long-term development of the Company and to improve the working skills of our employees, and to achieve our business goals, the Company put emphasis on career development of our employees and the cultivation of talents. We have divided the education and training into the following three categories:

A. Pre-employment training: All new employees are required to receive pre-employment training to help them get familiar with the working environment and understand the company system and their rights and obligations.

B. On-the-job training: In-house training, selected training and external training, etc.

C. Manpower training: Considered as a long-term investment for employees, in addition to on-the-job training, we can also train employees by going abroad, visiting famous companies in China, attending various conferences and job rotations, etc.

3. The retirement system and its implementation:

In accordance with the Labor Pension Act, the Company contributes 6% of the employees' monthly wages to the individual labor pension accounts set up by the Labor Insurance Bureau, and the employees of the Company may voluntarily make additional contributions within the 6% of their monthly wages.

4. Agreements between labor and management and various measures to protect employees'. rights and interests:

The Company has established a Labor Council in accordance with the law and holds regular meetings in accordance with the relevant laws and regulations. In addition to the labor matters submitted by each unit in accordance with the law, the meeting also appoints representatives of both parties to consult employees' proposals. Through this meeting, the opinions of both parties are fully communicated and negotiated, and no labor disputes have occurred.

5. Employee Benefit Plans:

In order to enhance internal welfare, reward employees for their financial planning, and increase employees' sense of participation in the company, and to achieve win-win benefits for both employers and employees, the company started the employee stock ownership trust business in 2020.

The Company contributes 100% of the company's public funds based on the employees' contributions; the employees can receive annual dividends and all the shares after five years.

(2) In the most recent year and by the print date of the annual report, the losses suffered as a result of labor disputes (including labor inspection results in violation of the Labor Standards Law, the date of the sanction, the sanction number, the provisions of the law violated, the content of the law violated, and the content of the sanction) should be listed. The Company shall also disclose the estimated amount and response measures that may occur at present and in the future, and if it cannot be reasonably estimated, it shall state the fact that it cannot be reasonably estimated: None.

6. Information Security Management:

(1) Describe the risk management structure, policy, management plans and resources allocated concerning information security.

1. Purpose and scope

A. Purpose:To maintain the normal operation of enterprise information system and mitigate operational risks due to human errors, external cyberattacks or force majeure events such as natural disasters, thereby ensuring business continuity.

B. Scope: Information system and software/hardware devices associated with business operations.

2. Information security management structure:

A. The Company has established an information security unit with dedicated personnel. Vice President Wen, Wen-Yu is the chief information security officer.

B. Information security policy is reviewed and modified regularly depending on the status quo to ensure an effective operation of the information security management system.

C. IT Department is in charge of information security promotion and handling of cyber incidents.

3. Information security control measures:

A. Threat protection:

(A) Install endpoint detection and response (EDR) software on personal computers and servers under the control of the master control unit. Update threat definition files regularly.

(B) Deploy patches through Windows Server Update Services (WSUS). Schedule restarts for changes to take effect.

(C) Establish Urchin Tracking Module (UTM) to prevent malicious attacks.

B. Information equipment control:

(A) Ban the use of personal computers on company premises.

(B) Disable USB ports on company computers. Applications are required for user access.

(C) Establish a network access control (NAC) platform to block access from unknown devices.

C. Account and personnel management:

(A) New employees shall sign non-disclosure agreements (NDA) when joining the Company. Information security is part of the orientation course.

(B) Accounts and accesses of information system are reviewed and controlled by the information unit.

(C) Information security promotion is arranged regularly to raise employees' awareness.

D. System availability:

(A) Formulate backup plans in compliance with the 3-2-1 backup principle.

(B) Initiate virtual platforms and employ high availability (HA) mechanism.

(C) Monitor the operation efficiency of core systems through SYSLOG.

4. Resources allocated to information security management:

A. NT$1.5 million is allocated for information security measures in the annual IT budget of the Company.

B. Information security unit performs safety assessments on information security assets annually and constantly align information security policies with advancements in relevant tools or technologies for current practices.

(2) In the most recent year and by the print date of the annual report, losses incurred due to major information security incidents, possible impacts and response measures shall be listed, unless a reasonable estimate cannot be made, in which case, the facts on why it cannot be made shall be stated: None.

7. Important Contracts

April 30, 2022

Agreement	Counterparty	Period	Major Contents	Restrictions
Sales Agency	Party A: Chang Wah Technology Co., Ltd Party B: Chang Wah Electromaterials Inc.	Apr. 1, 2013~	Sales LED bracket agency	None
	Party A: Chang Wah Technology Co., Ltd Party B: Gold Sun Technology Co., Ltd.	Jan. 1, 2016~	Sales of products agency in mainland China	None
	Party A: Chang Wah Technology Co., Ltd Party B:Gold Sun Optoelectronics Co., Ltd.	Jan. 1, 2017~	Sales of products agency in mainland China	None
	Party A: Chang Wah Technology Co., Ltd Party B: Epita Pte. Ltd.	Jun. 1, 2015~	Pre-mold foundry and EMC bracket agent	None
	Party A: SH Electronics Taiwan Co., Ltd. (Note 2) Party B: Chang Wah Electromaterials Co., Ltd	Apr. 1, 2013~Next contract revision	IC lead frame agency	None
	Party A: SH Asia Pacific Pte. Ltd. Party B: JGSemi	Jan. 1, 2014 ~Next contract revision	IC lead frame agency	None
	Party A: SH Asia Pacific Pte. Ltd. Party B: Elexind S.p.A	Mar. 8, 2011 ~Next contract revision	IC lead frame agency	None
	Party A: SH Asia Pacific Pte. Ltd. Party B: Jihlin Co., Ltd.	Aug. 8, 2018~Next contract revision	IC lead frame agency	None
	Party A: Chang Wah Technology Co., Ltd Party B: CMT Corporation	Sep. 1, 2018~Next contract revision	IC lead frame agency	None
Sales Contracts	Party A: SH Electronics Chengdu Co., Ltd. Party B: Leshan Phoenix Semiconductor Co., Ltd.	Sep. 15, 2009~ Next contract revision	IC lead frame sales	None
	Party A: Chang Wah Technology Co., Ltd Party B: AOI Electronics Company	Mar. 2, 2018~Mar. 1, 2020	IC lead frame sales	None
	Party A: SH Electronics Chengdu Co., Ltd. Party B: ChengDu Advanced Power Semiconductor Co.Ltd	Apr. 3, 2015~Next contract revision	IC lead frame sales	None
	Party A: Chang Wah Technology Co., Ltd. Party B: Texas Instruments Incorporated	Jan. 1, 2020~Next contract revision	IC lead frame sales	None
Purchasing Contracts	Party A: Chang Wah Technology Co., Ltd. Party B: Ohkuchi Material Co., Ltd.	Oct. 2, 2017~Oct. 1, 2019	IC lead frame purchase	None
Rental Contracts	Party A: Chang Wah Technology Co., Ltd. Party B: Export Processing Zone Administration, MOEA.	Sep. 1, 2014~Aug. 31, 2024	Land Leasing	None
	Party A: SH Electronics Taiwan Co., Ltd. (Note 2) Party B: Chang Wah Technology Co., Ltd.	Nov. 1, 2015~Oct. 31, 2025	Plant Leasing	None
	Party A: Chang Wah Electromaterials Inc. Party B: SH Electronics Taiwan Co., Ltd. (Note 2)	Nov.1, 2015~Oct. 31, 2016 The contract will be automatically renewed for one year if both parties do not disagree.	Plant Leasing	None

Agreement	Counterparty	Period	Major Contents	Restrictions
	Party A: SH Electronics Taiwan Co., Ltd. (Note 2) Party B: Metalor Coatings (Taiwan) Corporation.	Feb. 1, 2020~Jan. 31, 2023	Plant Leasing	None
	Party A: SH Electronics Taiwan Co., Ltd. (Note 2) Party B: Export Processing Zone Administration, MOEA.	May 1, 2013~Apr. 30, 2023	Land Leasing	None
	Party A: SH Asia Pacific Pte. Ltd. Party B: Singapore Post Center	Apr. 18, 2022~ Apr. 17, 2024	Office Leasing	None
	Party A: Malaysian SH Electronics Sdn. Bhd. Party B: Local State Authority	Apr. 1990~Mar. 2086	Land Leasing	None
	Party A: Malaysian SH Electronics Sdn. Bhd. Party B: Local State Authority	Mar. 2014~Dec. 2085	Land Leasing	None
	Party A: SH Electronics Suzhou Co., Ltd. Party B: China-Singapore Suzhou Industrial Park Development Group Co., Ltd.	Feb. 2004~Feb. 2054	Land Leasing	None
	Party A: SH Electronics Chengdu Co., Ltd. Party B: Chengdu Land and Resources Administration	Mar. 2002~Mar. 2052	Land Leasing	None
	Party A: Chengdu High Investment Co., Ltd. Party B: SH Precision Chengdu Co., Ltd. Party C: Chengdu High Investment Property Management Co. Party D: Chengdu High-tech Comprehensive Tax Zone Administration	Sep. 4, 2021~Sep. 3, 2023	Plant Leasing	None
Consignment Agreement	Party A: Chang Wah Technology Co., Ltd. Party B: OSRAM Opto Semiconductors (China) Co., Ltd.	Oct. 2015~Next contract revision	Product Consignment	None
	Party A: Chang Wah Technology Co., Ltd. Party B: OSRAM Opto Semiconductors (Malaysia) Sdn.	Jan. 2015~Next contract revision	Product Consignment	None
	Party A: Chang Wah Technology Co., Ltd. Party B: On Semiconductor Trading Sarl.	Apr. 1, 2019~Mar. 30, 2021	Supplier Managed Inventory Program Agreement	None
	Party A: Chang Wah Technology Co., Ltd. Party B: Texas Instruments Incorporated.	Jan. 1, 2020~Dec. 31, 2021	Supplier Inventory Consignment Agreement	None
	Party A: SH Electronics Taiwan co., Ltd. (Note 2) Party B: Shenzhen STS Microelectronics Co., Ltd.	Jan. 23, 2019~Next contract revision	Supplier Managed Inventory(SMI) Local Agreement	None

Agreement	Counterparty	Period	Major Contents	Restrictions
Construction Agreement	Party A: Chang Wah Technology Co., Ltd. Party B: YIDA Construction Corp.	Apr. 7, 2021~Obtain the use permit	Land leasing for the construction of factory buildings	None
	Party A: Chang Wah Technology Co., Ltd. Party B: Hsin Kao Hsing Yeh, Inc.	Dec. 21, 2021~60 days after obtaining the use permit	Electrical and mechanical engineering work at the new plants	None
	Party A: Chang Wah Technology Co., Ltd. Party B: Acter Group Corporation Limited	Mar. 17, 2022~90 days after obtaining the use permit	Air conditioning work at the new plants	None
Fixed Assets Purchase and Sale Agreement	Party A: Chang Wah Technology Co., Ltd. Party B: MEKTEC Corporation	Mar. 17, 2022	Acquisition of land and plants	None
Technical Support Agreement	Party A: Chang Wah Technology Co., Ltd. Party B: Ohkuchi Material Co., Ltd. ；Sumitomo Metal Mining Co., Ltd.	Aug. 7, 2020~Mar. 31, 2023	Technical Support and Technology Transfer	None
Service Agreement	Party A: Chang Wah Technology Co., Ltd. Party B: Shinyui trading (shanghai) co.	Jan. 1, 2016~	LED bracket design and mold development	None
Borrowing Contract	Party A: Chang Wah Technology Co., Ltd. Party B: First Bank and 7 other financial institutions	Dec. 23, 2020~Dec. 22, 2025	Repayment of liabilities of financial institutions and replenishment of medium-term operating revolver.	Note 1
	Party A: SH Electronics Suzhou Co., Ltd. Party B: Chang Wah Technology Co., Ltd.	Dec. 27, 2021~Dec. 22, 2022	Principal amount: US$9,500 thousands Interest rate: 0.9%	None
	Party A: Mizuho Bank (China) Ltd. Party B: SH Electronics Suzhou Co., Ltd. Party C: SH Electronics Chengdu Co., Ltd.	Dec. 14, 2020~Dec. 13, 2025	Principal amount: US$6,000 thousands Interest rate: 1%	None
	Party A: Mizuho Bank (China) Ltd. Party B: SH Electronics Suzhou Co., Ltd. Party C: SH Electronics Chengdu Co., Ltd.	Mar. 15, 2022~Mar. 14, 2027	Principal amount: US$4,500 thousands Interest rate: 0.8%	None

Note 1: Current ratio should be maintained above 100%; Debt ratio should be maintained below 280%; Interest earned ratio should be maintained above 400%; Total stockholders' equity should be maintained above NT$4 billion.

Note 2: For promotion of enterprise integration and enhanced operation efficiency to cope with future industrial developments and improve competitiveness, the Company carried out an absorption-type merger with its wholly-owned subsidiary, SH Electronics Taiwan Co., Ltd. The Company was the surviving entity while SH Electronics Taiwan Co., Ltd. was the dissolved entity. The record date of merger was set on January 1, 2022. The merger has been completed and approved by the Department of Commerce, Ministry of Economic Affairs.

VI. Financial Information

1. Condensed Balance Sheet, Statement of Comprehensive Income, and Audit Opinions of the Last Five Years

(1) Condensed Balance Sheet and Condensed Statement of Comprehensive Income

1. Condensed Balance Sheet

(1) Consolidated – Based on IFRS

Unit: NT$ thousands

Item \ Year		Financial Summary for The Last Five Years (Note 1)				
		2017	2018	2019	2020	2021
Current assets		5,350,095	5,790,664	6,502,446	7,413,573	10,080,244
Property, Plant and Equipment		2,318,304	2,441,270	2,209,926	2,251,962	2,474,834
Intangible assets		693,039	706,218	703,972	691,014	688,074
Non-current assets		738,498	850,027	1,127,628	1,807,613	1,598,911
Total assets		9,099,936	9,788,179	10,543,972	12,164,162	14,842,063
Current liabilities	Before distribution	2,149,921	2,757,603	2,963,698	3,215,572	4,335,495
	After distribution	2,566,969	3,358,028	3,281,570	3,541,741	4,981,618 (Note 2)
Non-current liabilities		1,819,795	1,859,213	2,593,864	3,522,331	2,094,836
Total liabilities	Before distribution	3,969,716	4,616,816	5,557,562	6,737,903	6,430,331
	After distribution	4,386,764	5,217,241	5,875,434	7,064,072	7,076,454 (Note 2)
Ordinary shares		361,071	364,131	364,131	364,131	381,240
Capital surplus	Before distribution	4,298,323	4,230,789	4,230,789	4,253,933	5,872,815
	After distribution	4,224,753	4,230,789	4,230,789	4,253,933	5,872,815
Retained earnings	Before distribution	458,976	955,796	841,268	1,231,931	2,546,017
	After distribution	115,498	355,371	523,396	905,762	1,899,894 (Note 2)
Other equity		(53,918)	(15,360)	(93,984)	(139,994)	(170,630)
Treasury stock		—	(437,809)	(437,809)	(384,142)	(342,001)
Non-controlling interest		65,768	73,816	82,015	100,400	124,291
Total equity	Before distribution	5,130,220	5,171,363	4,986,410	5,426,259	8,411,732
	After distribution	4,713,172	4,570,938	4,668,538	5,100,090	7,765,609 (Note 2)

Note 1: The above financial information of each year has been audited by CPA.
Note 2: The amount of the resolution of the Board of Directors Meeting on March 17, 2022.

(2) Parent Company Only – Based on IFRS

Unit: NT$ thousands

Item \ Year		Financial Summary for The Last Five Years (Note 1)				
		2017	2018	2019	2020	2021
Current assets		2,217,549	1,878,464	2,421,078	3,520,740	5,022,119
Investments accounted for using the equity method		5,039,087	5,750,732	6,108,143	5,211,059	6,589,991
Property, Plant and Equipment		363,509	350,883	344,413	493,259	826,773
Intangible assets		6,281	6,648	13,770	22,127	29,505
Non-current assets		50,858	132,141	369,495	1,266,263	1,082,273
Total assets		7,677,284	8,118,868	9,256,899	10,513,448	13,550,661
Current liabilities	Before distribution	849,930	1,207,993	1,853,939	1,733,860	3,257,826
	After distribution	1,266,978	1,808,418	2,171,811	2,060,029	3,903,949 (Note 2)
Non-current liabilities		1,762,902	1,813,328	2,498,565	3,453,729	2,005,394
Total liabilities	Before distribution	2,612,832	3,021,321	4,352,504	5,187,589	5,263,220
	After distribution	3,029,880	3,621,746	4,670,376	5,513,758	5,909,343 (Note 2)
Ordinary shares		361,071	364,131	364,131	364,131	381,240
Capital surplus	Before distribution	4,298,323	4,230,789	4,230,789	4,253,933	5,872,815
	After distribution	4,224,753	4,230,789	4,230,789	4,253,933	5,872,815
Retained earnings	Before distribution	458,976	955,796	841,268	1,231,931	2,546,017
	After distribution	115,498	355,371	523,396	905,762	1,899,894 (Note 2)
Other equity		(53,918)	(15,360)	(93,984)	(139,994)	(170,630)
Treasury stock		—	(437,809)	(437,809)	(384,142)	(342,001)
Total equity	Before distribution	5,064,452	5,097,547	4,904,395	5,325,859	8,287,441
	After distribution	4,647,404	4,497,122	4,586,523	4,999,690	7,641,318 (Note 2)

Note 1: The above financial information of each year has been audited by CPA.
Note 2: The amount of the resolution of the Board of Directors Meeting on March 17, 2022.

2. Condensed Statement of Comprehensive Income

(1) Consolidated – Based on IFRS

Unit: NT$ thousands

Item \ Year	Financial Summary for The Last Five Years (Note 1)				
	2017	2018	2019	2020	2021
Operating revenue	7,505,222	9,784,851	9,320,275	9,678,146	12,792,169
Gross profit	1,444,087	1,801,598	1,580,824	1,804,906	3,405,690
Operating profit	836,728	1,093,951	832,870	960,286	2,210,299
Non-operating income and expenses	234,488	111,803	66,152	6,074	38,885
Net profit before tax	1,071,216	1,205,754	899,022	966,360	2,249,184
Net Profit from continuing operations	820,141	851,909	618,915	790,618	1,738,645
Net profit for the Year	820,141	851,909	618,915	790,618	1,738,645
Other comprehensive income (loss) for the Year, net of income tax	(63,687)	34,995	(83,358)	31,568	141,737
Total comprehensive income for the Year	756,454	886,904	535,557	822,186	1,880,382
Net profit attributable to owners of the Company	431,075	842,544	607,304	773,840	1,714,378
Total comprehensive income attributable to owners of the Company	373,226	878,856	527,358	803,801	1,856,491
Earnings per share (Note 2)	14.62	23.60	1.72	2.19	4.81

Note 1: The above financial information of each year has been audited by CPA.

Note 2: The change of share par value has been completed in September 2019. After the separation, the share par value is changed to NT$ 1 for each share.

(2) Parent Company Only – Based on IFRS

Unit: NT$ thousands

Item \ Year	Financial Summary for The Last Five Years (Note 1)				
	2017	2018	2019	2020	2021
Operating revenue	1,458,688	3,406,101	3,495,028	3,517,381	4,817,610
Gross profit	213,923	385,656	320,455	276,762	633,108
Operating profit	103,151	234,501	158,345	126,989	421,294
Non-operating income and expenses	711,694	809,351	591,674	600,244	1,425,301
Net Profit before tax	814,845	1,043,852	750,019	727,233	1,846,595
Net Profit from continuing operations	735,795	842,544	607,304	773,840	1,714,378
Loss from discontinued operations	–	–	–	–	–
Net profit for the Year	735,795	842,544	607,304	773,840	1,714,378
Other comprehensive income (loss) for the Year, net of income tax	(33,658)	36,312	(79,946)	29,961	142,113
Total comprehensive income for the Year	702,137	878,856	527,358	803,801	1,856,491
Net profit attributable to owners of the Company	431,075	842,544	607,304	773,840	1,714,378
Total comprehensive income attributable to owners of the Company	373,226	878,856	527,358	803,801	1,856,491
Earnings per share (Note 2)	14.62	23.60	1.72	2.19	4.81

Note 1: The above financial information of each year has been audited by CPA.
Note 2: The change of share par value has been completed in September 2019. After the separation, the share par value is changed to NT$ 1 for each share.

(2) Auditors' Opinions from 2017 to 2021

Year	Accounting Firm	CPA	Audit Opinion
2017	Deloitte & Touche	Yu-Hsiang Liu、Jui-Hsuan Hsu	Unqualified Opinion
2018	Deloitte & Touche	Yu-Hsiang Liu、Jui-Hsuan Hsu	Unqualified Opinion
2019	Deloitte & Touche	Yu-Hsiang Liu、Jui-Hsuan Hsu	Unqualified Opinion
2020	Deloitte & Touche	Yu-Hsiang Liu、Hung-Ju Liao	Unqualified Opinion
2021	Deloitte & Touche	Lee-Yuan Kuo、Hung-Ju Liao	Unqualified Opinion

2. Five-Year Financial Analysis

1. Consolidated Financial Analysis – Based on IFRS

Item	Year	Financial Analysis for the Last Five Years (Note 1) 2017	2018	2019	2020	2021
Financial Structure (%)	Debt Asset Ratio	43.62	47.16	52.70	55.39	43.33
	Long-term Funds to Property, Plant and Equipment Ratio	299.78	287.98	343.01	397.37	424.54
Liquidity Analysis (%)	Current Ratio	248.85	209.98	219.40	230.55	232.51
	Quick Ratio	185.21	155.14	173.23	147.25	155.61
	Times Interest Earned	20.56	54.00	30.22	25.04	52.89
Operating Performance Analysis	Average Collection Turnover (times)	6.39	5.21	4.74	4.70	5.15
	Days Sales Outstanding	57	70	77	78	71
	Average Inventory Turnover (times)	8.99	5.91	5.67	5.76	5.17
	Average Payment Turnover (times)	10.65	8.07	7.14	6.99	7.69
	Average Inventory Turnover Days	41	62	64	63	71
	Property, Plant and Equipment Turnover (times)	5.68	4.11	4.00	4.34	5.41
	Total Assets Turnover (times)	1.31	1.03	0.91	0.85	0.95
Profitability Analysis	Return on Total Assets (%)	15.14	9.21	6.33	7.25	13.13
	Return on Equity (%)	14.29	16.58	12.14	15.13	25.19
	Pre-tax Income to Paid-in Capital Ratio (%)	296.67	331.13	246.89	265.39	617.69
	Net Margin (%)	10.92	8.70	6.64	8.17	13.59
	Earnings per Share (NT$) (Note 2)	14.62	23.6	1.72	2.19	4.81
Cash Flow (%)	Cash Flow Ratio	47.46	52.76	49.47	30.70	38.16
	Cash Flow Adequacy Ratio	88.71	98.34	108.00	107.37	100.47
	Cash Flow Reinvestment Ratio	7.05	7.17	5.82	3.23	6.26
Leverage	Operating Leverage	3.28	3.14	3.75	3.37	2.21
	Financial Leverage	1.07	1.02	1.04	1.04	1.02

Analysis of financial ratio differences for the last two years: (Not required if the difference does not exceed 20%)

1. Financial Structure: Debt ratio decreased mainly due to the issuance of convertible bonds in 2021 for loan repayments, the exercise of conversion rights by bond holders as well as a record-high profit, which led to a decrease in liabilities and an increase in equity.
2. Liquidity Analysis: Times interest earned increased mainly due to an increase in profit this year.
3. Operating Performance Analysis: Property, plant and equipment turnover increased mainly due to an increase in net sales this year.
4. Profitability Analysis: Return on total assets, return on equity, pre-tax income to paid-in capital, net margin and earnings per share increased mainly due to an increase in profit this year.
5. Cash Flow: Cash flow ratio and cash flow reinvestment ratio increased mainly due to an increase in net cash flows from operating activities.
6. Leverage: Operating leverage decreased mainly due to an increase in operating profit this year.

Note 1: The above financial information has been prepared in accordance with the financial statements audited by CPA.

Note 2: The change of share par value has been completed in September 2019. After the separation, the share par value is changed to NT$ 1 for each share.

Note 3: The formulas for the financial analysis are listed below:

1. Financial Structure
   (1) Debt Asset Ratio = Total liabilities/Total assets.
   (2) Long-term Funds to Property, Plant and Equipment Ratio = (Total stockholders' equity + Non-current liabilities)/Property, plant and equipment, net.
2. Liquidity Analysis
   (1) Current Ratio = Current assets/Current liabilities.
   (2) Quick Ratio = (Current assets − Inventory − Prepaid expense)/Current liabilities.
   (3) Times Interest Earned = Net income before tax and interest expense/Interest expense.
3. Operating Performance Analysis
   (1) Average Collection Turnover (including accounts receivable and notes receivable resulted from business operation) = Net sales/average balance of account receivable (including accounts receivable and notes receivable resulted from business operation).
   (2) Days Sales Outstanding = 365/Account receivable turnover.
   (3) Average Inventory Turnover = Cost of goods sold/Average inventory.
   (4) Average Payment Turnover (including accounts payable and notes payable resulted from business operation) = Cost of goods sold/Average balance of account payable (including accounts payable and notes payable resulted from business operation).
   (5) Average Inventory Turnover Days = 365/Inventory turnover.
   (6) Property, Plant and Equipment Turnover = Net sales/Average property, plant and equipment, net.
   (7) Total Assets Turnover = Net sales/Average total assets.
4. Profitability Analysis
   (1) Return on Total Assets (%) = 〔Post-tax profit or loss + Interest expenses×(1 − Tax rate)〕/Average total assets.
   (2) Return on Equity = Post-tax profit or loss/Average total stockholders' equity.
   (3) Net Margin = Profit after tax/Net sales.
   (4) Earnings per Share = (Profit or loss attributable to owners of the parent company − Preferred stock dividend)/Weighted average stock shares issued. (Note 4)
5. Cash Flow
   (1) Cash Flow Ratio = Net cash flow from operating activities/Current liabilities.
   (2) Net cash Flow Adequacy Ratio = Net cash flow from operating activities within five years/(Capital expenditure+inventory increase +cash dividend) within five year.
   (3) Cash Flow Reinvestment Ratio = (Net cash flow from operating activities − Cash dividends)/(Total property, plant and equipment+long-term investment+other non-current assets+working capital). (Note 5)
6. Leverage
   (1) Operating Leverage = (Net sales − Variable cost of sales and expenses)/Operating income (Note 6).
   (2) Financial Leverage = Operating income/(Operating income − Interest expenses).

Note 4: The above formula for calculating earnings per share shall take into consideration the following items in particular:

1. Based on the weighted average number of common shares, rather than the number of shares outstanding at the end of the year.
2. The weighted average number of shares shall be calculated by taking into account the outstanding period of any cash capital increase or treasury stock transactions.
3. Where there is a capital increase from earnings or capital surplus, the capital increase shall be adjusted retroactively in proportion to the capital increase in calculating the earnings per share for previous years and half years, without regard to the issuance period of the capital increase.
4. If the preferred stock is a non-convertible cumulative preferred stock, the current year's dividends (whether or not distributed) shall be reduced from net income after tax or by increasing net loss after tax. If the preferred stock is non-cumulative, the dividends shall be reduced from net income if there is a net income after tax; if there is a loss, no adjustment is required.

Note 5: The following items shall be taken into account when measuring cash flow analysis:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditures represent the annual cash outflows from capital investments.
3. Increases in inventories are included only if the ending balance is greater than the opening balance, and are calculated as zero if inventories decrease at the end of the year.
4. Cash dividends include cash dividends of common shares and preferred shares.
5. Gross fixed assets represent the total fixed assets before accumulated depreciation.

Note 6: Issuers shall distinguish between fixed and variable costs of sales and operating expenses according to their nature, and where estimates or subjective judgments are involved, note the reasonableness and maintain consistency.

2. Parent Company Only Financial Analysis – Based on IFRS

Item		Financial Analysis for the Last Five Years (Note 1) 2017	2018	2019	2020	2021
Financial Structure (%)	Debt Asset Ratio	34.03	37.21	47.02	49.34	38.84
	Long-term Funds to Property, Plant and Equipment Ratio	1,878.18	1,969.56	2,149.44	1,779.91	1,244.94
Liquidity Analysis (%)	Current Ratio	260.90	155.50	130.59	203.06	154.16
	Quick Ratio	249.64	140.01	121.54	130.00	109.25
	Times Interest Earned	20.60	60.63	30.76	22.33	51.35
Operating Performance Analysis	Average Collection Turnover (times)	3.29	4.46	4.20	4.24	4.76
	Days Sales Outstanding	111	82	87	86	77
	Average Inventory Turnover (times)	15.36	22.49	18.27	23.51	16.02
	Average Payment Turnover (times)	4.34	5.62	4.58	4.46	4.54
	Average Inventory Turnover Days	24	16	20	16	23
	Property, Plant and Equipment Turnover (times)	4.35	9.53	10.05	8.40	7.30
	Total Assets Turnover (times)	0.29	0.43	0.40	0.36	0.40
Profitability Analysis	Return on Total Assets (%)	15.82	10.84	7.22	8.10	14.49
	Return on Equity (%)	14.29	16.58	12.14	15.13	25.19
	Pre-tax Income to Paid-in Capital Ratio (%)	225.67	286.66	205.98	199.72	507.12
	Net Margin (%)	50.44	24.73	17.38	22.00	35.59
	Earnings per Share (NT$) (Note 2)	14.62	23.60	1.72	2.19	4.81
Cash Flow (%)	Cash Flow Ratio	(5.94)	19.34	3.39	78.41	10.99
	Cash Flow Adequacy Ratio	49.19	45.84	28.27	88.41	63.70
	Cash Flow Reinvestment Ratio	(1.23)	(2.55)	(6.96)	10.08	(1.02)
Leverage	Operating Leverage	3.13	2.18	2.73	3.18	1.85
	Financial Leverage	1.67	1.08	1.19	1.37	1.10

Analysis of financial ratio differences for the last two years: (Not required if the difference does not exceed 20%)

1. Financial Structure: Debt ratio and long-term funds to property, plant and equipment ratio decreased mainly due to the issuance of convertible bonds in 2021 for loan repayments, the exercise of conversion rights by bond holders and an increase in profit this year, which led to an increase in equity and a decrease in liabilities.
2. Liquidity Analysis: Current ratio decreased mainly due to an increase in accounts payable. Times interest earned increased mainly due to an increase in profit this year.
3. Operating Performance Analysis: Average inventory turnover (times) decreased and average inventory turnover days increased as factories was operating at full capacity for increased lead frame orders and we raised the level of stocks as well as inventories put into production and in consignment as the prices of precious metals increased.
4. Profitability Analysis: Return on total assets, return on equity, pre-tax income to paid-in capital, net margin and earnings per share increased mainly due to an increase in profit this year.
5. Cash Flow: Cash flow ratio and cash flow reinvestment ratio decreased as there were cash dividends from investees in 2020 which resulted in an increase in net cash flows from operating activities while there was none in 2021. Cash flow adequacy ratio decreased mainly due to increases in capital expenditure and inventories.
6. Leverage: Operating leverage decreased mainly due to an increase in operating profit this year.

Note 1: The above financial information has been prepared in accordance with the financial statements audited by CPA.

Note 2: The change of share par value has been completed in September 2019. After the separation, the share par value is changed to NT$ 1 for each share.

Note 3: The formulas for the financial analysis are listed below:

1. Financial Structure
   (1) Debt Asset Ratio＝Total liabilities/Total assets.
   (2) Long-term Funds to Property, Plant and Equipment Ratio＝(Total stockholders' equity＋Non-current liabilities)/Property, plant and equipment, net.
2. Liquidity Analysis
   (1) Current Ratio＝Current assets/Current liabilities.
   (2) Quick Ratio＝(Current assets－Inventory－Prepaid expense)/Current liabilities.
   (3) Times Interest Earned＝Net income before tax and interest expense/Interest expense.
3. Operating Performance Analysis
   (1) Average Collection Turnover (including accounts receivable and notes receivable resulted from business operation)＝ Net sales/average balance of account receivable (including accounts receivable and notes receivable resulted from business operation).
   (2) Days Sales Outstanding＝365/Account receivable turnover.
   (3) Average Inventory Turnover＝Cost of goods sold/Average inventory.
   (4) Average Payment Turnover (including accounts payable and notes payable resulted from business operation)＝ Cost of goods sold/Average balance of account payable (including accounts payable and notes payable resulted from business operation).
   (5) Average Inventory Turnover Days＝365/Inventory turnover.
   (6) Property, Plant and Equipment Turnover＝Net sales/Average property, plant and equipment, net.
   (7) Total Assets Turnover＝Net sales/Average total assets.
4. Profitability Analysis
   (1) Return on Total Assets (%)＝〔Post-tax profit or loss＋Interest expenses×(1－Tax rate)〕/ Average total assets.
   (2) Return on Equity＝Post-tax profit or loss/Average total stockholders' equity.
   (3) Net Margin＝Profit after tax/Net sales.
   (4) Earnings per Share＝(Profit or loss attributable to owners of the parent company－Preferred stock dividend)/Weighted average stock shares issued.(Note 4)
5. Cash Flow
   (1) Cash Flow Ratio＝Net cash flow from operating activities/Current liabilities.
   (2) Cash Flow Adequacy Ratio＝Net cash flow from operating activities within five years/(Capital expenditure+inventory increase +cash dividend) within five year.
   (3) Cash Flow Reinvestment Ratio＝(Net cash flow from operating activities－Cash dividends)/(Total property, plant and equipment+long-term investment+other non-current assets+working capital).(Note 5)
6. Leverage:
   (1) Operating Leverage＝(Net sales－Variable cost of sales and expenses) / Operating income(Note 6).
   (2) Financial Leverage＝Operating income / (Operating income－Interest expenses).

Note 4: The above formula for calculating earnings per share shall take into consideration the following items in particular:

1. Based on the weighted average number of common shares, rather than the number of shares outstanding at the end of the year.
2. The weighted average number of shares shall be calculated by taking into account the outstanding period of any cash capital increase or treasury stock transactions.
3. Where there is a capital increase from earnings or capital surplus, the capital increase shall be adjusted retroactively in proportion to the capital increase in calculating the earnings per share for previous years and half years, without regard to the issuance period of the capital increase.
4. If the preferred stock is a non-convertible cumulative preferred stock, the current year's dividends (whether or not distributed) shall be reduced from net income after tax or by increasing net loss after tax. If the preferred stock is non-cumulative, the dividends shall be reduced from net income if there is a net income after tax; if there is a loss, no adjustment is required.

Note 5: The following items shall be taken into account when measuring cash flow analysis:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditures represent the annual cash outflows from capital investments.
3. Increases in inventories are included only if the ending balance is greater than the opening balance, and are calculated as zero if inventories decrease at the end of the year.
4. Cash dividends include cash dividends of common shares and preferred shares.
5. Gross fixed assets represent the total fixed assets before accumulated depreciation.

Note 6: Issuers shall distinguish between fixed and variable costs of sales and operating expenses according to their nature, and where estimates or subjective judgments are involved, note the reasonableness and maintain consistency.

3. Audit Committee's Report for the Most Recent Year:

Chang Wah Technology Co., Ltd.

Audit Committee Report

The Board of Directors had prepared and submitted the 2021 Financial Statements (including the parent company only and consolidated financial statements). The audit of the financial statements was completed by accountants Lee-Yuan Kuo and Hung-Ju Liao at Deloitte & Touche, and an audit report was issued. The audit of the aforementioned statements, along with issues such as the 2021 Annual Business Report and the report of earning distribution, submitted by the Board of Directors was reviewed by the Audit Committee, and no inconsistency was found. The audit report was issued in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Yours sincerely,

2022 Annual Shareholders' Meeting of Chang Wah Technology Co., Ltd.

Audit Committee of Chang Wah Technology Co., Ltd.

Committee Member: 林宜靜

Committee Member: 林丕林

Committee Member: 歐嘉瑞

March 17, 2022

4. Financial statements for the most recent year:
   Please refer to Annex I of the Annual Report.
5. Parent company only financial statements audited by CPA or the most recent year:
   Please refer to Annex II of the Annual Report.
6. If the Company and its associates have experienced financial difficulties in the most recent year and by the print date of the annual report, the impact on the financial position of the Company shall be specified: None.

VII. Review of Financial Conditions, Financial Performance, and Risk Management

1. Financial Conditions-Analysis of Financial Status (Consolidated):

Unit: NT$ thousands; %

Item \ Year	2020	2021	Difference	
			Amount	%
Current assets	7,413,573	10,080,244	2,666,671	35.97
Property, plant and equipment	2,251,962	2,474,834	222,872	9.90
Non-current assets	2,498,627	2,286,985	(211,642)	(8.47)
Total assets	12,164,162	14,842,063	2,677,901	22.01
Current liabilities	3,215,572	4,335,495	1,119,923	34.83
Non-current liabilities	3,522,331	2,094,836	(1,427,495)	(40.53)
Total liabilities	6,737,903	6,430,331	(307,572)	(4.56)
Ordinary shares	364,131	381,240	17,109	4.70
Capital surplus	4,253,933	5,872,815	1,618,882	38.06
Retained earnings	1,231,931	2,546,017	1,314,086	106.67
Other equity	(139,994)	(170,630)	(30,636)	(21.88)
Treasury stock	(384,142)	(342,001)	42,141	10.97
Non-controlling equity	100,400	124,291	23,891	23.80
Total stockholders' equity	5,426,259	8,411,732	2,985,473	55.02

Major changes in assets, liabilities and shareholders' equity in the last two years (changes of 20% or more, and differences of NT$10 million or more):

Increase in current assets: This was mainly due to a record-high profit for the year and an increase in cash flows from operating activities. Cash and cash equivalents as of December 31, 2021 went up by NT$1,183,835 thousand. Due to increased lead frame orders, production at full capacity and rising prices of precious metals, the ending balance of inventory increased by NT$759,097 thousand, and the sales growth resulted in an increase in receivables of NT$574,631 thousand.

Increase in current liabilities: This was mainly due to the increasing orders which led to increasing purchases. Consequently, accounts payable as of December 31, 2021 went up by NT$219,429 thousand. The year-end balance of convertible bonds issued this year was NT$215,168 thousand, net of conversion rights exercised by bond holders. Due to revenue growth, current tax liabilities and accrued salaries and bonuses increased by NT$206,530 thousand and NT$158,272 thousand, respectively. Dividends payable also went up by NT$105,596 thousand.

Decrease in non-current liabilities: This was mainly due to the issuance of convertible bonds during the year for loan repayments and as some bond holders exercised their conversion rights, bonds payables were transferred to equity. Thus, long-term loans decreased by NT$1,513,519 thousand.

Increase in capital surplus: This was mainly due to the recognition of convertible bonds issued this year under capital surplus – stock options of NT$52,430 thousand as of December 31, 2021 and the

recognition of capital surplus - arising from issuance of ordinary shares of NT$1,521,726 thousand for convertible bonds converted to ordinary shares.
Increase in retained earnings: This is mainly due to the growth of revenue and increase in profitability.
Decrease in other equity: This was mainly due to the loss from translation of foreign operations of NT$50,454 thousand, the gain from change in value of financial assets measured through other comprehensive income of NT$191,980 thousand and the transfer of gain on disposal of financial assets measured through other comprehensive income of NT$172,162 thousand to retained earnings.
Increase in non-controlling equity: This is mainly due to the increase in net income of our subsidiary Shanghai Chang Wah Electromaterials Inc.

2. Financial Performance:

(1) Analysis of Financial Performance (Consolidated)

Unit: NT$ thousands

Item \ Year	2020	2021	Increase/Decrease	Variation(%)
Operating Revenue	9,678,146	12,792,169	3,114,023	32.18
Operating Cost	7,873,240	9,386,479	1,513,239	19.22
Gross profit	1,804,906	3,405,690	1,600,784	88.69
Operating expenses	844,620	1,195,391	350,771	41.53
Operating profit	960,286	2,210,299	1,250,013	130.17
Non-operating income and expenses	6,074	38,885	32,811	540.19
Net Profit before Tax	966,360	2,249,184	1,282,824	132.75
Income tax expense	175,742	510,539	334,797	190.50
Net Profit for the Year	790,618	1,738,645	948,027	119.91
Total comprehensive income for the Year	822,186	1,880,382	1,058,196	128.71

The main reasons for significant changes in operating income, net operating income, and net income before tax for the last two years (if the change is 20% or more, and the amount of change reaches NT$10 million):

Increase in operating revenue and gross profit: Due to robust demand for packaging materials, production of lead frame at full capacity and selling price increases as a result of surging material costs, revenue surged in 2021 and drove up the capacity utilization, resulting in a significant increase in gross profit.

Increase in operating expenses: As shipment and profit increased in 2021, personnel expenses such as salaries and bonuses as well as freight expenses increased by NT$134,685 thousand and NT$20,159 thousand, respectively. The subsidiaries, SHEC and SHPC, reclassified expenses associated with researches of NT$133,007 thousand in 2021 from operating costs to research and development expenses for new product and technology developments. The subsidiary, SHS, had an increase of NT$20,975 thousand in raw materials expenses for new product developments while the Company incurred an additional NT$32,479 thousand of expenses associated with research and development other than personnel expenses for expanding the etching production line.

Increase in Non-operating income and expenses: The net increase of NT$32,811 thousand in non-operating income and expenses was mainly due to a decrease in exchange losses of NT$62,252 thousand, an increase in dividend income of NT$16,003 thousand and a decrease in government subsidies of NT$51,125 thousand compared to 2020.

Increase in income tax expense: The increase of NT$334,797 thousand in 2021 was mainly due to an increase in net profit before tax.

(2) The expected sales volume and its basis, the possible impact on the Company's future financial operations and the plan to respond to it Please refer to the Operating Statement and Letter to Shareholders.

3. Analysis of Cash Flow:

(1) Analysis of Cash Flow (Consolidated)

Unit: NT$ thousands

Cash and Cash Equivalents, Beginning of Year (1)	Net Cash Flow from Operating Activities (2)	Cash Outflow (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
$2,501,535	$1,654,316	$470,481	$3,685,370	None	None

1.Analysis of changes in cash flow for the year ended December 31, 2021:

(1)Operating activities: Net cash inflow from operating activities increased by $667,036 thousands, comparing to first-half year.

(2) Investing activities: The acquisition of property, plant and equipment resulted in a net cash outflow from investing activities.

(3) Financing activities: The distribution of cash dividends resulted in net cash outflows from financing activities.

2.Cash shortage remediation measures and liquidity analysis:

(1)There was no cash shortage during the year.

(2)Liquidity analysis for the last two years:

Year / Amount	2021	2020	Increase (Decrease) %
Cash flow ratio(%)	38.16	30.70	24.30
Cash flow adequacy ratio(%)	100.47	107.37	(6.43)
Cash flow reinvestment ratio(%)	6.26	3.23	93.81

Analysis of the changes in the ratio of increase and decrease:
Cash flow ratio and cash flow reinvestment ratio increased mainly due to the increase in net cash inflow from operating activities.

(2) Cash Flow Analysis for the Coming Year

Unit: NT$ thousands

Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Cash Outflow (3)	Estimated Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
$3,685,370	$2,399,166	$2,223,830	$3,860,706	None	None

1.Analysis of the changes in cash flow for the year ended December 31, 2022:

(1) Net cash inflow from operating activities: Net cash inflow was generated due to stable profitability.

(2) Net cash outflows from investing activities: The outflows were for plant construction, acquisition of land and plants, and additional production lines and equipment for capacity expansion as well as research and development of new product and technology.

(3) Net cash outflow from financing activities: mainly due to the estimated cash dividends allotted.

2.Estimated cash shortage remedy: No cash shortage is expected.

4. The Impact of Major Capital Expenditures on Financial Operations:

The Company and its subsidiaries acquired property, plant and equipment in the amount of $758,388 thousands in 2021, which was financed by its own funds and partly by bank loans.

5. Investment Policy in the Most Recent Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year:

1. Reinvestment Policy:

The Company has established the "Procedures for the Acquisition or Disposal of Assets" in accordance with the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" issued by competent authorities. In addition, to enhance the supervision and management of our investee companies, we have established internal control system to control and manage the information disclosure, financial, business, inventory and financial management of our investee companies to maximize the effectiveness of our investee companies.

2.The main reasons for the profit or loss of the latest invested business and the improvement plan

Unit: NT$ thousands

Name of Investee	2021 profit after tax	Main reasons for gain or loss	Improvement
CWTC (Shanghai) Inc.	9,700	Profit: Stable profit from the sale and purchase of semiconductor packaging and testing materials and equipment in China.	None
SH Electronics Taiwan Co., Ltd.	388,894	Profit: Stable development of semiconductor industry.	None
SH Asia Pacific Pte. Ltd.	1,072,192	Profit: Mainly recognized investment income from our subsidiaries.	None
Malaysian SH Electronics Sdn. Bhd.	393,894	Profit: Stable development of semiconductor industry.	None
SH Electronics Suzhou Co., Ltd.	338,375	Profit: Stable development of semiconductor industry.	None
SH Precision Chengdu Co., Ltd.	188,101	Profit: Stable development of the semiconductor industry.	None
SH Electronics Chengdu Co., Ltd.	74,985	Profit: Stable development of the semiconductor industry.	None
WSP Electromaterials Ltd.	133,794	Profit: A holding company that recognizes investment income from its companies.	None
Shanghai Chang Wah Electromaterials Inc.	79,238	Profit: Stable annual profit from the sale and purchase of semiconductor packaging and testing materials and equipment in China.	None

3.Investment plan for the coming year: None.

6. Analysis and Assessment of Risks:

(1) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures:

1. Effect of changes in interest rates and exchange rates on the Company's profit or loss and future measures

Unit: NT$ thousands

Item \ Year	2020			2021		
	Amount	As a percentage of operating revenue Net Ratio	Income before tax %	Amount	As a percentage of operating revenue Net Ratio	come before tax %
Interest income	29,137	0.30%	3.02%	18,504	0.14%	0.82%
Interest expenses	40,203	0.42%	4.16%	43,345	0.34%	1.93%
Net foreign exchange losses	(127,974)	(1.32%)	(13.24%)	(65,722)	(0.51%)	(2.92%)
Operating revenue	9,678,146			12,792,169		
Net profit before tax	966,360			2,249,184		

Resource: Financial Statements audited by CPA.

(1) Interest rate

The Company and its subsidiaries regularly evaluate money market interest rates and financial information to take appropriate measures in a timely manner and, depending on their cost of capital and possible rewards and risks, choose the most favorable use of funds to reduce the risk of changes in interest rates, and therefore, changes in interest rates will not have a material adverse effect on the Company's profit or loss.

(2) Foreign exchange rates

In response to exchange rate fluctuations, the Company collects quotes and information on international financial, exchange rate and interest rate commodities from banks at any time to keep abreast of exchange rate fluctuations, and takes the following foreign exchange hedging measures in a timely manner:

①The Company continue to strengthen the awareness of exchange rate hedge among our finance staff, and through our real-time online exchange rate system and enhanced interaction with financial institutions, we are able to judge the trend of exchange rate changes in response to the negative impact of exchange rate fluctuations.

②Before providing quotations to customers, we will consider and evaluate future exchange rate trends and factors affecting exchange rates to determine appropriate and reasonable quotations in order to avoid significant impact on the Company's profitability from exchange rate fluctuations.

③To achieve a certain degree of natural hedge by trading in the same type of foreign currency debt, and to reduce the risk of exchange rate fluctuations by adjusting the position of foreign currency assets and liabilities in a timely manner.

(3) Inflation

Up to now, the Company has not experienced any significant impact on profit or loss due to inflation. In addition to paying close attention to the fluctuation of upstream raw material market prices, the Company maintains good interaction with suppliers and customers to appropriately adjust raw material inventories to reduce the impact of price increases, which should effectively reduce the impact of inflation on the Company.

(2) Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions:

(1)Based on the principle of prudence and pragmatic management, the Company and its subsidiaries do not engage in high-risk and high-leverage investments, except for those focusing on the business areas of the Company and its subsidiaries.

(2)The Company and its subsidiaries engage in the lending of funds to others and the endorsement and guarantee of funds only between the Company and its subsidiaries. The "Procedures for Endorsement and Guarantee" and "Procedures for Lending of Funds to Others" have been established in accordance with the relevant regulations and have been implemented in accordance with the relevant procedures, and there is no material adverse effect on the Company's profit or loss.

(3)The Company and its subsidiaries engage in derivative financial instruments for hedging purposes and have established "Procedures for the Acquisition or Disposal of Assets" in accordance with the relevant regulations and have implemented them in accordance with the relevant operating procedures, which do not have a material adverse effect on the Company's profit or loss.

(3) Future Research & Development Projects and Corresponding Budget:
Please refer to Operation Review (3) and Technology and R&D Overview (page 80 to 81) in the Annual Report.

(4) Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales:
The Company's operating are in compliance with the relevant domestic and foreign laws and regulations, and the relevant management is always aware of the changes in laws and regulations and provides real-time information for the Company's management's reference. In the most recent year and by the date of the annual report, the Company had no material adverse financial and business impact due to changes in domestic and foreign policies and laws and regulations.

(5) Effects of and Response to Changes in Technology (including information security risk) and the Industry Relating to Corporate Finance and Sales:
Our metal lead frames are used in a wide range of applications in the IC industry and the optoelectronics industry under the continuation of the semiconductor industry:

Industry	Current Product
IC Industry	IC semiconductors are the mainstay of active components in electronic components, and their applications are divided into four major categories, namely communication, information, consumer electronics and others (including automotive, industrial electronics and others). Our company is now moving into the manufacture and sale of IC Pre-Mold QFN lead frames, which can improve the process yield and output efficiency of IC products in the production (packaging), or assist in the use of consumable materials to reduce production costs. In addition, it can also provide ICs with a variety of options in package design (package process options), which will have a high potential for IC design and development. Therefore, the demand for metal lead frames in the IC industry will continue to be stable, and our products are highly futuristic and are expected to continue to grow.
PV Industry	Our products (EMC lead frame) are mainly used as one of the main materials for the production of light emitting diode (LED) packaging. The market and applications of this industry (indoor and outdoor lighting, backlight modules, outdoor displays, automotive interior and exterior lighting, photographic flash and high brightness projectors...many applications) are still growing in the product lifecycle. Our products have excellent characteristics in plastic selection (high heat resistance, yellowing resistance, UV resistance, small size, and high current), and will continue to increase in market demand.

The Company's management team keeps abreast of industry trends and related technological changes, and evaluates the impact on the Company's operations. As of the date of the annual report, technological changes and industry changes have not had a significant impact on the Company's financial and business operations.

(6) The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company’s Response Measures:

Since its establishment, the Company has focused on its business operation, complied with relevant laws and regulations, and actively strengthened its internal management and improved its management quality and performance in order to continuously maintain its excellent corporate image and increase customers' trust in the Company. Therefore, in the most recent year and by the print date of the annual report, the Company has not experienced any operational crisis caused by the change of corporate image. However, the occurrence of corporate crisis may cause considerable damage to the company, so the Company will continue to implement various corporate governance requirements to reduce the occurrence of corporate risks and the impact on the Company.

(7) Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans: None.

(8) Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans:

The Company resolved to increase its investment in Taiwan and build a new plant in the Nanzi District to meet its future needs in the Board meeting on November 7, 2019, and determined the construction contractor of the new plant in the Board meeting on March 17, 2021. Also, the Company resolved to acquire land and plants in the Daliao District for capacity expansion to satisfy customer orders in the Board meeting on March 17, 2022. These plans were financed with cash flows from operations and long-term bank loans. By the print date of the annual report, there was no concerns on the Company’s ability to meet payment obligations and carry out these plans as scheduled.

(9) Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration:

(1)**Purchasing sources:** The top two suppliers of the Company and its subsidiaries accounted for 22.58% and 9.98% of the total purchase volume in 2021, respectively, the subsidiary Shanghai Chang Wah Electromaterials Inc. represented the IC packaging material suppliers in China and the Company represented the lead frame suppliers in Japan; the former is a long-term agency trading business, and the latter will turn to self-production after obtaining the technology transfer from Japan.

(2)**Customers:** In 2021, the largest customer of the Company and its subsidiaries was the parent company, Chang Wah Electromaterials Inc., which was responsible for the sales of semiconductor packaging materials in Taiwan, accounting for 23.47% of the total sales; no other customers accounted for more than 10% of the total sales.

(10)Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%:

Chang Wah Electromaterials Inc., the Company’s Directors and major shareholders with over 10% of shareholding, transferred 20,300 thousand of the Company’s shares in April, 2022 for the Group’s strategic developments and to increase the liquidity of shares in the capital market. Chang Wah Electromaterials Inc. remained the largest shareholders of the Company after the transfer, which did not have material adverse effect or risk on the Company.

(11)Effects of, Risks Relating to and Response to the Changes in Management Rights: None.

(12)For litigation or non-litigation events, the Company and its directors, supervisors, presidents, beneficial owners, majority shareholders holding more than 10% of the shares, and affiliated companies should disclose any significant litigation, non-litigation or administrative dispute that has been determined or is still pending, the outcome of which may have a significant impact on shareholders' equity or securities prices. The facts of the dispute, the amount of the subject matter, the date of commencement of the litigation, the principal parties involved in the litigation, and the status of the litigation as of the date of publication of the annual report:

1. In the most recent year and by the print date of the annual report, the facts to be disclosed by the Company, including facts of the dispute, the amount of the subject matter, the date of commencement of the litigation, the principal parties involved in the litigation and the current status of the litigation if the outcome of the litigation, non-litigation or administrative dispute has been determined or is still pending: None.
2. Directors, supervisors, presidents, beneficial owners, substantial shareholders and subsidiaries of the Company with a shareholding of more than 10%, in the most recent year and by the print date of the annual report, where litigation, non-litigation or administrative disputes have been determined or are currently pending, the outcome of which may have a material impact on the Company's shareholders' equity or securities prices:

Chang Wah Electromaterials Inc., the Company's director and a major shareholder holding more than 10% of the Company's shares, had the following litigation and non-litigation events in the recent year:

(1)In September 2016, Chipbond Technology Corporation filed a civil lawsuit against the Company for the exclusion of trade secret infringement. The main contents of the lawsuit include the prohibition of using or disclosing trade secrets learned from Chipbond Technology Corporation the destruction of related documents, the prohibition of the employees involved in the lawsuit from working for the Company for a specific period of time and the destruction of products infringing on trade secrets, and the claim for damages of NT$1,765,137 thousand. The Company has appointed a lawyer to issue a legal opinion on the aforementioned lawsuit and assessed that the lawsuit has not yet had a material adverse impact on the Company and the management has judged that it has not yet had a material impact on business and finance. As of March 15, 2022, the court’s judgement was still pending. The final outcome of the lawsuit was yet to be determined by the judicial authorities.

(2)Other than the above, there are no other directors, supervisors, presidents, beneficial owners, shareholders holding 10% or more of the shares and subsidiaries that have significant litigation, non-litigation or administrative disputes as of the printing date of the annual report that have a material effect on the shareholders' equity or the price of the Company's securities.

(13)Other Major Risks and Response: None.

7. Other important matters: None.

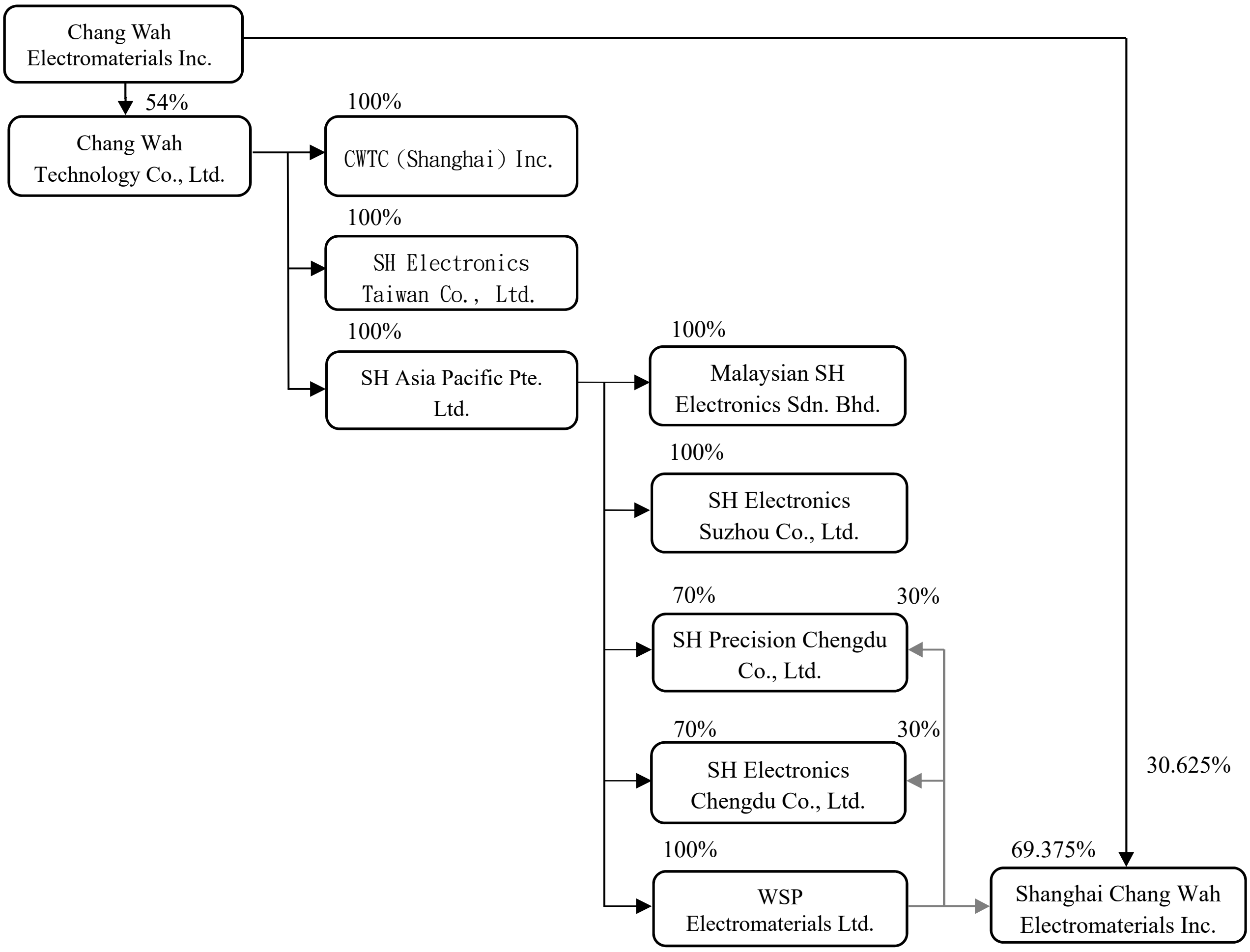
VIII. Special Disclosure

1. Information of the Associates:

(1) The consolidated business report of affiliated companies:

1.Organizational chart of affiliated companies for the year ended December 31, 2021

Date: December 31, 2021



2. Information of Affiliated Companies:

December 31, 2021

Name	Date of Incorporation	Address	Paid-in Capital (Note)	Business Scope
CWTC (Shanghai) Inc.	May 8, 2015	Room E01, 2/F, No. 207, Fute North Road, China (Shanghai) Free Trade Pilot Zone	55,360	Sales of lighting materials and equipment, telecommunications equipment, semiconductor materials and equipment, electronic products, machinery and equipment, etc.
SH Electronics Taiwan Co., Ltd.	Dec. 10, 2012	No. 16, E. 7th St., Nanzi Processing Export Zone, Nanzi Dist., Kaohsiung City	410,000	Manufacturing and international trade of electronic parts and molds
SH Asia Pacific Pte. Ltd.	Jan. 11, 1977	10 Eunos Road 8, #05-04/05 Singapore Post Centre, Singapore 408600	379,795	Trading and investment in electronic components and electronic equipment
Malaysian SH Electronics Sdn. Bhd.	Apr. 13, 1989	Lot 5,7 & 9, Jalan Ragum 15/17 40200 Shah Alam Selangor Darul Ehsan, Malaysia	233,890	Manufacturing and sales of leadframes for semiconductor materials
SH Electronics Suzhou Co., Ltd.	Mar. 27, 2003	No. 123, Longtan Road, Suzhou Industrial Park, Jiangsu Province, China	692,000	Development, design, production and sales of leadframe semiconductor packaging materials and precision molds
SH Precision Chengdu Co., Ltd.	Oct. 23, 1998	No. 7, Xin Yuan South 2nd Road, Singapore Industrial Park, Chengdu Hi-Tech Zone, Sichuan Province, China	235,280	Development, production and sales of leadframe semiconductor materials and precision tooling
SH Electronics Chengdu Co., Ltd.	Feb. 22, 2008	No.6, West Zone, No.8, Kexin Road, West Park, Chengdu Hi-tech Zone, Sichuan Province, China	96,880	Development, production and sales of leadframe semiconductor materials and precision tooling
WSP Electromaterials Ltd.	Sep. 25, 1998	P.O Box 438,Road Town, Tortola, British Virgin Islands	144,905	International investment business
Shanghai Chang Wah Electromaterials Inc.	Apr. 5, 2005	Room 2101, Mega Plaza, 1027 Changning Road, Changning District, Shanghai, China	110,720	IC packaging materials and equipment distribution business

Note: Foreign currency capital has been converted to New Taiwan dollars based on the exchange rate at the balance sheet date.

3.Information on the same shareholders who are presumed to be in a controlling or subordinate relationship in accordance with Article 369-3 of the Company Act: None.

4.Industry covered by the business of the related company as a whole:

December 31, 2021

Name of related parties	Business Scope	Relationship
CWTC (Shanghai) Inc.	Selling of lighting materials and equipment, communication devices, semiconductor materials and equipment, electronic products, machinery and equipment, etc.	Mainland Sales Offices
SH Electronics Taiwan Co., Ltd.	Manufacturing of electronic components and mold; international trade	Domestic Manufacturing Locations
SH Asia Pacific Pte. Ltd.	Trading of electronic components and equipment; investing activities	Overseas Sales Offices
Malaysian SH Electronics Sdn. Bhd.	Manufacturing and selling leadframe and semiconductor materials	Overseas Manufacturing Locations
SH Electronics Suzhou Co., Ltd.	Researching, developing, manufacturing and selling of leadframe, semiconductor packaging materials and precision tools	Manufacturing sites in China
SH Precision Chengdu Co., Ltd.	Researching, developing, manufacturing and selling of leadframe, semiconductor materials and precision tools	Manufacturing sites in China
SH Electronics Chengdu Co., Ltd.	Researching, developing, manufacturing and selling of leadframe, semiconductor materials and precision tools	Manufacturing sites in China
WSP Electromaterials Ltd.	International investment activities	Holding Company
Shanghai Chang Wah Electromaterials Inc.	Acting as an agent for IC packaging materials and equipment	Our sales offices in China

5. The names of the Directors, Supervisors of and Presidents of the affiliated companies and their shareholdings or capital contributions to the companies:

December 31, 2021

Name	Title	Representative	Shares held	
			Shares (Contribution)	Percentage (Contribution Ratio)
CWTC (Shanghai) Inc.	Director	Xie, Jun-Ming	(Contribution US$ 2,000,000)	(100%)
	Supervisor	Hsu, Liang-Fang		
	President	Su, Zhen-Ping		
SH Electronics Taiwan Co., Ltd.	Director	Canon, Huang、Hung, Chuen-Sing	41,000,000	100%
	President	Hung, Chuen-Sing		
SH Asia Pacific Pte. Ltd.	Director	Canon, Huang、Hung, Chuen-Sing、Andy Ng	21,206,103	100%
	President	Andy Ng		
Malaysian SH Electronics Sdn. Bhd.	Director	Hung, Chuen-Sing、ISHAK; PH MAH、Lai, Jin-Xuan、Xu, Bai-Xiang	23,000,000	100%
	President	PH MAH		
SH Electronics Suzhou Co., Ltd.	Director	Su, Zhen-Ping、Hung, Chuen-Sing、Ou Yang, Yan-Hong	Contribution Refer to Note 1.	(100%)
	Supervisor	Hsu, Liang-Fang		
	President	Su, Zhen-Ping		
SH Electronics Chengdu Co., Ltd.	Director	Hung, Chuen-Sing、Mao, Ya-Ping、Su, Zhen-Ping	Contribution Refer to Note 1.	(100%)
	Supervisor	Hsu, Liang-Fang		
	President	Zheng, Hui-Qing		
SH Precision Chengdu Co., Ltd.	Director	Hung, Chuen-Sing、Zheng, Hui-Qing、Lu, Jian-Gui	Contribution Refer to Note 1.	(100%)
	Supervisor	Hsu, Liang-Fang		
	President	Zheng, Hui-Qing		
WSP Electromaterials Ltd.	Director	Chang Wah Technology Co., Ltd.	5,235,000	100%
Shanghai Chang Wah Electromaterials Inc.	Director	Xie, Jun-Ming、Jheng, Yao-Jhan、Su, Zhen-Ping	Contribution Refer to Note 2.	(69%)
	Supervisor	Hsu, Liang-Fang		
	President	Xie, Jun-Ming		

Note 1: In March and June 2017, the Company acquired a total of 100% equity interest in SHAP at a cost of JPY$9,000,000,000 and NT$1,736,000,000, respectively, and indirectly acquired equity interests in MSHE, SH Electronics Suzhou Co., Ltd., SH Electronics Chengdu Co., Ltd. and SH Precision Chengdu Co., Ltd.

Note 2: In October 2017, the Company acquired 100% equity interest in WSP through its subsidiary SHAP with a capital contribution of US$21,688,341, and indirectly acquired equity interest in Shanghai Chang Wah Electromaterials Inc., SH Electronics Chengdu Co., Ltd. and SH Precision Chengdu Co., Ltd.

6. Business Overview of Affiliated Companies:

Unit: NT$ thousands

Name	Paid-in Capital	Total assets	Total liabilities	Net value	Operating Revenue	Operating Profit	Net Profit for the Year (After Tax)	Earnings per share(NT$)(After Tax)
CWTC (Shanghai) Inc.	55,360	204,794	120,624	84,170	332,655	9,936	9,700	NA
SH Electronics Taiwan Co., Ltd.	410,000	2,014,119	773,321	1,240,798	3,214,224	473,490	388,894	9.49(Note 1)
SH Asia Pacific Pte. Ltd.	379,795	4,568,020	124,138	4,443,882	491,163	12,089	1,072,192	50.56(Note 2)
Malaysian SH Electronics Sdn. Bhd.	233,890	2,079,216	328,506	1,750,710	2,460,828	492,917	393,894	17.13(Note 3)
SH Electronics Suzhou Co., Ltd.	692,000	1,668,346	889,842	778,504	2,565,329	422,611	338,375	NA
SH Electronics Chengdu Co., Ltd.	235,280	1,058,248	225,154	833,094	1,440,873	222,078	188,101	NA
SH Precision Chengdu Co., Ltd.	96,880	551,085	222,886	328,199	782,338	87,051	74,985	NA
WSP Electromaterials Ltd.	144,905	907,557	—	907,557	—	(77)	133,794	25.56 (Note 4)
Shanghai Chang Wah Electromaterials Inc.	110,720	729,834	323,989	405,845	2,258,611	108,276	79,238	NA

Note 1: Each share is denominated in NT$10.
Note 2: Each share is denominated in Singapore Dollar $1.
Note 3: Each share is denominated in Malaysian Dollar $1.
Note 4: Each share is denominated in US Dollar $1.

(2) Consolidated financial statements of affiliated companies:

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Chang Wah Technology 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, Chang Wah Technology Co., Ltd. and Subsidiaries did not prepare a separate set of combined financial statements.

Very truly yours,

Chang Wah Technology Co., Ltd.

By

Canon, Huang
Chairman

March 17, 2022

(3) Relationship Report: None.

2. Private Placement Securities in the Most Recent Years: None.

3. Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Years:

(Unit: NT$ thousands; Shares, %)

Name of Subsidiary	Paid-in Capital	Source of Fund	Shareholding % of the Company	Date of Acquisition or Disposal	Shares Acquired and Amount (Note 1)	Shares Disposed and Amount (Note 1)	Investment Gain (Loss)	No. of Shares Held and Amount as of April 30, 2022 (Note 2)	Pledge	Endorsement/Guarantee for the Subsidiary	Loans to the Subsidiary
Shing Zheng Investment Co., Ltd.	800,000	Cash flows from operation	36.25%	2021	0	0	0	0	None	0	0
				As of April 30, 2022	1,236,000 shares NT$120,856 thousand	0	0	1,236,000 shares NT$111,858 thousand	None	0	0

Note 1: The amount refers to the actual amount of acquisition or disposal.
Note 2: The shareholding amount was calculated using the closing price as of April 29, 2022.

4. Other necessary items to be supplemented: None.

IX. Any event that had a material impact on the rights of shareholders or the prices of securities provided in Clause 2, Paragraph 3, Article 36 of the Securities and Exchange Act occurred in the most recent year and by the print date of the annual report: None

2021 Consolidated Financial Statement

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Chang Wah Technology Co., Ltd.

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Company and its subsidiaries' consolidated financial statements for the year ended December 31, 2021 is described as follows:

Revenue Recognition of Specific Customers

Due to the pressure from having to meet expected targets and market expectations, the possibility of overstatement of sales may arise. The operating revenue in 2021 has grown substantially compared with that of 2020, especially revenue from specific customers which amount is significant to the overall operating revenue. Therefore, the revenue recognition of specific customers with significant sales amount and changes was deemed as a key audit matter.

Our audit procedures performed in response to the abovementioned key audit matter are as follows:

1. We obtained an understanding and tested the effectiveness of the implementation of internal controls over sales.

2. We selected appropriate samples from the sales revenue receipts of specific customers, examined purchase orders, shipping documents and proof of payments as pertaining to the same transaction counterparties.

3. We obtained details on sales returns and allowances for the year and after the reporting period and checked for material abnormalities in sales returns and allowances for the purpose of confirming the authenticity of the sales recognized before the balance sheet date.

Other Matter

We have also audited the parent company only financial statements of Chang Wah Technology Co., Ltd. as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion and an unmodified opinion with emphasis of mater paragraph, 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 Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of 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 Company and its subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Lee-Yuan Kuo and Hung-Ju Liao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 17, 2022

<u>*Notice to Readers*</u>

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

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

Chang Wah Technology Co., Ltd. and Subsidiaries

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	December 31, 2021		December 31, 2020	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 3,685,370	25	$ 2,501,535	21
Financial assets at fair value through profit or loss (Notes 4 and 7)	110,241	1	87,430	1
Notes receivable (Note 9)	530	-	1,749	-
Accounts receivable, net (Notes 4, 5 and 9)	2,100,042	14	1,525,411	12
Accounts receivable - related parties (Notes 4, 5, 9 and 31)	758,237	5	586,689	5
Other receivables (Note 31)	91,983	-	32,141	-
Current tax assets (Note 25)	-	-	3,268	-
Inventories (Notes 4, 5 and 10)	2,195,670	15	1,436,573	12
Other financial assets - current (Notes 11 and 32)	1,006,266	7	1,129,698	9
Other current assets	131,905	1	109,079	1
Total current assets	10,080,244	68	7,413,573	61
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	832,720	5	722,371	6
Property, plant and equipment (Notes 4, 13 and 31)	2,474,834	17	2,251,962	18
Right-of-use assets (Notes 4 and 14)	452,335	3	470,335	4
Investment properties (Note 4)	8,219	-	9,452	-
Goodwill (Notes 4 and 15)	653,410	5	661,447	6
Other intangible assets (Notes 4 and 16)	34,664	-	29,567	-
Deferred tax assets (Notes 4 and 25)	132,612	1	124,840	1
Prepayments for equipment	109,537	1	136,231	1
Other financial assets - non-current (Notes 11 and 32)	51,874	-	334,864	3
Other non-current assets (Note 21)	11,614	-	9,520	-
Total non-current assets	4,761,819	32	4,750,589	39
TOTAL	$ 14,842,063	100	$ 12,164,162	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 17 and 32)	$ 1,324,230	9	$ 1,207,281	10
Contract liabilities - current (Notes 4 and 23)	126,975	1	50,953	-
Accounts payable (Note 19)	1,321,305	9	1,101,876	9
Accounts payable - related parties (Notes 19 and 31)	15,772	-	3,040	-
Dividends payable	246,872	2	141,276	1
Other payables (Notes 20, 21 and 31)	762,057	5	601,199	5
Current tax liabilities (Note 25)	264,886	2	58,356	1
Lease liabilities - current (Notes 4, 14 and 31)	10,619	-	11,267	-
Current portion of bonds payable (Notes 4 and 18)	215,168	1	-	-
Other current liabilities	47,611	-	40,324	-
Total current liabilities	4,335,495	29	3,215,572	26
NON-CURRENT LIABILITIES				
Contract liabilities - non-current (Notes 4 and 23)	47,178	-	15,481	-
Long-term borrowings (Notes 17 and 32)	1,736,873	12	3,250,392	27
Deferred tax liabilities (Notes 4 and 25)	242,189	2	176,412	1
Lease liabilities - non-current (Notes 4, 14 and 31)	56,281	-	63,579	1
Guarantee deposits received	6,221	-	9,705	-
Other non-current liabilities	6,094	-	6,762	-
Total non-current liabilities	2,094,836	14	3,522,331	29
Total liabilities	6,430,331	43	6,737,903	55
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)				
Share capital				
Ordinary shares	364,131	2	364,131	3
Capital collected in advance	17,109	-	-	-
Total share capital	381,240	2	364,131	3
Capital surplus	5,872,815	40	4,253,933	35
Retained earnings				
Legal reserve	346,521	2	241,635	2
Special reserve	105,738	1	130,455	1
Unappropriated earnings	2,093,758	14	859,841	7
Total retained earnings	2,546,017	17	1,231,931	10
Other equity	(170,630)	(1)	(139,994)	(1)
Treasury shares (Note 27)	(342,001)	(2)	(384,142)	(3)
Total equity attributable to owners of the Company	8,287,441	56	5,325,859	44
NON-CONTROLLING INTERESTS (Note 22)	124,291	1	100,400	1
Total equity	8,411,732	57	5,426,259	45
TOTAL	$ 14,842,063	100	$ 12,164,162	100

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

Chang Wah Technology Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 31)	$ 12,792,169	100	$ 9,678,146	100
OPERATING COSTS (Notes 10, 24 and 31)	9,386,479	74	7,873,240	81
GROSS PROFIT	3,405,690	26	1,804,906	19
OPERATING EXPENSES (Notes 9, 24 and 31)				
Selling and marketing expenses	210,236	2	176,075	2
General and administrative expenses	529,720	4	440,860	5
Research and development expenses	461,211	3	228,583	2
Expected credit losses (gains)	(5,776)	-	(898)	-
Total operating expenses	1,195,391	9	844,620	9
PROFIT FROM OPERATIONS	2,210,299	17	960,286	10
NON-OPERATING INCOME AND EXPENSES (Notes 24 and 31)				
Interest income	18,504	-	29,137	-
Other income	117,221	1	149,641	1
Other gains and losses	(53,495)	-	(132,501)	(1)
Finance costs	(43,345)	-	(40,203)	-
Total non-operating income and expenses	38,885	1	6,074	-
PROFIT BEFORE INCOME TAX	2,249,184	18	966,360	10
INCOME TAX EXPENSE (Notes 4 and 25)	510,539	4	175,742	2
NET PROFIT FOR THE YEAR	1,738,645	14	790,618	8
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 21, 22 and 25)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	733	-	2,096	-
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	191,576	1	109,675	1

(Continued)

Chang Wah Technology Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2021		2020	
	Amount	%	Amount	%
Income tax relating to items that will not be reclassified subsequently to profit or loss	$ 258	-	$ 1,871	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating the financial statements of foreign operations	(63,443)	-	(102,994)	(1)
Income tax relating to items that may be reclassified subsequently to profit or loss	12,613	-	20,920	-
Other comprehensive income for the year, net of income tax	141,737	1	31,568	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 1,880,382	15	$ 822,186	8
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 1,714,378		$ 773,840	
Non-controlling interests	24,267		16,778	
	$ 1,738,645		$ 790,618	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 1,856,491		$ 803,801	
Non-controlling interests	23,891		18,385	
	$ 1,880,382		$ 822,186	
EARNINGS PER SHARE (Note 26)				
Basic	$ 4.81		$ 2.19	
Diluted	4.77		2.19	

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

Chang Wah Technology Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owner of the Company												Non-controlling Interests	Total Equity
	Share Capital			Retained Earnings				Other Equity						
	Ordinary Shares	Capital collected in advance	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gains and Losses on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury Shares	Total		
BALANCE AT JANUARY 1, 2020	$ 364,131	$ -	$ 4,230,789	$ 172,384	$ -	$ 668,884	$ 841,268	$ (127,027)	$ 33,043	$ (93,984)	$ (437,809)	$ 4,904,395	$ 82,015	$ 4,986,410
Appropriation of earnings														
Legal reserve	-	-	-	69,251	-	(69,251)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	130,455	(130,455)	-	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	-	(459,148)	(459,148)	-	-	-	-	(459,148)	-	(459,148)
	-	-	-	69,251	130,455	(658,854)	(459,148)	-	-	-	-	(459,148)	-	(459,148)
Net profit for the year ended December 31, 2020	-	-	-	-	-	773,840	773,840	-	-	-	-	773,840	16,778	790,618
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	1,677	1,677	(83,681)	111,965	28,284	-	29,961	1,607	31,568
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	775,517	775,517	(83,681)	111,965	28,284	-	803,801	18,385	822,186
Share-based payments (Note 27)	-	-	23,144	-	-	-	-	-	-	-	53,667	76,811	-	76,811
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	74,294	74,294	-	(74,294)	(74,294)	-	-	-	-
BALANCE AT DECEMBER 31, 2020	364,131	-	4,253,933	241,635	130,455	859,841	1,231,931	(210,708)	70,714	(139,994)	(384,142)	5,325,859	100,400	5,426,259
Appropriation of earnings														
Legal reserve	-	-	-	104,886	-	(104,886)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(24,717)	24,717	-	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	-	(573,041)	(573,041)	-	-	-	-	(573,041)	-	(573,041)
	-	-	-	104,886	(24,717)	(653,210)	(573,041)	-	-	-	-	(573,041)	-	(573,041)
Equity component of convertible bonds issued by the Company (Note 18)	-	-	355,539	-	-	-	-	-	-	-	-	355,539	-	355,539
Net profit for the year ended December 31, 2021	-	-	-	-	-	1,714,378	1,714,378	-	-	-	-	1,714,378	24,267	1,738,645
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	587	587	(50,454)	191,980	141,526	-	142,113	(376)	141,737
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	1,714,965	1,714,965	(50,454)	191,980	141,526	-	1,856,491	23,891	1,880,382
Convertible bonds converted to ordinary shares (Note 18)	-	17,109	1,218,617	-	-	-	-	-	-	-	-	1,235,726	-	1,235,726
Share-based payments (Note 27)	-	-	44,726	-	-	-	-	-	-	-	42,141	86,867	-	86,867
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	172,162	172,162	-	(172,162)	(172,162)	-	-	-	-
BALANCE AT DECEMBER 31, 2021	$ 364,131	$ 17,109	$ 5,872,815	$ 346,521	$ 105,738	$ 2,093,758	$ 2,546,017	$ (261,162)	$ 90,532	$ (170,630)	$ (342,001)	$ 8,287,441	$ 124,291	$ 8,411,732

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

Chang Wah Technology Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 2,249,184	$ 966,360
Adjustments for:		
Depreciation expense	617,074	588,697
Amortization expense	11,186	11,009
Expected credit losses (gains)	(5,776)	(898)
Gain on financial assets at fair value through profit or loss	(17,925)	(18,541)
Finance costs	43,345	40,203
Interest income	(18,504)	(29,137)
Dividend income	(60,038)	(44,035)
Share-based compensation	44,663	23,065
Share of profit (loss) of associates	-	654
Loss (gain) on disposal of property, plant and equipment	(4,768)	18,459
Loss on disposal of investments accounted for using the equity method	-	15,995
(Reversal of) impairment loss recognized on non-financial assets	(6,466)	27,668
Others	(14,661)	(2,656)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(4,747)	52
Notes receivable	1,219	(531)
Accounts receivable	(568,777)	65,270
Accounts receivable - related parties	(171,548)	(174,362)
Other receivables	(44,822)	20,603
Inventories	(751,687)	(168,138)
Other current assets	(22,474)	(36,240)
Other non-current assets	(648)	(819)
Contract liabilities - current	76,022	(20,472)
Accounts payable	219,429	244,236
Accounts payable - related parties	12,732	(287,512)
Other payables	214,055	16,844
Other current liabilities	7,287	19,822
Net defined benefit liabilities	733	(19,246)
Contract liabilities - non-current	31,697	888
Other non-current liabilities	(668)	401
Cash generated from operations	1,835,117	1,257,639
Interest received	17,886	31,236
Dividends received	60,038	44,035
Interest paid	(28,242)	(32,581)
Income taxes paid	(230,483)	(313,049)
Net cash generated from operating activities	1,654,316	987,280

(Continued)

Chang Wah Technology Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	$ (601,600)	$ (808,853)
Proceeds from disposal of financial assets at fair value through other comprehensive income	660,057	421,522
Proceeds from disposal of investments accounted for using the equity method	-	137,788
Acquisition of property, plant and equipment	(758,388)	(442,481)
Proceeds from disposal of property, plant and equipment	9,269	2,451
Acquisition of intangible assets	(7,573)	(2,611)
Decrease (increase) in other financial assets	406,414	(1,431,727)
Decrease (increase) in other non-current assets	(1,618)	124
Increase in prepayments for equipment	(105,095)	(222,584)
Net cash used in investing activities	(398,534)	(2,346,371)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,312,173	208,895
Repayments of short-term borrowings	(1,189,840)	(69,293)
Proceeds from issuance of convertible bonds	1,803,020	-
Proceeds from long-term borrowings	1,382,314	1,999,217
Repayments of long-term borrowings	(2,898,000)	(892,000)
Increase (decrease) in guarantee deposits received	(3,443)	3,627
Repayments of the principal portion of lease liabilities	(11,767)	(11,194)
Cash dividends paid	(467,445)	(437,957)
Treasury shares sold to employees	42,204	53,746
Net cash generated from (used in) financing activities	(30,784)	855,041
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	(41,163)	(70,242)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,183,835	(574,292)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,501,535	3,075,827
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 3,685,370	$ 2,501,535

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

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

1. GENERAL INFORMATION

Chang Wah Technology Co., Ltd. (the "Company") was incorporated under the provisions of the Company Act on December 24, 2009. It mainly manufactures industrial plastic products and electronics components, and sells electronics components and machinery and tools.

The shares of the Company have been trading on the TPEx since September 2016.

As of December 31, 2021 and 2020, the parent company, Chang Wah Electromaterials Inc. (CWE), owned 54% of the Company's issued ordinary shares for both years.

The consolidated financial statements of the Company and its subsidiaries are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors and authorized for issue on March 17, 2022.

3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

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

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Company and its subsidiaries' accounting policies.

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

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

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

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

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

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

As of the date the consolidated financial statements were reported to the board of directors and authorized for issue, the Company and its subsidiaries have assessed that the application of other standards and interpretations will not have a material impact on the Company's financial position and financial performance and disclose the relevant impact when the assessment is completed.

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

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

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

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

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

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

As of the date the consolidated financial statements were reported to the board of directors and authorized for issue, the Company and its subsidiaries are continuously assessing the possible impact that the initial application of the other standards and the amendments and interpretations will have on their financial position and financial performance and disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For readers’ convenience, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the ROC. If inconsistencies arise between the English version and the Chinese version or if differences arise in the interpretations between the two versions, the Chinese version of the consolidated financial statements shall prevail.

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

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

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

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

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

3) Liabilities without an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisitions up to the effective date of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

For details of the subsidiaries, including the shareholding percentages and nature of activities, please refer to Note 12, table 7 and 8.

e. Foreign currencies

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

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

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

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting the consolidated financial statements, the functional currencies of the Company and its subsidiaries' foreign operations (including subsidiaries and associates in other countries that use currencies different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

Goodwill and fair value adjustments recognized on identifiable assets and liabilities of acquired foreign operations are treated as assets and liabilities of the foreign operation and translated at the rates of exchange prevailing at the end of each reporting period. Exchange differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

f. Inventories

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

g. Investments in associates

An associate is an entity over which the Company and its subsidiaries have significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Company and its subsidiaries use the equity method to account for their investments in associates. Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Company and its subsidiaries' share of the profit or loss and other comprehensive income of the associate. The Company and its subsidiaries also recognize the changes in the share of equity of associates.

Any excess of the Company and its subsidiaries' share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

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

When impairment loss is evaluated, the entire carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deduced from investment and the carrying amount of investment is net of impairment loss. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment has subsequently increased.

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

When the Company and its subsidiaries transact with their associates, profits and losses on these transactions are recognized in the consolidated financial statements only to the extent of interests in the associates that are not related to the Company and its subsidiaries.

h. Property, plant, and equipment

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

Property, plant and equipment in the course of construction are carried at cost. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use and depreciated accordingly.

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

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

i. Investment properties

Investment properties are properties held to earn rental.

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

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

j. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Company and its subsidiaries' cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit prorate based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized on goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Company and its subsidiaries dispose of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

k. Other intangible assets

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

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

l. Impairment of property, plant and equipment, right-of-use assets, investment properties and intangible assets (other than goodwill)

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

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

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

m. Financial instruments

Financial assets and financial liabilities are recognized when the Company and its subsidiaries become a party to the contractual provisions of the instruments.

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

1) Financial assets

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

a) Measurement categories

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

i Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value. Any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; and any remeasurement of gains and losses on such financial assets is recognized in other gains and losses. Fair value is determined in the manner described in Note 30.

ii Financial assets at amortized cost

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

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

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

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

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

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

iii Investments in equity instruments at FVTOCI

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

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity.

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

b) Impairment of financial assets

The Company and its subsidiaries recognize a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Company and its subsidiaries always recognize lifetime expected credit losses (ECL) for accounts receivables. For other financial instruments, the Company and its subsidiaries recognize lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company and its subsidiaries measure the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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

For internal credit risk management purposes, the Company and its subsidiaries consider the following situations as indications that a financial instrument is in default (without taking into account any collateral held by the Company and its subsidiaries):

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

ii. Financial asset is more than 30 days past due unless the Company and its subsidiaries have reasonable and corroborative information to support a more lagged default criterion.

The Company and its subsidiaries recognize an impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Company and its subsidiaries derecognize a financial asset only when the contractual rights to the cash flows from the asset expire, or when they transfer the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

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

2) Equity instruments

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

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

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

4) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Company is classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - others.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

n. Revenue recognition

The Company and its subsidiaries identify contracts with customers, allocate the transaction price to the performance obligations, and recognize revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

Revenue from the sale of goods is recognized when the committed goods are delivered from the Company and its subsidiaries to customers and the performance obligations are satisfied. Unearned sales revenues are recognized as contract liabilities until the performance obligations are satisfied.

Revenue is measured at fair value, which is the discounted present value of the price (net of commercial discounts and quantity discounts) agreed to by the Company and its subsidiaries with customers. Estimated discounts or other allowances of the consideration received are recognized as refund liabilities. For a contract where the period between the date the Company and its subsidiaries transfer a promised good to a customer and the date the customer pays for that good is one year or less, the Company and its subsidiaries do not adjust the promised amount of consideration for any effect of a significant financing component.

The Company and its subsidiaries do not recognize sales revenue on materials delivered to subcontractors because the delivery does not involve a transfer of control.

2) Commission and revenue from the rendering of services

Commission is charged on the basis of calculation as stated in the contract, while revenue from the rendering of services is from the procurement of raw materials on behalf of customers and the provision of technical support services. Since the period between the date of service transferred and the date of collection is less than one year, the Company does not adjust the promised amount of consideration for the effect of the significant financing component.

o. Leases

At the inception of a contract, the Company and its subsidiaries assess whether the contract is, or contains, a lease.

1) The Company and its subsidiaries as lessor

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

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Company and its subsidiaries as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities. Right-of-use assets are subsequently measured at cost less accumulated depreciation and adjusted for any remeasurement of the lease liabilities.

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments and variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company and its subsidiaries use the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in future lease payments resulting from a change in a lease term, an index or a rate used to determine those payments, the Company and its subsidiaries remeasure the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss.

The Company and its subsidiaries negotiate with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease less than the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Company and its subsidiaries elect to apply the practical expedient to all of these rent concessions and, therefore, do not assess whether the rent concessions are lease modifications. Instead, the Company and its subsidiaries recognize the reduction in lease payments in profit or loss as other operating income in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

p. Government grants

Government grants are not recognized until there is reasonable assurance that the Company and its subsidiaries will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized as a reduction of the related costs on a systematic basis over the periods in which the Company and its subsidiaries recognize as expenses the related costs that the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company and its subsidiaries should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company and its subsidiaries with no future related costs are recognized in profit or loss in the period in which they are received.

The benefit of a government loan received at a below-market rate of interest is treated as a government grant, measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

q. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

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

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

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company and its subsidiaries' defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

r. Share-based payment arrangements

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately.

The grant date of treasury shares transferred to employees in the date on which the number of shares that the employees purchase is confirmed.

s. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized on all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. If the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, the resulting deferred tax asset or liabilities is not recognized.

Deferred tax liabilities are recognized on taxable temporary differences associated with investments in subsidiaries and associates.

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

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

3) Current and deferred taxes for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company and its subsidiaries' accounting policies, management is required to make judgments, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Company and its subsidiaries review the estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimate are recognized in the period in which the estimates are revised in the revisions affect only that period or in the period of the revisions and future period the revisions affect both current and future period.

Key Sources of Estimation Uncertainty

a. Estimated impairment of financial assets

The provision for impairment of accounts receivable is based on assumptions on probability of default and loss given default. The Company and its subsidiaries use judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company and its subsidiaries' historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note 9. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

b. Valuation of inventories

Inventories are stated at the lower of cost or net realizable value, and the Company and its subsidiaries use judgment and estimates to determine the net realizable value of inventory at the end of the reporting period. The net realizable value of inventories is mainly evaluated based on current market conditions and historical sales experience of similar products. Changes in market conditions may significantly affect the results of these estimates.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2021	**2020**
Cash on hand	$ 286	$ 282
Checking accounts and demand deposits	3,204,557	2,002,859
Cash equivalents (investments with original maturities of less than three months)		
Time deposits	342,127	314,413
Bonds with repurchase agreements	138,400	183,981
	$ 3,685,370	$ 2,501,535

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31 2021	December 31 2020
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	$ 99,960	$ 87,430
Domestic convertible bonds	8,865	-
Derivative financial assets (not under hedge accounting)		
Convertible bonds (Note 18)	1,416	-
	$ 110,241	$ 87,430

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31 2021	December 31 2020
Equity instruments		
Domestic listed shares	$ 832,720	$ 722,371

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

9. NOTES AND ACCOUNTS RECEIVABLE

	December 31 2021	December 31 2020
Notes receivable - operating		
Measured at amortized cost		
Gross carrying amount	$ 530	$ 1,749
Accounts receivable		
Measured at amortized cost		
Gross carrying amount	$ 2,101,385	$ 1,532,608
Less: Allowance for loss	1,343	7,197
	$ 2,100,042	$ 1,525,411
Accounts receivable - related parties		
Measured at amortized cost		
Gross carrying amount	$ 758,237	$ 586,689

For the Company and its subsidiaries' related credit management policies, refer to Note 30.

The Company and its subsidiaries measure the loss allowance for accounts receivable at an amount equal to lifetime expected credit losses. The lifetime expected credit losses on accounts receivable are estimated by reference to the past default experience of the customers, current financial position of the customers, economic condition of the industry in which the customers operate, as well as the industry outlook. The Company and its subsidiaries write off a account receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery e.g., when the debtor has been placed under liquidation, or when the accounts receivable are past due. For accounts receivable that have been written off, the Company and its subsidiaries continue to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of notes and accounts receivable.

December 31, 2021

	Not Past Due	Past Due 0 to 30 Days	Past Due 31 to 60 Days	Past Due 61 to 90 Days	Past Due Over 90 Days	Total
Expected credit loss rate (%)	-	-	0 and 50	0 and 100	0 and 100	
Gross carrying amount	$ 2,666,726	$ 190,050	$ -	$ 1,110	$ 2,266	$ 2,860,152
Loss allowance (Lifetime ECL)	-	-	-	-	(1,343)	(1,343)
Amortized cost	$ 2,666,726	$ 190,050	$ -	$ 1,110	$ 923	$ 2,858,809

December 31, 2020

	Not Past Due	Past Due 0 to 30 Days	Past Due 31 to 60 Days	Past Due 61 to 90 Days	Past Due Over 90 Days	Total
Expected credit loss rate (%)	-	-	0 and 50	0 and 100	0 and 100	
Gross carrying amount	$ 1,934,338	$ 171,682	$ 15,026	$ -	$ -	$ 2,121,046
Loss allowance (Lifetime ECL)	-	-	(7,197)	-	-	(7,197)
Amortized cost	$ 1,934,338	$ 171,682	$ 7,829	$ -	$ -	$ 2,113,849

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

	For the Year Ended December 31 2021	2020
Balance, beginning of year	$ 7,197	$ 8,504
Reversal in current year	(5,776)	(898)
Written off	-	(316)
Effect of foreign currency exchange difference	(78)	(93)
Balance, end of year	$ 1,343	$ 7,197

10. INVENTORIES

	December 31 2021	2020
Raw materials	$ 663,297	$ 470,099
Work in progress	684,566	472,827
Finished goods	692,141	385,980
Merchandise	19,549	12,044
Consumable supplies	136,117	95,623
	$ 2,195,670	$ 1,436,573

The cost of inventories recognized as operating cost for the years ended December 31, 2021 and 2020 was NT$9,380,816 thousand and NT$7,854,401 thousand, respectively, which included items as follows:

	For the Year Ended December 31	
	2021	2020
(Reversal of) write-downs of inventories	$ (6,466)	$ 27,686
Revenue from sale of scraps	(822,800)	(507,139)

For the year ended December 31, 2021, reversal of write-downs of inventories was due to the rise in raw materials prices and the selling of obsolete inventories.

11. OTHER FINANCIAL ASSETS

	December 31	
	2021	2020
Current		
Restricted deposits for projects	$ 1,006,266	$ 832,808
Pledged time deposits	-	296,890
	$ 1,006,266	$ 1,129,698
Non-current		
Pledged time deposits	$ 51,874	$ 27,882
Restricted deposits for projects	-	302,026
Deposits for reserve account	-	4,956
	$ 51,874	$ 334,864

Since the Company applied The Management, Utilization, and Taxation of Repatriated Offshore Funds Act, the earnings remitted from overseas subsidiary were recognized as restricted deposits for projects and determined whether they were current or non-current based on the expected time of use of funds.

12. SUBSIDIARIES

a. The detailed information of subsidiaries is as follows:

			Percentage of Ownership (%)		
Investor Company	Investee Company	Main Business and Products	December 31, 2021	December 31, 2020	Note
The Company	CWTC (Shanghai) Inc. (CWTS)	Selling of lighting materials and equipment, communication devices, semiconductor materials and equipment, electronic products, machinery and equipment, etc.	100	100	
	SH Asia Pacific Pte. Ltd. (SHAP)	Trading of electronic components and electronics; investment activities	100	100	
	SH Electronics Taiwan Co., Ltd. (SHT)	Manufacturing of electronic components and tools; international trade	100	100	Note

(Continued)

Investor Company	Investee Company	Main Business and Products	Percentage of Ownership (%) December 31, 2021	Percentage of Ownership (%) December 31, 2020	Note
SH Asia Pacific Pte. Ltd.	SH Electronics Chengdu Co., Ltd. (SHEC)	Researching, developing, manufacturing and selling of lead frame, semiconductor materials and precision tools	70	70	
	SH Precision Chengdu Co., Ltd. (SHPC)	Researching, developing, manufacturing and selling of lead frame, semiconductor materials and precision tools	70	70	
	SH Electronics Suzhou Co., Ltd. (SHS)	Researching, developing, manufacturing and selling of lead frame, semiconductor packaging materials and precision tools	100	100	
	Malaysian SH Electronics Sdn. Bhd. (MSHE)	Manufacturing and selling lead frame and semiconductor materials	100	100	
	WSP Electromaterials Ltd. (WSP)	International investment activities	100	100	
WSP Electromaterials Ltd.	Shanghai Chang Wah Electromaterials Inc. (CWES)	Acting as an agent for IC packaging materials and equipment	69	69	
	SH Electronics Chengdu Co., Ltd. (SHEC)	Researching, developing, manufacturing and selling of lead frame, semiconductor materials and precision tools	30	30	
	SH Precision Chengdu Co., Ltd. (SHPC)	Researching, developing, manufacturing and selling of lead frame, semiconductor materials and precision tools	30	30	

(Concluded)

Note: In August 2021, the Company's board of directors approved to merge with its subsidiary, SHT; and the base date for the merger is January 1, 2022.

b. The Company and its subsidiaries do not have any subsidiaries with significant non-controlling interests.

13. PROPERTY, PLANT AND EQUIPMENT

For the Year Ended December 31, 2021

	Buildings	Machinery and Equipment	Tooling Equipment	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress and Equipment to be Inspected	Total
Cost								
Balance at January 1, 2021	$ 1,996,945	$ 4,434,211	$ 3,168,507	$ 25,724	$ 86,691	$ 323,062	$ 324,032	$ 10,359,172
Additions	20,641	403,716	243,857	2,712	9,997	42,798	115,048	838,769
Disposals	(193)	(28,737)	(105,519)	(1,374)	(2,990)	(3,295)	-	(142,108)
Reclassification	-	-	-	-	-	-	(1,926)	(1,926)
Effect of foreign currency exchange difference	(16,780)	(32,685)	(32,525)	(350)	(1,477)	(377)	(1,217)	(85,411)
Balance at December 31, 2021	2,000,613	4,776,505	3,274,320	26,712	92,221	362,188	435,937	10,968,496
Accumulated depreciation								
Balance at January 1, 2021	(1,347,076)	(3,541,520)	(2,800,263)	(22,154)	(71,837)	(251,067)	-	(8,033,917)
Depreciation	(75,037)	(236,633)	(246,195)	(1,796)	(8,030)	(28,359)	-	(596,050)
Disposals	193	23,672	104,007	1,228	2,987	3,274	-	135,361
Effect of foreign currency exchange difference	13,660	26,521	29,943	327	1,183	344	-	71,978
Balance at December 31, 2021	(1,408,260)	(3,727,960)	(2,912,508)	(22,395)	(75,697)	(275,808)	-	(8,422,628)
Accumulated impairment								
Balance at January 1, 2021	(29,736)	(15,296)	(27,966)	-	-	(295)	-	(73,293)
Disposals	-	2,225	-	-	-	21	-	2,246
Effect of foreign currency exchange difference	-	12	-	-	-	1	-	13
Balance at December 31, 2021	(29,736)	(13,059)	(27,966)	-	-	(273)	-	(71,034)
Carrying amount at December 31, 2021	$ 562,617	$ 1,035,486	$ 333,846	$ 4,317	$ 16,524	$ 86,107	$ 435,937	$ 2,474,834

For the Year Ended December 31, 2020

	Buildings	Machinery and Equipment	Tooling Equipment	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress and Equipment to be Inspected	Total
Cost								
Balance at January 1, 2020	$ 2,051,390	$ 4,341,783	$ 3,030,241	$ 28,016	$ 94,788	$ 318,087	$ 156,220	$ 10,020,525
Additions	18,336	207,035	228,810	-	6,061	12,341	171,162	643,745
Disposals	(56,080)	(89,205)	(55,650)	(1,722)	(12,601)	(8,409)	-	(223,667)
Reclassification	-	-	-	-	712	-	(4,577)	(3,865)
Effect of foreign currency exchange difference	(16,701)	(25,402)	(34,894)	(570)	(2,269)	1,043	1,227	(77,566)
Balance at December 31, 2020	1,996,945	4,434,211	3,168,507	25,724	86,691	323,062	324,032	10,359,172
Accumulated depreciation								
Balance at January 1, 2020	(1,310,896)	(3,434,823)	(2,648,759)	(21,957)	(78,202)	(229,486)	-	(7,724,123)
Depreciation	(76,547)	(210,989)	(241,332)	(2,464)	(7,464)	(29,024)	-	(567,820)
Disposals	26,109	85,089	55,628	1,722	12,585	8,409	-	189,542
Reclassification	-	-	-	-	(534)	-	-	(534)
Effect of foreign currency exchange difference	14,258	19,203	34,200	545	1,778	(966)	-	69,018
Balance at December 31, 2020	(1,347,076)	(3,541,520)	(2,800,263)	(22,154)	(71,837)	(251,067)	-	(8,033,917)
Accumulated impairment								
Balance at January 1, 2020	(40,583)	(17,636)	(27,966)	-	-	(291)	-	(86,476)
Impairment loss recognized (reversed)	-	18	-	-	-	-	-	18
Disposals	10,847	2,368	-	-	-	-	-	13,215
Effect of foreign currency exchange difference	-	(46)	-	-	-	(4)	-	(50)
Balance at December 31, 2020	(29,736)	(15,296)	(27,966)	-	-	(295)	-	(73,293)
Carrying amount at December 31, 2020	$ 620,133	$ 877,395	$ 340,278	$ 3,570	$ 14,854	$ 71,700	$ 324,032	$ 2,251,962

The following items of property, plant and equipment are depreciated on a straight-line basis over their useful lives as follows:

Buildings	
Main building	15-27 years
Renovation	2-25 years
Machinery and equipment	2-10 years
Tooling equipment	2-5 years
Transportation equipment	3-6 years
Office equipment	2-5 years
Other equipment	2-10years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	2020
Carrying amount		
Land	$ 435,336	$ 447,724
Buildings	16,942	21,590
Transportation equipment	-	908
Other equipment	57	113
	$ 452,335	$ 470,335

	For the Year Ended December 31	
	2021	2020
Additions to right-of-use assets	$ 2,734	$ -
Depreciation charge for right-of-use assets		
Land	$ (10,353)	$ (10,404)
Buildings	(8,477)	(7,943)
Transportation equipment	(904)	(1,240)
Other equipment	(57)	(57)
	$ (19,791)	$ (19,644)

Except for the additions to and depreciation of the right-of-use assets listed above, there was no significant sublease or impairment of the Company and its subsidiaries' right-of-use assets for the years ended December 31, 2021 and 2020.

b. Lease liabilities

	December 31	
	2021	2020
Carrying amount		
Current	$ 10,619	$ 11,267
Non-current	$ 56,281	$ 63,579

Range of discount rates (%) for lease liabilities was as follows:

	December 31	
	2021	2020
Land	1.9235-2.171	1.9235-2.171
Buildings	0.35-5.0932	2.7072-5.0932
Transportation equipment	1.01-4.4694	1.01-4.4694
Other equipment	1.52	1.52

c. Material leasing activities and terms

The Company and its subsidiaries, SHT, lease land from the government. The lease term will expire in August 2024, and the Company and its subsidiaries have the option to extend or to terminate the lease contract. The Company and its subsidiaries do not have a purchase option to acquire the leased land at the expiration of the lease period. The government has the option to adjust the lease payments on the base on changes in announced land value.

The Company leases buildings from its associate, JMC Electronics Co., Ltd. (JMC). The lease term will expire in August 2023, and under certain conditions, the Company has the options to extend or to terminate the lease contract. The Company does not have bargain purchase option to acquire the leasehold buildings at the expiration of the lease period.

The main lease agreements of the subsidiaries SHEC, SHS, and MSHE are right-of-use agreements for the lease of land with lease terms of 50-97 years, which will successively expire by February 2054.

d. Other lease information

	For the Year Ended December 31	
	2021	2020
Expenses relating to short-term leases	$ 8,335	$ 8,390
Expenses relating to low-value asset leases	$ 733	$ 1,211
Total cash outflow for leases	$ 24,112	$ 23,053

For staff dormitory, office and transportation equipment, and other equipment that qualify as low-value asset leases, the Company and its subsidiaries have elected to apply the recognition exemption; thus, the Company and its subsidiaries did not recognize right-of-use assets and lease liabilities for these leases.

15. GOODWILL

	For the Year Ended December 31	
	2021	2020
Balance, beginning of year	$ 661,447	$ 676,518
Effect of foreign currency exchange differences	(8,037)	(15,071)
Balance, end of year	$ 653,410	$ 661,447

The Company and its subsidiaries carried out impairment testing on the recoverable amount of goodwill at the end of the annual reporting period. The recoverable amount was determined based on the value in use calculation that used the cash flow projections in the financial budgets covering a 5-year period, using annual discount rates of 15.48% and 13.70% as of December 31, 2021 and 2020, respectively. Based on the assessment results, the recoverable amount exceeded the carrying amount; hence, the Company and its subsidiaries need not recognize any impairment loss on goodwill.

16. OTHER INTANGIBLE ASSETS

	December 31	
	2021	2020
Computer software	$ 29,901	$ 24,721
Patents	4,763	4,846
	$ 34,664	$ 29,567

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	3-10 years
Patents	10-20 years

17. BORROWINGS

a. Short-term borrowings

	December 31	
	2021	2020
Credit loans	$ 1,324,230	$ 953,281
Secured loans (Note 32)	-	254,000
	$ 1,324,230	$ 1,207,281
Interest rate range (%)	0-3.85	0.35-3.85

b. Long-term borrowings

	December 31	
	2021	2020
Syndicated bank loans (hosted by Bank of Taiwan)		
Syndicated loan B, interest rate at 1.797%	$ -	$ 550,000
Less: Syndicated loan fee	-	2,167
	-	547,833
Credit loans		
Maturities before June 2030, interest rates at 0%-1.1319% and 0%-1.19% p.a., respectively	1,736,873	2,702,559
	$ 1,736,873	$ 3,250,392

1) The Company has committed to maintain certain percentages and amounts for the current ratio, debt ratio, interest coverage ratio and total equity in the consolidated financial statements, and shareholding in its subsidiaries and seats on the board of directors during the loan period, which are reviewed at least once every six months. If the Company is not in compliance with the aforementioned restrictions on the financial rations and amounts, the Company should make improvements by the end of the year of submission of the annual consolidated financial statements or by the end of the second quarter of the next year's consolidated financial statements. If the restrictions are met, the Company will be deemed as not in violation of the restrictions, however, the interest rate will be raised. The Company and its subsidiaries' consolidated financial statements as of the year ended December 31, 2021 was not in breach of the aforementioned restrictions.

2) The Company entered into a syndicated loan agreement with six banks led by Bank of Taiwan in January 2017 and the loan had been repaid in full in January 2021. The syndicated loan agreement was terminated in June 2021.

3) The Company entered into a syndicated loan agreement of NT$7,200,000 thousand with seven banks led by First Commercial Bank in December 2020. The credit line can be used for loan A and loan B. The credit line of loan A is NT$7,200,000 thousand (or equivalent amount in USD, RMB or JPY), and the joint credit line with loan B cannot exceed NT$7,200,000 thousand. The credit line of loan B is NT$5,760,000 thousand, which can be used on a revolving basis during the loan period (5 years from the initial drawdown date), and is used for the purpose of repaying the loans of financial institutions and enriching medium-term working capital. In addition, the Company may extend the loan period by 2 years after obtaining the consent of the seven banks, within the period of six months starting from 4 years after the initial drawdown date.

4) The collateral of the syndicated loan listed in no.2 above is 100% of the equity of SHAP that is held by the Company. Refer to Note 32 for more details.

5) In September 2019, the Company obtained the business qualification verification letter from the "Action Plan for Welcoming Taiwanese Businessmen to Invest in Taiwan" hosted by the Ministry of Economic Affairs. As stated in the regulations, the Company is required to complete its investments within 3 years from the date of approval of the letter.

18. BONDS PAYABLE - DECEMBER 31, 2021

a. Liability component

1) Secured domestic convertible bonds

For the year ended December 31, 2021

	Face Value	Discounts on bonds payable (Note)	Total
Proceeds from issuance	$ 1,500,000	$ (44,569)	$ 1,455,431
Converted into ordinary shares	(1,278,800)	35,263	(1,243,537)
Amortization	-	3,274	3,274
Balance, end of the year (included in current portion of bonds payable)	$ 221,200	$ (6,032)	$ 215,168

Note: Including transaction costs of NT$4,369 thousand.

2) Financial assets at FVTPL

	For the Year Ended December 31, 2021
Proceeds from issuance	$ 7,950
Converted into ordinary shares	(6,778)
Adjustments for change in value	244
Balance, end of the year	$ 1,416

b. Equity component

	For the Year Ended December 31, 2021
Proceeds from issuance (Note)	$ 355,539
Converted into ordinary shares	(303,109)
Balance, end of the year	$ 52,430

Note: Including transaction costs of NT$1,073 thousand.

The Company issued first secured domestic convertible bonds in July 2021. The bonds were issued at 120.56% of the face value. The total amount issued was NT$1,808,462 thousand with a face value of NT$100 thousand each, zero coupon rate and issuance period of 5 years. Hua Nan Commercial Bank and E.SUN Commercial Bank acted as guarantee banks. According to the regulations, the liabilities and conversion rights are separately recognized as liabilities and capital surplus - options, respectively; the embedded derivatives (redemption rights and put options) are recognized separately from the contract and included in financial assets at FVTPL. Liability components of non-derivative bonds are measured at amortized cost using the effective interest method (effective interest rate is 0.6034%). The discount amortization is recognized in current profit or loss. The conversion method is as follows:

Conversion right of bondholders

From October 20, 2021 to July 19, 2026, bondholders may request the conversion of bonds into ordinary shares of the Company in accordance with regulations (except for the relevant period of suspension of transfer as stipulated). The conversion price at the time of issuance is NT$75 per share. In case of ex-rights or ex-dividend, it should be adjusted according to the conversion price adjustment formula. As of December 31, 2021, the conversion price was adjusted to NT$74.5 per share.

Put options of bondholders

The benchmark date for the creditors' right to sell back the bonds is July 19, 2026 (3 years after the issuance date). The bondholders may request the Company to redeem the bonds in cash at face value.

Redemption right of the Company

From October 20, 2021 (the day following the 3-month issuance period) to June 9, 2024 (40 days before the expiration date), if the closing price of the Company's ordinary shares exceeds the conversion price by 30% for 30 consecutive business days or when the outstanding balance of bonds is less than 10% of the total face value of the original issue, the Company may redeem the outstanding convertible bonds in cash at face value.

As of December 31, 2021, the abovementioned secured convertible bonds with a face value of NT$1,278,800 thousand have been converted into 17,109 thousand ordinary shares of the Company. Since the benchmark date of capital increase has yet to be resolved by the board of directors, it is recorded under capital collected in advance. The portion of the net amount of conversion exceeding the par value of the ordinary shares is accounted for as capital surplus - convertible bond premium in the amount of NT$1,521,726 thousand; in addition, due to the exercise of the conversion right of bonds, the capital surplus - options recognized in the original issue decreased by NT$303,109 thousand.

The redemption right of this convertible bonds was exercised in January 2022 and the over-the-counter trading was terminated.

19. ACCOUNTS PAYABLE

	December 31	
	2021	**2020**
Accounts payable	$ 1,321,305	$ 1,101,876
Accounts payable - related parties	$ 15,772	$ 3,040

The Company and its subsidiaries have in place financial risk management policies to ensure that all accounts payable will be repaid within the credit period.

20. OTHER PAYABLES

	December 31	
	2021	2020
Salaries and bonuses	$ 400,818	$ 242,546
Purchase of equipment	113,387	158,287
Employees' compensation and remuneration of directors	27,764	16,841
Others	220,088	183,525
	$ 762,057	$ 601,199

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company and its domestic subsidiaries adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Based on the LPA, the Company and its subsidiaries make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The subsidiaries in foreign countries contribute on a monthly basis a certain percentage of employees' monthly salaries and wages to their respective pension funds in accordance with the local laws and regulations.

b. Defined benefit plans

SHT, a domestic subsidiary of the Company, adopted a defined benefit plan under the Labor Standards Act, under which pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. SHT makes contributions equal to a certain percentage of total monthly salaries to a pension fund, which is deposited in the Bank of Taiwan in the name of and administered by the pension fund monitoring committee. Before the end of each year, SHT assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, SHT is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); SHT has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Company and its subsidiaries' defined benefit plans and other long-term employee benefit were as follows:

	December 31	
	2021	2020
Present value of defined benefit obligation	$ 5,168	$ 8,591
Fair value of plan assets	(6,635)	(9,410)
Present value of other long-term employee benefit obligation appropriated	6,683	3,463
	5,216	2,644
Recognized under other payables	(6,683)	(3,463)
Net defined benefit plan assets (Note)	$ (1,467)	$ (819)

Note: Net defined benefit plan assets are recognized under other non-current assets.

Movements of net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Present Value of Other Long-term Employee Benefit Obligation Appropriated	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2020	$ 127,903	$ (106,561)	$ 3,928	$ 25,270
Service cost				
Current service cost	222	-	417	639
Gains on settlements	(7,756)	-	-	(7,756)
Interest expense (income)	1,119	(970)	31	180
Recognized in profit or loss	(6,415)	(970)	448	(6,937)
Remeasurement				
Return on plan assets (excluding amounts included in net interest)	-	(3,158)	-	(3,158)
Actuarial loss (gain)				
Changes in financial assumptions	5,107	-	70	5,177
Experience adjustments	(4,045)	-	(141)	(4,186)
Recognized in other comprehensive income (other long-term employee benefit obligation portion recognized in profit or loss)	1,062	(3,158)	(71)	(2,167)
Contributions from the employer	-	(12,563)	-	(12,563)
Settlements	(83,613)	83,613	-	-
Plan assets paid	(30,229)	30,229	-	-
Benefits paid	(117)	-	(842)	(959)
	(113,959)	101,279	(842)	(13,522)
Balance at December 31, 2020	8,591	(9,410)	3,463	2,644
Service cost				
Current service cost	226	-	480	706
Past service cost	-	-	3,141	3,141
Interest expense (income)	43	(48)	15	10
Recognized in profit or loss	269	(48)	3,636	3,857
Remeasurement				
Return on plan assets (excluding amounts included in net interest)	-	(1,310)	-	(1,310)
Actuarial loss (gain)				
Changes in demographic assumptions	146	-	-	146
Changes in financial assumptions	-	-	24	24
Experience adjustments	431	-	500	931
Recognized in other comprehensive income (other long-term employee benefit obligation portion recognized in profit or loss)	577	(1,310)	524	(209)

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Present Value of Other Long-term Employee Benefit Obligation Appropriated	Net Defined Benefit Liabilities (Assets)
Contributions from the employer	$ -	$ (136)	$ -	$ (136)
Plan assets paid	(4,269)	4,269	-	-
Benefits paid	-	-	(940)	(940)
	(4,269)	4,133	(940)	(1,076)
Balance at December 31, 2021	$ 5,168	$ (6,635)	$ 6,683	$ 5,216

(Concluded)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans and other long-term employee benefit are as follows:

	For the Year Ended December 31	
	2021	2020
Operating costs	$ 3,271	$ (6,070)
General and administrative expenses	1,110	(938)
	$ 4,381	$ (7,008)

Through the defined benefit plans under the Labor Standards Act, SHT is exposed to the following risks:

1) Investment risk

   The plan assets are invested in domestic and foreign equity securities, debt securities, and bank deposits, etc. The investment is conducted at the discretion of the Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk

   A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk

   The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation of SHT were carried out by qualified actuaries. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2021	2020
Discount rate (%)	0.50	0.50
Expected rate of salary increase (%)	2.25	2.25
Turnover rate (%)	0.0-10.0	0.0-10.0

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2021	2020
Discount rate		
0.25% increase	$ (202)	$ (255)
0.25% decrease	$ 213	$ 266
Expected rate of salary increase		
0.25% increase	$ 206	$ 257
0.25% decrease	$ (197)	$ (248)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2021	2020
Expected contributions to the plan for the next year	$ 96	$ 180
Average duration of the defined benefit obligation	16.1 years	12.3 years

22. EQUITY

a. Ordinary shares

	December 31	
	2021	2020
Number of shares authorized (in thousands)	700,000	700,000
Shares authorized	$ 700,000	$ 700,000
Number of shares issued and fully paid (in thousands)	364,131	364,131
Shares issued	$ 364,131	$ 364,131

b. Capital surplus

	December 31	
	2021	2020
May be used to offset a deficit, distribute cash or transferred to share capital (Note)		
Additional paid-in capital	$ 4,224,188	$ 4,230,700
Conversions of bonds	1,521,726	-
Treasury share transactions	74,382	23,144
Expired employee share options	89	89
May not be used for any purpose		
Warrants of convertible bonds	52,430	-
	$ 5,872,815	$ 4,253,933

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

c. Retained earnings and dividend policy

The Company's articles stipulate that earnings distribution or loss make-up may be made after the close of each semi-annual fiscal period. If there is any surplus at the end of each semi-annual fiscal period, the Company shall first make up for losses, estimate and retain the taxable contributions and compensation to employees and directors, and set aside 10% of the legal reserve, except when the legal reserve has reached the Company's total capital, and set aside or reverse the special reserve as required by law or regulations prescribed by the competent authority. If there is any surplus, the remaining balance shall be added to the accumulated undistributed earnings of the previous semi-accounting year, and the board of directors shall prepare a proposal for the distribution of the earnings, which shall be resolved by the shareholders' meeting if the earnings are to be distributed by issuing new shares, or by the board of directors if the earnings are to be distributed in cash.

If there is any surplus in the Company's annual final accounts, the Company shall first pay taxes and make up for losses, and then set aside 10% as legal reserve, except when the accumulated legal reserve has reached the Company's total capital, and set aside or reverse the special reserve as required by law or the competent authority; if there is any remaining balance, the Company may give priority to the distribution of dividends from the preferred shares; if there is any unappropriated earnings from prior years, the Board of Directors shall prepare a proposal for the distribution of earnings, which shall be resolved by the shareholders' meeting if the distribution is to be made by issuing new shares.

The Company is in line with the overall environment and the growth characteristics of the industry, as well as the long-term financial planning of the Company, in order to achieve sustainable and stable business development. The Company's dividend policy is based on the residual dividend policy, which is based on the Company's future capital budget plan to measure the annual capital requirements, and the remaining earnings are distributed in the form of cash and stock dividends after reserving the necessary capital for financing. The distribution steps are as follows:

1) Determine the best capital budget.

2) Determine the amount of financing needed to meet the previous capital budget.

3) Determine the amount of capital to be financed by retained earnings.

4) The remaining earnings may be distributed to the shareholders in the form of dividends, after reserving an appropriate amount for operating needs, and the distribution should be no less than 10% of the Company's distributable earnings for the year, provided that the portion of cash dividends is no less than 10% of the total dividends to be paid.

Legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Under Rule No. 1010012865 and Rule No.1010047490 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", the Company should appropriate to or reverse from special reserve.

The appropriations of earnings for the first and second half of 2020 and 2019 have been approved by the Company's board of directors. The appropriations and cash dividends per share were as follows:

	For the Second Half of Year, 2020	**For the First Half of Year, 2020**	**For the Second Half of Year, 2019**	**For the First Half of Year, 2019**
Resolution Date of the Company's board of directors in its meeting	March 17, 2021	November 9, 2020	March 18, 2020	November 7, 2019
Legal reserve	$ 49,554	$ 35,428	$ 33,823	$ 26,775
Special reserve (reversal)	$ 9,539	$ 21,111	$ 109,344	$ (15,360)
Cash dividends to shareholders	$ 326,169	$ 141,276	$ 317,872	$ 120,085
Cash dividends per share (NT$)	$ 0.92	$ 0.40	$ 0.90	$ 0.34

The appropriations of earnings for the first and second half of 2021 had been approved by the Company's board of directors. The appropriations and dividends per share were as follows:

	For the Second Half of Year 2021	**For the First Half of Year 2021**
Resolution date of the Company's board of directors in its meeting	March 17, 2022	November 5, 2021
Legal reserve	$ 133,381	$ 55,332
Special reserve (reversal)	$ 64,892	$ (34,256)
Cash dividends to shareholders	$ 646,123	$ 246,872
Cash dividend per share (NT$)	$ 1.72	$ 0.68

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

d. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2021	**2020**
Balance, beginning of the year	$ (210,708)	$ (127,027)

(Continued)

	For the Year Ended December 31	
	2021	2020
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	$ (63,067)	$ (98,919)
Related income tax	12,613	19,784
Reclassification adjustments		
Disposal of shares of associates accounted for using the equity method	-	(5,682)
Related income tax	-	1,136
Balance, end of the year	$ (261,162)	$ (210,708)
		(Concluded)

2) Unrealized gains and losses on financial assets at FVTOCI

	For the Year Ended December 31	
	2021	2020
Balance, beginning of the year	$ 70,714	$ 33,043
Recognized for the year		
Unrealized gains and losses - equity instruments	191,576	109,675
Related income tax	404	2,290
Cumulative unrealized gains and losses of equity instruments transferred to retained earnings due to disposal	(172,162)	(74,294)
Balance, end of the year	$ 90,532	$ 70,714

e. Non-controlling interests

	For the Year Ended December 31	
	2021	2020
Balance, beginning of the year	$ 100,400	$ 82,015
Share of net profit for the year	24,267	16,778
Other comprehensive income (loss) for the year		
Exchange differences on translating the financial statements of foreign operations	(376)	1,607
Balance, end of the year	$ 124,291	$ 100,400

f. Treasury shares

	For the Year Ended December 31	
Purpose of Treasury Shares	2021	2020
Transferring to employees (in thousands of shares)		
Balance, beginning of the year	9,599	10,940
Reduction	1,053	1,341
Number of shares, end of the year	8,546	9,599
Amount of shares	$ 342,001	$ 384,142

In accordance with the Securities and Exchange Act, treasury shares held by the Company shall not be pledged, and do not hold any shareholder rights.

In June 2021 and December 2020, the Company's board of directors had decided to transfer part of the treasury shares to its employees. Refer to Note 27 for more details.

g. Employee restricted stock awards

On March 17, 2022, the Company's board of directors approved the issuance of employee restricted stock awards (RSAs) totaling 2,546 shares for 2022. The grants will be made free of charge. The actual number of shares to be issued will be resolved by the board of directors after the RSAs are approved at the shareholders' meeting and by the competent authority.

23. OPERATING REVENUE

	For the Year Ended December 31	
	2021	**2020**
Revenue from the sale of goods	$ 12,717,655	$ 9,649,029
Commission and revenue from the rendering of services	55,048	28,881
Other operating revenue	19,466	236
	$ 12,792,169	$ 9,678,146

a. Refer to Note 4 for information relating to the contracts with customers.

b. Contract balances

	December 31, 2021	**December 31, 2020**	**January 1, 2020**
Notes and accounts receivable	$ 2,858,809	$ 2,113,849	$ 2,003,235
Contract liabilities (including current and non-current)			
Sale of goods	$ 174,153	$ 66,434	$ 86,018

The changes in the balance of contract liabilities resulted primarily from the difference in timing between the satisfaction of performance obligations and customer payment.

Revenue recognized in the current year from the satisfaction of performance obligations of the contract liabilities at the beginning of the year was as follows:

	For the Year Ended December 31	
	2021	**2020**
Sale of goods	$ 47,345	$ 67,791

c. Disaggregation of revenue

For the year ended December 31, 2021

	Operating Segment				
Type of revenue	IC LeadFrames	LED LeadFrames	Resins Material	Others	Total
Sale of goods	$ 9,670,223	$ 953,721	$ 1,903,264	$ 190,447	$ 12,717,655
Commission and rendering of services	29,293	-	23,195	2,560	55,048
Others	6,542	544	-	12,380	19,466
	$ 9,706,058	$ 954,265	$ 1,926,459	$ 205,387	$ 12,792,169

For the year ended December 31, 2020

	Operating Segment				
Type of revenue	IC LeadFrames	LED LeadFrames	Resins Material	Others	Total
Sale of goods	$ 7,407,616	$ 704,665	$ 1,420,708	$ 116,040	$ 9,649,029
Commission and rendering of services	12,431	-	14,697	1,753	28,881
Others	2	181	-	53	236
	$ 7,420,049	$ 704,846	$ 1,435,405	$ 117,846	$ 9,678,146

d. Partially completed contracts

The transaction prices, excluding any estimated amounts of variable consideration that are constrained, allocated to the performance obligations that were not fully satisfied and the expected timing for recognition of revenue were as follows:

	December 31	
	2021	2020
Sale of goods		
From 2021	$ -	$ 50,953
From 2022	126,975	14,205
From 2023 and thereafter	47,178	1,276
	$ 174,153	$ 66,434

24. PROFIT BEFORE INCOME TAX

The following items were included in profit before income tax:

a. Other income

	For the Year Ended December 31	
	2021	2020
Dividend income	$ 60,038	$ 44,035
Government grants	32,058	83,183
Tooling revenue	13,425	16,077

(Continued)

	For the Year Ended December 31	
	2021	2020
Others	$ 11,700	$ 6,346
	$ 117,221	$ 149,641

(Concluded)

b. Other gains and losses

	For the Year Ended December 31	
	2021	2020
Net foreign exchange losses	$ (65,722)	$ (127,974)
Loss on disposal of investments accounted for using the equity method	-	(15,995)
Share of losses of associates accounted for using the equity method	-	(654)
Net gain on financial assets at fair value through profit or loss	17,925	18,541
Others	(5,698)	(6,419)
	$ (53,495)	$ (132,501)

Since Ohkuchi Materials Co., Ltd. (OM), which was an associate accounted for using the equity method terminated its lead frame manufacturing business in April 2020, the Company disposed of 44% of OM's ownership for NT$137,788 thousand (JPY490,000 thousand) and lost significant influence over OM; hence, the Company recognized a loss on disposal of investments of NT$15,995 thousand. The remaining 5% interest held by the Company was recognized at the fair value of the shares at the date of disposal of NT$15,658 thousand, and transferred to financial assets at FVTOCI - non-current. The amount generated by this transaction recognized in profit or loss is calculated as follows:

	For the Year Ended December 31, 2020
Proceeds from disposal	$ 137,788
Plus: Fair value of remaining investment (5%)	15,658
Less: Carrying amount of investment on the date of loss of significant influence	(175,123)
Plus: Share of other comprehensive income of the associates	5,682
Loss recognized (included in other gains and losses)	$ (15,995)

The summarized financial information below represents amounts shown in OM's financial statements prepared in accordance with IFRSs adjusted by the Company for equity accounting purposes.

	For the Year Ended December 31 2020
Operating revenue	$ 304,105
Net loss for the year	$ (1,335)
Dividends received from OM	$ -

c. Finance costs

	For the Year Ended December 31	
	2021	2020
Interest on bank loans	$ 35,717	$ 35,981
Amortization of discounts on bonds payable	3,274	-
Interest on lease liabilities	1,941	2,323
Amortization of syndicated loan fee	2,407	2,000
Others	6	27
Less: Amounts included in the cost of qualifying assets	-	128
	$ 43,345	$ 40,203

Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2021	2020
Capitalized interest amount	$ -	$ 128
Capitalization rate (%)	-	0.93-1.02

d. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
Depreciation expense		
Property, plant and equipment	$ 596,050	$ 567,820
Right-of-use assets	19,791	19,644
Investment properties	1,233	1,233
	$ 617,074	$ 588,697
Analysis of depreciation by function		
Operating costs	$ 532,228	$ 529,506
Operating expenses	83,613	57,958
Non-operating income and expenses	1,233	1,233
	$ 617,074	$ 588,697
Amortization expense		
Computer software	$ 10,449	$ 10,257
Patents	621	462
Other non-current assets	116	290
	$ 11,186	$ 11,009
Analysis of amortization by function		
Operating costs	$ 1,013	$ 1,341
Operating expenses	10,173	9,668
	$ 11,186	$ 11,009

e. Employee benefits

	For the Year Ended December 31	
	2021	2020
Post-employment benefits		
Defined contribution plans	$ 66,870	$ 59,160
Defined benefit plans	221	(7,385)
	67,091	51,775
Other employee benefits	1,624,208	1,253,532
	$ 1,691,299	$ 1,305,307
Analysis by function		
Operating costs	$ 1,071,630	$ 857,676
Operating expenses	619,669	447,631
	$ 1,691,299	$ 1,305,307

In accordance with the Company's Articles, the Company accrues employees' compensation and remuneration of directors at the rates of 1% to 12% and no higher than 1.5%, respectively, of the pre-tax profit before deduction for employees' compensation and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2021 and 2020, which had been approved by the Company's board of directors in March 2022 and 2021, respectively, were as follows:

	For the Year Ended December 31	
	2021	2020
Employees' compensation - cash	$ 18,693	$ 7,386
Remuneration of directors - cash	$ 4,000	$ 4,000
Accrual rate		
Employees' compensation (%)	1.0	1.0
Remuneration of directors (%)	0.2	0.5

The difference between the amounts recognized and approved by the Company's board of directors is recorded as a change in accounting estimate and will be adjusted in the next year.

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

Information on the employees' compensation and remuneration of directors approved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

f. Others

	For the Year Ended December 31	
	2021	2020
Gain (loss) on disposal of property, plant and equipment - recognized as operating costs	$ 4,768	$ (18,459)

25. INCOME TAX

a. Income tax expense recognized in profit or loss

	For the Year Ended December 31	
	2021	2020
Current tax		
In respect of the current year	$ 452,813	$ 339,338
Adjustments for prior years	(15,951)	(13,281)
Income tax on unappropriated earrings	3,419	-
Deferred tax		
In respect of the current year	68,560	(149,772)
Adjustments for prior years	1,698	(543)
	$ 510,539	$ 175,742

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

	For the Year Ended December 31	
	2021	2020
Profit before income tax	$ 2,249,184	$ 966,360
Income tax expense calculated at the statutory rate	$ 774,446	$ 336,152
Non-recognizable gains in determining taxable income	(102,538)	(31,383)
Income tax on unappropriated earnings	3,419	-
Separate taxation on repatriated offshore funds	-	141,283
Unrecognized temporary differences	(150,535)	(256,486)
Adjustments for prior years	(14,253)	(13,824)
	$ 510,539	$ 175,742

b. Income tax expense recognized in other comprehensive income

	For the Year Ended December 31	
	2021	2020
Deferred tax		
Exchange differences on translating the financial statements of foreign operations	$ (12,613)	$ (20,920)
Unrealized gains and losses on financial assets at fair value through other comprehensive income	(404)	(2,290)
Remeasurement of defined benefit plans	146	419
	$ (12,871)	$ (22,791)

c. Current tax assets and liabilities

	December 31	
	2021	2020
Current tax assets		
Tax refund receivable	$ -	$ 3,268

(Continued)

	December 31 2021	December 31 2020
Current tax liabilities		
Income tax payable	$ 264,886	$ 58,356

(Concluded)

d. Deferred tax assets and liabilities

Movements of deferred tax assets and liabilities were as follows:

For the Year Ended December 31, 2021

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Balance, End of Year
Deferred tax assets					
Temporary differences					
Exchange differences on translating the financial statements of foreign operations	$ 52,675	$ -	$ 12,613	$ -	$ 65,288
Difference between tax reporting and financial reporting - property, plant and equipment	19,605	(10,275)	-	(162)	9,168
Loss on inventory valuation and obsolescence	22,837	(2,003)	-	(177)	20,657
Difference between tax reporting and financial reporting - revenue recognition	3,775	2,511	-	-	6,286
Others	25,948	5,207	337	(279)	31,213
	$ 124,840	$ (4,560)	$ 12,950	$ (618)	$ 132,612
Deferred tax liabilities					
Temporary differences					
Foreign income accounted for using the equity method of subsidiaries	$ 176,412	$ 65,698	$ -	$ -	$ 242,110
Others	-	-	79	-	79
	$ 176,412	$ 65,698	$ 79	$ -	$ 242,189

For the Year Ended December 31, 2020

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Balance, End of Year
Deferred tax assets					
Temporary differences					
Exchange differences on translating the financial statements of foreign operations	$ 31,755	$ -	$ 20,920	$ -	$ 52,675
Difference between tax reporting and financial reporting - property, plant and equipment	27,650	(7,678)	-	(367)	19,605
Loss on inventory valuation and obsolescence	19,144	4,034	-	(341)	22,837
Difference between tax reporting and financial reporting - revenue recognition	4,948	(1,173)	-	-	3,775
Others	21,493	3,013	1,871	(429)	25,498
	$ 104,990	$ (1,804)	$ 22,791	$ (1,137)	$ 124,840

(Continued)

Deferred tax liabilities	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Balance, End of Year
Temporary differences					
Foreign income accounted for using the equity method of subsidiaries	$ 321,912	$ (145,500)	$ -	$ -	$ 176,412
Unrealized gain on financial assets	4,157	(4,157)	-	-	-
Gain from bargain purchase	2,462	(2,462)	-	-	-
	$ 328,531	$ (152,119)	$ -	$ -	$ 176,412

(Concluded)

e. Information on deductible temporary differences of deferred tax assets

	December 31 2021	December 31 2020
Unrealized expenditures and losses	$ 241,688	$ 230,369

f. Income tax assessments

The income tax returns of the Company and its domestic subsidiary, SHT, through 2019 have been assessed by the tax authorities.

26. EARNINGS PER SHARE

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

	For the Year Ended December 31 2021	For the Year Ended December 31 2020
Net profit for the year attributable to owners of the Company	$ 1,714,378	$ 773,840
Effect of potentially dilutive ordinary shares		
Convertible bonds	315	-
	$ 1,714,693	$ 773,840

Weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

	For the Year Ended December 31 2021	For the Year Ended December 31 2020
Weighted average number of ordinary shares used in the computation of basic earnings per share	356,736	353,198
Effect of potentially dilutive ordinary shares		
Convertible bonds	2,357	-
Employees' compensation	202	206
Weighted average number of ordinary shares used in the computation of diluted earnings per share	359,295	353,404

Since the Company offered to settle the compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. SHARE-BASED PAYMENT ARRANGEMENTS

For the purposes of motivating employees and enhancing internal cohesion, in December 2020, the Company's board of directors transferred treasury shares that were purchased in 2018 to employees of the Company and its subsidiaries that met certain criteria. In 2020, 1,341 thousand shares had been transferred and the transfer price was NT$40.2 per share. The grant date was December 30, 2020. The Company and its subsidiaries recognized NT$23,065 thousand as share-based compensation costs and NT$23,144 thousand as capital surplus - treasury shares. Besides, in June 2021, the Company's board of directors transferred treasury shares that were purchased in 2018 to employees of the Company, its subsidiaries and parent company that met certain criteria. In 2021, 1,053 thousand shares had been transferred and the transfer price was NT$40.2 per share. The grant date was July 8, 2021. After the transfer, the Company recognized NT$44,663 thousand as share-based compensation costs and NT$51,238 thousand as capital surplus - treasury shares.

The share-based payment arrangement on the grant date is calculated by using the closing price of the shares at the grant date less the performance price used to estimate the fair value of the share option.

28. NON-CASH TRANSACTIONS

The Company and its subsidiaries entered into the following non-cash investing activities that were not reflected in the statements of cash flows:

	For the Year Ended December 31	
	2021	**2020**
Investing activities affecting both cash and non-cash items		
Acquisition of property, plant and equipment	$ 838,769	$ 643,745
Decrease in prepayments for equipment	(118,240)	(108,754)
Decrease (increase) in payable for equipment (classified under other payables)	37,859	(92,382)
Capitalized interest	-	(128)
Cash paid	$ 758,388	$ 442,481
Acquisition of intangible assets	$ 15,490	$ 8,374
Decrease in prepayments for equipment	(14,313)	(4,537)
Decrease (increase) in payable for equipment (classified under other payables)	6,396	(1,226)
Cash paid	$ 7,573	$ 2,611

29. CAPITAL MANAGEMENT

The Company and its subsidiaries manage the capital to ensure that they will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The overall strategy of the Company and its subsidiaries did not change significantly in 2021.

The capital structure of the Company and its subsidiaries consist of net debt and equity. The Company and its subsidiaries' long-term borrowings are subject to certain capital and financial ratio restrictions based on signed contracts. Refer to Note 17 for more information.

The key management personnel of the Company and its subsidiaries reviews the capital structure periodically in consideration of the current operation in the industry and the future development and external environmental changes. As part of the review, the key management personnel considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Company and its subsidiaries may adjust the amount of dividends paid to shareholders, the number of shares issued, repurchase and the amount of new debt issued or existing debt redeemed.

30. FINANCIAL INSTRUMENTS

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

The management of the Company and its subsidiaries believe the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

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

1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non - derivatives				
Mutual funds	$ 99,960	$ -	$ -	$ 99,960
Domestic convertible bonds	8,865	-	-	8,865
Derivatives				
Net redemption and put option of convertible bonds	-	-	1,416	1,416
	$ 108,825	$ -	$ 1,416	$ 110,241
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares	$ 832,720	$ -	$ -	$ 832,720

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 87,430	$ -	$ -	$ 87,430

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares	$ 722,371	$ -	$ -	$ 722,371

(Concluded)

There was no transfer between Level 1 and Level 2 during the years ended December 31, 2021 and 2020.

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

The financial assets of the Company and its subsidiaries measured at fair value based on Level 3 are derivatives measured at FVTPL and foreign private funds measured at FVTOCI. The reconciliations were as follows:

	For the Year Ended December 31	
	2021	2020
Balance, beginning of the year	$ -	$ 68,941
Additions	7,950	15,658
Conversions	(6,778)	-
Reduction of capital and distribution	-	(69,289)
Recognized in profit or loss (recorded as other gains and losses)	244	348
Recognized in other comprehensive income	-	(15,658)
Balance, end of the year	$ 1,416	$ -

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

The fair value of derivative assets - convertible bonds redemption rights and put options is measured using binominal tree model by using significant but unobservable inputs as fluctuation of stock price. When the fluctuation of stock price increases, the fair value is deemed to increase.

The fair value of foreign non-listed stocks is measured by the market method with reference to the evaluation multiplier of companies of the same type and the company's operating conditions.

c. Categories of financial instruments

	December 31	
	2021	2020
Financial assets		
Financial assets mandatorily classified as at FVTPL	$ 110,241	$ 87,430
Financial assets at amortized cost (Note 1)	7,700,328	6,117,118
Financial assets at FVTOCI - equity instruments	832,720	722,371
Financial liabilities		
Financial liabilities at amortized cost (Note 2)	5,381,626	6,173,493

Note 1: The balances included financial assets at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable (including related parties), other receivables, refundable deposits (included in other non-current assets), and other financial assets.

Note 2: The balances included financial liabilities at amortized cost, which comprise short-term borrowings, accounts payable (including related parties), other payables, current portion of bonds payable, long-term borrowings and deposits received.

d. Financial risk management objectives and policies

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

The significant financial activities of the Company and its subsidiaries are reviewed by the board of directors in accordance with relevant regulations and internal controls. The finance department follows the accountability and related financial risk control procedures required by the Company and its subsidiaries for executing financial projects. Compliance with policies and exposure limits is continually reviewed by the internal auditors. The Company and its subsidiaries did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Company and its subsidiaries were exposed primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price (see (c) below).

There has been no change to the Company and its subsidiaries' exposure to market risks or the manner in which these risks are managed and measured in 2021.

a) Foreign currency risk

The Company and its subsidiaries were exposed to foreign currency risk due to sales, purchases and capital expenditures denominated in foreign currencies. Exchange rate exposures were managed within approved policy parameters utilizing foreign borrowings or foreign bond.

For the carrying amounts of the Company and its subsidiaries' significant non-functional currency denominated monetary assets and liabilities at the balance sheet date, refer to Note 35.

The Company is mainly exposed to the USD.

The following table details the Company's sensitivity to a 1% increase and decrease in the functional currency against the USD. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%.

	USD Impact	
	For the Year Ended December 31	
	2021	**2020**
Pre-tax profit (Note)	$ (25,451)	$ (32,520)

Note: These were mainly attributable to the exposure on outstanding USD denominated cash and cash equivalents, accounts receivable (including related parties), other receivables, other financial assets, short-term borrowings, accounts payable (including related parties), and other payables which were not hedged at the balance sheet date.

In management's opinion, the sensitivity analysis was unrepresentative of the inherent foreign exchange risk because the exposure at the balance sheet date did not reflect the exposure during the year. Sales in USD will fluctuate based on different contracts and the business cycle.

b) Interest rate risk

The Company and its subsidiaries were exposed to interest rate risk because the Company and its subsidiaries borrowed funds at floating interest rates. The risk is managed by the Company and its subsidiaries by utilizing low-interest-rate financing methods. By taking advantage of the low interest rates, the Company and its subsidiaries can not only maintain low financing costs but have sufficient lines of credit for utilization.

The carrying amounts of the Company and its subsidiaries' financial assets and liabilities with exposure to interest rates at the balance sheet date were as follows:

	December 31	
	2021	**2020**
Fair value interest rate risk		
Financial liabilities	$ 66,900	$ 74,846
Cash flow interest rate risk		
Financial assets	4,146,849	2,769,863
Financial liabilities	2,781,973	4,457,673

The sensitivity analysis below was determined based on the Company and its subsidiaries' exposure to financial instruments at the balance sheet date. For floating rate liabilities, the analysis was prepared assuming the amount of the liabilities outstanding at the balance sheet date was outstanding for the whole year. A 1% basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Company and its subsidiaries' pre-tax profit for the years ended December 31, 2021 and 2020 would have decreased/increased by NT$27,820 thousand and NT$44,577 thousand, respectively.

c) Other price risk

The Company is exposed to other price risk through its investments in equity securities and bonds.

If equity prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by NT$1,088 thousand and NT$874 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the years ended December 31, 2021 and 2020 would have increased/decreased by NT$8,327 thousand and NT$7,224 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company and its subsidiaries. At the end of the year, the Company and its subsidiaries' maximum exposure to credit risk, which would cause a financial loss to the Company and its subsidiaries due to the failure of the counterparty to discharge its obligation is the carrying amount of financial assets recognized in the consolidated balance sheets.

The Company and its subsidiaries' transaction counterparties are all creditworthy companies, and the relevant business units grant credit lines to their customers based on the results of each credit check, and also regularly tracks customer collections. Therefore, no significant credit risk is expected.

There are a number of major customers when it comes to accounts receivable counterparties. They are mostly engaged in commercial activities, and have similar economic characteristics and similar ability to fulfill contracts affected by the economic or other conditions. Therefore, the Company and its subsidiaries were exposed to credit risk. The receivables balances (notes receivable, accounts receivable and other receivables), including related parties with significant credit risk were as follows:

	December 31	
Customer	**2021**	**2020**
CWE	$ 735,192	$ 554,808

3) Liquidity risk

The Company and its subsidiaries manage liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company and its subsidiaries' operations and mitigate the effects of fluctuations in cash flows. The Company and its subsidiaries rely on bank borrowings as a significant source of liquidity. As of December 31, 2021 and 2020, the Company and its subsidiaries' unused credit facilities were NT$15,961,121 thousand and NT$14,523,794 thousand, respectively.

The following table details the Company and its subsidiaries' remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time span regardless of the probability of the banks choosing to exercise their rights.

To the extent that interest flows are at floating rate, the undiscounted amount was estimated by the interest rate at the balance sheet date.

	Less than 1 Year	**1-5 Years**	**Over 5 Years**	**Total**
December 31, 2021				
Non-interest bearing liabilities	$ 2,346,006	$ 3,684	$ 2,537	$ 2,352,227
Lease liabilities	12,154	23,195	43,449	78,798
Variable interest rate liabilities	1,054,255	1,004,243	736,942	2,795,440

(Continued)

	Less than 1 Year	1-5 Years	Over 5 Years	Total
Fixed interest rate liabilities	$ 500,330	$ -	$ -	$ 500,330
	$ 3,912,745	$ 1,031,122	$ 782,928	$ 5,726,795
December 31, 2020				
Non-interest bearing liabilities	$ 1,847,621	$ 7,293	$ 2,182	$ 1,857,096
Lease liabilities	13,192	28,184	47,482	88,858
Variable interest rate liabilities	1,237,658	2,354,672	905,160	4,497,490
	$ 3,098,471	$ 2,390,149	$ 954,824	$ 6,443,444

(Concluded)

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, account balances and gains and losses were eliminated when preparing the consolidated financial statements. Besides information disclosed elsewhere in the other notes, details of transactions between the Company and its subsidiaries and their related parties are disclosed as follows:

a. Names of related parties and their relationships with the Company and its subsidiaries

Related Party Name	Relationship
CWE	Parent company
Wah Lee Industrial Corp.	Investment company that adopt equity method to evaluate the parent company
Dongguan Huagang International Trading Co., Ltd.	Subsidiary of investment company that adopt equity method to evaluate the parent company
Shanghai Yikang Chemicals & Industries Co., Ltd.	Subsidiary of investment company that adopt equity method to evaluate the parent company
JMC	Associate
Chang Wah Energy Technology Inc.	Associate
ThinFlex Corp.	Chairman of the Company served as the company’s key management personnel. (After the chairman of the Company had resigned the position in April 2021, the company is no longer a related party since then)
OM	Investment accounted for using the equity method (44% of its ownership was disposed of in April 2020, which results in the Company and its subsidiaries losing significant influence, and therefore is no longer a related party since then)

b. Operating revenue

Account Item	Related Party Category/Name	For the Year Ended December 31 2021	2020
Revenue from sales of goods	Parent company - CWE	$ 2,968,131	$ 2,348,581
	Subsidiary of investment company that adopt equity method to evaluate the parent company	92,378	74,673
	Associates	-	5
Commission and revenue from rendering of services	Parent company	28,138	10,977
Other operating revenue	Parent company	6,665	-
		$ 3,095,312	$ 2,434,236

Sales to related parties were under normal terms applied to similar transactions in the market. Commission and revenue from the rendering of services and other operating revenue are different from and not comparable with that of non-related parties. Payment terms are 30-90 days from the end of the month, and the general customer payment terms are 30-120 days from the end of the month.

c. Purchase of goods

Related Party Category/Name	For the Year Ended December 31 2021	2020
Subsidiaries of investment company that adopt equity method to evaluate the parent company	$ 23,519	$ 3,261
Investment company that adopt equity method to evaluate the parent company	10,674	2,381
Parent company	8,510	5,379
Chairman served as the company's key management personnel	283	-
Investments accounted for using the equity method - OM	-	271,269
	$ 42,986	$ 282,290

The purchase price is different from and not comparable with that for non-related parties. Payment terms are 30-120 days from the end of the month, and the general customer payment terms are 15 days after purchasing to 120 days from the end of the month.

d. Remuneration of key management personnel

The remuneration of directors and other members of key management personnel was as follows:

	For the Year Ended December 31 2021	2020
Short-term employee benefits	$ 47,995	$ 46,924
Post-employment benefits	582	589
Share-based payments	-	6,708
	$ 48,577	$ 54,221

e. Acquisition of property, plant and equipment

Related Party Type/Name	Purchase Price For the Year Ended December 31 2021	2020
Parent company	$ 8,448	$ 50,394
Associates	8,000	-
	$ 16,448	$ 50,394

The amount of the acquisition price and the payment terms were determined based on agreement by both parties.

f. Lease arrangements

Account Item	Related Party Category	December 31 2021	2020
Lease liabilities	Associates	$ 2,280	$ -

Account Item	Related Party Category	For the Year Ended December 31 2021	2020
Interest expense	Associates	$ 3	$ -

g. Other transactions with related parties

SHT leases a warehouse from its parent company, CWE under an agreement that expires in October 2024. The annual rental expense amounted to NT$2,517 thousand for both of the years ended December 31, 2021 and 2020.

h. Balance at period-end

	December 31 2021	2020
Accounts receivable - related parties		
Parent company - CWE	$ 734,776	$ 554,743
Subsidiaries of investment company that adopt equity method to evaluate the parent company	23,461	31,946
	$ 758,237	$ 586,689
Other receivables		
Parent company	$ 416	$ 65
Accounts payable - related parties		
Parent company	$ 4,134	$ 1,528
Subsidiaries of investment company that adopt equity method to evaluate the parent company	7,756	1,033
Investment company that adopt equity method to evaluate the parent company	3,882	479
	$ 15,772	$ 3,040

(Continued)

	December 31	
	2021	2020
Other payables		
Parent company	$ 500	$ 49,563
Associate	74	-
	$ 574	$ 49,563

(Concluded)

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The Company and its subsidiaries provided the following assets as collateral for some of their short-term and long-term borrowings, guarantees for purchase performance and import tariffs:

	December 31	
	2021	2020
Other financial assets		
Time deposits and reserve accounts	$ 51,874	$ 329,728

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

The Company and its subsidiaries' commitments for the purchase of property, plant and equipment amounted to approximately NT$653,464 thousand, of which NT$524,671 thousand was unpaid.

34. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In March 2022, the board of directors in its meeting resolved to purchase land and plant from MEKTEC Corp. The total price is expected to be NT$450,000 thousand and negotiated with reference to the appraisal report issued by an independent professional institution.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the Company and its subsidiaries and the exchange rates between the foreign currencies and the respective functional currencies were disclosed. The significant financial assets and liabilities denominated in foreign currencies were as follows:

	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount (In Thousands)
December 31, 2021				
Monetary foreign currency assets				
USD	$ 155,137	27.68	(USD:NTD)	$ 4,294,187
USD	39,789	6.3674	(USD:RMB)	1,101,367
JPY	642,711	0.2405	(JPY:NTD)	154,572
RMB	40,806	4.3471	(RMB:NTD)	177,387

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount (In Thousands)
MYR	$ 1,571	0.2296	(MYR:USD)	$ 9,984
Monetary foreign currency liabilities				
USD	71,302	27.68	(USD:NTD)	1,973,645
USD	31,677	6.3674	(USD:RMB)	876,810
JPY	199,841	0.2405	(JPY:NTD)	48,062
MYR	7,088	0.2296	(MYR:USD)	45,044
Non-monetary items				
Subsidiaries accounted for using the equity method				
USD	177,189	27.68	(USD:NTD)	4,904,602
RMB	19,362	4.3471	(RMB:NTD)	84,170
December 31, 2020				
Monetary foreign currency assets				
USD	135,215	28.48	(USD:NTD)	3,850,927
USD	32,364	6.5249	(USD:RMB)	921,729
JPY	135,848	0.2763	(JPY:NTD)	37,535
RMB	27,688	4.3648	(RMB:NTD)	120,852
MYR	10,697	0.2384	(MYR:USD)	72,630
Monetary foreign currency liabilities				
USD	23,540	28.48	(USD:NTD)	670,415
USD	29,854	6.5249	(USD:RMB)	850,229
JPY	521,216	0.2763	(JPY:NTD)	144,012
MYR	11,345	0.2384	(MYR:USD)	77,028
Non-monetary items				
Subsidiaries accounted for using the equity method				
USD	137,738	28.48	(USD:NTD)	3,922,784
RMB	17,128	4.3648	(RMB:NTD)	74,761

(Concluded)

Please refer to Note 24 for information relating to net foreign exchange gains and losses. Due to the variety of foreign currency transactions and functional currencies of each entity, it is impractical to disclose ret foreign exchange gains and losses by each significant foreign currency.

36. ADDITIONAL DISCLOSURES

a. Information about significant transactions and investees; b. Information on investees

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Marketable securities held (excluding investments in subsidiaries and associates) (Table 3)

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

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

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

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 4)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 5)

9) Trading in derivative instruments (Refer to Note 7)

10) Intercompany relationships and significant intercompany transactions (Table 6)

11) Information on investees: (Table 7)

c. Information on investments in Mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment gain or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the Mainland China area (Table 8)

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

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period (Table 4)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period (Table 4)

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

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

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

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

d. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)

37. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

Reportable segments of the Company and subsidiaries were as follows:

- Chang Wah Technology Co., Ltd. - for the main operating activities, refer to Note 1.
- CWTS - for the main operating activities, refer to Note 12.
- SHAP - for the main operating activities, refer to Note 12.
- SHT - for the main operating activities, refer to Note 12.
- SHEC - for the main operating activities, refer to Note 12.
- SHPC - for the main operating activities, refer to Note 12.
- SHS - for the main operating activities, refer to Note 12.
- MSHE - for the main operating activities, refer to Note 12.
- WSP - for the main operating activities, refer to Note 12.
- CWES - for the main operating activities, refer to Note 12.

a. Segments revenues and operating results

Please refer to Table 10 for the analysis of the Company and its subsidiaries' revenue and results from continuing operations by reportable segment.

Segment profit represents the profit before tax earned by each segment not including interest income, non-operating incomes and expenses, share of profit of subsidiaries accounted for using the equity method, share of profit of associates, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment total assets and liabilities

	December 31	
	2021	**2020**
Segment assets		
Chang Wah Technology Co., Ltd.	$ 13,550,661	$ 10,513,448
CWTS	204,794	158,987
SHAP	4,568,020	3,520,284
SHT	2,014,119	1,637,249
SHEC	1,058,248	840,761
SHPC	551,085	452,493
SHS	1,668,346	1,276,263
MSHE	2,079,216	1,688,793
WSP	907,557	783,636
CWES	729,834	584,060
Adjustments and eliminations	(12,489,817)	(9,291,812)
	$ 14,842,063	$ 12,164,162

(Continued)

Segment liabilities	December 31 2021	2020
Chang Wah Technology Co., Ltd.	$ 5,263,220	$ 5,187,589
CWTS	120,624	84,226
SHAP	124,138	85,818
SHT	773,321	820,730
SHEC	225,154	193,383
SHPC	222,886	198,345
SHS	889,842	834,772
MSHE	328,506	288,001
WSP	-	-
CWES	323,989	256,225
Adjustments and eliminations	(1,841,349)	(1,211,186)
	$ 6,430,331	$ 6,737,903

(Concluded)

c. Other segment information

	Depreciation and Amortization	Impairment Losses of Accounts Receivable Recognized (Reversed) in Profit and Loss	Losses (Gains) on Disposal of Property, Plant and Equipment	Impairment Losses (Reversal) of Non-financial Assets
For the year ended December 31, 2021				
Chang Wah Technology Co., Ltd.	$ 110,279	$ 997	$ (1,200)	$ (5,974)
CWTS	143	-	-	-
SHAP	3,593	-	(8)	-
SHT	174,279	-	(128)	10,900
SHEC	30,869	(3,118)	(6)	(1,867)
SHPC	73,331	-	13	103
SHS	99,485	-	819	1,719
MSHE	133,872	(3,655)	(4,258)	(11,347)
CWES	2,409	-	-	-
	$ 628,260	$ (5,776)	$ (4,768)	$ (6,466)
For the year ended December 31, 2020				
Chang Wah Technology Co., Ltd.	$ 73,156	$ (4,770)	$ 19,124	$ 14,922
CWTS	156	(789)	-	(11)
SHAP	3,965	-	(4)	-
SHT	195,025	-	(1,192)	4,041
SHEC	29,558	1,864	(320)	887
SHPC	57,069	-	571	(797)
SHS	90,825	-	280	7,695
MSHE	147,474	3,696	-	934
CWES	2,478	(899)	-	(3)
	$ 599,706	$ (898)	$ 18,459	$ 27,668

d. Revenue from major products and services

For the revenue analysis of the main products and services of the Company and its subsidiaries, please refer to Note 23.

e. Geographical information

The Company and its subsidiaries operate in two principal geographical areas - Taiwan and Asia.

The Company and its subsidiaries' revenue from external customers by country of operations and information about its non-current assets by location of assets is detailed below:

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2021	2020	2021	2020
Taiwan	$ 3,274,922	$ 2,398,924	$ 1,757,249	$ 1,459,476
Asia	8,506,101	6,390,551	1,979,871	2,103,188
Others	1,011,146	888,671	-	-
	$ 12,792,169	$ 9,678,146	$ 3,737,120	$ 3,562,664

Non-current assets exclude financial assets at FVTPL, financial assets at FVTOCI, investments accounted for using the equity method, deferred tax assets, other financial assets, as well as refundable deposits and net defined benefit assets recognized under other non-current assets.

f. Information about major customers

The customer that contributed 10% or more to the Company and its subsidiaries' revenue was as follows:

	For the Year Ended December 31			
	2021		2020	
	Amount	%	Amount	%
Customer A	$ 3,002,934	23	$ 2,359,558	24

TABLE 1

Chang Wah Technology Co., Ltd. and Subsidiaries

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

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn (Note 4)	Interest Rate (%)	Nature of Financing (Note 1)	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrowing Company	Financing Company's Total Financing Amount Limits	Note
													Item	Value			
0	The Company	SH Electronics Suzhou Co., Ltd.	Other receivables	Yes	$ 395,824	$ 387,520	$ 387,520	0.9-2	1	$ 897,709	-	$ -	None	$ -	$ 3,314,976	$ 3,314,976	Note 2
0	The Company	Shanghai Chang Wah Electromaterials Inc.	Other receivables	Yes	41,520	-	-	2-2.5	2	-	Operating capital	-	None	-	3,314,976	3,314,976	Note 2
1	SH Electronics Chengdu Co., Ltd.	SH Electronics Suzhou Co., Ltd.	Other receivables	Yes	166,080	166,080	-	0.9-1	2	-	Repayments of borrowings	-	None	-	833,094	833,094	Note 3

Note 1: The nature of financing is as follows:

1. Business relationship
2. The need for short-term financing

Note 2: The maximum amount of the total loan of funds provided by the Company for the companies or the parties which has business relationship or need short-term financing shall not exceed 40% of the net worth in the latest audited or reviewed financial statements of the Company, and the term of each loan shall not exceed one year.

Note 3: The maximum amount of the total loan of funds provided by SH Electronics Chengdu Co., Ltd. for the companies or the parties which need short-term financing shall not exceed net worth in the latest audited or reviewed financial statements of SH Electronics Chengdu Co., Ltd. If the loan is made to a company in which the parent company has directly or indirectly, 100% of the ownership or voting rights of the company, the amount shall not exceed the lender's net worth in its latest audited or reviewed financial statements. For other companies, the amount shall not exceed the lender's 40% of the net worth in its latest audited or reviewed financial statements. The term of each loan shall not exceed one year. If the loan is made to a company in which the parent company has directly or indirectly, 100% of the ownership or voting rights of the company, the term of the loan shall not exceed five years.

Note 4: The transactions had been eliminated when preparing consolidated financial statements.

TABLE 2

Chang Wah Technology Co., Ltd. and Subsidiaries

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

No.	Endorsement/ Guarantee Provider	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 1)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable (Note 1)	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Nature of Relationship (Note 2)											
0	The Company	Shanghai Chang Wah Electromaterials Inc.	2	$ 1,657,488	$ 107,537	$ 107,537	$ 107,537	$ -	1.3	$ 4,143,721	Yes	No	Yes	

Note 1: The amount of guarantees to any individual entity shall not exceed 20% of the Company's net worth. The maximum amount of guarantees shall not exceed 50% of the Company's net worth.

Note 2: Relationships between the endorser/guarantor and the party being endorsed/guaranteed are as follows:

a. A company with which it does business.

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

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

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

e. 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.

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

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

TABLE 3

Chang Wah Technology Co., Ltd. and Subsidiaries

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Stock - ordinary shares							
	Wah Lee Industrial Corp.	Investment company that adopts equity method to evaluate the parent company	Financial assets at fair value through other comprehensive income	949,000	$ 101,543	0.40	$ 101,543	
	Taiflex Scientific Co., Ltd.	-	Financial assets at fair value through other comprehensive income	3,131,000	148,723	1.50	148,723	
	Greatek Electronics Inc.	-	Financial assets at fair value through other comprehensive income	381,000	29,756	0.07	29,756	
	Cleanway Co., Ltd.	-	Financial assets at fair value through other comprehensive income	131,000	30,588	0.12	30,588	
	Tian Zheng International Precision Machinery Co., Ltd.	-	Financial assets at fair value through other comprehensive income	291,000	27,005	0.87	27,005	
	Chipbond Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income	5,336,000	355,911	0.72	355,911	
	Acter Group Co., Ltd.	-	Financial assets at fair value through other comprehensive income	627,000	139,194	1.10	139,194	
	Ohkuchi Materials Co., Ltd.	-	Financial assets at fair value through other comprehensive income	50	-	5.00	-	
	Convertible bonds							
	Lion Travel Service Co., Ltd.	-	Financial assets at fair value through profit or loss	90,000	8,865	-	8,865	
	Fund							
	Yuanta Taiwan High-yield Leading Company Fund B	-	Financial assets at fair value through profit or loss	7,000,000	99,960	-	99,960	

TABLE 4

Chang Wah Technology Co., Ltd. and Subsidiaries

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Term	Ending Balance	% of Total	
The Company	Chang Wah Electromaterials Inc.	Parent company	Sale	$ (790,449)	(17)	60 days	Not significantly different	Note 31	$ 250,128	20	
	SH Asia Pacific Pte. Ltd.	Subsidiary	Sale	(189,613)	(4)	30 days	Not significantly different	30 days	11,445	1	Note 1
	CWTC (Shanghai) Inc.	Subsidiary	Sale	(211,854)	(4)	180 days	Not significantly different	180 days	83,438	7	Note 1
SH Electronics Taiwan Co., Ltd.	Chang Wah Electromaterials Inc.	Ultimate parent company	Sale	(2,128,492)	(69)	30 days	Not significantly different	Note 31	465,629	55	
	The Company	Parent company	Sale	(519,689)	(17)	90 days	Not significantly different	90 days	348,508	41	Note 1
Malaysian SH Electronics Sdn. Bhd.	The Company	Parent company	Sale	(772,917)	(31)	60 days	Not significantly different	60 days	195,850	34	Note 1
SH Electronics Chengdu Co., Ltd.	The Company	Parent company	Sale	(907,748)	(63)	45 days	Not significantly different	45 days	199,325	67	Note 1
SH Precision Chengdu Co., Ltd.	SH Electronics Chengdu Co., Ltd.	Sister company	Sale	(776,752)	(99)	60 days	Not significantly different	60 days	138,825	100	Note 1
SH Electronics Suzhou Co., Ltd.	The Company	Parent company	Sale	(924,057)	(36)	15 days	Not significantly different	15 days	147,808	32	Note 1
	Shanghai Chang Wah Electromaterials Inc.	Sister company	Sale	(120,111)	(5)	45 days	Not significantly different	45 days	22,327	5	Note 1
	Malaysian SH Electronics Sdn. Bhd.	Sister company	Sale	(121,822)	(5)	30 days	Not significantly different	30 days	13,914	3	Note 1
	SH Electronics Taiwan Co., Ltd.	Sister company	Sale	(505,267)	(20)	15 days	Not significantly different	15 days	19,922	4	Note 1

Note 1: Amount was eliminated from the consolidated financial statements.

Note 2: Since the par value of the Company's share is NT$1, the transaction amount of 20% of the paid-in capital is calculated based on 10% of the equity attributable to the owners of the Company.

TABLE 5

Chang Wah Technology Co., Ltd. and Subsidiaries

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance		Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Doubtful Accounts
						Amount	Actions Taken		
The Company	Chang Wah Electromaterials Inc.	Parent company	Accounts receivable	$ 269,147 (Note 1)	3.70	$ -	-	$ 263,224	$ -
The Company	SH Precision Chengdu Co., Ltd.	Subsidiary	Accounts receivable	150,326 (Note 4)	Note 2	-	-	63,006	-
SH Electronics Taiwan Co., Ltd.	Chang Wah Electromaterials Inc.	Ultimate parent company	Accounts receivable	465,629	5.14	-	-	456,259	-
	The Company	Parent company	Accounts receivable	348,508 (Note 4)	2.60	-	-	348,508	-
Malaysian SH Electronics Sdn. Bhd.	The Company	Parent company	Accounts receivable	195,850 (Note 4)	4.11	-	-	195,850	-
SH Electronics Chengdu Co., Ltd.	The Company	Parent company	Accounts receivable	199,325 (Note 4)	5.86	-	-	181,120	-
SH Electronics Suzhou Co., Ltd.	The Company	Parent company	Accounts receivable	147,808 (Note 4)	9.04	-	-	147,808	-
SH Precision Chengdu Co., Ltd.	SH Electronics Chengdu Co., Ltd.	Sister company	Accounts receivable	138,825 (Note 4)	6.37	-	-	138,825	-
The Company	SH Electronics Suzhou Co., Ltd.	Subsidiary	Other receivables	388,425 (Note 4)	Note 3	-	-	-	-

Note 1: Amounts include receivables of rendering service for NT$19,019 thousand.

Note 2: Amounts include purchases for raw materials on behalf of subsidiaries, hence the turnover rate is not applicable.

Note 3: Amounts include other receivables such as intercompany loan and interest receivable, hence the turnover rate is not applicable.

Note 4: Amount was eliminated from the consolidated financial statements.

Note 5: Since the par value of the Company's share is NT$1, the transaction amount of 20% of the paid-in capital is calculated based on 10% of the equity attributable to the owners of the Company.

TABLE 6

Chang Wah Technology Co., Ltd. and Subsidiaries

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

No.	Investee Company	Counterparty	Relationship	Transactions Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
0	The Company	SH Asia Pacific Pte. Ltd.	Parent to subsidiary	Sales	$ 189,613	By contract terms	1.48
0	The Company	CWTC (Shanghai) Inc.	Parent to subsidiary	Sales	211,854	By contract terms	1.66
0	The Company	SH Precision Chengdu Co., Ltd.	Parent to subsidiary	Accounts receivable	150,326	By contract terms	1.01
0	The Company	SH Electronics Suzhou Co., Ltd.	Parent to subsidiary	Other receivables	388,425	By contract terms	2.62
1	SH Electronics Taiwan Co., Ltd.	The Company	Subsidiary to parent	Processing income	137,828	By contract terms	1.08
1	SH Electronics Taiwan Co., Ltd.	The Company	Subsidiary to parent	Sales	519,689	By contract terms	4.06
1	SH Electronics Taiwan Co., Ltd.	The Company	Subsidiary to parent	Accounts receivable	348,508	By contract terms	2.35
2	Malaysian SH Electronics Sdn. Bhd.	The Company	Subsidiary to parent	Sales	772,917	By contract terms	6.04
2	Malaysian SH Electronics Sdn. Bhd.	The Company	Subsidiary to parent	Accounts receivable	195,850	By contract terms	1.32
3	SH Electronics Chengdu Co., Ltd.	The Company	Subsidiary to parent	Sales	907,748	By contract terms	7.10
3	SH Electronics Chengdu Co., Ltd.	The Company	Subsidiary to parent	Accounts receivable	199,325	By contract terms	1.34
4	SH Precision Chengdu Co., Ltd.	SH Electronics Chengdu Co., Ltd.	Subsidiary to subsidiary	Sales	776,752	By contract terms	6.07
4	SH Precision Chengdu Co., Ltd.	SH Electronics Chengdu Co., Ltd.	Subsidiary to subsidiary	Accounts receivable	138,825	By contract terms	0.94
5	SH Electronics Suzhou Co., Ltd.	The Company	Subsidiary to parent	Sales	924,057	By contract terms	7.22
5	SH Electronics Suzhou Co., Ltd.	The Company	Subsidiary to parent	Accounts receivable	147,808	By contract terms	1.00
5	SH Electronics Suzhou Co., Ltd.	Shanghai Chang Wah Electromaterials Inc.	Subsidiary to subsidiary	Sales	120,111	By contract terms	0.94
5	SH Electronics Suzhou Co., Ltd.	Malaysian SH Electronics Sdn. Bhd.	Subsidiary to subsidiary	Sales	121,822	By contract terms	0.95
5	SH Electronics Suzhou Co., Ltd.	SH Electronics Taiwan Co., Ltd.	Subsidiary to subsidiary	Sales	505,267	By contract terms	3.95

Note: Amount was eliminated from the consolidated financial statements.

TABLE 7

Chang Wah Technology Co., Ltd. and Subsidiaries

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2021	December 31, 2020	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
The Company	SH Asia Pacific Pte. Ltd	Singapore	Trading of electronic components and electronics; investment activities	$ 3,273,072	$ 3,273,072	21,206,103	100	$ 4,904,602	$ 1,072,192	$ 1,044,688	Notes 1, 2, 3
The Company	SH Electronics Taiwan Co., Ltd.	Taiwan	Manufacturing of electronic components and tools; international trade	1,258,700	1,258,700	41,000,000	100	1,601,219	388,894	352,320	Notes 2, 3
SH Asia Pacific Pte. Ltd	Malaysian SH Electronics Sdn. Bhd.	Malaysia	Manufacturing and selling leadframe and semiconductor materials	517,628	532,588	23,000,000	100	1,750,678	393,894	393,894	Notes 1, 3
SH Asia Pacific Pte. Ltd	WSP Electromaterials Ltd.	British Virgin Islands	International investment activities	599,780	617,114	5,235,000	100	907,557	133,794	133,794	Notes 1, 3

Note 1: Translated into NTD using the average exchange rate for the reporting period and exchange rate at the balance sheet date.

Note 2: The difference between the net income (loss) of investees and the investment income or loss recognized by the Company is the unrealized gains and losses from the intercompany transaction and the amortization of the investment cost premium.

Note 3: Amount was eliminated from the consolidated financial statements.

TABLE 8

Chang Wah Technology Co., Ltd. and Subsidiaries

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

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 2)	Accumulated Outward Remittance for Investments from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance for Investments from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee (Note 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 3 and 4)	Carrying Amount as of December 31, 2021 (Note 4)	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outward	Inward							
CWTC (Shanghai) Inc.	Selling of lighting materials and equipment, communication devices, semiconductor materials and equipment, electronic products, machinery and equipment, etc.	$ 55,360	1	$ 64,308	$ -	$ -	$ 64,308	$ 9,700	100	$ 9,700	$ 84,170	$ -	
Shanghai Chang Wah Electromaterials Inc.	Acting as an agent for IC packaging materials and equipment	110,720	2	-	-	-	-	79,238	69	54,971	281,767	-	
SH Electronics Chengdu Co., Ltd.	Researching, developing, manufacturing and selling of leadframe, semiconductor materials and precision tools	235,280	2	-	-	-	-	188,101	100	187,853	1,013,238	385,258	Note 6
SH Precision Chengdu Co., Ltd	Researching, developing, manufacturing and selling of leadframe, semiconductor materials and precision tools	96,880	2	-	-	-	-	74,985	100	75,148	423,423	204,616	Note 6
SH Electronics Suzhou Co., Ltd.	Researching, developing, manufacturing and selling of leadframe, semiconductor packaging materials and precision tools	692,000	2	-	-	-	-	338,375	100	339,771	767,551	-	

Investor Company	Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2021	Investment Amount Authorized by Investment Commission, MOEA (Notes 5)	Upper Limit on the Amount of Investments Stipulated by Investment Commission, MOEA (Note 1)
Chang Wah Technology Co., Ltd.	$ 64,308	$ 1,263,398	$ -

Note 1: Pursuant to the Jing-Shen-Zi Letter No. 09704604680 of the Ministry of Economic Affairs, ROC and the amended Regulation Governing the Examination of Investment or Technical Cooperation in Mainland China dated August 29, 2008, the Company obtained the certificate of being qualified for operating headquarters, issued by the Industrial Development Bureau of Ministry of Economic Affairs. The ceiling amount of the investment in Mainland China is not applicable to the Company.

Note 2: Methods of investment 1: Direct investment.

Methods of investment 2: Investments through a holding company registered in a third region.

Note 3: The basis for investment income (loss) recognition is the financial statement audited and attested.

Note 4: The transactions had been eliminated when preparing consolidated financial statements.

Note 5: This includes the investment of US$2,000 thousand in CWTC (Shanghai) Inc., US$23,279 thousand in SH Electronics Chengdu Co., Ltd., US$8,035 thousand in SH Precision Chengdu Co., Ltd., US$3,659 thousand in SH Electronics Suzhou Co., Ltd. and US$8,670 thousand in Shanghai Chang Wah Electromaterials Inc. approved by the Ministry of Economic Affairs and were translated into NTD using the exchange rate of US$1:NT$27.68.

Note 6: The accumulated remittance of profit from investment by SH Electronics Chengdu Co., Ltd. is RMB91,422 thousand (US$13,000 thousand); The accumulated remittance of profit from investment by SH Precision Chengdu Co., Ltd. is RMB49,921 thousand (US$7,000 thousand).

TABLE 9

Chang Wah Technology Co., Ltd.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2021

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Chang Wah Electromaterials Inc.	200,267,970	52.53
Fubon Life Assurance Co., Ltd.	27,415,240	7.19

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

TABLE 10

Chang Wah Technology Co., Ltd. and Subsidiaries

SEGMENT INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

For the year ended December 31, 2021

	CWTC	CWTS	SHAP	SHT	SHEC	SHPC	SHS	MSHE	WSP	CWES	Adjustments and Eliminations	Total
Revenues from external customers	$ 4,306,244	$ 332,655	$ 421,754	$ 2,533,120	$ 481,383	$ 4,447	$ 766,101	$ 1,687,865	$ -	$ 2,258,600	$ -	$ 12,792,169
Inter-segment revenues	511,366	-	69,409	681,104	959,490	777,891	1,799,228	772,963	-	11	(5,571,462)	-
Segment revenues	$ 4,817,610	$ 332,655	$ 491,163	$ 3,214,224	$ 1,440,873	$ 782,338	$ 2,565,329	$ 2,460,828	$ -	$ 2,258,611	$ (5,571,462)	$ 12,792,169
Segment income (expense)	$ 421,294	$ 9,936	$ 12,089	$ 473,490	$ 222,078	$ 87,051	$ 422,611	$ 492,917	$ (77)	$ 108,276	$ (39,366)	$ 2,210,299
Interest income	15,719	435	159	77	3,986	240	612	474	-	625	(3,823)	18,504
Other non-operating income and expenses	39,548	(11)	11,896	9,552	(5,006)	1,453	14,684	15,066	-	(6)	(23,450)	63,726
Share of profits (losses) of subsidiaries and associates accounted for using the equity method	1,406,708	-	1,051,560	-	-	-	-	-	133,871	-	(2,592,139)	-
Finance cost	(36,674)	(41)	(62)	(3,849)	-	(604)	(3,858)	-	-	(2,129)	3,872	(43,345)
Profit before tax	1,846,595	10,319	1,075,642	479,270	221,058	88,140	434,049	508,457	133,794	106,766	(2,654,906)	2,249,184
Income tax expense	132,217	619	3,450	90,376	32,957	13,155	95,674	114,563	-	27,528	-	510,539
Net profit	$ 1,714,378	$ 9,700	$ 1,072,192	$ 388,894	$ 188,101	$ 74,985	$ 338,375	$ 393,894	$ 133,794	$ 79,238	$ (2,654,906)	$ 1,738,645

For the year ended December 31, 2020

	CWTC	CWTS	SHAP	SHT	SHEC	SHPC	SHS	MSHE	WSP	CWES	Adjustments and Eliminations	Total
Revenues from external customers	$ 3,212,904	$ 229,600	$ 310,964	$ 2,058,558	$ 380,172	$ 2,153	$ 434,277	$ 1,416,103	$ -	$ 1,633,415	$ -	$ 9,678,146
Inter-segment revenues	304,477	42	57,827	142,671	862,730	642,326	1,337,510	598,097	-	53	(3,945,733)	-
Segment revenues	$ 3,517,381	$ 229,642	$ 368,791	$ 2,201,229	$ 1,242,902	$ 644,479	$ 1,771,787	$ 2,014,200	$ -	$ 1,633,468	$ (3,945,733)	$ 9,678,146
Segment income (expense)	$ 126,989	$ 3,667	$ (5,933)	$ 82,495	$ 176,692	$ 54,098	$ 166,802	$ 268,122	$ (85)	$ 70,129	$ 17,310	$ 960,286
Interest income	24,690	387	2,507	140	5,430	1,606	542	2,812	305	485	(9,767)	29,137
Other non-operating income and expenses	(36,988)	118	16,007	(308)	579	14,609	37,929	8,554	-	4,068	(26,774)	17,794
Share of profits (losses) of subsidiaries and associates accounted for using the equity method	646,643	-	600,559	-	-	-	-	-	101,903	-	(1,349,759)	(654)
Finance cost	(34,101)	(47)	(141)	(4,211)	-	(786)	(9,987)	-	-	(831)	9,901	(40,203)
Profit before tax	727,233	4,125	612,999	78,116	182,701	69,527	195,286	279,488	102,123	73,851	(1,359,089)	966,360
Income tax expense (benefit)	(46,607)	189	21,503	12,178	28,634	10,903	43,759	68,389	17,728	19,066	-	175,742
Net profit	$ 773,840	$ 3,936	$ 591,496	$ 65,938	$ 154,067	$ 58,624	$ 151,527	$ 211,099	$ 84,395	$ 54,785	$ (1,359,089)	$ 790,618

2021 Parent Company Only Financial Statement

INDEPENDENT AUDITORS' REPORT

Chang Wah Technology Co., Ltd.

Opinion

We have audited the accompanying parent company only financial statements of Chang Wah Technology Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2021 and 2020, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.(collectively referred to as the " parent company only financial statements")

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2021 and 2020, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Company's parent company only financial statements for the year ended December 31, 2021 is described as follows:

Revenue Recognition of Specific Customers

Due to the pressure from having to meet expected targets and market expectations, the possibility of overstatement of sales may arise. The operating revenue in 2021 has grown substantially compared with that of 2020, especially revenue from specific customers which amount is significant to the overall operating revenue. Therefore, the revenue recognition of specific customers with significant sales amount and changes was deemed as a key audit matter.

Our audit procedures performed in response to the abovementioned key audit matter are as follows:

1. We obtained an understanding and tested the effectiveness of the implementation of internal controls over sales.

2. We selected appropriate samples from the sales revenue receipts of specific customers, examined purchase orders, shipping documents and proof of payments as pertaining to the same transaction counterparties.

3. We obtained details on sales returns and allowances for the year and after the reporting period and checked for material abnormalities in sales returns and allowances for the purpose of confirming the authenticity of the sales recognized before the balance sheet date.

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

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

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

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

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

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

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

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

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the

parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Lee-Yuan Kuo and Hung-Ju Liao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 17, 2022

<u>*Notice to Readers*</u>

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

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

Chang Wah Technology Co., Ltd.

PARENT COMPANY ONLY BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	December 31, 2021		December 31, 2020	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 1,730,905	13	$ 1,004,216	9
Financial assets at fair value through profit or loss (Notes 4 and 7)	110,241	1	87,430	1
Accounts receivable, net (Notes 4, 5 and 9)	730,669	5	400,340	4
Accounts receivable - related parties (Notes 4, 5, 9 and 29)	549,049	4	345,394	3
Other receivables (Note 29)	438,464	3	416,690	4
Inventories (Notes 4 and 10)	412,891	3	109,666	1
Other financial assets - current (Notes 11 and 30)	1,006,266	8	1,129,698	11
Other current assets	43,634	-	27,306	-
Total current assets	5,022,119	37	3,520,740	33
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	832,720	6	722,371	7
Investments accounted for using the equity method (Notes 4, 12 and 30)	6,589,991	49	5,211,059	50
Property, plant and equipment (Notes 4, 13 and 29)	826,773	6	493,259	5
Right-of-use assets (Notes 4 and 14)	28,462	-	27,812	-
Intangible assets (Note 4)	29,505	-	22,127	-
Deferred tax assets (Notes 4 and 23)	93,680	1	78,810	1
Prepayments for equipment	96,231	1	124,339	1
Other financial assets - non-current (Notes 11 and 30)	29,700	-	312,682	3
Other non-current assets	1,480	-	249	-
Total non-current assets	8,528,542	63	6,992,708	67
TOTAL	$ 13,550,661	100	$ 10,513,448	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 15 and 30)	$ 1,172,065	9	$ 731,092	7
Contract liabilities (Notes 4 and 21)	11,371	-	6,731	-
Accounts payable (Note 17)	421,934	3	271,221	3
Accounts payable - related parties (Notes 17 and 29)	790,493	6	357,810	3
Dividends payable	246,872	2	141,276	1
Other payables (Notes 18 and 29)	333,733	2	210,780	2
Current tax liabilities (Note 23)	62,292	-	10,240	-
Lease liabilities - current (Notes 4, 14 and 29)	2,840	-	1,405	-
Current portion of bonds payable (Notes 4 and 16)	215,168	2	-	-
Other current liabilities	1,058	-	3,305	-
Total current liabilities	3,257,826	24	1,733,860	16
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 15 and 30)	1,736,873	13	3,250,392	31
Deferred tax liabilities (Notes 4 and 23)	242,110	2	176,412	2
Lease liabilities - non-current (Notes 4, 14 and 29)	26,411	-	26,925	-
Total non-current liabilities	2,005,394	15	3,453,729	33
Total liabilities	5,263,220	39	5,187,589	49
EQUITY (Note 20)				
Capital				
Ordinary shares	364,131	3	364,131	4
Capital collected in advance	17,109	-	-	-
Total capital	381,240	3	364,131	4
Capital surplus	5,872,815	43	4,253,933	40
Retained earnings				
Legal reserve	346,521	3	241,635	3
Special reserve	105,738	1	130,455	1
Unappropriated earnings	2,093,758	15	859,841	8
Total retained earnings	2,546,017	19	1,231,931	12
Other equity	(170,630)	(1)	(139,994)	(1)
Treasury shares (Note 25)	(342,001)	(3)	(384,142)	(4)
Total equity	8,287,441	61	5,325,859	51
TOTAL	$ 13,550,661	100	$ 10,513,448	100

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

Chang Wah Technology Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 21 and 29)	$ 4,817,610	100	$ 3,517,381	100
OPERATING COSTS (Notes 10, 22 and 29)	4,184,408	87	3,240,606	92
GROSS PROFIT	633,202	13	276,775	8
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	(94)	-	(13)	-
REALIZED GROSS PROFIT	633,108	13	276,762	8
OPERATING EXPENSES (Notes 9, 22 and 29)				
Selling and marketing expenses	18,017	-	17,994	-
General and administrative expenses	78,688	2	68,935	2
Research and development expenses	114,112	2	67,614	2
Expected credit losses (gains)	997	-	(4,770)	-
Total operating expenses	211,814	4	149,773	4
PROFIT FROM OPERATIONS	421,294	9	126,989	4
NON-OPERATING INCOME AND EXPENSES (Notes 22 and 29)				
Interest income	15,719	1	24,690	1
Other income	80,420	2	64,702	2
Other gains and losses	(40,872)	(1)	(101,690)	(3)
Finance costs	(36,674)	(1)	(34,101)	(1)
Share of profit of subsidiaries and associates	1,406,708	29	646,643	18
Total non-operating income and expenses	1,425,301	30	600,244	17
PROFIT BEFORE INCOME TAX	1,846,595	39	727,233	21
INCOME TAX EXPENSE (BENEFIT) (Notes 4 and 23)	132,217	3	(46,607)	(1)
NET PROFIT FOR THE YEAR	1,714,378	36	773,840	22

(Continued)

Chang Wah Technology Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 20 and 23)				
Items that will not be reclassified subsequently to profit or loss				
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	$ 191,576	4	$ 109,675	3
Share of remeasurement of defined benefit plans of subsidiaries	587	-	1,677	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	404	-	2,290	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating the financial statements of foreign operations	(63,067)	(1)	(104,601)	(3)
Income tax relating to items that may be reclassified subsequently to profit or loss	12,613	-	20,920	1
Other comprehensive income for the year, net of income tax	142,113	3	29,961	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 1,856,491	39	$ 803,801	23
EARNINGS PER SHARE (Note 24)				
Basic	$ 4.81		$ 2.19	
Diluted	4.77		2.19	

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

Chang Wah Technology Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Capital			Retained Earnings				Other Equity				
	Ordinary Shares	Capital Collected in Advance	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating the Financial Foreign Operations	Unrealized Gains and Losses on Financial Assets at Fair Value Comprehensive Income	Total	Treasury Shares	Total Equity
BALANCE AT JANUARY 1, 2020	$ 364,131	$ -	$ 4,230,789	$ 172,384	$ -	$ 668,884	$ 841,268	$ (127,027)	$ 33,043	$ (93,984)	$ (437,809)	$ 4,904,395
Appropriation of earnings												
Legal reserve	-	-	-	69,251	-	(69,251)	-	-	-	-	-	-
Special reserve	-	-	-	-	130,455	(130,455)	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	-	(459,148)	(459,148)	-	-	-	-	(459,148)
	-	-	-	69,251	130,455	(658,854)	(459,148)	-	-	-	-	(459,148)
Net profit for the year ended December 31, 2020	-	-	-	-	-	773,840	773,840	-	-	-	-	773,840
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	1,677	1,677	(83,681)	111,965	28,284	-	29,961
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	775,517	775,517	(83,681)	111,965	28,284	-	803,801
Share-based payment (Note 25)	-	-	23,144	-	-	-	-	-	-	-	53,667	76,811
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	74,294	74,294	-	(74,294)	(74,294)	-	-
BALANCE AT DECEMBER 31, 2020	364,131	-	4,253,933	241,635	130,455	859,841	1,231,931	(210,708)	70,714	(139,994)	(384,142)	5,325,859
Appropriation of earnings												
Legal reserve	-	-	-	104,886	-	(104,886)	-	-	-	-	-	-
Special reserve	-	-	-	-	(24,717)	24,717	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	-	(573,041)	(573,041)	-	-	-	-	(573,041)
	-	-	-	104,886	(24,717)	(653,210)	(573,041)	-	-	-	-	(573,041)
Equity component of convertible bonds issued by the Company (Note 16)	-	-	355,539	-	-	-	-	-	-	-	-	355,539
Net profit for the year ended December 31, 2021	-	-	-	-	-	1,714,378	1,714,378	-	-	-	-	1,714,378
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	587	587	(50,454)	191,980	141,526	-	142,113
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	1,714,965	1,714,965	(50,454)	191,980	141,526	-	1,856,491
Convertible bonds converted to ordinary shares (Note 16)	-	17,109	1,218,617	-	-	-	-	-	-	-	-	1,235,726
Share - based payment (Note 25)	-	-	44,726	-	-	-	-	-	-	-	42,141	86,867
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	172,162	172,162	-	(172,162)	(172,162)	-	-
BALANCE AT DECEMBER 31, 2021	$ 364,131	$ 17,109	$ 5,872,815	$ 346,521	$ 105,738	$ 2,093,758	$ 2,546,017	$ (261,162)	$ 90,532	$ (170,630)	$ (342,001)	$ 8,287,441

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

Chang Wah Technology Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 1,846,595	$ 727,233
Adjustments for:		
Depreciation expense	103,952	70,111
Amortization expense	6,327	3,045
Expected credit losses (gains)	997	(4,770)
Gain on financial assets at fair value through profit or loss	(17,925)	(18,541)
Finance costs	36,674	34,101
Interest income	(15,719)	(24,690)
Dividend income	(60,038)	(44,035)
Share-based compensation	9,865	8,548
Share of the profit of subsidiaries and associates	(1,406,708)	(646,643)
Loss (gain) on disposal of property, plant and equipment	(1,200)	19,124
Loss on disposal of investments accounted for using the equity method	-	15,995
(Reversal of) impairment loss recognized on non-financial assets	(5,974)	14,922
Unrealized gain on transations with subsidiaries	94	13
Others	(14,661)	(2,657)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(4,747)	52
Accounts receivable	(331,326)	168,209
Accounts receivable - related parties	(203,655)	4,386
Other receivables	(29,249)	8,767
Inventories	(297,251)	41,437
Other current assets	(15,976)	(25,446)
Contract liabilities - current	4,640	(4,999)
Accounts payable	150,713	83,548
Accounts payable - related parties	432,683	(279,356)
Other payables	133,745	7,841
Other current liabilities	(2,247)	1,011
Cash generated from operations	319,609	157,206
Interest received	16,728	24,677
Dividends received	60,038	1,329,901
Interest paid	(22,068)	(27,148)
Income taxes paid	(16,320)	(125,189)
Net cash generated from operating activities	357,987	1,359,447
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(601,600)	(808,853)

(Continued)

Chang Wah Technology Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2021	**2020**
Proceeds from disposal of financial assets at fair value through other comprehensive income	$ 660,057	$ 421,522
Proceeds from disposal of investments accounted for using the equity method	-	137,788
Acquisition of property, plant and equipment	(322,511)	(119,385)
Proceeds from disposal of property, plant and equipment	1,200	144
Decrease in other receivables - related parties	20,868	42,880
Acquisition of intangible assets	(6,395)	(2,001)
Decrease (increase) in other financial assets	406,414	(1,431,727)
Increase in other non-current assets	(1,249)	(144)
Increase in prepayments for equipment	(94,645)	(202,293)
Net cash generated from (used in) investing activities	62,139	(1,962,069)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	856,283	166,493
Repayments of short-term borrowings	(410,000)	(152,587)
Proceeds from issuance of convertible bonds	1,803,020	-
Proceeds from long-term borrowings	1,382,314	1,999,217
Repayments of long-term borrowings	(2,898,000)	(892,000)
Repayment of the principal portion of lease liabilities	(1,813)	(1,384)
Cash dividends paid	(467,445)	(437,957)
Treasury shares sold to employees	42,204	53,746
Net cash generated from financing activities	306,563	735,528
NET INCREASE IN CASH AND CASH EQUIVALENTS	726,689	132,906
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,004,216	871,310
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,730,905	$ 1,004,216

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

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Chang Wah Technology Co., Ltd. (the Company) was incorporated under the provisions of the Company Act on December 24, 2009. It mainly manufactures industrial plastic products and electronics components, and sells electronics components and machinery and tools.

The shares of the Company have been trading on the TPEx since September 2016.

As of December 31, 2021 and 2020, the parent company, Chang Wah Electromaterials Inc. (CWE), owned 54% of the Company's issued ordinary shares for both years.

The parent company only financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Company's board of directors and authorized for issue on March 17, 2022.

3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

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

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Company's accounting policies.

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

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

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

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

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

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

As of the date the parent company only financial statements were reported to the board of directors and authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company's financial position and financial performance and disclose the relevant impact when the assessment is completed.

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

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

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

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

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

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

As of the date the parent company only financial statements were reported to the board of directors and authorized for issue, the Company is continuously assessing the possible impact that the initial application of the other standards and the amendments and interpretations will have on its financial position and financial performance and disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For readers' convenience, the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the ROC. If inconsistencies arise between the English version and the Chinese version or if differences arise in the interpretations between the two versions, the Chinese version of the parent company only financial statements shall prevail. However, the accompanying parent company only financial statements do not include English translation of the additional footnote disclosures that are not required under generally accepted accounting principles but are required by the Securities and Futures Bureau for their oversight purposes.

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value.

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

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

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

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

The subsidiaries and associates are incorporated in the parent company only financial statements under the equity method. To make net profit for the year, other comprehensive income and equity in the parent company only financial statements equal to those attributed to owners of the Company on consolidated financial statements, the effect of the differences between basis of parent company only and basis of consolidation are adjusted in the investments accounted for using equity method, the related share of the profit or loss, the related share of other comprehensive income of subsidiaries and associates and related equity.

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

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

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

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

d. Foreign currencies

In preparing the parent company only financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

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

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

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting the parent company only financial statements, the financial statements of the Company and its foreign operations (including subsidiaries and associates in other countries or using currencies different from the currency of the Company) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., disposal of an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

e. Inventories

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

f. Investments accounted for using the equity method

The Company uses the equity method to account for its investments in subsidiaries and associates.

1) Investments in subsidiaries

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment is initially recognized at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the share of other equity of subsidiaries.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control over the subsidiary are accounted for as equity transaction. Difference between the carrying amount of the investment and the fair value of consideration paid or received is directly recognized in equity.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount (net of amortization or depreciation) that would have been recognized had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in subsequent periods.

Unrealized gains and losses resulting from downstream transactions with subsidiaries are eliminated in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized in the parent company only financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

2) Investments in associates

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

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

Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

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

Investments in associates are tested for impairment by treating the entire carrying amount of the investment as a single asset and then comparing that carrying amount to the estimated recoverable amount. Any impairment loss recognized is deducted from investment and the carrying amount of the investment is net of impairment loss. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment has subsequently increased.

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

When the Company transacts with its associates, profits or losses resulting from the transactions with the associates are recognized in the parent company only financial statements only to the extent of interests in the associates that are not related to the Company.

g. Property, plant and equipment

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

Property, plant and equipment in the course of construction are carried at cost. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use and depreciated accordingly.

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

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

h. Intangible assets

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

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

i. Impairment of property, plant and equipment, right-of-use assets and intangible assets

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

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

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

j. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i Financial asset at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value. Any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; and any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 28: Financial Instruments.

ii Financial assets at amortized cost

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

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

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

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

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset.

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

iii Investments in equity instruments at FVTOCI

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

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity.

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

b) Impairment of financial assets

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

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

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

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

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

ii Financial asset is more than 30 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

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

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another party.

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

2) Equity instruments

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

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

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

4) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Company is classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - others.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

k. Revenue recognition

The Company identifies contracts with customers, allocate the transaction price to the performance obligations and recognize revenue when performance obligations are satisfied.

1) Revenue from sale of goods

Revenue from the sale of goods is recognized when the committed goods are delivered from the Company to customers and the performance obligations are satisfied. Unearned sales revenues are recognized as contract liabilities until the performance obligations are satisfied.

Revenue is measured at fair value, which is the transaction price (net of commercial discounts and quantity discounts) agreed to by the Company with customers. Estimated discount or other allowances of the consideration received are recognized as refund liabilities. For a contract where the period between the date the Company transfers a promised good to a customer and the date the customer pays for that good is one year or less, the Company does not adjust the promised amount of consideration for any effect of a significant financing component.

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

2) Commission and revenue from the rendering of services

Commission is charged on the basis of calculation as stated in the contract, while revenue from the rendering of services is from the procurement of raw materials on behalf of customers and the provision of technical support services. Since the period between the date of service transferred and the date of collection is less than one year, the Company does not adjust the promised amount of consideration for the effect of the significant financing component.

l. Leasing

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

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

Right-of-use assets, which comprises the initial measurement of lease liabilities, are initially measured at cost and subsequently measured at cost less accumulated depreciation and adjusted for any remeasurement of the lease liabilities.

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments and variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss.

The Company negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease less than, the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Company elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Company recognizes the reduction in lease payment in profit or loss as other operating income, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

m. Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they are received.

The benefit of a government loan received at a below-market rate of interest is treated as a government grant, measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

n. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

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

o. Share-based payment arrangements

1) Employee share options granted to the employees of the Company

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Company's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of treasury shares transferred to employees is the date on which the number of shares that the employees purchase is confirmed.

2) Employee share options granted to the employees of subsidiaries

Employee share options granted by the Company to the employees of its subsidiaries for settlement by the Company's equity instruments are treated as capital contributions to the subsidiaries. The share options are measured at the fair value of the equity instruments on the grant date, and recognized over the vesting period as an increase in the carrying amount of the investments in the subsidiaries with a corresponding credit to capital surplus - employee share options.

p. Taxations

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

1) Current tax

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

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

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

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. If a temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, the resulting deferred tax asset or liability is not recognized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates.

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

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

3) Current and deferred taxes for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Company reviews the estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future period.

Key sources of estimation uncertainty - Estimated impairment of financial assets

The provision for impairment of accounts receivable is based on assumptions on probability of default and loss given default. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note 9. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2021	**2020**
Cash on hand	$ 50	$ 50
Checking accounts and demand deposits	1,431,623	796,846
Cash equivalents (investments with original maturities of less than three months)		
Time deposits	160,832	23,339
Bonds with repurchase agreements	138,400	183,981
	$ 1,730,905	$ 1,004,216

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31 2021	December 31 2020
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	$ 99,960	$ 87,430
Domestic convertible bonds	8,865	-
Derivative financial assets (not under hedge accounting)		
Convertible bonds (Note 16)	1,416	-
	$ 110,241	$ 87,430

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31 2021	December 31 2020
Investments in equity instruments		
Domestic listed shares	$ 832,720	$ 722,371

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

9. ACCOUNTS RECEIVABLE

	December 31 2021	December 31 2020
Accounts receivable		
Measured at amortized cost		
Gross carrying amount	$ 732,012	$ 400,686
Less: Allowance for impairment loss	1,343	346
	$ 730,669	$ 400,340
Accounts receivable - related parties		
Measured at amortized cost	$ 549,049	$ 345,394

Refer to Note 28 for accounting policies related to credit limits and credit management.

The loss allowance for the Company's accounts receivable is recognized by using the lifetime expected credit loss. The lifetime expected credit losses on accounts receivable are estimated by reference to the past default experience of the customers, current financial position of the customers, economic condition of the industry in which the customers operate, as well as the industry outlook. The Company writes off a accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. When the debtor has been placed under liquidation, or when the accounts receivable are over a certain days past due. For accounts receivable that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of accounts receivable.

December 31, 2021

	Not Past Due	Past Due 0 to 30 Days	Past Due 31 to 60 Days	Past Due 61 to 90 Days	Past Due Over 90 Days	Total
Expected credit loss rate	-	-	0 and 50	0 and 100	0 and 100	
Gross carrying amount	$ 1,175,999	$ 101,686	$ -	$ 1,110	$ 2,266	$ 1,281,061
Loss allowance (Lifetime ECL)	-	-	-	-	(1,343)	(1,343)
Amortized cost	$ 1,175,999	$ 101,686	$ -	$ 1,110	$ 923	$ 1,279,718

December 31, 2020

	Not Past Due	Past Due 0 to 30 Days	Past Due 31 to 60 Days	Past Due 61 to 90 Days	Past Due Over 90 Days	Total
Expected credit loss rate	-	-	0 and 50	0 and 100	0 and 100	
Gross carrying amount	$ 683,716	$ 61,040	$ 1,324	$ -	$ -	$ 746,080
Loss allowance (Lifetime ECL)	-	-	(346)	-	-	(346)
Amortized cost	$ 683,716	$ 61,040	$ 978	$ -	$ -	$ 745,734

The movements of the loss allowance of accounts receivable were as follows:

	For the Year Ended December 31 2021	2020
Balance, beginning of year	$ 346	$ 5,432
Recognition (reversal) in current year	997	(4,770)
Written off	-	(316)
Balance, end of year	$ 1,343	$ 346

10. INVENTORIES

	December 31 2021	2020
Raw materials	$ 52,875	$ 6,648
Supplies	4,048	3,241
Work in progress	55,289	17,774
Finished goods	80,197	45,834
Merchandise	213,407	35,199
Consumable supplies	7,075	970
	$ 412,891	$ 109,666

The cost of inventories recognized as operating cost for the years ended December 31, 2021 and 2020 was NT$4,185,608 thousand and NT$3,221,084 thousand, respectively, which included items as follows:

	For the Year Ended December 31 2021	2020
(Reversal of) write-downs of inventories	$ (5,974)	$ 14,922
Revenue from sale of scraps	(4,046)	(748)

For the year ended December 31, 2021, reversal of write-downs of inventories was due to the rise in raw materials prices and the selling of obsolete inventories.

11. OTHER FINANCIAL ASSETS

	December 31	
	2021	2020
Current		
Restricted deposits for projects	$ 1,006,266	$ 832,808
Pledged time deposits	-	296,890
	$ 1,006,266	$ 1,129,698
Non-current		
Pledged time deposits	$ 29,700	$ 5,700
Restricted deposits for projects	-	302,026
Deposits for reserve account	-	4,956
	$ 29,700	$ 312,682

Since the Company applied The Management, Utilization, and Taxation of Repatriated Offshore Funds Act, the earnings remitted from overseas subsidiary were recognized as restricted deposits for projects and determined whether they were current or non-current based on the expected time of use of funds.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2021	2020
Investments in subsidiaries		
SH Asia Pacific Pte. Ltd. (SHAP)	$ 4,904,602	$ 3,922,784
SH Electronics Taiwan Co., Ltd. (SHT)	1,601,219	1,213,514
CWTC (Shanghai) Inc. (CWTS)	84,170	74,761
	$ 6,589,991	$ 5,211,059

The proportion of ownership and voting rights at the end of the year was as follows:

	December 31	
	2021	2020
SHAP	100%	100%
SHT	100%	100%
CWTS	100%	100%

In August 2021, the Company's board of directors approved to merge with its subsidiary, SHT; and the base date for the merger is January 1, 2022.

13. PROPERTY, PLANT AND EQUIPMENT

For the year ended December 31, 2021

	Buildings	Machinery and Equipment	Tooling Equipment	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress and Equipment to be Inspected	Total
Cost								
Balance at January 1,2021	$ 88,388	$ 542,122	$ 76,907	$ -	$ 3,621	$ 33,663	$ 159,722	$ 904,423
Additions	330	227,100	12,660	1,627	3,813	20,964	170,814	437,308
Disposals	-	(2,910)	(6,962)	-	-	-	-	(9,872)
Reclassification	-	-	-	-	-	-	(1,926)	(1,926)
Balance at Dcember 31,2021	88,718	766,312	82,605	1,627	7,434	54,627	328,610	1,329,933
Accumulated depreciation								
Balance at January 1,2021	(24,923)	(288,336)	(70,947)	-	(3,435)	(20,160)	-	(407,801)
Depreciation	(5,025)	(83,593)	(6,274)	(68)	(441)	(6,467)	-	(101,868)
Disposals	-	2,910	6,962	-	-	-	-	9,872
Balance at Dcember 31,2021	(29,948)	(369,019)	(70,259)	(68)	(3,876)	(26,627)	-	(499,797)
Accumulated impairment								
Balance at January 1 and December 31,2021	-	(3,363)	-	-	-	-	-	(3,363)
Carrying amount at December 31,2021	$ 58,770	$ 393,930	$ 12,346	$ 1,559	$ 3,558	$ 28,000	$ 328,610	$ 826,773

For the year ended December 31, 2020

	Buildings	Machinery and Equipment	Tooling Equipment	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress and Equipment to be Inspected	Total
Cost								
Balance at January 1, 2020	$ 111,874	$ 411,449	$ 76,277	$ -	$ 3,411	$ 33,111	$ 68,570	$ 704,692
Additions	581	143,470	630	-	210	552	95,729	241,172
Disposals	(24,067)	(12,797)	-	-	-	-	-	(36,864)
Reclassification	-	-	-	-	-	-	(4,577)	(4,577)
Balance at December 31, 2020	88,388	542,122	76,907	-	3,621	33,663	159,722	904,423
Accumulated depreciation								
Balance at January 1, 2020	(24,486)	(250,019)	(61,564)	-	(2,941)	(15,628)	-	(354,638)
Depreciation	(5,380)	(48,692)	(9,383)	-	(494)	(4,532)	-	(68,481)
Disposals	4,943	10,375	-	-	-	-	-	15,318
Balance at December 31, 2020	(24,923)	(288,336)	(70,947)	-	(3,435)	(20,160)	-	(407,801)
Accumulated impairment								
Balance at January 1, 2020	-	(5,641)	-	-	-	-	-	(5,641)
Disposals	-	2,278	-	-	-	-	-	2,278
Balance at December 31, 2020	-	(3,363)	-	-	-	-	-	(3,363)
Carrying amount at December 31, 2020	$ 63,465	$ 250,423	$ 5,960	$ -	$ 186	$ 13,503	$ 159,722	$ 493,259

The following items of property, plant and equipment are depreciated on a straight-line basis over their useful lives as follows:

Buildings	
Main building	27 years
Renovation	3 years
Machinery and equipment	3-6 years
Tooling equipment	2-3 years
Office equipment	3 years
Other equipment	3-10 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	2020
Carrying amount		
Land	$ 23,157	$ 24,012
Buildings	5,305	3,800
	$ 28,462	$ 27,812

	For the Year Ended December 31	
	2021	2020
Additions to right-of-use assets	$ 2,734	$ -
Depreciation charge for right-of-use assets		
Land	(855)	(857)
Buildings	(1,229)	(773)
	$ (2,084)	$ (1,630)

Except for the depreciation of the right-of-use assets listed above, there was no significant sublease or impairment of the Company's right-of-use assets for the years ended December 31, 2021 and 2020.

b. Lease liabilities

	December 31	
	2021	2020
Carrying amount		
Current	$ 2,840	$ 1,405
Non-current	$ 26,411	$ 26,925

Discount rates (%) for lease liabilities were as follows:

	December 31	
	2021	2020
Land	2.1710	2.1710
Buildings	0.35-1.0819	1.0819

c. Material leasing activities and terms

The Company leases land from the government. The lease period will expire in August 2024, and the Company has the option to extend or terminate the contract. The Company does not have a purchase option to acquire the leased land at the expiration of the lease period. The government has the option to adjust the lease payments based on changes in announced land value.

The Company entered into a lease contract with its subsidiary, SHT, and its associate, JMC Electronics Co., Ltd. (JMC). The lease term will expire in October 2025 and August 2023, and the Company has the option to extend or terminate the contract. The Company does not have bargain purchase option to acquire the leased buildings at the expiration of the lease period.

d. Other lease information

	For the Year Ended December 31	
	2021	2020
Expenses relating to short-term leases	$ 855	$ 543
Expenses relating to low-value asset leases	$ 76	$ 78
Total cash outflow for leases	$ 3,355	$ 2,620

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

15. BORROWINGS

a. Short-term borrowings

	December 31	
	2021	2020
Credit loans	$ 1,172,065	$ 477,092
Secured loans (Note 30)	-	254,000
	$ 1,172,065	$ 731,092
Range of interest rate (%)	0-0.74	0.35-0.83

b. Long-term borrowings

	December 31	
	2021	2020
Syndicated bank loans (led by Bank of Taiwan)		
Syndicated loan B, interest rate at 1.797%	$ -	$ 550,000
Less: Syndicated loan fee	-	2,167
	-	547,833
Credit loans		
Bank credit loans maturities before June 2030, interest rates at 0%-1.1319% and 0.1%-1.19% p.a., respectively	1,736,873	2,702,559
	$ 1,736,873	$ 3,250,392

1) The Company has committed to maintain certain percentages and amounts for the current ratio, debt ratio, interest coverage ratio and total equity in the consolidated financial statements, and shareholding in its subsidiaries and seats on the board of directors during the loan period, which are reviewed at least once every six months. If the Company is not in compliance with the aforementioned restrictions on the financial rations and amounts, the Company should make improvements by the end of the year of submission of the annual consolidated financial statements or by the end of the second quarter of the next year's consolidated financial statements. If the restrictions are met, the Company will be deemed as not in violation of the restrictions, however, the interest rate will be raised. The Company's consolidated financial statements for the year ended December 31, 2021 was not in breach of the aforementioned restrictions.

2) The Company entered into a syndicated loan agreement with six banks led by Bank of Taiwan in January 2017. The loan had been repaid in full in January 2021. The syndicated agreement was terminated in June 2021.

3) The Company entered into a syndicated loan agreement of NT$7,200,000 thousand with seven banks led by First Commercial Bank in December 2020. The credit line can be used for loan A and loan B. The credit line of loan A is NT$7,200,000 thousand (or equivalent amount in USD, RMB or JPY), and the joint credit line with loan B cannot exceed NT$7,200,000 thousand. The credit line of loan B is NT$5,760,000 thousand, which can be used on a revolving basis during the loan period (5 years from the initial drawdown date), and is used for the purpose of repaying the loans of financial institutions and enriching medium-term working capital. In addition, the Company may extend the loan period by 2 years after obtaining the consent of the seven banks, within the period of six months starting from 4 years after the initial drawdown date.

4) The collateral of the syndicated loan listed in no.2 above is 100% of the equity of SHAP that is held by the Company. Refer to Note 30 for more details.

5) In September 2019, the Company obtained the approval letter from the Ministry of Economic Affairs (MOEA), Republic of China according to “Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan.” In accordance with the regulations, the Company is required to complete its investments within 3 years from the date of approval of the letter.

16. BONDS PAYABLE - DECEMBER 31, 2021

Liability component

a. Secured domestic convertible bonds

For the year ended December 31, 2021

	Face Value	Discounts on Bonds Payable (Note)	Total
Proceeds from issuance	$ 1,500,000	$ (44,569)	$ 1,455,431
Converted into ordinary shares	(1,278,800)	35,263	(1,243,537)
Amortization	-	3,274	3,274
Balance, end of the year (included in current - portion of bonds payable)	$ 221,200	$ (6,032)	$ 215,168

Note: Including transaction costs of NT$4,369 thousand.

b. Financial assets at FVTPL

	For the Year Ended December 31
Proceeds from issuance	$ 7,950
Converted into ordinary shares	(6,778)
Adjustments for change in value	244
Balance, end of the year	$ 1,416

Equity component

	For the Year Ended December 31
Proceeds from issuance (Note)	$ 355,539
Converted into ordinary shares	(303,109)
Balance, end of the year	$ 52,430

Note: Including transaction costs of NT$1,073 thousand.

The Company issued first secured domestic convertible bonds in July 2021. The bonds were issued at 120.56% of the face value. The total amount issued was NT$1,808,462 thousand with a face value of NT$100 thousand each, zero coupon rate and issuance period of 5 years. Hua Nan Commercial Bank and E. SUN Commercial Bank acted as guarantee banks. According to the regulations, the liabilities and conversion rights are separately recognized as liabilities and capital surplus – options, respectively; the embedded derivatives (redemption rights and put options) are recognized separately from the contract and included in financial assets at FVTPL. Liability components of non-derivative bonds are measured at amortized cost using the effective interest method (effective interest rate is 0.6034%). The discount amortization is recognized in current profit or loss. The conversion method is as follows:

Conversion right of bondholders

From October 20, 2021 to July 19, 2026, bondholders may request the conversion of bonds into ordinary shares of the Company in accordance with regulations (except for the relevant period of suspension of transfer as stipulated). The conversion price at the time of issuance is NT$75 per share. In case of ex-rights or ex-dividend, it should be adjusted according to the conversion price adjustment formula. As of December 31, 2021, the conversion price was adjusted to NT$74.5 per share.

Put options of bondholders

The benchmark date for the creditors' right to sell back the bonds is July 19, 2026 (3 years after the issuance date). The bondholders may request the Company to redeem the bonds in cash at face value.

Redemption right of the Company

From October 20, 2021 (the day following the 3-month issuance period) to June 9, 2024 (40 days before the expiration date), if the closing price of the Company's ordinary shares exceeds the conversion price by 30% for 30 consecutive business days or when the outstanding balance of bonds is less than 10% of the total face value of the original issue, the Company may redeem the outstanding convertible bonds in cash at face value.

As of December 31, 2021, the abovementioned secured convertible bonds with a face value of NT$1,278,800 thousand have been converted into 17,109 thousand ordinary shares of the Company. Since the benchmark date of capital increase has yet to be resolved by the board of directors, it is recorded under capital collected in advance. The portion of the net amount of conversion exceeding the par value of the ordinary shares is accounted for as capital surplus - convertible bond premium in the amount of NT$1,521,726 thousand; in addition, due to the exercise of the conversion right of bonds, the capital surplus - options recognized in the original issue decreased by NT$303,109 thousand.

The redemption right of this convertible bonds was exercised in January 2022 and the over-the-counter trading was terminated.

17. ACCOUNTS PAYABLE

	December 31	
	2021	2020
Accounts payable	$ 421,934	$ 271,221
Accounts payable - related parties	$ 790,493	$ 357,810

The Company has in place financial risk management policies to ensure that all payables are repaid within the credit period.

18. OTHER PAYABLES

	December 31	
	2021	2020
Salaries and bonuses	$ 95,972	$ 76,532
Purchases of equipment	56,808	58,806
Processing expenses	54,941	35,862
Employees' compensation and remuneration of directors	22,693	11,386
Others	103,319	28,194
	$ 333,733	$ 210,780

19. RETIREMENT BENEFIT PLAN

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan in the Republic of China. Based on the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

20. EQUITY

a. Ordinary shares

	December 31	
	2021	2020
Number of shares authorized (in thousands)	700,000	700,000
Shares authorized	$ 700,000	$ 700,000
Number of shares issued and fully paid (in thousands)	364,131	364,131
Shares issued	$ 364,131	$ 364,131

b. Capital surplus

	December 31	
	2021	2020
May be used to offset a deficit, distribute cash or transferred to share capital (Note)		
Additional paid-in capital	$ 4,224,188	$ 4,230,700
Convertible bonds premium	1,521,726	-
Treasury share transactions	74,382	23,144
Expired employee share options	89	89
May not be used for any purpose		
Warrants of convertible bonds	52,430	-
	$ 5,872,815	$ 4,253,933

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

c. Retained earnings and dividend policy

The Company's Articles of Incorporation stipulate that earnings distribution or loss make-up may be made after the close of each semi-annual fiscal period. If there is any surplus at the end of each semi-annual fiscal period, the Company shall first make up for losses, estimate and retain the taxable contributions and compensation to employees and directors, and set aside 10% of the legal reserve, except when the legal reserve has reached the Company's total capital, and set aside or reverse the special reserve as required by law or regulations prescribed by the competent authority. If there is any surplus, the remaining balance shall be added to the accumulated undistributed earnings of the previous semi-accounting year, and the board of directors shall prepare a proposal for the distribution of the earnings, which shall be resolved by the shareholders' meeting if the earnings are to be distributed by issuing new shares, or by the board of directors if the earnings are to be distributed in cash.

If there is any surplus in the Company's annual final accounts, the Company shall first pay taxes and make up for losses, and then set aside 10% as legal reserve, except when the accumulated legal reserve has reached the Company's total capital, and set aside or reverse the special reserve as required by law or the competent authority; if there is any remaining balance, the Company may give priority to the distribution of dividends from the preferred shares; if there is any unappropriated earnings from prior years, the Board of Directors shall prepare a proposal for the distribution of earnings, which shall be resolved by the shareholders' meeting if the distribution is to be made by issuing new shares.

The Company is in line with the overall environment and the growth characteristics of the industry, as well as the long-term financial planning of the Company, in order to achieve sustainable and stable business development. The Company's dividend policy is based on the residual dividend policy, which is based on the Company's future capital budget plan to measure the annual capital requirements, and the remaining earnings are distributed in the form of cash and stock dividends after reserving the necessary capital for financing. The distribution steps are as follows:

1) Determine the best capital budget.

2) Determine the amount of financing needed to meet the previous capital budget.

3) Determine the amount of capital to be financed by retained earnings.

4) The remaining earnings may be distributed to the shareholders in the form of dividends, after reserving an appropriate amount for operating needs, and the distribution should be no less than 10% of the Company's distributable earnings for the year, provided that the portion of cash dividends is no less than 10% of the total dividends to be paid.

Legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Under Rule No. 1010012865 and Rule No.1010047490 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", the Company should appropriate to or reverse from special reserve.

The appropriations of earnings for the first and second half of 2020 and 2019 have been approved by the Company's board of directors. The appropriations and cash dividends per share were as follows:

	For the Second Half of Year, 2020	**For the First Half of Year, 2020**	**For the Second Half of Year, 2019**	**For the First Half of Year, 2019**
Resolution Date of the Company's board of directors in its meeting	March 17, 2021	November 9, 2020	March 18, 2020	November 7, 2019
Legal reserve	$ 49,554	$ 35,428	$ 33,823	$ 26,775
Special reserve (reversal)	$ 9,539	$ 21,111	$ 109,344	$ (15,360)
Cash dividends to shareholders	$ 326,169	$ 141,276	$ 317,872	$ 120,085
Cash dividends per share (NT$)	$ 0.92	$ 0.40	$ 0.90	$ 0.34

The appropriations of earnings for 2021 had been approved by the Company's board of directors. The appropriations and dividends per share were as follows:

	For the Second Half of Year, 2021	**For the First Half of Year, 2021**
Resolution date of the Company's board of directors in its meeting	March 17, 2022	November 5, 2021
Legal reserve	$ 133,381	$ 55,332
Special reserve (reversal)	$ 64,892	$ (34,256)
Cash dividends to shareholders	$ 646,123	$ 246,872
Cash dividend per share (NT$)	$ 1.72	$ 0.68

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

d. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2021	**2020**
Balance, beginning of the year	$ (210,708)	$ (127,027)

(Continued)

	For the Year Ended December 31	
	2021	2020
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	$ (63,067)	$ (98,919)
Related income tax	12,613	19,784
Reclassification adjustments		
Disposal of shares of associates accounted for using the equity method	-	(5,682)
Related income tax	-	1,136
Balance, end of the year	$ (261,162)	$ (210,708)

(Concluded)

2) Unrealized gains and losses on financial assets at FVTOCI

	For the Year Ended December 31	
	2021	2020
Balance, beginning of the year	$ 70,714	$ 33,043
Recognized for the year		
Unrealized gains and losses - equity instruments	191,576	109,675
Related income tax	404	2,290
Cumulative unrealized gains and losses of equity instruments transferred to retained earnings due to disposal	(172,162)	(74,294)
Balance, end of the year	$ 90,532	$ 70,714

e. Treasury shares

	For the Year Ended December 31	
Purpose of Treasury Shares	2021	2020
Transferring to employees (in thousands of shares)		
Balance, beginning of the year	9,599	10,940
Reduction	1,053	1,341
Number of shares, end of the year	8,546	9,599
Amount of shares	$ 342,001	$ 384,142

In accordance with the Securities and Exchange Act, treasury shares held by the Company shall not be pledged, and do not hold any shareholder rights.

In June 2021 and December 2020, the Company's board of directors had decided to transfer part of the treasury shares to its employees. Refer to Note 25 for more details.

f. Employee restricted stock awards

On March 17, 2022, the Company's board of directors approved the issuance of employee restricted stock awards (RSAs) totaling 2,546 thousand shares for 2022. The grants will be made free of charge. The actual number of shares to be issued will be resolved by the board of directors after the RSAs is approved at the shareholders' meeting and by the competent authority.

21. OPERATING REVENUE

	For the Year Ended December 31	
	2021	2020
Revenue from sale of goods	$ 4,774,122	$ 3,498,009
Commission and revenue from the rendering of services	35,827	19,191
Other operating revenue	7,661	181
	$ 4,817,610	$ 3,517,381

a. Refer to Note 4 for information relating to the contracts with customers.

b. Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Accounts receivable	$ 1,279,718	$ 745,734	$ 913,559
Contract liabilities			
Sale of goods	$ 11,371	$ 6,731	$ 11,730

The changes in the balance of contract liabilities primarily result from the timing difference between the Company’s performance and the respective customer’s payment.

Revenue recognized in the current year from the satisfaction of performance obligations of the contract liabilities at the beginning of the year is as follows:

	For the Year Ended December 31	
	2021	2020
Sale of goods	$ 6,731	$ 11,730

c. Disaggregation of revenue

For the year ended December 31, 2021

	Reportable Segments			
	IC Leadframes	LED Leadframes	Others	Total
Type of goods or services				
Revenue from the sale of goods	$ 4,031,066	$ 743,056	$ -	$ 4,774,122
Commission and revenue from the rendering of services	35,827	-	-	35,827
Other operating revenue	6,542	544	575	7,661
	$ 4,073,435	$ 743,600	$ 575	$ 4,817,610

For the year ended December 31, 2020

Type of goods or services	Reportable Segments IC Leadframes	LED Leadframes	Others	Total
Revenue from the sale of goods	$ 2,917,076	$ 580,269	$ 664	$ 3,498,009
Commission and revenue from the rendering of services	19,191	-	-	19,191
Other operating revenue	-	181	-	181
	$ 2,936,267	$ 580,450	$ 664	$ 3,517,381

d. Partially completed contracts

The transaction prices, excluding any estimated amounts of variable consideration that are constrained, allocated to the performance obligations that are not fully satisfied and the expected timing for recognition of revenue are as follows:

	December 31 2021	2020
Sale of goods		
Fulfill in 2021	$ -	$ 6,731
Fulfill in 2022	11,371	-
	$ 11,371	$ 6,731

22. PROFIT BEFORE INCOME TAX

Profit before income tax includes the items as follows:

a. Other income

	For the Year Ended December 31 2021	2020
Dividend income	$ 60,038	$ 44,035
Government grants	14,547	20,134
Others	5,835	533
	$ 80,420	$ 64,702

b. Other gains and losses

	For the Year Ended December 31 2021	2020
Net foreign exchange losses	$ (55,365)	$ (103,867)
Loss on disposal of investments accounted for using the equity method	-	(15,995)

(Continued)

	For the Year Ended December 31	
	2021	2020
Net gain on financial assets at fair value through profit or loss	$ 17,925	$ 18,541
Others	(3,432)	(369)
	$ (40,872)	$ (101,690)

(Concluded)

Since Ohkuchi Materials Co., Ltd. (OM), which was an associate accounted for using the equity method terminated its lead frame manufacturing business in April 2020, the Company disposed of 44% of OM's ownership for NT$137,788 thousand (JPY490,000 thousand) and lost significant influence over OM; hence, the Company recognized a loss on disposal of investments of NT$15,995 thousand. The remaining 5% interest held by the Company was recognized at the fair value of the shares at the date of disposal of NT$15,658 thousand, and transferred to financial assets at FVTOCI - non-current. The amount generated by this transaction recognized in profit or loss is calculated as follows:

	For the Year Ended December 31, 2020
Proceeds of disposal	$ 137,788
Plus: Fair value of retained investment (5%)	15,658
Less: Carrying amount of investment on the date of loss of significant influence	(175,123)
Plus: Share of other comprehensive income of the associate	5,682
Loss recognized (included in other gains and losses)	$ (15,995)

c. Finance costs

	For the Year Ended December 31	
	2021	2020
Interest on bank loans	$ 30,427	$ 31,494
Amortization of discounts on bonds payable	3,274	-
Amortization of syndicated loan fee	2,407	2,000
Interest on lease liabilities	566	586
Others	-	21
	$ 36,674	$ 34,101

d. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
Depreciation		
Property, plant and equipment	$ 101,868	$ 68,481
Right-of use assets	2,084	1,630
	$ 103,952	$ 70,111

(Continued)

	For the Year Ended December 31	
	2021	2020
Analysis of depreciation by function		
Operating costs	$ 66,403	$ 49,223
Operating expenses	37,549	20,888
	$ 103,952	$ 70,111
Amortization		
Computer software	$ 5,689	$ 2,583
Patents	621	462
Other non-current assets	17	-
	$ 6,327	$ 3,045
Analysis of amortization by function		
Operating costs	$ 148	$ -
Operating expenses	6,179	3,045
	$ 6,327	$ 3,045

(Concluded)

e. Employee benefits

	For the Year Ended December 31	
	2021	2020
Post-employment benefits - Defined contribution plans	$ 5,657	$ 4,108
Other employee benefits	195,135	139,644
	$ 200,792	$ 143,752
Analysis of employee benefits by function		
Operating costs	$ 88,302	$ 50,290
Operating expenses	112,490	93,462
	$ 200,792	$ 143,752

In accordance with the Company's Articles, the Company accrues employees' compensation and remuneration of directors at the rates of 1% to 12% and no higher than 1.5%, respectively, of the pre-tax profit before deduction for employees' compensation and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2021 and 2020, which have been approved by the Company's board of directors in March 2022 and 2021, respectively, were as follows:

	For the Year Ended December 31	
	2021	2020
Employees' compensation - cash	$ 18,693	$ 7,386
Remuneration of directors - cash	$ 4,000	$ 4,000

Accrual rate		
Employees' compensation (%)	1.0	1.0
Remuneration of directors (%)	0.2	0.5

The difference between the amount recognized and approved by Company's board of directors is recorded as a change in accounting estimate and will be adjusted in the next year.

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

Information on the employees' compensation and remuneration of directors resolved by the board of directors are available at the Market Observation Post System website of the Taiwan Stock Exchange.

f. Others

	For the Year Ended December 31	
	2021	**2020**
Gain (loss) on disposal of property, plant and equipment (included in operating costs)	$ 1,200	$ (19,124)

23. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense (benefit) are as follows:

	For the Year Ended December 31	
	2021	**2020**
Current tax		
In respect of the current year	$ 73,526	$ 130,371
Adjustments for prior years	(8,573)	(11,911)
Income tax on unappropriated earnings	3,419	-
Deferred tax		
In respect of the current year	63,845	(165,067)
	$ 132,217	$ (46,607)

The reconciliation of accounting profit and income tax expense (benefit) was as follows:

	For the Year Ended December 31	
	2021	**2020**
Profit before income tax	$ 1,846,595	$ 727,233
Income tax expense calculated at the statutory rate	$ 369,945	$ 146,166
Non-recognizable gains in determining taxable income	(87,483)	(26,224)
Income tax on unappropriated earnings	3,419	-
Separate taxation on repatriated offshore funds	-	102,869
Unrecognized temporary differences	(145,091)	(257,507)
Adjustment for prior years	(8,573)	(11,911)
	$ 132,217	$ (46,607)

b. Income tax expense (benefit) recognized in other comprehensive income

	For the Year Ended December 31	
	2021	2020
Deferred tax		
Exchange differences on translating the financial statements of foreign operations	$ (12,613)	$ (20,920)
Unrealized gains and losses on financial assets at FVTOCI	(404)	(2,290)
	$ (13,017)	$ (23,210)

c. Current tax liabilities

	December 31	
	2021	2020
Current tax liabilities		
Income tax payable	$ 62,292	$ 10,240

d. Deferred tax assets and liabilities

Movements of deferred tax assets and liabilities were as follows:

For the year ended December 31, 2021

Deferred tax assets	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance, End of Year
Temporary differences				
Exchange differences on translating the financial statements of foreign operations	$ 52,675	$ -	$ 12,613	$ 65,288
Write-downs of inventories	10,682	(1,195)	-	9,487
Unrealized exchange losses	11,543	1,741	-	13,284
Others	3,910	1,307	404	5,621
	$ 78,810	$ 1,853	$ 13,017	$ 93,680
Deferred tax liabilities				
Temporary differences				
Share of profit from foreign subsidiaries accounted for using the equity method	$ 176,412	$ 65,698	$ -	$ 242,110

For the year ended December 31, 2020

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance, End of Year
Deferred tax assets				
Temporary differences				
Exchange differences on translating the financial statements of foreign operations	$ 31,755	$ -	$ 20,920	$ 52,675
Write-downs of inventories	7,698	2,984	-	10,682
Unrealized exchange losses	1,585	9,958	-	11,543
Others	1,614	6	2,290	3,910
	$ 42,652	$ 12,948	$ 23,210	$ 78,810
Deferred tax liabilities				
Temporary differences				
Share of profit from foreign subsidiaries accounted for using the equity method	$ 321,912	$ (145,500)	$ -	$ 176,412
Unrealized gains on financial assets	4,157	(4,157)	-	-
Gain from bargain purchase	2,462	(2,462)	-	-
	$ 328,531	$ (152,119)	$ -	$ 176,412

e. Income tax assessments

The income tax returns of the Company through 2019 have been assessed by the tax authorities.

24. EARNINGS PER SHARE

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

	For the Year Ended December 31	
	2021	2020
Net profit for the year	$ 1,714,378	$ 773,840
Effect of potentially dilutive ordinary shares		
Convertible bonds	315	-
	$ 1,714,693	$ 773,840

Weighted average number of ordinary shares outstanding (in thousands of shares)

	For the Year Ended December 31	
	2021	2020
Weighted average number of ordinary shares used in computation of basic earnings per share	356,736	353,198
Effect of potentially dilutive ordinary shares		
Convertible bonds	2,357	-
Employees' compensation	202	206
Weighted average number of ordinary shares used in the computation of diluted earnings per share	359,295	353,404

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

25. SHARE-BASED PAYMENT ARRANGEMENTS

For the purposes of motivating the employees and enhancing internal cohesion, in December 2020, the Company's board of directors transferred treasury shares that were purchased in 2018 to employees of the Company and its subsidiaries that met certain criteria. In 2020, 1,341 thousand shares had been transferred and the transfer price was NT$40.2 per share. The grant date was December 30, 2020. The Company recognized NT$8,548 thousand as share-based compensation costs and NT$23,144 thousand as capital surplus - treasury shares. Besides, in June 2021, the Company's board of directors transferred treasury shares that were purchased in 2018 to employees of the Company, its subsidiaries and parent company that met certain criteria. In 2021, 1,053 thousand shares had been transferred and the transfer price was NT$40.2 per share. The grant date is July 8, 2021. After the transfer, the Company recognized NT$9,865 thousand as share-based compensation costs and NT$51,238 thousand as capital surplus - treasury shares.

The share-based payment arrangement on the grant date is calculated by using the closing price of the shares at the grant date less the performance price used to estimate the fair value of the share option.

26. NON-CASH TRANSACTIONS

The Company entered into the following non-cash investing activities that were not reflected in the statements of cash flows:

	For the Year Ended December 31	
	2021	2020
Investing activities affecting both cash and non-cash items		
Increase in property, plant and equipment	$ 437,308	$ 241,172
Decrease in prepayments for equipment	(112,538)	(86,051)
Increase in payables for equipment (classified under other payables)	(2,259)	(35,736)
Cash paid	$ 322,511	$ 119,385

(Continued)

	For the Year Ended December 31	
	2021	2020
Increase in intangible assets	$ 12,988	$ 6,825
Decrease in prepayments for equipment	(12,988)	(3,429)
Decrease (increase) in payables for equipment (classified under other payables)	6,395	(1,395)
Cash paid	$ 6,395	$ 2,001

(Concluded)

27. CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The overall strategy of the Company did not change significantly in 2021.

The capital structure of the Company consists of net debt and equity of the Company. The Company's long-term borrowings are subject to certain capital and financial ratio restrictions based on signed contracts. Refer to Note 15 for more information.

The key management personnel of the Company reviews the capital structure periodically in consideration of the current operation in the industry and the future development and external environmental changes. As part of the review, the key management personnel considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Company may adjust the amount of dividends paid to shareholders, the number of shares issued, repurchase and the amount of new debt issued or existing debt redeemed.

28. FINANCIAL INSTRUMENTS

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

   The Company believes the carrying amounts of financial assets and liabilities recognized in the financial statements approximate their fair values.

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

   1) Fair value hierarchy

      December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non - derivatives				
Mutual funds	$ 99,960	$ -	$ -	$ 99,960
Domestic convertible bonds	8,865	-	-	8,865

(Continued)

	Level 1	Level 2	Level 3	Total
Derivatives				
Net redemption and put option of convertible bonds	$ -	$ -	$ 1,416	$ 1,416
	$ 108,825	$ -	$ 1,416	$ 110,241
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 832,720	$ -	$ -	$ 832,720

(Concluded)

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 87,430	$ -	$ -	$ 87,430
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 722,371	$ -	$ -	$ 722,371

There was no transfer between Level 1 and Level 2 for the years ended December 31, 2021 and 2020.

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

The financial assets of the Company and its subsidiaries measured at fair value based on Level 3 are derivatives at FVTPL and foreign private funds at FVTOCI. The reconciliations were as follows:

	For the Year Ended December 31	
	2021	2020
Balance, beginning of the year	$ -	$ 68,941
Additions	7,950	15,658
Conversions	(6,778)	-
Return of capital and distributions	-	(69,289)
Recognized in profit or loss (included in other gains and losses)	244	348
Recognized in other comprehensive income	-	(15,658)
Balance, end of the year	$ 1,416	$ -

3) Valuation techniques and assumptions applied for the purpose of Level 3 fair value measurement

The fair value of derivative assets - convertible bonds redemption rights and put options is measured using binominal tree model by using significant but unobservable inputs as fluctuation of stock price. When the fluctuation of stock price increases, the fair value is deemed to increase.

The fair value of foreign non-listed stocks is measured by the market method with reference to the evaluation multiplier of companies of the same type and the company's operating conditions.

c. Categories of financial instruments

	December 31	
	2021	2020
Financial assets		
Financial assets mandatorily classified as at FVTPL	$ 110,241	$ 87,430
Financial assets at amortized cost (Note 1)	4,486,381	3,609,269
Financial assets at FVTOCI - equity instruments	832,720	722,371
Financial liabilities		
Financial liabilities at amortized cost (Note 2)	4,670,266	4,821,295

Note 1: The balances included financial assets at amortized cost are comprised of cash and cash equivalents, accounts receivable (including related parties), other receivables, refundable deposits (included in other non-current assets), and other financial assets.

Note 2: The balances included financial liabilities at amortized cost are comprised of short-term borrowings, accounts payable (including related parties), other payables, current portion of bonds payable, and long-term borrowings.

d. Financial risk management objectives and policies

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

The significant financial activities of the Company are reviewed by the board of directors in accordance with relevant regulations and internal controls. The finance department follows the accountability and related financial risk control procedures required by the Company for executing financial projects. Compliance with policies and exposure limits is continually reviewed by the internal auditors. The Company did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Company’s activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price (see (c) below).

There has been no change to the Company’s exposure to market risks or the manner in which these risks are managed and measured in 2021.

a) Foreign currency risk

The Company was exposed to foreign currency risk due to sales, purchases, capital expenditures and equity investments denominated in foreign currencies. Exchange rate exposures were managed within approved policy parameters and by natural hedges of foreign deposits, foreign borrowings or foreign bond.

For the carrying amounts of the Company's significant non-functional currency denominated monetary assets and liabilities at the balance sheet date, refer to Note 33.

The Company is mainly exposed to the USD. The following table details the Company's sensitivity to a 1% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the USD. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%.

	Impact on Profit or Loss (USD)	
	For the Year Ended December 31	
	2021	**2020**
Profit before income tax (Note)	$ (20,292)	$ (27,344)

Note: This was mainly attributable to the exposure outstanding on USD including cash and cash equivalents, accounts receivable (including related parties), other receivables, other financial assets, short-term borrowings, accounts payable (including related parties) and other payables which were not hedged at the balance sheet date.

In management's opinion, the sensitivity analysis was unrepresentative of the inherent foreign exchange risk because the exposure at the balance sheet date did not reflect the exposure during the period. Sales in USD will fluctuate based on different contracts and the business cycle.

b) Interest rate risk

The Company is exposed to interest rate risk because the Company borrows funds at floating interest rates. The risk is managed by the Company by utilizing low-interest-rate financing methods. By taking advantage of the low interest rates, the Company can not only maintain low financing costs but have sufficient lines of credit for utilization.

The carrying amounts of the Company' financial assets and liabilities with exposure to interest rates at the balance sheet date were as follows:

	December 31	
	2021	**2020**
Fair value interest rate risk		
Financial liabilities	$ 29,251	$ 28,330
Cash flow interest rate risk		
Financial assets	2,356,177	1,545,973
Financial liabilities	2,629,808	3,981,484

The sensitivity analysis below was determined based on the Company's exposure to financial instruments at the balance sheet date. For floating rate liabilities, the analysis was prepared assuming the amount of the liabilities outstanding at the balance sheet date was outstanding for the whole year. A 1% basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been higher/lower 1% and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2021 and 2020 would have decreased/increased by NT$26,298 thousand and NT$39,815 thousand, respectively.

c) Other price risk

The Company is exposed to other price risk through its investments in equity securities and bonds.

If equity prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by NT$1,088 thousand and NT$874 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the year ended December 31, 2021 and 2020 would have increased/decreased by NT$8,327 thousand and NT$7,224 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. At the end of the year, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation is the carrying amount of financial assets recognized in the balance sheets.

The Company's transaction counterparties are all creditworthy companies, and the relevant business units grant credit lines to their customers based on the results of each credit check, and also regularly tracks customer collections. Therefore, no significant credit risk is expected.

There are a number of major customers when it comes to accounts receivable counterparties. They are mostly engaged in commercial activities, and have similar economic characteristics and similar ability to fulfill contracts affected by the economic or other conditions. The receivables balances (accounts receivable and other receivables, including related parties) with significant credit risk were as follows:

	December 31	
Customer	**2021**	**2020**
SH Electronics Suzhou Co., Ltd. (SHS)	$ 388,425	$ 409,293
CWE	269,425	176,402
	$ 657,850	$ 585,695

The Company provided endorsements for its investee companies as of December 31, 2021 and 2020. The maximum amount of credit risk for providing endorsements for the investee companies was NT$107,537 thousand and NT$110,645 thousand, respectively.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2021 and 2020, the Company had available unutilized credit facilities of NT$14,008,503 thousand and NT$13,022,749 thousand, respectively.

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

Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights.

To the extent that interest flows are at floating rate, the undiscounted amount was estimated by the interest rate at the end of the reporting period.

	Less than 1 Year	**1-5 Years**	**Over 5 Years**	**Total**
December 31, 2021				
Non-interest bearing liabilities	$ 1,793,032	$ -	$ -	$ 1,793,032
Lease liabilities	3,340	7,918	25,737	36,995
Variable interest rate liabilities	899,705	1,004,243	736,942	2,640,890
Fixed interest rate liabilities	500,330	-	-	500,330
Financial guarantee liabilities	107,537	-	-	107,537
	$ 3,303,944	$ 1,012,161	$ 762,679	$ 5,078,784
December 31, 2020				
Non-interest bearing liabilities	$ 981,087	$ -	$ -	$ 981,087
Lease liabilities	1,968	7,806	26,902	36,676
Variable interest rate liabilities	759,744	2,354,672	905,160	4,019,576
Financial guarantee liabilities	110,645	-	-	110,645
	$ 1,853,444	$ 2,362,478	$ 932,062	$ 5,147,984

The amounts included above for financial guarantee contracts are the maximum amounts the Company could be required to settle under the arrangement with an option to demand the full guaranteed amount if that amount is claimed by the counterparty of the financial guarantee contract. Based on expectations at the end of the year, the Company considers that it is more likely than not that no amount will be payable under the arrangement.

29. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and related parties are disclosed below:

a. Names of related parties and their relationships with the Company

Related Party Name	Relationship
CWE	Parent company
Wah Lee Industrial Corp.	Investment company that adopts equity method to evaluate the parent company
JMC	Associate
Chang Wah Energy Technology Co., Ltd.	Associate
OM	Investment accounted for using the equity method (disposed of 44% of its ownership, which results in the Company losing significant influence in April 2020. OM was no longer a related party since then)
CWTS	Subsidiary
SHT	Subsidiary
SHAP	Subsidiary
SH Precision Chengdu Co., Ltd. (SHPC)	Subsidiary
SH Electronics Chengdu Co., Ltd. (SHEC)	Subsidiary
SHS	Subsidiary
Malaysian SH Electronics Sdn. Bhd. (MSHE)	Subsidiary
Shanghai Chang Wah Electromaterials Inc. (CWES)	Subsidiary

b. Operating revenues

Account Item	Related Party Category/Name	For the Year Ended December 31 2021	2020
Revenue from sales of goods	Parent company - CWE	$ 790,449	$ 625,635
	Subsidiaries	503,676	296,263
	Associates	-	5
Commission and revenue from the rendering of services	Parent company	28,138	10,977
	Subsidiaries	7,690	8,214
Other operating income	Parent company	6,665	-
		$ 1,336,618	$ 941,094

Sales to related parties were under normal terms applied to similar transactions in the market. Commission and revenue from the rendering of services are different from and not comparable with that of non-related parties. Payment terms are 30-180 days from the end of the month, and the general customer payment terms are 30-120 days from the end of the month.

c. Purchase of goods

Related Party Category/Name	For the Year Ended December 31 2021	2020
Subsidiary - SHEC	$ 911,820	$ 824,882
Subsidiary - SHS	897,709	656,709
Subsidiary - MSHE	773,965	596,800
Subsidiaries - SHT	517,627	41,525

(Continued)

Related Party Category/Name	For the Year Ended December 31 2021	2020
Investment company that adopts equity method to evaluate the parent company	$ 10,674	$ 2,381
Parent Company	6,182	2,624
Investments accounted for using the equity method-OM	-	266,507
	$ 3,117,977	$ 2,391,428

(Concluded)

The purchase price is different from and not comparable with that for non-related parties. Payment terms are 15 days after purchasing to 120 days from the end of the month, and the general customer payment terms are 30-120 days from the end of the month.

d. Endorsements and guarantees provided for the related parties

Related Party Category/Name	For the Year Ended December 31 2021	2020
Subsidiary - CWES		
Amount endorsed	$ 107,537	$ 110,645
Amount utilized	107,537	110,645

e. Receivables from related parties

Account Item	Related Party Category/Name	December 31 2021	2020
Other receivables	Subsidiary - SHS	$ 387,520	$ 407,264
Interest income	Subsidiary - SHS	$ 3,743	$ 8,587

The Company provides unsecured short-term lending to its subsidiary. The interest rates are similar with the market interest rates. For the years ended December 31, 2021 and 2020, the interest rate ranges were both 0.9%-2%.

f. Remuneration of key management personnel

	For the Year Ended December 31 2021	2020
Short-term employee benefits	$ 18,742	$ 17,617
Share-based payments	-	6,708
Post-employment benefits	359	362
	$ 19,101	$ 24,687

g. Acquisition of property, plant and equipment

Related Party Category/Name	Purchase Price For the Year Ended December 31 2021	2020
Parent company	$ 8,448	$ 338
Associates	8,000	-
Subsidiaries	49	1,526
	$ 16,497	$ 1,864

The amount of the acquisition price and the payment terms determined based on agreement by both parties.

h. Lease arrangements

Lease liabilities

Related Party Category/Name	December 31 2021	2020
Subsidiary - SHT	$ 3,077	$ 3,841
Associates	2,280	-
	$ 5,357	$ 3,841

Interest expense

Related Party Category/Name	For the Year Ended December 31 2021	2020
Subsidiary	$ 38	$ 46
Associates	3	-
	$ 41	$ 46

i. Other transactions with related parties

In 2021 and 2020, the Company relied on the processing services provided by SH Electronics Taiwan Co., Ltd.; the processing expenses were recognized as operating costs and research and development expenses of NT$137,828 thousand and NT$89,321 thousand, respectively.

j. Balance at period-end

	December 31 2021	2020
Accounts receivable - related parties		
Parent Company - CWE	$ 269,147	$ 176,402
Subsidiary - SHPC	150,326	100,141
Subsidiary - CWTS	83,438	52,137
Subsidiaries - Others	46,138	16,714
	$ 549,049	$ 345,394

(Continued)

	December 31	
	2021	2020
Other receivables		
Subsidiary - SHS	$ 388,425	$ 409,293
Subsidiaries - Others	961	378
Parent company	278	-
	$ 389,664	$ 409,671
Accounts payable - related parties		
Subsidiaries - SHT	$ 251,338	$ 13,389
Subsidiary - SHEC	199,717	110,751
Subsidiary - MSHE	193,082	175,234
Subsidiary - SHS	140,160	56,502
Investment company that adopts equity method to evaluate the Parent company	3,882	479
Parent company	2,314	1,455
	$ 790,493	$ 357,810
Other payables		
Subsidiary - SHT	$ 111,136	$ 39,655
Subsidiaries - Others	11,223	6,545
Parent company	260	-
	$ 122,619	$ 46,200

(Concluded)

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for import tariffs, guarantees for purchase performance and short-term and long-term borrowings:

	December 31	
	2021	2020
Other financial assets		
Time deposits and reserve accounts	$ 29,700	$ 307,546
Investee companies accounted for using the equity method - SHAP	-	3,922,784
	$ 29,700	$ 4,230,330

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

The Company's commitments for the purchase of property, plant and equipment amounted to approximately NT$551,511 thousand, of which NT$451,772 thousand was unpaid.

32. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In March 2022, the board of directors in its meeting resolved to purchase land and plant from MEKTEC Corp. The total price is expected to be NT$450,000 thousand and negotiated with reference to the appraisal report issued by an independent professional institution.

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currency of the Company and the exchange rates between the foreign currencies and the functional currency were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount (In Thousands)
December 31, 2021				
Financial assets				
Monetary items				
USD	$ 140,638	27.68	(USD:NTD)	$ 3,892,869
JPY	637,150	0.2405	(JPY:NTD)	153,235
RMB	40,806	4.3471	(RMB:NTD)	177,387
Financial liabilities				
Monetary items				
USD	67,329	27.68	(USD:NTD)	1,863,680
JPY	151,946	0.2405	(JPY:NTD)	36,543
RMB	16,772	4.3471	(RMB:NTD)	72,911
Non-monetary items				
Subsidiaries accounted for using the equity method				
USD	177,189	27.68	(USD:NTD)	4,904,602
RMB	19,362	4.3471	(RMB:NTD)	84,170
December 31, 2020				
Financial assets				
Monetary items				
USD	116,107	28.48	(USD:NTD)	3,306,719
JPY	130,761	0.2763	(JPY:NTD)	36,129
RMB	27,688	4.3648	(RMB:NTD)	120,852
Financial liabilities				
Monetary items				
USD	20,096	28.48	(USD:NTD)	572,328
JPY	499,120	0.2763	(JPY:NTD)	137,907
RMB	8,158	4.3648	(RMB:NTD)	35,608

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount (In Thousands)
Non-monetary items				
Subsidiaries accounted for using the equity method				
USD	$ 137,738	28.48	(USD:NTD)	$ 3,922,784
RMB	17,128	4.3648	(RMB:NTD)	74,761

(Concluded)

Please refer to Note 22 for the Company's realized and unrealized foreign exchange gains and losses. It is impractical to disclose net foreign exchange gains and losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currency.

34. ADDITIONAL DISCLOSURES

a. Information about significant transactions and investees; b. Information on investees

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Marketable securities held (excluding investments in subsidiaries and associates) (Table 3)

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

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

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

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 4)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 5)

9) Trading in derivative instruments (Note 7)

10) Information on investees (Table 6)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment gain or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 7)

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

   a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period (Table 4)

   b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period (Table 4)

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

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

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

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

d. Information of major shareholders: list of all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 8)

35. SEGMENT INFORMATION

Segment information is not required to be disclosed in the parent company only financial statements.

Chang Wah Technology Co., Ltd. and Subsidiaries

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

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate (%)	Nature of Financing (Note 1)	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amount Limits	Note
													Item	Value			
0	The Company	SH Electronics Suzhou Co., Ltd.	Other receivables	Yes	$ 395,824	$ 387,520	$ 387,520	0.9-2	1	$ 897,709	-	$ -	None	$ -	$ 3,314,976	$ 3,314,976	Note 2
0	The Company	Shanghai Chang Wah Electromaterials Inc.	Other receivables	Yes	41,520	-	-	2-2.5	2	-	Operating capital	-	None	-	3,314,976	3,314,976	Note 2
1	SH Electronics Chengdu Co., Ltd.	SH Electronics Suzhou Co., Ltd.	Other receivables	Yes	166,080	166,080	-	0.9-1	2	-	Repayments of borrowings	-	None	-	833,094	833,094	Note 3

Note 1: The nature of financing is as follows:

1. Business relationship.
2. The need for short-term financing.

Note 2: The maximum amount of the total loan of funds provided by the Company for the companies or the parties which has business relationship or need short-term financing shall not exceed 40% of the net worth in the latest audited or reviewed financial statements of the Company, and the term of each loan shall not exceed one year.

Note 3: The maximum amount of the total loan of funds provided by SH Electronics Chengdu Co., Ltd. for the companies or the parties which need short-term financing shall not exceed net worth on the latest audited or reviewed financial statements of SH Electronics Chengdu Co., Ltd. If the loan is made to a company in which the parent company has directly or indirectly, 100% of the ownership or voting rights of the company, the amount shall not exceed the lender's net worth its latest audited or reviewed financial statements. For other companies, the amount shall not exceed the lender's 40% of the net worth in its latest audited or reviewed financial statements. The term of each loan shall not exceed one year. If the loan is made to a company in which the parent company has directly or indirectly, 100% of the ownership or voting rights of the company, the term of the loan shall not exceed five years.

TABLE 2

Chang Wah Technology Co., Ltd. and Subsidiaries

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

No.	Endorsement/ Guarantee Provider	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 1)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable (Note 1)	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Nature of Relationship (Note 2)											
0	The Company	Shanghai Chang Wah Electromaterials Inc.	2	$ 1,657,488	$ 107,537	$ 107,537	$ 107,537	$ -	1.3	$ 4,143,721	Yes	No	Yes	

Note 1: The amount of guarantees to any individual entity shall not exceed 20% of the Company's net worth. The maximum amount of guarantees shall not exceed 50% of the Company's net worth.

Note 2: Relationships between the endorser/guarantor and the party being endorsed/guaranteed are as follows:

a. A company with which it does business.

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

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

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

e. 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.

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

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

TABLE 3

Chang Wah Technology Co., Ltd. and Subsidiaries

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Stock - ordinary shares							
	Wah Lee Industrial Corp.	Investment company that adopts equity method to evaluate the parent company	Financial assets at fair value through other comprehensive income	949,000	$ 101,543	0.40	$ 101,543	
	Taiflex Scientific Co., Ltd.	-	Financial assets at fair value through other comprehensive income	3,131,000	148,723	1.50	148,723	
	Greatek Electronics Inc.	-	Financial assets at fair value through other comprehensive income	381,000	29,756	0.07	29,756	
	Cleanway Co., Ltd.	-	Financial assets at fair value through other comprehensive income	131,000	30,588	0.12	30,588	
	Tian Zheng International Precision Machinery Co., Ltd.	-	Financial assets at fair value through other comprehensive income	291,000	27,005	0.87	27,005	
	Chipbond Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income	5,336,000	355,911	0.72	355,911	
	Acter Group Co., Ltd.	-	Financial assets at fair value through other comprehensive income	627,000	139,194	1.10	139,194	
	Ohkuchi Materials Co., Ltd.	-	Financial assets at fair value through other comprehensive income	50	-	5.00	-	
	Convertible bonds							
	Lion Travel Service Co., Ltd.	-	Financial assets at fair value through profit or loss	90,000	8,865	-	8,865	
	Fund							
	Yuanta Taiwan High-yield Leading Company Fund B	-	Financial assets at fair value through profit or loss	7,000,000	99,960	-	99,960	

TABLE 4

Chang Wah Technology Co., Ltd. and Subsidiaries

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Term	Ending Balance	% of Total	
The Company	Chang Wah Electromaterials Inc.	Parent company	Sale	$ (790,449)	(17)	60 days	Not significantly different	Note 29	$ 250,128	20	
	SH Asia Pacific Pte. Ltd.	Subsidiary	Sale	(189,613)	(4)	30 days	Not significantly different	Note 29	11,445	1	
	CWTC (Shanghai) Inc.	Subsidiary	Sale	(211,854)	(4)	180 days	Not significantly different	Note 29	83,438	7	
SH Electronics Taiwan Co., Ltd.	Chang Wah Electromaterials Inc.	Ultimate parent company	Sale	(2,128,492)	(69)	30 days	Not significantly different	30 days	465,629	55	
	The Company	Parent company	Sale	(519,689)	(17)	90 days	Not significantly different	90 days	348,508	41	
Malaysian SH Electronics Sdn. Bhd.	The Company	Parent company	Sale	(772,917)	(31)	60 days	Not significantly different	60 days	195,850	34	
SH Electronics Chengdu Co., Ltd.	The Company	Parent company	Sale	(907,748)	(63)	45 days	Not significantly different	45 days	199,325	67	
SH Precision Chengdu Co., Ltd.	SH Electronics Chengdu Co., Ltd.	Sister company	Sale	(776,752)	(99)	60 days	Not significantly different	60 days	138,825	100	
SH Electronics Suzhou Co., Ltd.	The Company	Parent company	Sale	(924,057)	(36)	15 days	Not significantly different	15 days	147,808	32	
	Shanghai Chang Wah Electromaterials Inc.	Sister company	Sale	(120,111)	(5)	45 days	Not significantly different	45 days	22,327	5	
	Malaysian SH Electronics Sdn. Bhd.	Sister company	Sale	(121,822)	(5)	30 days	Not significantly different	30 days	13,914	3	
	SH Electronics Taiwan Co., Ltd.	Sister company	Sale	(505,267)	(20)	15 days	Not significantly different	15 days	19,922	4	

Note : Since the par value of the Company's share is NT$1, the transaction amount of 20% of the paid-in capital is calculated based on the 10% of the equity attributable to the owners of the Company.

TABLE 5

Chang Wah Technology Co., Ltd. and Subsidiaries

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Doubtful Accounts
					Amount	Actions Taken		
The Company	Chang Wah Electromaterials Inc.	Parent company	Accounts receivable $ 269,147 (Note 1)	3.70	$ -	-	$ 263,224	$ -
The Company	SH Precision Chengdu Co., Ltd.	Subsidiary	Accounts receivable 150,326	Note 2	-	-	63,006	-
SH Electronics Taiwan Co., Ltd.	Chang Wah Electromaterials Inc.	Ultimate parent company	Accounts receivable 465,629	5.14	-	-	456,259	-
	The Company	Parent company	Accounts receivable 348,508	2.60	-	-	348,508	-
Malaysian SH Electronics Sdn. Bhd.	The Company	Parent company	Accounts receivable 195,850	4.11	-	-	195,850	-
SH Electronics Chengdu Co., Ltd.	The Company	Parent company	Accounts receivable 199,325	5.86	-	-	181,120	-
SH Electronics Suzhou Co., Ltd.	The Company	Parent company	Accounts receivable 147,808	9.04	-	-	147,808	-
SH Precision Chengdu Co., Ltd.	SH Electronics Chengdu Co., Ltd.	Sister company	Accounts receivable 138,825	6.37	-	-	138,825	-
The Company	SH Electronics Suzhou Co., Ltd.	Subsidiary	Other receivables 388,425	Note 3	-	-	-	-

Note 1: Amounts include receivables of rendering service for NT$19,019 thousand.

Note 2: Amounts include purchases for raw materials on behalf of subsidiaries, hence the turnover rate is not applicable.

Note 3: Amounts include other receivables such as intercompany loan and interest receivable, hence the turnover rate is not applicable.

Note 4: Since the par value of the Company's share is NT$1, the transaction amount of 20% of the paid-in capital is calculated based on 10% of the equity attributable to the owners of the Company.

TABLE 6

Chang Wah Technology Co., Ltd. and Subsidiaries

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2021	December 31, 2020	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
The Company	SH Asia Pacific Pte. Ltd	Singapore	Trading of electronic components and electronics; investment activities	$ 3,273,072	$ 3,273,072	21,206,103	100	$ 4,904,602	$ 1,072,192	$ 1,044,688	Notes 1, 2
The Company	SH Electronics Taiwan Co., Ltd.	Taiwan	Manufacturing of electronic components and tools; international trade	1,258,700	1,258,700	41,000,000	100	1,601,219	388,894	352,320	Note 2
SH Asia Pacific Pte. Ltd	Malaysian SH Electronics Sdn. Bhd.	Malaysia	Manufacturing and selling leadframe and semiconductor materials	517,628	532,588	23,000,000	100	1,750,678	393,894	393,894	Note 1
SH Asia Pacific Pte. Ltd	WSP Electromaterials Ltd.	British Virgin Islands	International investment activities	599,780	617,114	5,235,000	100	907,557	133,794	133,794	Note 1

Note 1: Translated into NTD using the average exchange rate for the reporting period and exchange rate at the balance sheet date.

Note 2: The difference between the net income (loss) of investees and the investment income or loss recognized by the Company is the unrealized gains and losses from the intercompany transaction and the amortization of the investment cost premium.

TABLE 7

Chang Wah Technology Co., Ltd. and Subsidiaries

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

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 2)	Accumulated Outward Remittance for Investments from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance for Investments from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee (Note 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outward	Inward							
CWTC (Shanghai) Inc.	Selling of lighting materials and equipment, communication devices, semiconductor materials and equipment, electronic products, machinery and equipment, etc.	$ 55,360	1	$ 64,308	$ -	$ -	$ 64,308	$ 9,700	100	$ 9,700	$ 84,170	$ -	
Shanghai Chang Wah Electromaterials Inc.	Acting as an agent for IC packaging materials and equipment	110,720	2	-	-	-	-	79,238	69	54,971	281,767	-	
SH Electronics Chengdu Co., Ltd.	Researching, developing, manufacturing and selling of leadframe, semiconductor materials and precision tools	235,280	2	-	-	-	-	188,101	100	187,853	1,013,238	385,258	Note 5
SH Precision Chengdu Co., Ltd.	Researching, developing, manufacturing and selling of leadframe, semiconductor materials and precision tools	96,880	2	-	-	-	-	74,985	100	75,148	423,423	204,616	Note 5
SH Electronics Suzhou Co., Ltd.	Researching, developing, manufacturing and selling of leadframe, semiconductor packaging materials and precision tools	692,000	2	-	-	-	-	338,375	100	339,771	767,551	-	

Investor Company	Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2021	Investment Amount Authorized by Investment Commission, MOEA (Notes 4)	Upper Limit on the Amount of Investments Stipulated by Investment Commission, MOEA (Note 1)
Chang Wah Technology Co., Ltd.	$ 64,308	$ 1,263,398	$ -

Note 1: Pursuant to the Jing-Shen-Zi Letter No. 09704604680 of the Ministry of Economic Affairs, ROC and the amended Regulation Governing the Examination of Investment or Technical Cooperation in Mainland China dated August 29, 2008, the Company obtained the certificate of being qualified for operating headquarters, issued by the Industrial Development Bureau of Ministry of Economic Affairs. The ceiling amount of the investment in Mainland China is not applicable to the Company.

Note 2: Methods of investment 1: Direct investment.

Methods of investment 2: Investments through a holding company registered in a third region.

Note 3: The basis for investment income (loss) recognition is the financial statement audited and attested.

Note 4: This includes the investment of US$2,000 thousand in CWTC (Shanghai) Inc., US$23,279 thousand in SH Electronics Chengdu Co., Ltd., US$8,035 thousand in SH Precision Chengdu Co., Ltd., US$3,659 thousand in SH Electronics Suzhou Co., Ltd. and US$8,670 thousand in Shanghai Chang Wah Electromaterials Inc. approved by the Ministry of Economic Affairs and were translated into NTD using the exchange rate of US$1:NT$27.68.

Note 5: The accumulated remittance of profit from investment by SH Electronics Chengdu Co., Ltd. is RMB91,422 thousand (US$13,000 thousand); The accumulated remittance of profit from investment by SH Precision Chengdu Co., Ltd. is RMB49,921 thousand (US$7,000 thousand).

TABLE 8

Chang Wah Technology Co., Ltd.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2021

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Chang Wah Electromaterials Inc.	200,267,970	52.53
Fubon Life Assurance Co., Ltd.	27,415,240	7.19

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

Chang Wah Technology Co., Ltd.

Chairperson: Canon, Huang

CWTC Chang Wah Technology Co., Ltd.
Chang Wah Technology Co., Ltd.

傑登廣告 設計 編印
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