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PROMATE SOLUTIONS CORPORATION

2021 Annual Report

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Name of overseas stock exchange and method for accessing information on overseas negotiable securities: None

Company website: https://promate.com/cht/

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I. Letter to Shareholders

Dear Shareholders:

The consolidated operating revenue of PROMATE SOLUTIONS CORPORATION in 2021 is NT$ 1.746 billion, which is decreased by 1.41% as compared with 1.771 billion of same period last year, and gross operating profit is NT$ 426 million, which is decreased by 13.59% as compared with that of same period last year; net profit for the current period is NT$ 201 million, which is decreased by 24.44% as compared with 266 million of same period last year; while the net profit after tax is NT$ 162 million, which is decreased by 20.20% as compared with 203 million of 2020. In addition, the Company has calculated the underlying earnings per share after tax NT$ 4.24 based on outstanding capital stock NT$ 383 million

The Company's major products include medical touch display, embedded control systems, application-specific display module and corresponding software/hardware research and development scheme, etc. With respect to sale strategies, it focuses on international target customers, and steadily develops its products as demanded, which are customized and diversified. Besides, the Company's product revenue proportion in 2021 respectively are 26.55% for medical touch display, 24.40% for embedded control systems, 40.26% for application-specific display module and 8.79%. for others.

The company's management team and all colleagues sincerely thank all shareholders for their support and encouragement. All colleagues in the company will operate more pragmatically to protect the rights and interests of the shareholders. We also hope that all the shareholders will continue to support and encourage the company in the future.

1. 2021 Business Report

(1) Business plan implementation results

Unit: NT$1,000

Item	2020	2021	Increase (Decrease)	Rate of change %
Operating Revenue	1,771,303	1,745,768	(25,535)	(1.44)
Operating Profit	265,989	201,176	(64,813)	(24.37)
Net profit after tax	203,075	162,274	(40,801)	(20.09)

(2) Budget implementation

The Company has not disclosed its financial forecast in 2021, so there is no budget to be achieved.

(3) Financial revenue and expenditure and profitability analysis

Item		2020	2021
Financial structure (%)	Debt to asset ratio	26.78	39.75
	Long-term funds to fixed assets ratio	2,280.41	2,514.17
Liquidity (%)	Current ratio	386.76	235.62
	Quick ratio	298.66	183.40
	Times Interest Earned	121.92	113.03
Profitability	Return on assets (%)	13.24	10.01
	Return on equity (%)	18.75	14.99
	Income before tax to paid-in capital ratio (%)	65.31	51.19
	Net profit margin (%)	11.46	9.30
	Earnings per share (NTD)	5.31	4.24

(4) Research and development status

Research and development expenditures over the last three years

Unit: NT$1,000

	2019	2020	2021
R&D expenses	82,243	67,463	68,111
R&D expenses as a percentage of revenue	4.39%	3.81%	3.90%

The amount of R&D expenses invested is gradually compiled according to the development progress of each customer's new products. In the future, depending on the operating conditions, it will be increased year by year to support future R&D plans and enhance the company's competitiveness in the industry and the market.

2. 2022 Business Plan Summary

According to International Monetary Fund's (IMF) latest reports that published on World Economic Outlook in 2021/10, the global economic growth was predicted to reduce from 6.0% in July to 5.9%; and that of 2022 also presented a a small drop and maintained at 4.9%. Yes, there has been a budding economic recovery, however, impacts of the COVID-19 pandemic spread across borders disrupting international supply chains, and also weakening the growth momentum. Therefore, IMF has reduced the economic growth among developed counties from 5.6% in July to 5.2%, as the economic conditions in low-income and developing countries continue to deteriorate, which offsets that of emerging markets and developed counties with strong economic outlook through bulk commodities export recently.

Furthermore, "Global Economic Prospects" from Organization for Economic Cooperation and Development (OECD) in early December of last year pointed out that global the inflation rate has been creeping up to beyond expectation, and longer lasting, which may also cause soaring commodity prices risk to families and enterprises. So, it also regulated current year's economic prediction rate, namely 4.5% for the world, 3.7% for America, 4.3% for Eurozone, 5.1% for China, while 2.6% for Japan. Meanwhile, due to risks from the war between Russia and Ukraine, new round of infection and virus variation, global economics still faces "extremely high uncertainty". Therefore, the Company has selected the industrial-index customers for market development, and also actively participated in customers early-stage development, to enhance company's future growth, as below:

(1) Operating strategy & Important production and sale policies

1) Accelerate global market development and strengthen technological innovation and exchanges with existing overseas bases.
2) Overseas business development (Business Development) team specializes in developing

new markets and new customer groups.

3) From the perspective of the solution service provider, aiming at the needs of the target market, from the perspective of the market and the customer, penetrate the application environment of the vertical market.

4) Strategic alliances with key component suppliers (such as upstream manufacturers of liquid crystal glass/panel, IC, optical materials, etc. or other important electronic and institutional component manufacturers).

5) Continue to strengthen optical, mechanical, electronic, and software capabilities to make products more excellent.

6) The scale of long-term operation is developed towards internationalization and diversification.

(2) Expected sales volume and its basis

The company's main products are the embedded control systems, medical touch displays, special application display modules and their software and hardware research and development solutions, etc., and provide highly customized services. According to different order requirements, it can provide the customized and diversified products. Therefore, it is impossible to predict the sales volume in detail. Taking into account the supply and demand of various industries and related markets, as well as the customer's expected goals and internal business plans, the sales growth of the related products in 2022 is challenging, but it will be still cautiously optimistic.

PROMATE SOLUTIONS CORPORATION will fix attention on human-computer interface and similar application specific markets in 2022, and provide customized products, enhance overseas channel extension to expand businesses, and improve marketing customers management through Join Design. Moreover, it also actively creates products' high added values, and continuously develop high-quality products to increase company's revenues and profits. So please support, give advice and offer encouragement as always, to maximize the interests of shareholders via increased performance and ongoing growth

Sincerely yours,

Healthy body
Everything goes well

Chairman: CheerDu　　President:CheerDu　　Head of Accounting: Siao-TingLin

II. Company profile

1. Date of Establishment: May 29, 2000
2. Company history:

2000	＊ In May, Promate Solutions Co., Ltd. established a capital of NT$10 million. ＊ Promate LCD Module Products Division successfully developed 7”16:9 TFT-LCD of LCD module products. ＊ Promate LCD Module Products Division successfully mass-produced 4.0" TFT-LCD of LCD module products.
2001	＊ Promate LCD Module Products Division s successfully developed solutions to enhance brightness.
2002	＊ Promate LCD Module Products Division established a clean room with a cleanliness of 1000.
2003	＊ Promate LCD Module Products Division successfully provided LCD module solutions for entertainment on airplanes.
2004	＊ Promate obtained ISO-9001 certification.
2005	＊ Promate obtained ISO-14001 certification. ＊ Promate obtained QS9000 certification and became a first-line supplier of one of the top three automakers in the United States. ＊ Promate LCD Module Products Division developed LED1000 nit uHB (Ultra High Bright) solution.
2006	＊ Promate LCD Module Products Division developed Freescale i.MX31 solution.
2007	＊ Promate obtained TS-16949 certification.
2008	＊ Promate LCD Module Products Division officially changed its name to Specific Application Products Division.
2009	＊ Promate obtained IS0-13485 certification. ＊ Promate Specific Application Products Division successfully developed liquid crystal module products for medical applications. ＊ Promate Specific Application Products Division successfully developed a rugged laptop LCD module solution.
2010	＊ Promate established Taoyuan Qingpu Factory. ＊ Promate Specific Application Products Division successfully provided European vending machine manufacturers with industry-leading embedded touch LCD module solutions.
2011	＊ Promate Specific Application Products Division developed the Freescale i.MX53 embedded solution.
2012	＊ Promate Specific Application Products Division was awarded the first place in the Intel Smart Impact Challenge Award.
2013	＊ Promate Solutions Co., Ltd. issued 8,600,000 new shares at a par value of NT$ 10 per share, and divided the transferee of the Promate Specific Application Products Division of the parent company, with a capital of 92.6 million after the capital increase. ＊ Won the Coinstar 2012 Supplier Award for Innovation. ＊ Promate Solutions Co., Ltd. increased its capital by 100 million in cash and increased its capital in surplus by NT$7.4 million, and the paid-in capital increased to NT$200 million.
2014	＊ Promate Solutions Co., Ltd.'s surplus and employee dividends were transferred to an increase of NT$33.82 million, and the paid-in capital increased to NT$233.82 million.
2015	＊ Promate Solutions Co., Ltd.’s surplus and employee dividends were transferred to increase capital by NT$74,708,700, and the paid-in capital increased to NT$308,528,700. ＊ The employees of Promate Solutions Co., Ltd. exercised stock options to convert ordinary shares of NT$ 20,000,000, and the paid-in capital increased to NT$ 328,528,700.
2016	＊ Promate Solutions Co., Ltd.'s application to the OTC Buying Center as a public offering company takes effect. ＊ Promate Solutions Co., Ltd. stocks are listed on the OTC.

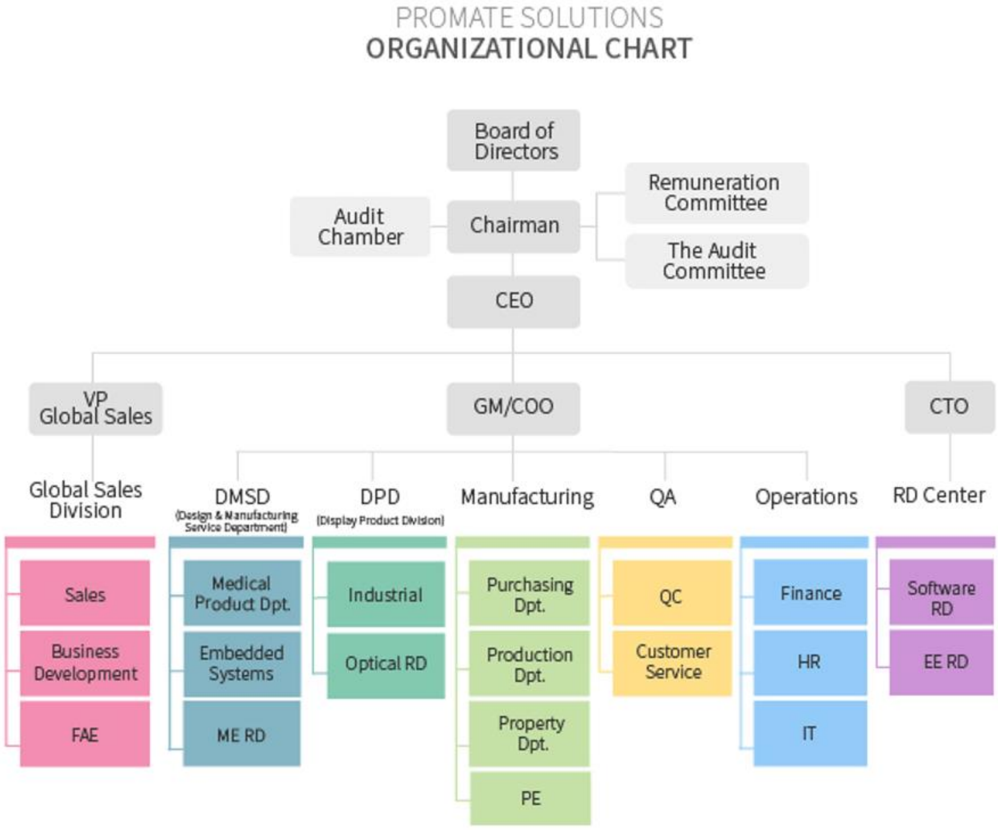
2017	* Promate Solutions Co., Ltd. increased its capital by NT$ 66,000,000 in cash, and its paid-in capital increased to NT$ 394,528,700. * Promate Solutions Co., Ltd. established a Japanese subsidiary. * Promate Solutions Co., Ltd. stocks are listed on the OTC. * The capital of Promate Solutions Co., Ltd. Treasury shares was reduced by NT$11.98 million, and the paid-in capital was NT$382,548,700.
2018	* Established Zhongli Factory.
2019	* Taoyuan Qingpu Factory has a solar photovoltaic field with a total installed capacity of 392.6 kW, an annual power generation of approximately 490,000 kWh, and an annual reduction of approximately 242 tons of carbon emissions.
2020	* In 2020, it has ranked the 74th in other electronic components industry of the TOP 5000 large enterprises in Taiwan.
2021	* The 82nd of 2021 Taiwan Large Enterprise TOP 5000 IC Components Retail and Wholesale

In the most recent year and as of the date of publication of the annual report of the Company, except for the matters disclosed above, there has been no significant transfer or replacement of the shares of directors, supervisors or major shareholders holding more than 10% of the shares, changes in management rights or major changes in business contents or other important matters affecting the shareholders' rights and interests.

III. Corporate governance report

1. Organization Chart(Corporate Organization)

(1) Organization Chart



(2) Business operations of major departments

Departments	Business Operations
Board of Directors	Decisions on business policies, review and approval of various statutory regulations, budget review, and other functions and powers granted by laws and regulations and the shareholders meeting.
Audit Committee	The Audit Committee is held accountable for supervising the fair presentation of the financial reports, the hiring (and dismissal), independence, and performance of certificated public accountants, the effective implementation of the internal control system, compliance with relevant laws and regulations, and management of risks.
Compensation Committee	Committee: Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for directors and managerial officers. Periodically evaluate and prescribe the remuneration of directors and managerial officers.
Auditing Office	1) Check and modify the company's internal control system. 2) Audit the implementation of various rules and regulations and make suggestions for improvement. 3) Implementation of the annual audit plan.
Chairman	1) Representing the company externally and implementing the rights and obligations granted by the board of directors. 2) The approval of important decisions and the signing of important contracts. 3) Matters concerning the convening of the board of directors and the

Departments	Business Operations
	general meeting of shareholders.
CEO	Responsible for the planning and implementation of company-wide goals, and the formulation of company strategies and guidelines.
President and COO	Responsible for the formulation, promotion, implementation, communication and coordination of the company's operating goals.
Chief Technology Officer	Responsible for company product and technology planning, new technology development and emerging technology application.
Operation Department	Comprehensively supervise the business execution of finance, accounting, administration, personnel, information and logistics departments.
Business	Responsible for the planning and execution of the business and sales of the product market. 1) Business Department: Responsible for product sales. 2) Market Development Department: Responsible for the development of new business. 3) Customer Product Technical Service Department: customer support service and customer quality management, etc.
R&D	Responsible for the evaluation of new products (including green products), new manufacturing processes, design and development business, and the formulation and execution of research and development plans.
Design Manufacturing Services Division	Responsible for the planning and execution of the design, research and development and trial production of new products for customers. 1) Medical Products Department: Responsible for the evaluation, design and development of medical products. 2) Embedded System Department: Evaluation, design and development of embedded system products such as fitness and special industrial applications, and provide complete solutions.
Optoelectronic Products Division	Responsible for the planning and execution of the development and promotion of the optoelectronic product market.
Manufacturing Center	Responsible for the implementation of product manufacturing, production management, procurement, and materials related business to ensure the achievement of the production plan. 1) Material Section: production scheduling, material planning, raw material and finished product storage planning and management. 2) Purchasing Section: Responsible for supplier and price management, production component procurement, third-party search, etc. 3) Production Department: The company's overall production system.
Quality Assurance Center	Responsible for ensuring product quality meets customer requirements and continuous improvement to increase customer satisfaction, maintaining the normal operation of the quality management system. 1) Quality Assurance Section: Quality management such as material inspection and finished product inspection. 2) Quality Service Section: customer complaint handling and after-sales maintenance services, etc.

2. Information on directors, supervisors, president, vice president, assistant vice president, and heads of departments and branch offices

(1) Information on Directors

April 15, 2022

Title	Nationality or place of registration	Name	Gender Age	Date appointed Date	Term	Date first elected	Shares held when elected		Shares currently held		Shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Other positions at the Company or elsewhere	Other officer, director or supervisor who is the spouse or a relative within second degree			Notes
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chairman	R.O.C.	Cheer Du	Female 66	2021.7.22	3 years	2000.5.29	433,981	1.13%	403,981	1.06%	—	—	560,000	1.46%	Bachelor of Economics, National Taiwan University Chief Operating Officer of Promate Electronic Co., Ltd.	Chief Operating Officer of Promate Electronic Co., Ltd. Director of Promate Electronic Co., Ltd. Chairperson, Guang Mai Industrial Ltd. Director, Chuang Fong investment Co., Ltd.. Chief Executive Officer of Promate Solutions Co., Ltd. Chairperson, Jin Fong investment Co., Ltd.. Chairperson, Fong Shuo Yi investment Co., Ltd. Chairperson, Fong Shuo venture capital Co., Ltd.	Director	Eric Chen	Man and Wife	Note 2
Director	R.O.C.	Promate Electronic Co., Ltd.	-	2021.7.22	3 years	2000.5.29	25,327,500	66.21%	25,327,500	66.21%	—	—	—	—	—	—	—	—	—	—
	R.O.C.	Representative: Eric Chen	Male 69	—	—	—	—	—	—	—	—	—	—	—	Promate Electronic Co., Ltd. Chairman and General Manager Bachelor of Electronic Physics, Jiaotong University Engineer of Texas Instruments Chairman and General Manager of Promate Electronic Co., Ltd.	Chairman of Promate Investment Co., Ltd. Chairman of Promate Electronic Co., Ltd. General Manager of Promate Electronic Co., Ltd. Director of Weijian Industrial Co., Ltd. (Weiji Investment Co., Ltd. Representative) Supervisor of Promate Solutions Co., Ltd. Investment Co., Ltd. Chairman of Promate International Co, Ltd.	Chairman	Cheer Du	Man and Wife	—
Director	R.O.C.	Promate Electronic Co., Ltd.	-	2021.7.22	3 years	2000.5.29	25,327,500	66.21%	25,327,500	66.21%	—	—	—	—	—	—	—	—	—	—
	R.O.C.	Representative: Ciou-Jiang HU	Male 68	—	—	—	—	—	—	—	—	—	—	—	PhD, Institute of Management Technology, Jiaotong University Master of Business Administration, Daye University Bachelor of Telecommunications Engineering, Jiaotong University Entrepreneur class of Zhengda Enterprise Research Institute Chairman and General Manager of Weikeng Industrial Co., Ltd. R&D Engineer of Shengbao Co., Ltd. Chairman of Taipei County Computer Business Association Executive Director of Taipei Electronic Component Trade Association	(Note 1)	—	—	—	—
Director	R.O.C.	Liu-Ping Chen	Female 66	2021.7.22	3 years	2016.5.9	—	—	—	—	—	—	—	—	Department, Chongyou Institute of Technology Financial Manager of Weiji Investment Co., Ltd.	—	—	—	—	—

Title	Nationality or place of registration	Name	Gender Age	Date appointed Date	Term	Date first elected	Shares held when elected		Shares currently held		Shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Other positions at the Company or elsewhere	Other officer, director or supervisor who is the spouse or a relative within second degree			Notes
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Independent Director	R.O.C.	Ying-Min Zhong	Female 66	2021.7.22	3 years	2016.5.9	—	—	—	—	—	—	—	—	Bachelor of Economics, Soochow University Financial Manager of Taiwan Applied Materials Co., Ltd.	—	—	—	—	—
Independent Director	R.O.C.	Mau-Shiung Chen	Female 61	2021.7.22	3 years	2016.5.9	—	—	—	—	—	—	—	—	Master of Business Administration, University of Houston Bachelor of Economics, National Taiwan University General Manager of IBM's Greater China Telecom and Media Business Group Deputy General Manager of Hongzhan Information Company		—	—	—	—
Independent Director	R.O.C.	Yue-Xiu Liu	Female 45	2021.7.22	3 years	2016.5.9	—	—	—	—	—	—	—	—	Master of Electrical Engineering, National Taiwan University Bachelor of Electrical Engineering, Tamkang University Technical Manager of Novatek Technology Co., Ltd.	—	—	—	—	—

Note 1: Weikeng Industrial Co., Ltd. General Manager, Wai Kee Investment Co., Ltd. Chairman, Weikeng Industrial Intentional Co., Ltd. Chairman , Weikeng Technology Pet Ltd. Chairman, Weikeng Inforcomm Co., Ltd. Chairman, VTAC Co., Ltd. Independent Director/Compensation Committee Member, SYNTECHINFORMATIONCOLTD Independent Director/Compensation Committee Member/Audit Committee Member, Promate Electronic Co., Ltd.Co., Ltd. Director, PROMATE SOLUTIONS CORPORATION Legal Representative/Director, Amazing Microelectronic Corp. Director, Leadtek Research Inc Director, Avik Technologies Co., Ltd. Supervisor.

Note 2: If the Chairman and General Manager or the equivalent (top manager) are the same person, or they are spouses or first-class relatives, the Company should explain the reasons, reasonability, necessity, and corresponding measures (such as increasing the number of Independent Directors, and more than half of the Directors should not be the employees or managers, etc.).

The Company's chairman is also the general manager, mainly responsible for corporate operating strategy planning, operating efficiency and decision-making promotion.

To strengthen Board of Directors' independence, the Company has trained to select suitable persons internally; besides, chairman is always communicate with each director with respect to company's recent operating conditions, plans and guidelines to implement corporate management. In the future, the Company also plans to add independent directors to improve Board of Directors' functions and enforce supervision.

The Company has the following specific measures at present:

(1) Current three independent directors are separately specialized in financial accounting and electronic industry, and able to work efficiently in functions.
(2) Organize each director every year to participate in professional courses in external agency, to enhance Board of Directors' functions.
(3) Independent directors can, in each functional committee meeting, discuss and propose suggestions for Board of Directors' reference, to implement corporate management.
(4) More than of Board of Directors members have not been employee or manager.

Major shareholders of the institutional shareholders

April 16, 2022

Name of corporate shareholder	Major shareholders of the corporate shareholders	Shareholding ratio (%)
Promate Electronic Co., Ltd.	Eric Chen	4.37%
	Chuang Fong investment Co., Ltd.	1.86%
	Cheer Du	1.71%
	Yi-Lin Song	1.32%
	Nai-Ke Song	1.22%
	Ciou-Jiang HU	1.13%
	Bei-Ling Chen	0.86%
	Gen-Huang Wu	0.83%
	Standard Chartered International Commercial Bank Business Department is commissioned to custody of SPDR (R) index share fund belonging SPDR portfolio emerging market ETF special investment account	0.79%
	Man-Li Song	0.77%

Note 1:If the director and supervisor is a representative of a legal person shareholder, the name of the legal person shareholder should be filled in.

Note 2:Fill in the name of the main shareholder of the legal person shareholder (the proportion of which is in the top ten) and the proportion of shares held. If the main shareholder is a legal person, the following table should be filled in

Note 3: In case of a corporate shareholder is not belong to company organizer, shall disclose such shareholder’s name and ratio of share holding, namely the name and ratio of investor or subscriber (may refer to judicial court’s notice), and if a subscriber has gone, please note “dead”.

Major shareholders of corporation who are the major shareholders of the Company’s corporate shareholders

March 31, 2022

Name of corporate shareholder(Notes 1)	Major shareholders of the corporate shareholders(Notes 2)	Shareholding ratio (%)
Chuang Fong investment Co., Ltd.	Eric Chen	37.50%
	Cheer Du	14.60%
	Man-Li Song	20.00%
	in-Chou Guo	20.00%
	Zhu-Zhen Lin	5.00%
	Yi-Lin Song	2.90%

Note 1: As shown in Table 1 above, if the main shareholder is a legal person, the name of the legal person should be filled in.

Note 2: Fill in the name of the main shareholder of the legal person (their shareholding ratio accounts for the top ten) and the shareholding ratio.

Note 3: In case of a corporate shareholder is not belong to company organizer, shall disclose such shareholder’s name and ratio of share holding, namely the name and ratio of investor or subscriber (may refer to judicial court’s notice), and if a subscriber has gone, please note “dead”.

Directors and supervisors qualification and independent directors' information disclosure:

Criteria / Name	Professional qualification and experiences (Note 1)	Independence condition (Note 2)	Additional posts in other public companies
Cheer Du	BA in Economics, National Taiwan University, and now is the chief operation officer of Promate Electronic Co., Ltd., and also the chairman and general manager of PROMATE SOLUTIONS CORPORATION . Ms. TU, HUAI-CHI is specialized in semiconductor component industry for more than 30 years in terms of operation and strategy management, and in addition to act as a director in Promate Electronic Corporation's subordinate companies (including the Company and subsidiary), she is also a director and independent director in relevant electronic technology industrial chain and downstream company, to exercise her corporate management speciality. Therefore, Ms. TU possesses outstanding analysis and management abilities in corporate management, financial accounting, business affairs, marketing and sales as well as industrial technology fields.	1. The Company's general manager, and also a director. 2. Director of the company's affiliate enterprise. 3. The Company's top 10 natural person shareholder. 4. The Company chairman's spouse. 5. Has never been appointed as a director (committee member), supervisor, manager or shareholder with more than 5% shares of any specific company or institution having financial or business relations with the company. 6. Has never been appointed as a service provider for the company or affiliated company's auditing, or obtained a remuneration accruing amount not exceeding NT$ 500,000 from legal affairs, financial affairs, accounting, etc. of recent tow years, and acted as a owner, partner director (committee member), supervisor, manager or its spouse of sole proprietorship, partnership, company or institution. 7. Has never been involved in conditions that stipulated in Article 30 of *Company Acts*. 8. Has never been appointed on behalf of government, legal person or its representative as stipulated in Article 27 of *Company Acts*.	

Name \ Criteria	Professional qualification and experiences (Note 1)	Independence condition (Note 2)	Additional posts in other public companies
Promate Electronic Co., Ltd. (Representative:Eric Chen)	Bachelor in NCTU (Now renamed the NYCU) Department of Electronic Physics, Mr. Chen previously served as engineer in Texas Instruments Inc, and now is the chairman and general manager of Promate Electronic Co., Ltd., and director of Promate Solutions Corporation. As the founder of Promate Electronic, Mr. CHEN, CHENG-FANG is specialized in the operation and strategic management of semiconductor component industry for more than 40 years, and in addition to act as a director in Promate Electronic Corporation's subordinate companies (including the Company and subsidiary), he is also a director in relevant electronics companies to exercise his special talents. Therefore, Mr. Chen possesses financial accounting, commercial, marketing and scientific and technological industry related operation planning, management abilities, and is able to provide corresponding operation management suggestions and guidelines for the Company's Board of Directors, and require the management team to implement.	1. One of the Company's major juristic-person directors. 2. Has never been the Company's or affiliated company's employee or manager. 3. Has never been the Company's other directors' spouse, second-relative or third-relative. 4. Has never been appointed as a director (committee member), supervisor, manager or shareholder with more than 5% shares of any specific company or institution having financial or business relations with the company. 5. Has never been appointed as a service provider for the company or affiliated company's auditing, or obtained a remuneration accruing amount not exceeding NT$ 500,000 from legal affairs, financial affairs, accounting, etc. of recent tow years, and acted as a owner, partner director (committee member), supervisor, manager or its spouse of sole proprietorship, partnership, company or institution. 6. Has never been involved in conditions that stipulated in Article 30 of *Company Acts*. 7. Has never been appointed on behalf of government, legal person or its representative as stipulated in Article 27 of *Company Acts*.	

Criteria Name	Professional qualification and experiences (Note 1)	Independence condition (Note 2)	Additional posts in other public companies
Promate Electronic Co., Ltd. (Representative:Ciou-Jiang HU)	Phd in NCTU (Now renamed the NYCU) Institute of Science and Technology Management, now is its part-time lecturer, with Professor Rank Technical Expert qualification, and also specialized in technology entrepreneurship, scientific and technological industry management and practice, IC components and information channel, new business operating and planning as well as venture capital investment, etc. Mr. HU, QIU-JAING possesses excellent practical experience, strategic management, leadership and academic skills, whom is specialized in semiconductor component industry management for more than 30 years, and in addition to act as a director in Weikeng Group (including the Company and 100% holding subsidiary), he is also director or independent director in relevant electronic technology industrial chain and downstream company, to exercise his special talents for corporation management, Therefore, Mr. possesses financial accounting, commercial, marketing and scientific and technological industry related operation planning, management abilities.	1. One of the Company's major juristic-person directors. 2. Has never been the Company's or affiliated company's employee or manager. 3. Has never been the Company's other directors' spouse, second-relative or third-relative. 4. Has never been appointed as a director (committee member), supervisor, manager or shareholder with more than 5% shares of any specific company or institution having financial or business relations with the company. 5. Has never been appointed as a service provider for the company or affiliated company's auditing, or obtained a remuneration accruing amount not exceeding NT$ 500,000 from legal affairs, financial affairs, accounting, etc. of recent tow years, and acted as a owner, partner director (committee member), supervisor, manager or its spouse of sole proprietorship, partnership, company or institution. 6. Has never been involved in conditions that stipulated in Article 30 of *Company Acts*. 7. Has never been appointed on behalf of government, legal person or its representative as stipulated in Article 27 of *Company Acts*.	2

Criteria / Name	Professional qualification and experiences (Note 1)	Independence condition (Note 2)	Additional posts in other public companies
Liu-Ping Chen	Graduated from Chung-Yu College of Technology (Chung-Yu University of Film Arts and Technology) Information Management Department, Ms. CHEN, LV-PING previously served as the financial manager of Wai Kee Investment Co., Ltd., and is specialized in information management, scientific and technological management and practice, information channel operation planning as well as financial management, etc. In addition to this, Ms. Chen also familiars with information management, scientific and technological management and practice, and is specialized financial investment management, with accounting and financial analysis ability, as well as insights to industrial development and technological application.	1. Has never been the Company's or affiliated company's employee or manager. 2. Has never been the Company's other directors' spouse, second-relative or third-relative. 3. Has never been appointed as a director (committee member), supervisor, manager or shareholder with more than 5% shares of any specific company or institution having financial or business relations with the company. 4. Has never been appointed as a service provider for the company or affiliated company's auditing, or obtained a remuneration accruing amount not exceeding NT$ 500,000 from legal affairs, financial affairs, accounting, etc. of recent tow years, and acted as a owner, partner director (committee member), supervisor, manager or its spouse of sole proprietorship, partnership, company or institution. 5. Has never been involved in conditions that stipulated in Article 30 of *Company Acts*. 6. Has never been appointed on behalf of government, legal person or its representative as stipulated in Article 27 of *Company Acts*.	

Name \ Criteria	Professional qualification and experiences (Note 1)	Independence condition (Note 2)	Additional posts in other public companies
Ying-Min Zhong	Bachelor in Department of Economics, Soochow University, and previously served as the financial manager in Taiwan Applied Materials Co., Ltd., Ms. ZHONG, YING-MIN is very familiars with semiconductor industry management and practice, financial management and investment, etc. Ms. ZHONG is quite familiar with the technological development of semiconductor industry and multinational enterprise operation, and also specialized in financial accounting, corporate management, with accounting information and financial analysis abilities, as well as acute insights on industrial development and technological application. Therefor, with the help of the specialties in scientific and technological industry, he is able to fully perform the independent director and audit committee's functional authority, thus to improve the Board of Directors' corporate management quality and audit committee's supervision function. Although acting as the independent director for more than 9 years, she is not in violation of any circumstances in Article 30 of *Company Acts*	According to the Company's *Articles of Association* and "Code of Practice on Corporate Governance", director selection adopts the system for nominating candidates, and the Company has already obtained each director's written declaration, work experience, current certificate of employment as well as family relation sheet for verification upon Board member nomination and selection, to confirm himself or herself, spouse and his or her third-relative's independence to to the company; in addition, the left column listed independent director, within two years before selection and term of office, is verified to be qualified in accordance with the "Methods of Compliance for Public Company's Independent Director Arrangement" that published by Financial Supervisory Commission and qualifications of Article 14 (2) in *Securities Exchange Act*. Further, all independent directors are attached with sufficient decision-making and rights of audience as stipulated in Article 14 (3) of *Securities Exchange Act*, to independently perform relevant authorities.	

Name \ Criteria	Professional qualification and experiences (Note 1)	Independence condition (Note 2)	Additional posts in other public companies
Mau-Shiung Chen	Bachelor degree in Department of Economics, Taiwan University and Master degree in University of Huston, Department of Business Administration, previously served as the general manager of IBM Greater China area Telecom and media business group and the deputy general manager of Hongzhan Information Inc. Although acting as the independent director for more than 9 years, Mr. CHEN, MAO-XIONG is not in violation of any circumstances in Article 30 of *Company Acts*, and familiars with the technological development development of semiconductor industrial chain, practical experience, strategic management and leadership ability. Mr. GUO as well concentrates on semiconductor component industry operation and management for over 30 years, and with the help of the specialties in scientific and technological industry, he is able to fully perform the independent director and audit committee's functional authority, thus to improve the Board of Directors' corporate management quality and audit committee's supervision function.	According to the Company's *Articles of Association* and "Code of Practice on Corporate Governance", director selection adopts the system for nominating candidates, and the Company has already obtained each director's written declaration, work experience, current certificate of employment as well as family relation sheet for verification upon Board member nomination and selection, to confirm himself or herself, spouse and his or her third-relative's independence to to the company; in addition, the left column listed independent director, within two years before selection and term of office, is verified to be qualified in accordance with the "Methods of Compliance for Public Company's Independent Director Arrangement" that published by Financial Supervisory Commission and qualifications of Article 14 (2) in *Securities Exchange Act*. Further, all independent directors are attached with sufficient decision-making and rights of audience as stipulated in Article 14 (3) of *Securities Exchange Act*, to independently perform relevant authorities.	

Name \ Criteria	Professional qualification and experiences (Note 1)	Independence condition (Note 2)	Additional posts in other public companies
Yue-Xiu Liu	Master degree in Department of Electrical Engineering, Taiwan University, and previously acted as the technical manager of NOVATEK. Mr. LIU, YUE-XIU is quite familiar with the technological development of semiconductor industry chain, and has acute insights on industrial development and technological application. Therefore, with the help of the specialties in scientific and technological industry, he is able to improve the Board of Directors' corporate management quality and audit committee's supervision function. Although acting as the independent director for more than 9 years, he is not in violation of any circumstances in Article 30 of *Company Acts*	According to the Company's *Articles of Association* and "Code of Practice on Corporate Governance", director selection adopts the system for nominating candidates, and the Company has already obtained each director's written declaration, work experience, current certificate of employment as well as family relation sheet for verification upon Board member nomination and selection, to confirm himself or herself, spouse and his or her third-relative's independence to to the company; in addition, the left column listed independent director, within two years before selection and term of office, is verified to be qualified in accordance with the "Methods of Compliance for Public Company's Independent Director Arrangement" that published by Financial Supervisory Commission and qualifications of Article 14 (2) in *Securities Exchange Act*. Further, all independent directors are attached with sufficient decision-making and rights of audience as stipulated in Article 14 (3) of *Securities Exchange Act*, to independently perform relevant authorities.	

Note 1: Professional qualification and experience: for individual director's education experience, please refer to Page 08-09 director data (I).

Note 2: Please describe independent director's condition, including but mot limited to himself or herself, spouse, second-class relatives, whether serving as the Company or its affiliate enterprise's director, supervisor or employees; number of shares and ratio of himself or herself, spouse, second-class relatives (or using the names of others); whether serving as director, supervisor or employee of any company which has specific relations with the Company (please refer to sub-item 5~8 of Item in Article 3 of public company's independent director rules and compliance); the amount of reward he or she gets in recent 2 years from the Company or its affiliate enterprise in commercial, legal affairs, financial, accounting and other service places

Board of Directors' diversity and independence

(1) Director diversity:

The Company has already stipulated Board of Directors' functions in the "Code of Practice on Corporate Governance", namely the diversity principles. Besides, the Company's Board members nomination and selection adopt the system for nominating candidates as stipulated in Articles of Association, and except for evaluating each candidate's education and experience qualifications, it also abides to the "Director Election Method", to ensure directors' diversity and independence. Moreover, board members must be diverse, and evaluated in view of their professional knowledge and abilities, including professional backgrounds (such as legal, accounting, industrial, financial, marketing or technological abilities), skills and industrial experience, etc. based on proper diverse principles in terms of company's operation, management status and development demands in addition to gender, age, nationality, cultureand other basic conditions and values.

Board of Directors members shall generally have the knowledge, ability and quality as required. To achieve corporate ideal objective, Board of Directors shall possess the following abilities:

- Leadership ability
- Operation judgement
- Operating management
- Crisis management capability
- Industrial knowledge
- International market view
- Accounting and financial analysis ability
- Decision ability

The Company now has 7 directors, including 4 general directors, and 3 independent directors, of which female directors account 2 seat; besides, directors of ages above 60 years old are six, and ages between 40-49 years old is one. Directors selection is performed according to relevant regulations and diversity policies.

Diversity policy for Board of Directors' specific management objective and implementation status:

1.Diversity policy management objective and achieving condition:

Diverse management objective	Achieving rate	Achieving condition
Directors whom also acts as company manager shall not exceed 1/3 of the total	29%	達成
Pay attention to board member gender equality, and female directors account 25% or above	43%	達成

2.Diversity condition of Board of Directors is as below:

Title	Name	Gender	Age	Operation judgement	Accounting and financial analysis	Operation management	Risk	Industrial knowledge	International market view	Leader	Decision
Director	Cheer Du	Female	66	✓	✓	✓	✓	✓	✓	✓	✓
Director	Eric Chen	Male	69	✓		✓	✓	✓	✓	✓	✓
Director	Ciou-Jiang HU	Male	68	✓	✓	✓	✓	✓	✓	✓	✓
Director	Liu-Ping Chen	Female	66	✓	✓	✓	✓	✓	✓	✓	✓
Independent Director	Ying-Min Zhong	Female	66	✓	✓	✓	✓	✓	✓	✓	✓
Independent Director	Mau-Shiung Chen	Male	61	✓		✓	✓	✓	✓	✓	✓
Independent Director	Yue-Xiu Liu	Male	45	✓		✓	✓	✓	✓	✓	✓

(2) Board of Directors independence:

The Company's Board of Directors consists of 3 independent directors, which accounts 43% of the seats, and the followings are listed to state independence compliance condition:

a. Among the Company's 7 directors, 71% directors' family members (refer to director's spouse and second-relative, etc.) are not the Company or subsidiary's senior manager.

b. There exists no private service contract between directors and the company or company's senior management level.

c. Within the past year, directors were not appointed by any external audit institution or as its partner.

d. Directors have no interest conflict with Board of Directors' independence.

To sum up, the Company have not violated the circumstances that stipulated in Item 3-4 of Article 26 of Securities Exchange Act.

(2) Profile of President, Vice Presidents, Assistant Vice Presidents, and Department Directors

April 15, 2022

Title	Nationality	Name	Gender	Date appointed	Shares held		Shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Other positions	Other manager who is the spouse or a relative within second degree			Notes
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chairman and General Manager	R.O.C.	Cheer Du	Female	2012/07/25	403,981	1.06%	–	–	560,000	1.46%	Department to Economics,National Taiwan University COO, Promate Electronic Co., Ltd.	COO, Promate Electronic Co., Ltd. Director, Promate Electronic Co., Ltd. Chairperson, Guang Mai Industrial Ltd. Director, Chuang Fong investment Co., Ltd. Chairperson, Promate Solutions Co., Ltd. Chairperson, Jin Fong investment Co., Ltd. Chairperson, Fong Shuo Yi investment Co., Ltd. Chairperson, Fong Shuo venture capital Co., Ltd.	-	-	-	Note 1
Chief Technology officer	R.O.C.	Huan-Chao Huang	Male	2015/07/01	272,915	0.71%	–	–	–	–	Control Engineering, National Chiao Tung University, Taiwan Person in charge, Euphony Technology Co., Ltd. Department of R&D Center Vice Executive General Manager, Promate Electronic Co., Ltd.	–	-	-	-	-
Vice General Manager	R.O.C.	Kang-Wei Lu	Female	2015/11/13	–	–	–	–	–	–	Master of Electrical Engineering, National Taiwan University Vice Presideng, Insyde Software Co., Ltd. Senior Assistant Vice President, HTC Corporation Department of New Business Development Vice President, Promate Electronic Co., Ltd.	–	-	-	-	Note 2
Vice General Manager	R.O.C.	Guan-Yu Chen	Male	2016/01/01	198,510	0.52%	–	–	–	–	University of CaliforniaSanta Barbara Bachelor of Art - General Chemistry Department of RD CenterAssociate Vice President, Promate Electronic Co., Ltd.	Director, Jin Fong investment Co., Ltd.	-	-	-	-
Vice General Manager	R.O.C.	Yong-Jhou Jhuang	Male	2016/01/01	11,085	0.03%	180,000	0.47%	–	–	M.S. in ManufacturingSystem Management,University of Manchester in Science and Technology, UK Master of Mechanical Engineering, National Chiao Tung University, Taiwan Department of Embedded SystemsAssociate Vice President, Promate Electronic Co., Ltd.	–	-	-	-	-
Vice General Manager	R.O.C.	Dei-Cin Wong	Male	2016/01/01	133,385	0.35%	–	–	–	–	Master of Electrical Engineering, National Ising Hua University Department of DPD Associate Vice President, Promate Electronic Co., Ltd.	–	-	-	-	-
Vice Assistant Manager	R.O.C.	Jun-Hong Zheng	Male	2016/01/01	45,166	0.12%	–	–	–	–	Master of Industrial Engineering, Arizona State University Department of Production Manager, Litke Opto-Electronics Co., Ltd.	–	-	-	-	-
Finance Manager and Corporate Governance officer	R.O.C.	Andrew Huang	Male	2013/08/01	–	–	–	–	–	–	Master's Program In Finance, Fu Jen Catholic University Department of Management Manager, Promate Electronic Co., Ltd. Finance Manager, Tainergy Tech Co., Ltd.	–	-	-	-	-
Operations Department , Accounting Manager	R.O.C.	Siao-Ting Lin	Female	2013/08/01	17,388	0.05%	–	–	–	–	Department of Accounting, National Taipen University Accounting Assistant Manager, Promate Electronic Co., Ltd.	–	-	-	-	-

Note 1:If the Chairman and General Manager or the equivalent (top manager) are the same person, or they are spouses or first-class relatives, the Company should explain the reasons, reasonability, necessity, and corresponding measures (such as increasing the number of Independent Directors, and more than half of the Directors should not be the employees or managers, etc.).

The Company's chairman is also the general manager, mainly responsible for corporate operating strategy planning, operating efficiency and decision-making promotion.

To strengthen Board of Directors' independence, the Company has trained to select suitable persons internally; besides, chairman is always communicate with each director with respect to company's recent operating conditions, plans and guidelines to implement corporate management. In the future, the Company also plans to add independent directors to improve Board of Directors' functions and enforce supervision.

The Company has the following specific measures at present:

(1) Current three independent directors are separately specialized in financial accounting and electronic industry, and able to work efficiently in functions.
(2) Organize each director every year to participate in professional courses in external agency, to enhance Board of Directors' functions.
(3) Independent directors can, in each functional committee meeting, discuss and propose suggestions for Board of Directors' reference, to implement corporate management.
(4) More than of Board of Directors members have not been employee or manager.

Note 2: Resigned upon 2021/06/11

3. Remunerations to directors, supervisors, president, and vice presidents in recent years

(1) Remuneration to directors and independent directors

Unit: NT$ Thousands

Title	Name	Director's remuneration								Total amounts of A, B, C and D and percentage in profit after tax % (Note 10)		Pay received as an employee								Total amounts of A, B, C, D, E, F and G and percentage in profit after tax % (Note 10)		Remuneration received from invested companies other than subsidiaries or the parent company (Note 11)
		Remuneration (A) (Note 2)		Pension (B)		Remuneration to directors (C) (Note 3)		Business expense (D) (Note 4)				Salary, bonus and special allowance (E) (Note 5)		(F) Pension (F)		Employee compensation (G) (Note 6)						
		The Company	All Consolidated Entities (Note7))	The Company	All Consolidated Entities (Note7)	The Company	All Consolidated Entities (Note7)	The Company	All Consolidated Entities (Note7)	The Company	All Consolidated Entities (Note7)	The Company	All Consolidated Entities (Note7)	The Company	All Consolidated Entities (Note7)	The Company		All Consolidated Entities (Note7)		The Company	All Consolidated Entities (Note7)	
																Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chairman	Cheer Du	-	-	-	-	571	571	-	-	0.36	0.36	1,656	1,656	-	-	-	-	-	-	1.40	1.40	-
Director	Promate Electronic Co., Ltd. Representative: Eric Chen	-	-	-	-	571	571	-	-	0.36	0.36	-	-	-	-	-	-	-	-	0.36	0.36	-
Director	Promate Electronic Co., Ltd. Representative: Ciou-Jiang HU	-	-	-	-	571	571	-	-	0.36	0.36	-	-	-	-	-	-	-	-	0.36	0.36	-
Director	Liu-Ping Chen	-	-	-	-	571	571	-	-	0.36	0.36	-	-	-	-	-	-	-	-	0.36	0.36	-
Independent Director	Ying-Min Zhong	240	240	-	-	571	571	-	-	0.50	0.50	-	-	-	-	-	-	-	-	0.50	0.50	-
Independent Director	Mau-Shiung Chen	240	240	-	-	571	571	-	-	0.50	0.50	-	-	-	-	-	-	-	-	0.50	0.50	-
Independent Director	Yue-Xiu Liu	240	240	-	-	571	571	-	-	0.50	0.50	-	-	-	-	-	-	-	-	0.50	0.50	-

1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: The Company has made regular assessments on director's remuneration according to "Performance Assessment Methods for Board of Directors". According to Article 18 of Chapter 6 in *Articles of Association*, and in case of having a profit of this year (namely income before tax by deducting staff and director remunerations), shall allocate not more than 3% as directors' remunerations by referring their degree of participation in company operation, contributed values, whether involved in any ethical risk event or others which may cause adverse effects on company image and reputation, such as improper inner management and personnel fraud, etc., as well as company's operating status comprehensively and reasonably.
2. In addition to the above disclosures, directors' remuneration from service provision (e.g. assumed as non-employee consultant of patent company/all companies in financial statements/invested enterprises) of recent years: None

Table of Remuneration Levels

Remuneration levels for each director of The Company	Name of director			
	Total amount of (A+B+C+D)		Total amount of (A+B+C+D+E+F+G)	
	The Company	All Consolidated Entities (H)	The Company	All Consolidated Entities (I)
Less than NT$1,000,000	7 persons mentioned above	7 persons mentioned above	The remaining 6 persons mentioned abov	The remaining 6 persons mentioned abov
NT$1,000,000 (inclusive) to NT$2,000,000 (exclusive)				
NT$2,000,000 (inclusive) to NT$3,500,000 (exclusive)			Cheer Du	Cheer Du
NT$3,500,000 (inclusive) to NT$5,000,000 (exclusive)				
NT$5,000,000 (inclusive) to NT$10,000,000 (exclusive)				
NT$10,000,000 (inclusive) to NT$15,000,000 (exclusive)				
NT$15,000,000 (inclusive) to NT$30,000,000 (exclusive)				
NT$30,000,000 (inclusive) to NT$50,000,000 (exclusive)				
NT$50,000,000 (inclusive) to NT$100,000,000 (exclusive)				
NT$100,000,000 and above				
Total	7	7	7	7

Note1: The names of the directors shall be separately listed (for legal person shareholders, the names of legal person shareholders and representatives shall be listed separately), directors and independent directors shall be separately listed, and the amount of each payment shall be disclosed on an aggregate basis. If the director is also the president or vice president, this table and the remuneration table for president and vice president shall be filled out.

Note2: Refers to the remuneration to directors (including directors' salaries, duty allowances, severance pay, various bonuses and incentives, etc.) in the most recent year.

Note3: Refers to the amount of remuneration to directors as approved by the Board of Directors for the most recent fiscal year.

Note4: Refers to the relevant business expenses of directors (including travel expenses, special disbursements, allowances, accommodation, company car, and other physical items) for the most recent year. Where housing, cars, other means of transportation, or expenditures exclusively for individuals are offered, the nature and costs of the offered assets, the actual rent or fair market rent, fuel expenses, and other benefits shall be disclosed. In addition, where a driver is provided, please provide an explanation in the notes on the compensation paid to the driver by the Company, but not including the remuneration.

Note5: All pays to the director who is also an employee of the Company (including the position of president, vice president, other executive officer and staff), including salary, additional pay, severance pay, bonuses, rewards, transportation allowance, special allowance, stipends, dormitory, and car for the most recent year. Where housing, cars, other means of transportation, or expenditures exclusively for individuals are offered, the nature and costs of the offered assets, the actual rent or fair market rent, fuel expenses, and other benefits shall be disclosed. In addition, where a driver is provided, please provide an explanation in the notes on the compensation paid to the driver by the Company, but not including the remuneration. Furthermore, the salaries recognized in accordance with IFRS 2 "Share-based Payment," including the share subscription warrants issued to employees, new restricted stock award shares issued to employees, and employee stock options at cash capital increase, shall be calculated as remuneration.

Note6: Refers to the employees' compensation (including stocks and cash) received by a director who is also an employee (including the position held concurrently as president ,vice President , other executive officers, or an employee) for the most recent year.

Note7: The total pay to the directors from all companies in the consolidated statements (including the Company).

Note8: Refers to the total remuneration paid to each director by the Company, and the director's name shall be disclosed in the corresponding remuneration bracket.

Note9: Refers to the total remuneration all companies (including the Company) in the consolidated financial statements paid to each director of the Company, and the director's name shall be disclosed in the corresponding remuneration bracket.

Note10: Net income meant for the net profit after tax in the most recent year. For those companies with the international financial reporting standard adopted, net income meant for the net income after tax in the proprietary or individual financial report of the most recent year.

Note11:
a. This column is for the amount of relevant remuneration received by the Company's directors from invested companies other than subsidiaries or the parent company.
b. Where the Company's directors received relevant remuneration from invested companies other than subsidiaries or the parent company, the remuneration received by the Company's directors from invested companies other than subsidiaries or the parent company shall be included in the "I" column of the remuneration bracket table with the column name changed to "the parent company and all invested companies."
c. The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expenses received by the director serving as a director, supervisor or manager of an invested company other than subsidiaries or the parent company.

＊The information on the remuneration disclosed in this table is different from the concept of income of the Income Tax Act.
Therefore, the purpose of this Table is for information disclosure only and not for tax purposes.

(2) Remuneration to supervisors: N/A.

(3) Remunerations to the president and vice presidents

Unit: NT$1,000

Title	Name	Salary (A)		Pension (B)		Bonus and special allowance (C)		Employee compensation (D)				Total amounts of A, B, C and D and percentage in profit after tax %		Remuneration received from invested companies other than subsidiaries or the parent company
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company		All Consolidated Entities		The Company	All Consolidated Entities	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chairman and General Manager	Cheer Du (Note 1)	1,656	1,656	-	-	-	-	-	-	-	-	1.04	1.04	-
Chief Technology Officer	Huan-Chao Huang	6,472	6,472	392	392	4,810	4,810	3,300		3,300		9.40	9.40	-
Deputy General Manager of R&D Center	Kang-Wei Lu (Note 2)													
Deputy General Manager of Global Business Center	Guan-Yu Chen													
Deputy General Manager of Optoelectronic Products Division	Dei-Cin Wong													
Deputy General Manager of Design and Manufacturing Service Division	Yong-Jhou Jhuang													

Note1: Director Cheer Du has been appointed as the general manager since 2020/12/28
Note2: Resigned upon 2021/06/11.

Remuneration Range

Range of remuneration paid to president and vice presidents	Names of president and vice presidents	
	The Company	All Consolidated Entities
Less than NT$1,000,000	Kang-Wei Lu	Kang-Wei Lu
NT$1,000,000 (inclusive) to NT$2,000,000 (exclusive)	Cheer Du	Cheer Du
NT$2,000,000 (inclusive) to NT$3,500,000 (exclusive)	Huan-Chao Huang、Guan-Yu Chen、Dei-Cin Wong、Yong-Jhou Jhuang	Huan-Chao Huang、Guan-Yu Chen、Dei-Cin Wong、Yong-Jhou Jhuang
NT$3,500,000 (inclusive) to NT$5,000,000 (exclusive)		
NT$5,000,000 (inclusive) to NT$10,000,000 (exclusive)		
NT$10,000,000 (inclusive) to NT$15,000,000 (exclusive)		
NT$15,000,000 (inclusive) to NT$30,000,000 (exclusive)		
NT$30,000,000 (inclusive) to NT$50,000,000 (exclusive)		
NT$50,000,000 (inclusive) to NT$100,000,000 (exclusive)		
NT$100,000,000 and above		
Total	6	6

Note1: The names of the directors shall be separately listed (for legal person shareholders, the names of legal person shareholders and representatives shall be listed separately), directors and independent directors shall be separately listed, and the amount of each payment shall be disclosed on an aggregate basis. If the director is also the president or vice president, this table and the remuneration table for president and vice president shall be filled out.

Note2: Refers to the remuneration to directors (including directors' salaries, duty allowances, severance pay, various bonuses and incentives, etc.) in the most recent year.

Note3: Refers to the amount of remuneration to directors as approved by the Board of Directors for the most recent fiscal year. Refers to the relevant business expenses of directors (including travel expenses, special disbursements, allowances, accommodation, company car, and other physical items) for the most recent year. Where housing, cars, other means of transportation, or expenditures exclusively for individuals are offered, the nature and costs of the offered assets, the actual rent or fair market rent, fuel expenses, and other benefits shall be disclosed. In addition, where a driver is provided, please provide an explanation in the notes on the compensation paid to the driver by the Company, but not including the remuneration. All pays to the director who is also an employee of the Company (including the position of president, vice president, other executive officer and staff), including salary, additional pay, severance pay, bonuses, rewards, transportation allowance, special allowance, stipends, dormitory, and car for the most recent year. Where housing, cars, other means of transportation, or expenditures exclusively for individuals are offered, the nature and costs of the offered assets, the actual rent or fair market rent, fuel expenses, and other benefits shall be disclosed. In addition, where a driver is provided, please provide an explanation in the notes on the compensation paid to the driver by the Company, but not including the remuneration. Furthermore, the salaries recognized in accordance with IFRS 2 "Share-based Payment," including the share subscription warrants issued to employees, new restricted stock award shares issued to employees, and employee stock options at cash capital increase, shall be calculated as remuneration.

Note4: Refers to the employees' compensation (including stocks and cash) received by a director who is also an employee (including the position held concurrently as president ,vice President , other executive officers, or an employee) for the most recent year.

Note5: The total pay to the directors from all companies in the consolidated statements (including the Company).

Note6: Refers to the total remuneration paid to each director by the Company, and the director's name shall be disclosed in the corresponding remuneration bracket.

Note7: Refers to the total remuneration all companies (including the Company) in the consolidated financial statements paid to each director of the Company, and the director's name shall be disclosed in the corresponding remuneration bracket.

Note8: Net income meant for the net profit after tax in the most recent year. For those companies with the international financial reporting standard adopted, net income meant for the net income after tax in the proprietary or individual financial report of the most recent year.

Note9:
a. This column is for the amount of relevant remuneration received by the Company's directors from invested companies other than subsidiaries or the parent company.
b. Where the Company's directors received relevant remuneration from invested companies other than subsidiaries or the parent company, the remuneration received by the Company's directors from invested companies other than subsidiaries or the parent company shall be included in the "I" column of the remuneration bracket table with the column name changed to "the parent company and all invested companies."
c. The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expenses received by the director serving as a director, supervisor or manager of an invested company other than subsidiaries or the parent company.

＊The information on the remuneration disclosed in this table is different from the concept of income of the Income Tax Act.
Therefore, the purpose of this Table is for information disclosure only and not for tax purposes.

(4) The name of the manager who distributes the employee compensation and the distribution situation

Unit: NT thousand dollars

	Title	Name	Amount of stock	Amount of cash	Total	Proportion of total amount to net profit after tax (%)
Manager	Chairman and General Manager	Cheer Du (Note 1)	0	4,160	4,160	2.61
	Chief Technology Officer	Huan-Chao Huang				
	Vice General Manager	Kang-Wei Lu (Note 2)				
	Vice General Manager of Department of RD Center	Guan-Yu Chen				
	Vice General Manager of Department of DPD	Dei-Cin Wong				
	Vice General Manager of Design Manufacturing Service Division	Yong-Jhou Jhuang				
	Vice Assistant Manager	Jun-Hong Zheng				
	Senior Finance Manager	Andrew Huang				
	Operations Department, Accounting Manager	Siao-Ting Lin				

Note 1: Director Cheer Du has been appointed as the general manager since 2020/12/28

Note 2: Resigned upon 2021/06/11.

(5) Compare and describe separately the analysis of total remunerations paid to the Company's directors, supervisors, president, and vice presidents for the past two years by the Company and all companies in the consolidated report as a percentage of the net income after tax, and describe the correlation among the remuneration payment policy, standards and combination, remuneration establishing procedures, and management performance.

1. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, president and vice presidents of the Company, to the net income after tax:

Title	2021		2020	
	Total remuneration	Net profit after tax proportion(%)	Total remuneration	Net profit after tax proportion(%)
Director	4,000	2.52%	4,100	1.84%
President and Vice Presidents	16,630	10.44%	23,695	10.65%

2. Remuneration policy, standard and package, procedure for determination, and linkage thereof to operating performance and future risk exposure:
   (1) In accordance with Article 17 and 18 of the Articles of Incorporation of the Company, if the Company makes profits in the year (i.e. the profit before net profit before tax deducting remuneration for employees and remuneration for directors), the Company shall allocate no more than 3% as the remuneration for directors. However, if the Company still has accumulated losses (including adjusting the amount of undistributed earnings), it shall keep the amount to make up in advance. And consider the company's operating results, and consider its contribution to the company's performance, and give reasonable remuneration.
   (2) The remuneration of the directors, general manager and deputy general manager shall be based on the "Articles of Incorporation of Remuneration Committee" and the "Performance Evaluation Procedure of the Board of Directors", and shall be reasonably remunerated with the consideration of the operating results of the Company and their contribution to the performance of the Company; in addition to the reference of the Company's overall operating performance, industry management risk and future development trend, it shall also refer to the individual performance success rate and the contribution of corporate performance, to give reasonable compensation; the related performance appraisal and compensation rationality are examined by Remuneration Committee and the Board of Directors, and timely review the remuneration system according to actual operating conditions and relevant laws, to strike a balance between corporate sustainability and risk management.

4. Implementation of corporate governance

(1) Board of Directors:In the most recent year (2020), the Board of Directors had 7 meetings[A] , and the attendance of directors and supervisors is as follows:

Title	Name	Attendance in person [B]	By proxy	Attendance rate (%) [B/A] (Note)	Notes
Chairman	Cheer Du	7	0	100%	2021/7/22 renewal
Director	Promate Electronic Co., Ltd. Representative -Eric Chen	7	0	100%	2021/7/22 renewal
Director	Promate Electronic Co., Ltd. Representative - Ciou-Jiang HU	7	0	100%	2021/7/22 renewal
Director	Liu-Ping Chen	7	0	100%	2021/7/22 renewal
Independent Director	Ying-Min Zhong	7	0	100%	2021/7/22 renewal
Independent Director	Mau-Shiung Chen	6	0	86%	2021/7/22 renewal
Independent Director	Yue-Xiu Liu	6	0	86%	2021/7/22 renewal

Attendance of independent directors in the 7 Board meetings in 2021:

2021	2021.03.23	2021.04.29	2021.06.22	2021.07.22	2021.08.05	2021.11.09	2021.12.13
Ying-Min Zhong	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person
Mau-Shiung Chen	Attendance in Person	Not attend	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person
Yue-Xiu Liu	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Not attend

Other matters that require reporting:

I. If any of the following circumstances occurs in the operation of the Board of Directors, the date, period, content of the motions, the opinions of all independent directors, and the Company's handling of independent directors' opinions shall be stated:
   (1) Matters referred to in Article 14 -3 of the Securities and Exchange Act.
   (2) In addition to the aforementioned matters, other Board meeting resolutions with independent directors' dissenting and unqualified opinions in records or written statements: No such incident occurred.

II. Directors recused from themselves from discussion or voting on an agenda item in which they have an interest:
   (1) 2021/08/05 The Company's 2020 manager and staff bonus distribution and salary payment time motion, directors had avoided: TU, HUAI-CHI.
   (2) 2021/12/13 The Company's 2021 manager year-end bonus distribution motion, directors had avoided:TU, HUAI-CHI

III. The objectives of strengthening the functions of the board of directors in the current and recent years (such as setting up an audit committee, enhancing information transparency, etc.) and evaluation of the implementation:
   (1) The operation of the board of directors is in accordance with the "Rules of Procedure of the Board of Directors" and the board of directors is held in accordance with this standard, and the implementation is good.
   (2) The company re-elected members of the board of directors and established an audit committee on May 9, 2016, and abolished the supervisory system.
   (3) Since the establishment of the Remuneration Committee on January 9, 2016, its operation has been smooth.

IV. Implementation of self-evaluations by the Company's Board of Directors:

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Once a year	Performance evaluation for January 1, 2021 to December 31, 2021	Performance assessments on Board of Directors, individual director member, audit committee and remuneration committee	Board of Directors' internal assessment and director member's self assessment	Self-assessment on board of directors' performance: ■ Master of company targets and tasks ■ Upgrade board of directors' decision-making quality ■ Composition and structure of board of directors ■ Director appointment and educating ■ Internal control Self-assessment on individual director members performance: ■ Master of company targets and tasks ■ Cognition of director responsibilities ■ Participation in company operation ■ Internal relation management and communication ■ Director specialty and educating ■ Internal control Self-assessment on audit committee performance ■ Participation in company operation ■ Cognition of committee responsibilities ■ Upgrade committee decision-making quality ■ Composition and structure of committee ■ Internal control Self-assessment on compensation committee: ■ Participation in company operation ■ Cognition of committee responsibilities ■ Upgrade committee decision-making quality ■ Composition and appointment of committee ■ Internal control

The Company has finished the 2021 performance self-assessment on board of directors, with results submitted and reported to the Board of Directors on 2021/12/13; of which, the overall average self-assessment score of Board of Directors is 4.82 (full mark is 5), the overall average self-assessment score of individual director members is 4.90 (full mark is 5), the overall average self-assessment score of audit committee is 4.86 (full mark is 5), and the overall average self-assessment score of remuneration committee is 4.82 (full mark is 5). To sum up, the Board of Directors' functions well, and it will continue to strengthen according to this results, and promote company's management achievements.

Table 1:

Date	Content of motion and follow-up Actions	Items listed in Article 14-3 of Securities and Exchange Act	Opinions of Independent Directors
2021/03/23	The Company's 2020 Year statement of operations and financial statement motion	V	None
	The Company's 2020 internal control system effectiveness assessment, with "Internal Control System Declaration" report motion	V	None
	The Company's 2020 director/supervisor and staff remuneration motion	V	None
	The Company's 2020 Year Distribution of Earnings motion	V	None
	Revised the Company's "Articles of Association" motion	V	None
	Revised the Company's "Rules of Procedure of Shareholders' Meeting" motion	V	None
	Revised the Company's "Director Election Measures" motion	V	None
	The Company's certified accountant independence assessment motion	V	None
	The Company's director re-election motion	V	None
	The Company's accountant replacement motion	V	None
	Accepted shareholders' proposal and nomination, examination standard and operation procedure related issues	V	None
	The Board of Directors' nominated director (including independent director) candidate and reviewing motion	V	None
	Removed the newly-appointed director competition prohibition motion	V	None
	Organized the Company's 2021general shareholders' meeting motion	V	None
	Independent director: No objections or reservations		
	The Company's treatment opinion on independent director: No		
	Resolution results: approved and passed by all attended shareholders		
2021/04/29	The Company's 2021 first quarter consolidated financial statement	V	None
	The Company planed to invest $5 million to participate in Esquarre IOT Landing Fund's Private Fund Raising motion	V	None
	Independent director: No objections or reservations		
	The Company's treatment opinion on independent director: No		
	Resolution results: approved and passed by all attended shareholders		
2021/06/22	The Company planed to apply for a line of credit from banking institution motion	V	None
	Stipulated 2021 general shareholders' meeting postponed date and place motion	V	None
	Independent director: No objections or reservations		
	The Company's treatment opinion on independent		

	director: No		
	Resolution results: approved and passed by all attended shareholders		
2021/07/22	Formulated the Company's cash dividends NT$191,274,350 payment date and base date motion	V	None
	Independent director: No objections or reservations		
	The Company's treatment opinion on independent director: No		
	Resolution results: approved and passed by all attended shareholders		
2021/08/05	The Company planed to apply for a line of credit from banking institution motion	V	None
	The Company's 2021 Year second-quarter issue of new shares motion	V	None
	Distribution of 2020 bonus and payment time according to the Company's manager performance	V	None
	Independent director: No objections or reservations		
	The Company's treatment opinion on independent director: No		
	Resolution results: approved and passed by all attended shareholders		
2021/11/09	The Company's 2021 Year second-quarter issue of new shares motion	V	None
	Revised the Company's "Risk Management Policies and Methods" motion	V	None
	Re-stipulated the Company's "Code of Practice on Corporate Social Responsibility"motion	V	None
	Independent director: No objections or reservations		
	The Company's treatment opinion on independent director: No		
	Resolution results: approved and passed by all attended shareholders		
2021/12/13	The Company's 2022 Year operating target and budget motion	V	None
	The Company's 2022 Year audit plan motion	V	None
	The Company's 2021 Year manager year-end bonus distribution motion	V	None
	Independent director: No objections or reservations		
	The Company's treatment opinion on independent director: No		
	Resolution results: approved and passed by all attended shareholders		

(2) Operation of the Audit Committee: The Audit Committee held 6 times (A) in the most recent year, and the attendance of independent directors is as follows:

Title	Name	Attendance in person [B]	By proxy	Attendance in person (%) [B/A]	Notes
Independent Director	Ying-Min Zhong	6	-	100%	2021/7/22 renewal
Independent Director	Mau-Shiung Chen	5	-	83%	2021/7/22 renewal
Independent Director	Yue-Xiu Liu	5	-	83%	2021/7/22 renewal

Other matters that require reporting:

1. In case any of the following circumstances occurs, shall state the date and stage of audit committee meeting, motion contents, independent director's counterview, reservation or significant suggestions, audit committee's resolution results as well as the company's treatment suggestion on audit committee

   (1) Matters referred to in Article 14-5 of the Securities and Exchange Act:

Audit Committee	Agenda items and resolutions
2021/03/23	Motion 1, The Company's 2020 Year staff and director remuneration motion. Motion 2, The Company's 2020 Year statement of operations and financial statement. Motion 3, The Company's 2020 Year "Internal Control Statement" motion. Motion 4, The Company's 2020 Year Distribution of Earnings motion. Motion 5, The Company certified accountant independence assessment motion. Motion 6, The Company's accountant replacement motion.
	Opinion of audit committee: No objections or reservations. Company's treatment opinion on opinion of audit committee: Not Applicable. Resolution results: Approved Unanimously by All Independent Directors in Attendance.
2021/04/29	Motion 1, The Company's 2021 first quarter consolidated financial statement.
	Motion 2, The Company planed to invest $5 million to participate in Esquarre IOT Landing Fund's Private Fund Raising motion.
	Opinion of audit committee: No objections or reservations. Company's treatment opinion on opinion of audit committee: Not Applicable. Resolution results: Approved Unanimously by All Independent Directors in Attendance.
2021/08/05	Motion 1, The Company's 2021 Year second quarter consolidated financial statement .
	Opinion of audit committee: No objections or reservations. Company's treatment opinion on opinion of audit committee: Not Applicable. Resolution results: Approved Unanimously by All Independent Directors in Attendance.
2021/11/09	Motion 1, The Company's 2021 Year third quarter consolidated financial statement.
	Opinion of audit committee: No objections or reservations. Company's treatment opinion on opinion of audit committee: Not Applicable. Resolution results: Approved Unanimously by All Independent Directors in Attendance.

2021/12/13	Motion 1, The Company's 2022 Year audit plan motion. Motion 2, The Company's 2022 Year operating plan (2022 Year Budget) motion.
	Opinion of audit committee: No objections or reservations. Company's treatment opinion on opinion of audit committee: Not Applicable. Resolution results: Approved Unanimously by All Independent Directors in Attendance.

(2) Besides the matters above, other resolutions adopted with the approval of two-thirds or more of all directors, without having been passed by the Audit Committee: None.

2. If independent directors recused from themselves from an agenda item in which they have a conflict of interest, specify the name of the independent director, agenda item, reason for -39- recusal, and participation in voting: None.
3. Communication between independent directors and the chief internal auditor and CPAs (must include material matters of communication, methods, results relating to the Company's financial reports and business conditions):
   (1) The shareholders' meeting of the Company on May 19, 2016 elected three independent directors and established the Audit Committee.
   (2) The independent director communicates directly with the internal audit supervisor and accountant through E-mail, telephone or meeting if necessary, and the communication is satisfactory.
   (3) The Company's audit unit shall, in addition to regularly submitting various internal audit reports to the independent directors, attend the audit committee meeting at least once a quarter after the establishment of the audit committee to explain the findings and improvements of the last quarter to the independent directors, and report the results of the meeting to the Board of Directors. In case of internal audit, the "Internal Control System" and "Rules for Implementation of Internal Audit" shall be amended, and the relevant contents shall be discussed and approved by the audit committee before being submitted to the Board of Directors for approval.
   (4) The accountant shall check and audit the Company's financial situation, adjust the entries and revision of IFRSs bulletin, publish the influence of comprehensive strategy to the Company against with the company act, tax law and labor law and other fiscal and taxation issues, explain to independent directors in the audit committee at least once a year; in case of serious matters, the meeting could be convened at any time. The accountant and independent director shall communicate on the important and key audit matters of the Company every year and reach a consensus.
   (5) The communication between the independent directors of the Company and the internal audit supervisor as well as the accountant (the way, matters and results of the communication regarding the Company's financial report and financial business situation, etc.) has been disclosed in the Corporate Governance section of the Company's website.
   (6) Please see the table below for an abstract of communications between the Independent Directors and the Internal Audit Manager and CPAs:

Participant	Meeting date	Nature and subject of communication	Independent Directors' Opinions
Head of Audit	2021/03/23	1.2021 first quarter audit condition report 1. 2.The Company's 2020 year internal control system effectiveness assessment, with "internal control declaration" report	No major lack of internal control and abnormal events.
Head of Audit	2021/06/22	2021 second quarter audit condition report	No major lack of internal control and abnormal events.
Head of Audit	2021/08/05	2021 third quarter audit condition report	No major lack of internal control and abnormal events.
Head of Audit	2021/10/13	Explanation for internal control system test and result on company fraud risk	No major lack of internal control and abnormal events.
Head of Audit	2021/11/09	2021 Fourth quarter audit condition report	No major lack of internal control and abnormal events.
Head of Audit	2021/12/13	The Company's 2022 audit plan motion	No major lack of internal control and

			abnormal events.
Certified Public Accountant	2021/03/23	Accountant's explanation and report on 2020 Year Consolidated Financial Statements in terms of audited significant findings (including major adjusted and unadjusted entries, internal control, etc.) and accountant audit report	All of above matters were reviewed and approved by the Audit Committee whereupon independent directors raised no objection.
Certified Public Accountant	2021/10/13	Accountant's explanation and communication on 2020 Year Consolidated Financial Statements in terms of audit results, key audit events and operating performance analysis	All of above matters were reviewed and approved by the Audit Committee whereupon independent directors raised no objection.
Certified Public Accountant	2021/12/13	Accountant's explanation and communication on 2021 Year Individual and Consolidated Financial Statements in terms of pre-audit planing, key audit events and operating performance analysis	All of above matters were reviewed and approved by the Audit Committee whereupon independent directors raised no objection.

4. Annual Work Priorities of Audit Committee:
   (1) Discuss the annual operating plan.
   (2) Discuss the business report and the proposals on the distribution of earnings or the allocation and compensation of losses.
   (3) Review the annual financial report and interim financial report.
   (4) Assess the remuneration and independence of visa accountant.
   (5) Communicate with the accountant and audit supervisor every six months.
   (6) Risk management of the company.
   (7) Performance evaluation of the audit committee.
   (8) Other major events or major events stipulated by relevant authority.
5. Financial report review
   The Company's Board of Directors has issued 2021 year statement of operations, financial statement and surplus distribution motion, etc., of which the financial statement had been verified by DELOITTE & TOUCHE FIRM's accountants WENG, PO-JEN and CHEN, HUI-MING, with audit report. The aforesaid statement of operations, financial statement and surplus distribution motion was also verified by audit committee, with no disagreement.
6. Effectiveness evaluation of internal control system
   According to the judgment items on the effectiveness of internal control system specified in "Guidelines for handling the establishment of internal control system for public offering companies", the Company judges the design and implementation of internal control system to be effective, which can reasonably ensure the achievement of the objectives of internal control system. The Audit Committee found that the Company's risk management and internal control systems were effective and that the Company had put in place the necessary control mechanisms to monitor and correct the non-compliance.
7. Visa accountant appointment
   According to "Code of Practice on Listed Corporate Governance" and Article 31 of the Company's "Code of Practice on Corporate Governance", the Company shall make regular (once every year) assessment on its appointed accountant's independence and adaptability, and appoint the certified accountants Po-Jen Weng and CHEN, HUI-MING from DELOITTE & TOUCHE FIRM. Certified accountants' independence statements are consistent with independence and adaptability, which are deliberated and passed in 2021/03/23 by audit committee and Board of Directors.

Note 1: If any independent director resigns before the end of the year, the resignation date shall be indicated in the remarks column, and the actual attendance rate (%) shall be calculated based on the number of audit committee meetings and actual attendance during his/her term of office.

Note 2: Before the end of the year, if any independent director is re-elected, the new and former independent directors shall be listed, and the former, new or re-elected independent director and the date of re-election shall be indicated in the remarks column. Actual attendance rate (%) is calculated on the basis of the number of meetings of the Audi Committee during his/her tenure and his/her actual attendance.

(3) Corporate governance implementation status and deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons:

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
I. Does the company establish and disclose its corporate governance principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company has adopted the "Code of Practice on Corporate Governance for Listed Companies" by resolution of the Board of Directors on May 12, 2020, which is disclosed on the Company's website and public information observatory.	None
II. Shareholding structure & shareholders' rights				
(1) Does the company establish internal operating procedures for handling shareholder suggestions, questions, complaints or litigation and handled related matters accordingly?	✓		(1) The Company has set up a spokesman, an acting spokesman and a stock affair unit to deal with the issues such as shareholders' motions or disputes.	None
(2) Does the company have a list of major shareholders that have actual control over the Company and a list of ultimate owners of those major shareholders?	✓		(2) The Company keeps track of the shareholding situation of directors, managers and major shareholders holding more than 10% shares, and reports the shareholding changes of major shareholders on time.	None
(3) Does the company establish and implement risk management and firewall systems within its?	✓		(3) The financial and business operations of the company and each affiliated company are operated independently, and there are "group companies, specific companies and affiliated parties' transaction procedures".	None
(4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		(4) The company has stipulated "Internal material information processing and prevention of insider transaction management operations", and advocates cases related to insider transactions.	None
III. Composition and duties of the board of directors				
(1) Whether the Board of Directors having stipulated diversity policy, specific management target and implementation status?	✓		(1) Please refer to Page 18-19 "Board of Directors Diversity and Independence" for the Company Boards' diversity policies, specific management objectives and implementation status.	None
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and Audit Committee?		✓	(2) In addition to the Remuneration Committee and the Audit Committee, other corporate governance functions are operated by various departments according to their responsibilities and functions, and will be set up according to future needs assessment.	Under Evaluation

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(3) Does the company establish standards and method for evaluating Board performance, conduct annual performance evaluations, submit performance evaluation results to the Board, and use the results as a basis for determining the remuneration and nomination of individual directors?	✓		(3) On May 12, 2020, the Board of Directors of the Company adopted the "Operational procedure for performance evaluation of the Board of Directors", covering the performance evaluation of the Board of Directors as a whole, individual directors and functional committees. Evaluation methods including internal self-evaluation of the Board, self-evaluation of directors, peer evaluation, and performance evaluation of external professional institutions, experts, or other appropriate ways, should be completed before the end of the first quarter in the next year for the director performance evaluation, and collected by the execution unit of the Board activities related information to complete the evaluation report and submit to the Chairman for summary, and then send to the Board of Directors to review the report, and make improvements. The measurement items for performance evaluation of the Board of Directors of the Company include the following five aspects: 1. Participation in the operation of the Company 2. Improvement in the decision-making quality of the Board of Directors 3. Composition and structure of the Board of Directors 4. Director selection and continuing education 5. Internal controls The measurement items of the Company's functional committee performance evaluation include the following five aspects: 1. Participation in the operation of the Company 2. Cognition of the responsibilities of functional committees 3. Improvement in the decision-making quality of functional committees 4. Composition and selection of members of the functional committees 5. Internal controls The measurement items for performance evaluation of directors include the following items: 1. Mastering the Company’s objectives and tasks 2. Cognition of directors' responsibilities 3. Participation in the operation of the Company	None

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			4. Internal relationship management and communication 5. Professional and continuing education of Directors 6. Internal controls December 13, 2021, and the result will be used as a basis for future selection or nomination of directors and compensation for individual directors, with a view to implementing the corporate governance and enhancing the participation and communication channels of directors in the operation of the Company.	
(4) Does the company regularly assess the independence of certified accountants?	✓		(4) In accordance with the contents of "Integrity, impartiality, objectivity and independence" in the Notice No. 10 of the Code of independence and professional ethics stipulated in Article 47 of the CPA Law, the Company develops the evaluation items, and evaluates the independence of accountants regularly every year 1. Report to the Audit Committee on March 23, 2021, acquire the declaration of independence of the accountants, and submit the result to the Board of Directors on March 23, 2021. 2. Report to the Audit Committee on March 16, 2020, acquire the declaration of independence of the accountants, and submit the result to the Board of Directors on March 16, 2020. 3. Report to the Audit Committee on March 24, 2021, acquire the declaration of independence of the accountants, and submit the result to the Board of Directors on March 24, 2021。	None
IV. ompany have a suitable number of competent corporate governance personnel, and has it appointed a corporate governance supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their duties, assisting directors and supervisors with regulatory compliance, handling matters related to Board meetings and shareholders' meetings, and	✓		Through the resolution of the Board of Directors on May 11, 2020, the Company shall designate the accounting department manager Andrew Huang as the corporate governance director, to whom the stock affair unit report, so as to protect the shareholders' rights and interests and strengthen the function of the Board of Directors, with the work experience of more than three years in finance, stock affairs or deliberations and other management in the public offering company. The main duties of the corporate governance officer are to handle matters related to the meetings of the Board of Directors and the Board of Shareholders, prepare the proceedings of the Board of Directors and the Board of	None

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
preparing proceedings for Board meetings and shareholders' meetings)?			Shareholders, assist the directors in their appointment and continuing education, and provide the information necessary for the directors to carry out their business and other matters stipulated in the Articles of Incorporation or the deeds of the Company. Operational performance in 2021 was as follows: ● Regularly informing the Board of Directors of the latest changes and developments of laws and regulations related to the Company's business field and corporate governance. ● Handling the operation of the Board of Directors and the functional committees according to laws. ● Planning and implementing the director education courses. ● Insurance and maintenance of director's liability insurance. ● 2021 performance evaluation of the Board of Directors shall be carried out in accordance with the "Performance Evaluation Method of the Board of Directors" established by the Company. ● Responsible for all matters related to the shareholders' meeting. ● Reviewing the achievement of corporate governance evaluation indicators and proposing the improvement plans and countermeasures for the indicators that are not achieved. ● 12 hours of study have been completed in 2021 according to laws. Please refer to Note 1 for details.	
V. 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), and properly respond to corporate social responsibility issues of concern to the stakeholders?	✓		(1) The Company has a spokesperson and an acting spokesperson, and relevant contact information is announced on the Open Information Observatory in accordance with the regulations. Meanwhile, the financial and stock affair information is regularly announced on the Open Information Observatory and the Company's website, so as to establish a good communication mode with investors. (2) Special zone for interested parties has been set up on the Company website.	None
VI. Does the company designate a professional shareholder service agency to deal with shareholder affairs?	✓		The Company appoints the professional stock affair agency: the stock affairs agency department of Yuanta Securities Co., Ltd., and has formulated the "Management method of stock affairs".	None
VII. Information disclosure				
(1) Does the company establish a corporate website to	✓		(1) The Company shall declare its financial business and corporate governance on the	None

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
disclose information regarding the company's financial, business and corporate governance status?			Public Information Observatory in accordance with the law, and has planned to disclose important information on the company's website(https://promate.com/cht/).	
(2) Does the company have other information disclosure channels (e.g., maintaining an English language website, appointing responsible people to handle information collection and disclosure, creating a spokesperson system, webcasting investor conference on company website)?	✓		(2) The company has a dedicated person responsible for the disclosure of various company information, and has established a spokesperson system in accordance with regulations, and has planned to disclose important information on the company's website.	None
(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	✓		(3) The Company is still announcing and reporting the financial reports and monthly operations in accordance with the time limit stipulated in Article 36 of the Securities and Exchange Act.	None
VIII. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, continuing education of directors and supervisors, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		(1) Employee right and care: The Company attaches great importance to the rights and interests of colleagues; in addition to the statutory protection, there are many welfare measures and multiple appeal channels. Salary: annual salary adjustment, performance bonus, year-end bonus, employee dividend Training: annual educational training, professional training Off-days: 2 off-days per week, annual leave, paternity leave Welfare: enjoying the labor insurance, health insurance and group insurance, staff travel allowance, staff fellowship hall - vegetable restaurant, staff birthday gift certificate, funeral and illness allowance, Christmas Party, year-end activities, staff library, and club activities, etc. (2) Investor relationship: Full disclosure of information through the public information observatory and the Company’s website, to enable the investors to understand the Company's operating conditions, and through the shareholder	None

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			meeting and spokesperson channels to communicate with investors. (3) Supplier relationship: The Company is the electronic component agency, stipulates the code of conduct for supplier, and has signed relevant contracts with all suppliers; the orders and purchases are handled according to the contract, to ensure the full source of goods. (4) Rights of interested parties: a. As for shareholders' responsibilities: the Company strives to fully safeguard the shareholders' rights and interests. b. As for customer responsibilities: in addition to providing the professional design services with added value, the Company also provides sufficient stock according to the customer's order to meet the customer's needs. (5) Training of Directors and Supervisors: The Company complies with the "Key points for directors and supervisors of listed companies" and regularly provides relevant refresher courses for directors. Directors may enroll in relevant refresher courses upon their personal needs. Please refer to the Open Information Observatory for further study of directors and supervisors. (6) Implementation of risk management policies and risk measurement standards: The Company has the risk management policy, and each department must analyze the identified risk events according to the actual situation, use the information to determine the occurrence possibility of risk events, and analyze the impact of the results on the Company; the audit office shall audit and regularly issue reports to the Board of Directors and Audit Committee. (7) Implementation of customer policies: The Company constantly enriches professional skills and strengthen the partnership with manufacturers with professional technical team and clear product market positioning, to jointly create the added value. (8) Liability insurance purchased by the Company for directors and supervisors: The Company purchases the liability insurance for directors and supervisors every year with an underwriting amount of NT$150 million. The renewal of insurance will be completed before the expiration of May 31 of	

Evaluation Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			this year and reported to the Board of Directors in the near future.	

IX. Specify the improvement of corporate governance with reference to the evaluation of corporate governance by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year, and the measures prioritized for issues that require improvement.
The indicators of the eightth corporate governance evaluation of the Company are gradually improved, and most of the self-evaluation operations participated in and completed in accordance with the corporate governance methods have been in line with the spirit of corporate governance, and there is no significant difference.

Note 1: 2021 Continuing education of corporate governance manager:

Corporate governance manager: Andrew Huang			
Date	Organizer	Course	Hours
2021.09.01	Financial Supervisory Commission	The 13th Taipei Corporate Governance Forum-morning stage	3
2021.09.01	Financial Supervisory Commission	The 13th Taipei Corporate Governance Forum-afternoon stage	3
2021.10.15	China Accounting Research and Development Foundation	Directors and supervisors related transaction analysis and case discussion	3
2021.10.15	China Accounting Research and Development Foundation	Corporate financial crisis warning and type analysis	3

(4) If the company has a Remuneration Committee, disclose its composition, responsibilities and operations:

1) Composition: The Company has the Remuneration Committee, which consists of three committee member Mau-Shiung Chen, Ying-Min Zhong and Yue-Xiu Liu.
2) Responsibilities: The Company has established the "Organizational Rules for Remuneration Committee", whose main powers and responsibilities are as follows:
   i. To review the rules and regulations of the organization on a regular basis and propose the amendments.
   ii. To formulate and regularly review the policies, systems, standards and structures for annual and long-term performance evaluation and remuneration of directors and managers.
   iii. To regularly evaluate the achievement of performance objectives of directors and managers, and determine the contents and amounts of their individual salaries and rewards.
3) Operations:The committee is required to convene at least two meetings each year, and convened three meetings in 2021.

(1) Members of the Remuneration Committee

December 31, 2021

Title / Qualifications / Name		Professional qualification and experience	Independence condition	Additional posts in other public Company remuneration committee
Independent Director-Convene	Mau-Shiung Chen	Note 1	Note 1	-
Independent Director	Ying-Min Zhong	Note 1	Note 1	-
Independent Director	Yue-Xiu Liu	Note 1	Note 1	-

Note 1: Please state each remuneration committee member’s period of service, professional qualification and experience as well as independence condition in the table, and may refer to Page 11-17 for directors’ professional qualification and independent director’s independence information disclosure

(2) Operations of the Remuneration Committee

1. There are three members in the Company's Remuneration Committee.
2. The term of the current committee members: the remuneration committee of the company was established on January 19, 2016. The thirth term is from July 22, 2021 to July 21, 2024. The 2021 year remuneration committee has held the meeting 3 times (A), the membership qualifications and attendance are as follows:

Title	Name	Attendance in person [B]	By proxy	Attendance rate (%) [B/A] (Note)	Notes
Convener	Mau-Shiung Chen	3	-	100%	2021/7/22 renewal
Committee Member	Ying-Min Zhong	3	-	100%	2021/7/22 renewal
Committee Member	Yue-Xiu Liu	2	-	67%	2021/7/22 renewal

Other matters that require reporting:

1. If the board of directors did not adopt or revised the recommendations of the compensation committee, describe the date of board meeting, term of the board, agenda item, resolutions adopted by the board, and actions taken by the company in response to the opinion of the compensation committee (if the remunerations approved by the board of directors are better than those recommended by the compensation committee, describe the difference and reasons): None.
2. If with respect to any resolution of the Remuneration Committee, any member has a dissenting or qualified opinion that is on record or stated in a written statement, describe the date of committee meeting, term of the committee, agenda item, opinions of all members, and actions taken by the company in response to the opinion of members: None.
3. Proposals and resolutions of the Remuneration Committee meetings and the Company's handling of the members' opinions in the most recent year:

Remuneration Committee	Agenda items and resolutions
Period 02 Time 09 2021.03.23	1.Formulated 2021 remuneration committee calendar 2.Reviewed the Company’s current reward system and evaluated and analyzed performance measurement system 3.The Company’s 2020 Year director remuneration and staff bonus payment
	Remuneration Committee member’s opinions: : Passed as proposed after the chairperson consulted all attending members. The Company's handling of the opinions of the Remuneration Committee: Submitted to the Board of Directors and approved by all attending directors.
Period 03 Time 01 2021.08.05	1.Distribution of 2020 bonus and payment time according to the Company’s manager performance
	Remuneration Committee member’s opinions: Passed as proposed after the chairperson consulted all attending members. The Company's handling of the opinions of the Remuneration Committee: Submitted to the Board of Directors and approved by all attending directors.
Period 03 Time 02 2021.12.13	1.Distribution of 2021 year-end bonus proportion and year-end bonus payment time according to the Company’s manager performance
	Remuneration Committee member’s opinios: Passed as proposed after the chairperson consulted all attending members. The Company's handling of the opinions of the Remuneration Committee: Submitted to the Board of Directors and approved by all attending directors.

Note:

(1) If a member of the Remuneration Committee leaves before the end of the year, the resignation date shall be indicated in the remarks column, and the attendance rate (%) shall be calculated based on the number of meetings of the Remuneration Committee and the attendance in person times during his/her term in office.

(2) Before the end of the year, if any member of the Remuneration Committee is re-elected, the new member and the former member shall be filled in. The former member, new member, or re-elected member and the re-election date shall be indicated in the remark column. The attendance rate (%) is calculated based on the number of meetings of the Remuneration Committee during his/her term of office and his/her attendance in person.

(5) Promotion of sustainable development implementation and differences/reasons between market-listed and public limited company's Code of Practice on Sustainable Development:

Promotion items	Implementation status			Situation and Reasons for Differences from Code of Practice on Corporate Social Responsibility for Listed Companies
	Yes	No	Summary	
I. Whether the Company has established and promoted sustainable development management structure, as well as set up relevant special (part-time) unit to follow up through Board of Directors authorization to high-order management level for handling, as well as under Board of Directors supervision?	✓		The Company has already appointed the chairman office to take charge of the proposal and implementation of sustainable development policy and system, and also disclosed its implementation status in financial statement and reported to the Board of Directors once every year.	No difference

Promotion items	Implementation status			Situation and Reasons for Differences from Code of Practice on Corporate Social Responsibility for Listed Companies
	Yes	No	Summary	
II. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	✓		1. This disclosure data covers sustainable development performance and risk assessment boundary of the Company's major bases from 2021/01 to 2021/12 mainly in Taiwan. 2. The Company has regularly identified and evaluated the major issues and formulated relevant risk management policies and strategies according to sustainable development principles, as below: (1) Environment and Society: ◆ Product responsibility: When the company requires the supplier to inspect the incoming materials, any material must submit a valid RoHS/REACH third-party inspection report, or the supplier's self-declaration guarantee to confirm that it does not contain restricted or prohibited substances, and strict quality management provides customers with good product quality and service quality to improve customer satisfaction and become the cornerstone of sustainable development of the company. ◆ Occupational safety: The company has labor safety personnel. In addition to the safety and health laws and regulations during the research and development, manufacturing, testing, and sales of the company's products, the company also cooperates with the international and Taiwan safety and health management systems to implement hazard risk management, and conduct hazard assessment and continuous improvement of the work content and work area. In addition, through pre-employment safety and health training, safety advocacy, fire drills and escape drills for new recruits, we can instill correct occupational safety and health messages to colleagues, hoping to reduce occupational safety hygiene accidents, fulfill the responsibility of protecting employees. (2) Corporate governance: The Company has stipulated the "Codes of Integrity Management", "Code of Ethics" and "Measures for Preventing Insider Trading", to standardize its internal operation and management, as well as relevant internal control system, and fulfill its social abilities.	No difference
III. Environmental issues				

Promotion items	Implementation status			Situation and Reasons for Differences from Code of Practice on Corporate Social Responsibility for Listed Companies
	Yes	No	Summary	
(1) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		(1) The company has introduced the ISO9001/ ISO14001/ ISO13485 quality and environmental management system and established a supplier management policy. From raw material procurement, transportation, product production, product transportation, product use to product disposal after disposal, etc., the impact on the environment caused by all processes is taken into consideration. Therefore, the company also implements requirements for hazardous substance management, pollution prevention, energy saving, water saving and waste reduction in its own operating office areas and manufacturing centers, in order to enable the upstream industry (original supplier) and midstream (the company) and downstream (customers) have gradually formed a green supply chain.	No difference
(2) Does the company endeavor to improve the efficiency of resource utilization and use recycled materials which have a low impact on the environment?	✓		(2) The Company is committed to the recycling and utilization of various recyclable materials and uses recycled materials with a low impact on the environment.	No difference
(3) Does the company evaluate potential risks and opportunities brought by climate change, and take response measures to climate-related issues?	✓		(3) The Company faces potential risks of climate change mainly at environmental and operational levels. For example, as extreme climate change causing resource shortages and personnel having difficulties adapting physically, resulting in increased raw material costs, suppliers struggling to complete production, and increased transportation costs, etc. These could all potentially lead to climate change directly or indirectly impacting our operating results. The Company recognizes that climate change is a major issue, hence adopting countermeasures including improving the efficiency of resource utilization, reducing water consumption, and practicing solar power generation.	No difference

<table>
<tr><th rowspan="2">Promotion items</th><th colspan="3">Implementation status</th><th rowspan="2">Situation and Reasons for Differences from Code of Practice on Corporate Social Responsibility for Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>(4) Does the company compile statistics of greenhouse gas emissions, water use, and total weight of waste in the past two years, and does it establish policies for energy conservation & carbon reduction, greenhouse gas emission reduction, water use reduction, and other waste management?</td><td>✓</td><td></td><td>(4) To response the influence from climate change on operating activities, the Company, except for actively introducing new products, continues to promote its energy conservation and carbon deduction policies. The implementation status of 2021 are as follows: (covering Taipei Head Office and Taoyuan Factory in Taiwan District)
1. Greenhouse gases:
a. cope 1: Office electricity consumption of recent two years
<table>
<tr><th>Year</th><th>2021</th><th>2020</th></tr>
<tr><td>Electricity consumption</td><td>1,172,458</td><td>1,150,646</td></tr>
<tr><td>Carbon emissions KG CO2e</td><td>588,574</td><td>577,624</td></tr>
</table>
b. Scope 2: Solar-powered electricity production and carbon emissions deduction of two years
<table>
<tr><th>Year</th><th>2021</th><th>2020</th></tr>
<tr><td>Electricity consumption</td><td>507,481</td><td>459,417</td></tr>
<tr><td>Carbon emissions KG CO2e</td><td>254,755</td><td>230,627</td></tr>
</table>
Note: The calculation basis for 2021 and 2020is abided by MOE Energy Bureau’s published 2020 Year eletricity carbon emission coefficient: 0.502 KG CO2e/kWh
2. Water consumption:
<table>
<tr><th>Year</th><th>2021</th><th>2020</th></tr>
<tr><td>kWh</td><td>2,293</td><td>3,256</td></tr>
</table>
3. Wastes:
<table>
<tr><th>Year</th><th>2021</th><th>2020</th></tr>
<tr><td>Enterprise wastes (Kg)</td><td>4,980</td><td>6,390</td></tr>
<tr><td>Carton recycling (Kg)</td><td>3,500</td><td>3,310</td></tr>
</table>
4. Paper sheets:
<table>
<tr><th>Year</th><th>2021</th><th>2020</th></tr>
<tr><td>Amount of sheets</td><td>150,000</td><td>350,000</td></tr>
</table>
</td><td>No difference</td></tr>
<tr><td>IV. Social issues</td><td></td><td></td><td></td><td></td></tr>
</table>

Promotion items	Implementation status			Situation and Reasons for Differences from Code of Practice on Corporate Social Responsibility for Listed Companies
	Yes	No	Summary	
(1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(1) The Group supports and voluntarily abide to the "UN Global Covenant", "United Nations Universal Declaration of Human Rights" and "ILO Declaration on Fundamental Principles and Rights of Work" and principles that disclosed on international covenants of human rights, stipulates staff working rules and management measures in accordance with labor laws, to maintain and safeguard staff's legal rights, and through its Staff Welfare Committee.	No difference
(2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	✓		(2) In addition to labor laws, the Company pays according to staffs' education and experience backgrounds, professional knowledge and abilities, individual performances and other additional conditions, and equal to male and female. In addition to basic salaries, it also provides bonuses by referring staffs' performances. As stipulated in the *Articles of Association*, the Company shall allocate 7.5~10% as staff remunerations, and offer holiday allowances in domestic and overseas. To promote occupational diversity and equity, Female employees in the company of 2021 account for 52%.	No difference

<table>
<tr><th rowspan="2">Promotion items</th><th colspan="3">Implementation status</th><th rowspan="2">Situation and Reasons for Differences from Code of Practice on Corporate Social Responsibility for Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>(3) Does the company provide a safe and healthy working environment and provide employees with regular safety and health training?</td><td>✓</td><td></td><td>(3) The Company has formulated the Code of Practice for Safety and Sanitation, and assigns labor safety personnel for performing regular safety inspection pursuant to laws and regulations, inspection and declaration on building public safety, as well as monitoring on drink water, illumination, concentrations of carbon dioxide, etc. every year, with retrofitted air regenerating device to improve operating environment quality and safety. In addition, to implement occupational safety policy, the Company also organizes 4-hour occupational safety training, to assist site medicare workers in work environment hazards identification (including maternal health protection, unlawful infringement prevention in workplace, etc.), and conducts overload and human factor assessments every year specific to high-risk case for assessment and management. It as well attaches importance to staffs' health through organizing health lectures, and offer health examination once every two years which is superior to the laws and regulations. The Company also set up first-aid personnel and emergency response team, to guarantee staff work environment safety and promote employee health. Furthermore, it also carries sterile working environment, and provides its staffs with non-toxic and free-from-care places for eat, with regular or irregular outdoor activities to adjust their mental and physical states, as well as encourages them to set up clubs within the company.
The Company has also set up occupational safety verification team, led by the general manager, to verify occupational safety every year, and report to Ministry of Labour pursuant to occupational safety laws and regulations. Any suggested improvements will be submitted by the team for a specific implementation.

Statistics of the Company's 2021 year staff occupational accident events are as follows:<table><tr><td>Event number</td><td>-</td></tr><tr><td>Persons</td><td>-</td></tr><tr><td>Total staffs</td><td>160 people</td></tr><tr><td>Ratio in total staffs (%)</td><td>-</td></tr></table></td><td>No difference</td></tr>
</table>

Promotion items	Implementation status			Situation and Reasons for Differences from Code of Practice on Corporate Social Responsibility for Listed Companies
	Yes	No	Summary	
(4) Does the company set up effective career development and training programs for its employees?	✓		(4) 1.Internal training Unit supervisor and colleagues may act as the lecturers in their professional fields and share their experience and professional knowledge through job training, to enhance colleagues' professional skills and improve competences in solving problems. 2.Newly-employed staff training Upon registration, Human Resources Department will introduce the company profile, organizational profile, office environment, administrative regulations, company welfare, etc. (2h for every person), and organize regular trainings (6h) on new employees to present company operating conditions and corporate culture and promote their sense of belonging and identity. 3. External training Arrange colleagues to participate in external courses to improve their work abilities, competences and management abilities. 4. Further education and subsidy Provide full subsidy to encourage colleagues to participate in further education and thereby improve their work knowledge and abilities. Please mark relevant talent training hours of 2021 in Note 1.	No difference
(5) Whether the Company obeys relevant rules and international codes in terms of product and service, client health and safety, client privacy, marketing and labeling, etc., and formulates corresponding consumer protection or equity policy as well as complaint procedures?	✓		(5) The Company plays the role of connecting technology and creating value through providing services. To practice relevant sales and technical services, we must sign agency sales contracts that meet laws and international regulations with our domestic and foreign upstream manufacturers, before proceeding with relevant sales and services. Because the intellectual property rights of the products sold belong to our upstream original manufacturers, the product labels must also comply with the original manufacturers' specifications. Additionally, the company's website has a designated area for stakeholders to protect policies of consumer rights and keep appeal procedures smooth.	No difference

Promotion items	Implementation status			Situation and Reasons for Differences from Code of Practice on Corporate Social Responsibility for Listed Companies
	Yes	No	Summary	
(6) Does the company have a supplier management policy, require suppliers to comply with regulations on environmental protection, occupational safety and health, and labor rights, and what is its implementation status?	✓		(6) The Company has set up a "Supplier Control Procedure" and disclosed the "Supplier Control Policy" on the company website, which requires suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, and labor rights. The Company evaluates suppliers annually based on quality, delivery, and service then determines the frequency of dealing with each supplier according to the evaluation results.	No difference
V. Whether the Company has referred international standards or guidelines for the preparation of reports, sustainable development report and other disclosure reports for company's non-financial information? Whether the aforesaid report is with any certainty or guarantee from a third verification unit?		✓	The Company's "Code of Practice on Corporate Social Responsibility" which was formulated in 2014/03/24 , has been renamed as "Sustainable Development Practice Codes" since 2022/03/15 to cooperate with international development tendency and achieve its sustainable development target. For this reason, "pure heart for humanity, forward-looking science and technology, value-added partnerships, feedback to society" is the quality policy we always adhere to implement the sustainable operation and create fine working environment. Under the pursuit of competitive power and stable profit growth, the Company, except for feedback to its shareholders, clients and staffs, also keeps social responsibilities in mind, observes laws and disciplines, as well as respects human, community and environment related policies. The Company's practice principles of its social responsibilities are as follows (1) Implement corporate governance. (2) Develop sustainable environment. (3) Maintaining social welfare. (4) Strengthen the disclosure of corporate social responsibility information.	The Company follows the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility
VI. In case of the Company has stipulated its sustainable development codes according to the *Market Listed Corporate Code of Practice on Sustainable Development*, please state its functions and differences: the Company has already stipulated Sustainable Development Codes, and considered its current conditions and related regulations, to implement step by step, with no significant difference.				

<table>
<tr><th rowspan="2">Promotion items</th><th colspan="3">Implementation status</th><th rowspan="2">Situation and Reasons for Differences from Code of Practice on Corporate Social Responsibility for Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td colspan="5">VII. Other important information which is helpful for promoting sustainable development implementation:
◆ The Company highly regards the importance of social responsibility and actively participates in community activities. We interact amicably with suppliers and stakeholders, ensuring the protection of our consumers' rights.
◆ The Company supporting local agricultural products with substantial actions. Selecting local small farmers to supply seasonal and local ingredients; encouraging employees to primarily purchase these agricultural products and extending the concept to the ingredients of the employee cafeteria in hopes of helping disadvantaged farmers in rural or specific areas with these actions; also reducing food miles at the same time, achieving energy conservation and carbon reduction; as of 2021, the purchased items have summed up about 150 items and the revenue on average of ~$228 million/year.
◆ Promate Group actively implements corporate social reciprocation and supports baked goods made by mentally challenged children with substantial actions, hoping to distribute income to disadvantaged groups and achieve long-term care. Therefore, the Group always orders gifts from the Children Are Us bakery on Mid-Autumn Festival or other major festivals; as of 2021, the purchases have summed up to exceed NTD 240,000. The Group also encourages employees and the general public to join and help disadvantaged groups operate more smoothly, spreading love to the corners in need.
◆ The Company had organized “Mid-Autumn Gift-Bulk Rice” activity before the Mid-Autumn Festival of 2021, which was ideated from environmental protection and recycling, namely staffs “provided containers” to collect rice to home. The activity was not only beneficial to staffs’ health, but reduced plastic pollution, and brought us one step closer to world “plastic-free” status.</td></tr>
</table>

Note 1:

Items	Participants	Hours	Average score
Internal training	180	720	4.0
New employee training	51	408	8.0
External training	74	800	10.8

(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 status			Deviations from the "Ethical Corporate Management BestPractice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
1. Establishment of ethical corporate management policy and approaches				
(1) Did the company establish an ethical corporate management policy that was approved by the Board of Directors, and declare its ethical corporate management policy and methods in its regulations and external documents, as well as the commitment of its Board and management to implementing the management policies?	✓		(1) The Company has a "Code of Ethical Operation" established by the Board of Directors, which applies to the companies and organizations in our group. It is strictly implemented in our internal management and external business activities.	No difference
(2) Does the company establish mechanisms for assessing the risk of unethical conduct, periodically analyze and assess operating activities within the scope of business with relatively high risk of unethical conduct, and formulate an unethical conduct prevention plan on this basis, which at least includes (II) Does the company establish mechanisms for assessing the risk of unethical conduct, periodically analyze and assess operating activities within the scope of business with relatively high risk of unethical conduct, and formulate an unethical conduct prevention plan on this basis, which at least includes？	✓		(2) The companies and organizations in our group conduct the mentioned matters following the relevant provisions and operating procedures stipulated in the corporation's "Code of Ethical Operation."	No difference
(3) Did the company specify operating procedures, guidelines for conduct, punishments for violation, rules of appeal in the unethical conduct prevention plan, and does it implement and periodically review and revise the plan?	✓		(3) To enhance the management of ethical operations, the Company has set up a dedicated unit under the Board of Directors, allocating sufficient resources and qualified personnel to it. It is responsible for the formulation and supervision of ethical management policies and precautionary measures. It primarily administers the following affairs and regularly reports to the Board of Directors (at least once a year).	No difference
2. Implementation of ethical corporate management				

Evaluation Item	Implementation status			Deviations from the "Ethical Corporate Management BestPractice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
(1) Does the company evaluate the ethical records of parties it does business with and stipulate ethical conduct clauses in business contracts?	✓		(1) Contracts signed between the Company and suppliers or manufacturers are performed in good faith. Generally, there are provisions in place that prohibit the receiving of kickbacks.	No difference
(2) Did the company establish a dedicated unit under the board of directors to promote ethical corporate management, and periodically (at least once a year) report to the Board of Directors and supervise the implementation of the ethical corporate management policy and unethical conduct prevention plan?	✓		(2) The Company has set up a dedicated (part-time) unit under the Board of Directors to implement ethical corporate management. It regularly reports to the Board of Directors regarding its operation. The primary focus when it comes to the promotion of company managers and the appointment of employees is their integrity records, and these are one of the focal points in the consideration for promotions. On December 13, 2021, the Board of Directors completed the 2021 annual reporting on the implementation of ethical management.	No difference
(3) Does the company establish policies to prevent conflict of interests, provide appropriate channels for filing related complaints and implement the policies accordingly?	✓		(3) The Company has a "Code of Ethical Operation" and "Code of Moral Conduct" to prevent conflicts of interest and avoid personal gain.	No difference

Evaluation Item	Implementation status			Deviations from the "Ethical Corporate Management BestPractice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
(4) Does the company have effective accounting system and internal control systems set up to facilitate ethical corporate management, does the internal auditing unit formulate audit plans based on unethical conduct risk assessment results, and does it audit compliance with the unethical conduct prevention plan or commission a CPA to perform the audit?	✓		(4) If the directors or their legal representatives have a stake in the motions set forth by the Board of Directors, the shall disclose the nature of their interest and not be included in the related discussion or vote on the said motion, or represent other directors in exercising their voting rights. The accounting system of the Company is based on the Securities and Exchange Act, the Company Act, the Business Entity Accounting Act, the Regulations Governing the Filing of Financial Reports by Public Companies, and other relevant legislation, then devised according to the actual situation of the company's business; the internal control system is based on the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" and other relevant regulations, which are all thoroughly implemented. The audit department also regularly examines the status of the accounting system and internal control system and reports to the Board of Directors.	No difference
(5) Does the company regularly hold internal and external educational trainings on ethical corporate management?	✓		(5) The Company periodically organizes promotions and training on ethical management at appropriate times.	No difference
3. Operation of whistleblowing system				
(1) Does the company establish concrete whistleblowing and reward system and have a convenient reporting channel in place, and assign an appropriate person to communicate with the accused?	✓		(1) The Company has "Employee Work Rules" and "Reporting System Management Measures," which clearly stipulates the relevant content, and will assign designated personnel to handle each of the reported cases.	No difference
(2) Does the company establish standard operating procedures for investigating reported cases, and does it take subsequent measures and implement a confidentiality mechanism after completing investigation?	✓		(2) The Company has relevant employee reporting procedures in place, along with confidentiality mechanisms.	No difference

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the "Ethical Corporate Management BestPractice Principles for TWSE/TPEx Listed Companies" and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>(3) Does the company provide proper whistleblower protection?</td><td>✓</td><td></td><td>(3) Designated personnel will be appointed to handle each of the reported cases. During the appeal process, the informant will be protected from improper punishment due to the reporting.</td><td>No difference</td></tr>
<tr><td>4. Enhancing information disclosure</td><td></td><td></td><td></td><td></td></tr>
<tr><td>(1) Does the company disclose information regarding the company's ethical corporate management principles and implementation status on its website and the Market Observation Post System?</td><td>✓</td><td></td><td>The Company has established the "Code of Ethical Operation" to enhance the management of ethical operations and placed it on our company website. With the chairman's office as a designated unit, we allocate sufficient resources and qualified personnel to it. It is responsible for the formulation and supervision of ethical management policies and precautionary measures and regularly reports to the Board of Directors (at least once a year). At the same time, we set up a designated area for stakeholders on our website, establishing a communication platform. In 2021, no illegal, unethical, or untrustworthy conduct has been reported.</td><td>No difference</td></tr>
<tr><td colspan="5">5. If the company has established Ethical Corporate Management Principles in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", describe difference with the principles and implementation status: the Company established the "Ethical Corporate Management Best Practice Principles" to establish a corporate culture of ethical management and to achieve sound development. There is no deviation between actual operations and the Company's Best Practice Principles.</td></tr>
<tr><td colspan="5">6. Other important information to facilitate a better understanding of the company's implementation of ethical corporate management: in addition to the "Code of Ethical Operation," the Company also establishes relevant regulations of ethical management in the contracts with manufacturers. Employees are also required to adhere to the code of ethical conduct when they take up their posts. In 2021, the Company held internal and external education training with a collective attendance of 12 people for a total of 105 hours (the scope covers compliance with ethical management, the accounting system, and the internal control system).</td></tr>
</table>

(7) If the company has established corporate governance principles and related guidelines, disclose the means of accessing this information: Please refer to the Company’s website.

(8) Other Significant Information that will Provide a Better Understanding of the State of the Company's Implementation of Corporate Governance may also be Disclosed:Please refer to the Company’s website.

(9) Implementation of internal control system should disclose the following matters:

1. Internal control statement

Promate Solutions Corporation
Statement of internal control system

Date: March 15, 2021

Based on the results of self-inspection, we hereby declare as below for the internal control system in 2021:

I. The Company acknowledges that the establishment, implementation and maintenance of internal control system is the responsibility of the Board of Directors and managers of the Company, and the Company has established such system. The objective is to provide reasonable assurance of the effectiveness and efficiency of operations (including profitability, performance and asset safety, etc.), reliability, timeliness, transparency of reporting, and compliance with relevant regulations.

II. The internal control system has its innate limitations; no matter how perfect the design is, the effective internal control system can only provide reasonable guarantee for the achievement of the above three objectives; moreover, due to the change of environment, the effectiveness of internal control system may change too. However, the Company's internal control system has the self-monitoring mechanism, and the Company will take corrective action if any deficiency is identified.

III. The Company judges whether the design and implementation of internal control system is effective or not according to the judgment items on the effectiveness of internal control system stipulated in the "Guidelines for Handling the Establishment of Internal Control System of Public Offering Companies" (hereinafter referred to as "Guidelines"). The internal control system used in the "Guidelines" is the process of management control. The internal control system is divided into five components: 1. Control environment, 2. Risk assessment, 3. Control operations, 4. Information and communication, and 5. Supervision. Each component includes a number of items. For the foregoing items, please refer to the "Guidelines".

IV. The Company has adopted the above internal control system's judgement items and check the effectiveness of design and implementation of internal control system.

V. Based on the results of the foregoing inspection, the Company considers that the internal control system of the Company (including the supervision and management of its subsidiaries) as of December 31, 2021, includes to understand the effectiveness of operations and the extent of efficiency objectives achieved, and the report is reliable, timely, transparent and in accordance with relevant regulations and relevant laws; the design and implementation of internal control system is effective, which can reasonably ensure to the achieve the above objectives.

VI. This Statement will be the main content of the Company's annual report and disclosure statement and will be made public. Any false or concealment of the above information will be subject to the legal liability of Articles 20, 32, 171 and 174 of the Securities and Exchange Act.

VII. This Statement has been approved by the Board of Directors of the Company on March 15, 2022. None of the seven directors present have any objection to this Statement and hereby declare that they agree to the contents of this Statement.

Promate Solutions Corporation

Chairman:	Cheer Du	Signature	
General Manager:	Cheer Du	Signature	

2. If the company engages an accountant to examine its internal control system, disclose the CPA examination report: None.

(10) The Company and its internal staff being punished lawfully, the punishment given by the Company to the violators of internal control system, major nonconformity,and the improvement in the most recent year and up to the publication of the annual report:None.

(11) Important resolutions adopted in shareholders meeting and board of directors' meeting in the past year and up to the date of report:

1. Major resolutions of the shareholders' meeting and implementation

Date	Major resolutions
2021.07.22	1. Acknowledged 2020 Year statement of operations and financial statement motion 2. Acknowledged 2020 Year surplus distribution motion Implementation status: except the equity (interest) base date was 2021/08/15, the surplus distribution had been allocated in 2020/09/03 3. Reelection of company director Implementation status: has been finished the change of registration in 2021/08/10 and published in company's website 4. Passed to revise the Company's "Rules of Procedure of Shareholders' Meeting" motion Implementation status: has been uploaded and updated in company's website (Company Important Measures) 5. Passed to revise the Company's "Rules of Procedure of Shareholders' Meeting" motion Implementation status: has been uploaded and updated in company's website (Company Important Measures) 6. Passed to revise the Company's "Director Election Measures" motion Implementation status: has been uploaded and updated in company's website (Company Important Measures) 7. Removed the newly-appointed director competition prohibition motion

2. Major resolutions of the Board of Directors

Date	Major resolutions
2021.03.23	1. Passed the Company's 2020 Year statement of operations and financial statement 2. Passed the Company's 2020 internal control system effectiveness assessment, with "Internal Control System Declaration" report motion 3. Passed the Company's 2020 Year director/supervisor and staff remuneration 4. Passed the Company's 2020 Year Distribution of Earnings 5. Passed to revise the Company's "Articles of Association" 6. Passed to revise the Company's "Rules of Procedure of Shareholders' Meeting" 7. Passed to revise the Company's "Director Election Measures" motion 8. Passed the Company's certified accountant independence assessment 9. Passed the Company's director re-election motion 10. Passed the Company's accountant replacement motion 11. Passed to accept shareholders' proposal and nomination, examination standard and operation procedure related issues 12. Passed the Board of Directors' nominated director (including independent director) candidate and reviewing motion 13. Removed the newly-appointed director competition prohibition motion 14. Passed to organize the Company's 2021 general shareholders' meeting
2021.04.29	1. Passed The Company's 2021first quarter consolidated financial statement 2. Passed the Company's investment with $5 million to participate in Esquarre IOT Landing Fund's Private Fund Raising motion

2021.06.22	1. Acknowledged the research supervisor - KANG-WEI LU transfer motion 2. Passed the Company's application for a line of credit from banking institution motion 3. Passed to stipulate 2021 Year general shareholders' meeting postponement date and place
2021.07.22	1. Passed the election of the Company's new chairman motion 2. Passed to stipulate the Company's cash dividends NT$ 191,274,350 payment date and base date 3. Passed the Company's "compensation committee" members appointment motion 4. Passed the Company's "auditing committee" members appointment motion
2021.08.05	1. Passed the Company's application for a line of credit from banking institution motion 2. Passed the Company's 2021 Year second quarter consolidated financial statement 3. Passed the Company's 2020 Year manager and staff bonus distribution and salary adjustment
2021.11.09	1. Passed the Company 2021 third quarter consolidated financial statement 2. Passed to revise The Company "Risk Management Policies and Methods" 3. Passed to re-stipulate the Company's "Code of Practice on Corporate Social Responsibility"
2021.12.13	1. Passed the Company 2022 Year operating target and budget motion 2. Passed the Company's 2022 Year audit plan 3. Passed the Company's 2021 Year manager year-end bonus distribution

(12) Dissenting or qualified opinion of directors or supervisors against an important resolution passed by the Board of Directors that is on record or stated in a written statement in the past year and up to the date of report: None.

(13) As of the annual report publication date, resignation condition of the Company's financial and business related staffs (including chairman, general manager, accounting supervisor, financial supervisor, internal auditing supervisor, corporate management supervisor and R&D supervisor, etc.):

Title	Name	Inauguration date	Dismissal date	Reasons for resignation or dismissal
Vice President	Kang-Wei Lu	2015.11.13	2021.06.11	Resigned-career planning

5. Certified accountant fees information

Unit:NT$1,000

Name of accounting firm	Name of CPA	Accountant's verification period	Auditing fees	Non-auditing fees	Total	Notes
Deloitted & Touche	Po-Jen Weng	2021.01.01 ~ 2021.12.31	2,215	-	2,215	-
	Chen, Huei-Ming					

Note: Service contents from non-auditing fees: None

(1) If the accounting firm is changed and the audit fees paid in the year of the replacement is less than that of the previous year, the amounts of the audit fees before and after the replacement and the causes shall be disclosed: None.

(2) If the audit fees were reduced more than 15% from that of the prior year, the reduction amount, percentage and reasons for the reduction of audit fees shall be disclosed: None.

6. Replacement of accountant information

(A) About former accountant

<table>
<tr><td>Date of re-appointment</td><td colspan="4">March 4, 2021</td></tr>
<tr><td>Reasons and descriptions for re-appointment</td><td colspan="4">Job rotation within accountant firm</td></tr>
<tr><td rowspan="3">State whether it is terminated by appointer or accountant or no longer accept appointment</td><td colspan="2">Person concerned / Condition</td><td>Accountant</td><td>Appointer</td></tr>
<tr><td colspan="2">Actively terminate</td><td>Not Applicable</td><td>Not Applicable</td></tr>
<tr><td colspan="2">No longer accept appointment</td><td>Not Applicable</td><td>Not Applicable</td></tr>
<tr><td>Verification report opinions and reasons in addition to clean opinion that issued of recent two years</td><td colspan="4">None</td></tr>
<tr><td rowspan="7">Opinions different from issuer</td><td rowspan="5">Yes</td><td></td><td colspan="2">Accounting principle or practice</td></tr>
<tr><td></td><td colspan="2">Financial reports disclosure</td></tr>
<tr><td></td><td colspan="2">Verification scope or step</td></tr>
<tr><td></td><td colspan="2">Other</td></tr>
<tr><td></td><td colspan="2"></td></tr>
<tr><td>No</td><td colspan="3">✓</td></tr>
<tr><td colspan="4">Description</td></tr>
<tr><td>Other disclosed information
(To be disclosed in this Code’s Article 10 Item 6 (1)-(4) and (1-7))</td><td colspan="4">None</td></tr>
</table>

(B) About succeeded accountant

Name of accountant office	Deloitte & Touche
Accountant name	CPA Po-Jen Weng, CPA Chen, Huei-Ming
Date of appointment	March 4, 2021
Advisories and results on specific transaction accounting treatment method or accounting principles as well as opinions on financial report before appointment	None
Succeeded accountant’s different written opinions on former accountant	None

7. The Company's Chairman, President, and Finance or Accounting Officer have held a position in the independent auditing firm or its affiliates over the past year: None
8. Share transfer by directors, supervisors, managers and shareholders holding more than 10% interests and changes to share pledging by them in the past year and up to the date of report:

(1) Changes in the equity of directors, supervisors, managers, and major shareholders

Title	Name	2021		As of March 31, 2022	
		Increase (decrease) in shares held	Increase (decrease) in pledged shares	Increase (decrease) in shares held	Increase (decrease) in pledged shares
Directors and 10% major shareholder	Promate Electronic Co., Ltd.	(30,000)	-	-	-
Chairman and General Manger	Cheer Du	-	-	-	-
Director - Representative	Eric Chen	-	-	-	-
Director - Representative	Ciou-Jiang HU	-	-	-	-
Director	Liu-Ping Chen	-	-	-	-
Independent Director	Ying-Min Zhong	-	-	-	-
Independent Director	Mau-Shiung Chen	-	-	-	-
Independent Director	Yue-Xiu Liu	-	-	-	-
Chief Technology Officer	Huan-Chao Huang (Note 1)	-	-	-	-
Vice President	Kang-Wei Lu (Note 1)	(12,850)	-	-	-
Vice President	Guan-Yu Chen	-	-	-	-
Vice President	Yong-Jhou Jhuang	-	-	-	-
Vice President	Dei-Cin Wong	-	-	-	-
Associate	Jun-Hong Zheng	-	-	-	-
Senior Financial Manager	Andrew Huang	-	-	-	-
Accounting Manager	Siao-Ting Lin	-	-	-	-

Note 1: The deputy manager Kang-Wei Lu resigned upon 2021/06/11.

(2) Shares Trading with Related Parties: None.
(3) Shares Pledge with Related Parties: None.

9. Top 10 Shareholders Who are Related Parties, Spouses, or within Second Degree of Kinship to Each Other

April 15, 2022

Name	Shareholding		Shares held by spouse and underage children		Total shareholding by nominee arrangement		Titles, names and relationships between top 10 shareholders (related party, spouse, or kinship within the second degree)		Notes
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Promate Electronic Co., Ltd.	25,327,500	66.21%	–	–	–	–	25,327,500	Chairman & COO, Promate Electronic Co., Ltd.	–
Representative of Promate Electronic Co., Ltd.: Eric Chen	–	–	403,981	1.06%	–	–	–	Director & COO, Promate Electronic Co., Ltd.	
Zhengde Co., Ltd.	816,000	2.13%	–	–	–	–	816,000	–	–
Representative of Zhengde Co., Ltd.: Ben-Sheng Lin	–	–	–	–	–	–	–	–	–
Dongli Optoelectronics Co., Ltd.	661,875	1.73%	–	–	–	–	661,875	-	–
Representative of Dongli Optoelectronics Co., Ltd.: Jing-De Chen	–	–	–	–	–	–	–	–	–
Jin Fong investment Co., Ltd.	560,000	1.46%	–	–	–	–	560,000	principal	–
Representative of Jin Fong investment Co., Ltd.: Cheer Du	403,981	1.06%	–	–	–	–	403,981	Director & COO, Promate Electronic Co., Ltd.	
Chaoyang Investment Co., Ltd.	515,000	1.35%	–	–	–	–	515,000	–	–
Representative of Chaoyang Investment Co., Ltd.:Bai-Jian Huang	–	–	–	–	–	–	–		
Cheer Du	403,981	1.06%	–	–	–	–	403,981	Director & COO, Promate Electronic Co., Ltd.	–
Huan-Chao Huang	272,915	0.71%	–	–	–	–	272,915	–	–
Innovative Industrial Technology Transfer Co., Ltd.	269,000	0.70%	–	–	–	–	269,000	–	–
Representative of Innovative Industrial Technology Transfer Co., Ltd.: Zhong-Ming Liu	–	–	–	–	–	–	–	–	–
MILES ROBERT DAVID	200,000	0.52%	–	–	–	–	200,000	–	–
Guan-Yu Chen	198,510	0.52%	–	–	–	–	198,510	–	–

10. The shares of the invested company held by the Company, the Company’s directors, supervisors, managers, and companies controlled directly or indirectly, and the aggregated overall shareholding ratio: None.

IV. Capital overview

1. Capital and shareholding

(1) Sources of capital

1. Types of Shares

April 15, 2022
Unit: share

Types of Shares	Authorized capital			Notes
	Outstanding Shares	Unissued Shares	Total	
Common Shares	382,548,700	617,451,300	1,000,000,000	

2. Capital stock formation process

Unit: 1000 Shares/NT$ thousand

Year/Month	Issue price	Authorized capital		Paid-in capital		Notes		
		Number of shares	Amount	Number of shares	Amount	Capital Source	Subscriptions paid with property other than cash	Other
2000.05	10	1,000	10,000	1,000	10,000	Establish share capital	—	Note 1
2013.08	15	50,000	500,000	9,260	92,600	Split and transfer of new shares issuance of NT$ 82,600 thousand	—	Note 2
2013.11	10	50,000	500,000	10,000	100,000	Surplus capital increase of NT$7,400 thousand	—	Note 3
2013.11	20	50,000	500,000	20,000	200,000	Capital increase in cash of NT$100,000 thousand	—	Note 4
2014.12	10	50,000	500,000	23,000	230,000	Surplus capital increase of NT$ 30,000 thousand	—	Note 5
2014.12	10	50,000	500,000	23,382	233,820	Employee dividends increased by NT$ 3,820 thousand	—	Note 5
2015.09	10	50,000	500,000	30,046	300,459	Surplus capital increase of NT$66,639 thousand	—	Note 6
2015.09	10	50,000	500,000	30,853	308,529	Employee dividends increased by NT$ 8,070 thousand	—	Note 7
2015.12	10	50,000	500,000	32,853	328,529	Employee stock option	—	Note 8

Year/Month	Issue price	Authorized capital		Paid-in capital		Notes		
		Number of shares	Amount	Number of shares	Amount	Capital Source	Subscriptions paid with property other than cash	Other
						NT$20,000 thousand		
2017.04	52.8	50,000	500,000	39,453	394,529	Cash capital increase of NT$66,000 thousand	—	Note 9
2017.09	10	50,000	500,000	38,255	382,549	Treasury shares reduced by NT$11,980 thousand	—	Note 10
2020.07	10	100,000	1,000,000	38,255	382,549	—	—	Note 11

Note 1: May 29, 2010, Beishi Jianshang Erzi No. 89294761
Note 2: August 29, 2013, Fu Chanye Shangzi No. 10286951510
Note 3: November 11, 2013 Fu Chanye Shangzi No. 10289420900
Note 4: November 11, 2013 Fu Chanye Shangzi No. 10289420900
Note 5: January 12, 2015, Fu Chanye Shangzi No. 10480171800
Note 6: October 23, 2015, Fu Chanye Shangzi No. 10489124900
Note 7: October 23, 2015, Fu Chanye Shangzi No. 10489124900
Note 8: December 14, 2015, Fu Chanye Shangzi No. 10491078800
Note 9: April 13, 2017, Fu Chanye Shangzi No. 10652542400
Note 10: September 28, 2017, Fu Chanye Shangzi No. 10658864800
Note 11: July 07, 2020, Fu Chanye Shangzi No. 10950834410

(2) Shareholder structure

April 15, 2022 Unit: Share

Shareholder structure / Quantity	Government institutions	Financial institution	Other institutions	Individuals	Foreign institutions and foreigners	Total
Head count	—	—	17	2,425	11	2,453
Number of shares held	—	—	28,326,375	9,558,495	370,000	38,254,870
Shareholding percentage	—	—	74.04%	25.00%	0.96%	100.00%

(3) Dispersion of equity ownership

April 15, 2022 Unit: Share

Class of Shareholding	Number of shareholders	Number of shares held	Shareholding percentage%
1～999	251	25,135	0.07
1,000～5,000	1,876	3,427,040	8.96
5,001～10,000	163	1,279,023	3.34
10,001～15,000	52	641,295	1.68
15,001～20,000	29	530,420	1.39
20,001～30,000	34	893,019	2.33
30,001～40,000	14	486,210	1.27
40,001～50,000	10	473,943	1.24
50,001～100,000	11	810,077	2.12
100,001～200,000	5	862,437	2.25
200,001～400,000	2	541,915	1.42
400,001～600,000	3	1,478,981	3.87
600,001～800,000	1	661,875	1.73
800,001～1,000,000	1	816,000	2.13
1,000,001 or more	1	25,327,500	66.20
Total	2,453	38,254,870	100

(4) List of Major Shareholders: Repurchasing shares of the Company during the most recent fiscal year or up to the date of printing of the annual report

April 15, 2022 Unit: Share

Shares / Name of major shareholder	Number of shares held	Shareholding percentage
Promate Electronic Co., Ltd.	25,327,500	66.21%
Zhengde co., ltd.	816,000	2.13%
Dongli Optoelectronics Co., Ltd.	661,875	1.73%
Promate Solutions Co., Ltd.	560,000	1.46%
Chao Yang Investment Co., Ltd.	515,000	1.35%
Cheer Du	403,981	1.06%
Huan-Chao Huang	272,915	0.71%
Innovative Industrial Technology Transfer Co., Ltd.	269,000	0.70%
MILES ROBERT DAVID	200,000	0.52%
Guan-Yu Chen	198,510	0.52%

(5) Stock price, net worth, earnings, dividends and related information for the previous two years

Unit: Shares/NT$ thousand

Item \ Year			2020 (2019year allocation)	2021 (2020year allocation)	End of the current year March 31, 2022 (Note 8)
Stock price (Note 1)	Max		81.90	72.10	67.50
	Low		56.10	59.60	62.50
	Average		70.29	65.31	64.70
Net worth per share (Note2)	Before distribution		28.72	27.89	29.43
	After distribution		23.72	Note 9	-
Earnings per share	Weighted Average Shares		38,255	38,255	38,255
	Earnings Per Share (Note)		5.31	4.24	1.49
Dividends per share	Cash dividends		5.00	Note 9	-
	Stock dividends	Earnings	-	Note 9	-
		Capital surplus	-	Note 9	-
	Accumulated unpaid dividend (Note 4)		-	-	-
Return analysis	Price-earnings ratio (Note 5)		13.24	15.40	-
	Price-dividend ratio (Note 6)		14.06	Note 9	-
	Cash dividend yield (Note 7)		7.11%	Note 9	-

Note 1: List the highest and lowest prices of common share in each year, and calculate the market average based on make a bargain and volume.

Note2: List subject to year-end total shares outstanding and distribution condition from Board of Directors' resolution or next year shareholders' meeting.

Note 3: The earnings per share before and after the adjustment should be shown in case of retroactive adjustment due to free allotment.

Note 4: If the conditions of issuance of equity securities stipulate that the accrued dividends of current year shall be paid in a year with surplus, the accrued dividends as of current year shall be disclosed separately.

Note 5: Price-earnings ratio = Year's average per share closing price / earnings per share.

Note 6: Price-dividend ratio = Year's average per share closing price / cash dividend per share.

Note 7: Cash dividend yield = Cash dividend per share / year's average per share closing price.

Note 8: net worth per share and earnings per share must be listed with accountant auditing (check and approve) data of the latest quarter as of the annual report publication date; The rest column must list the current year data as of the annual report publication date

Note 9: 2021 surplus distribution motion is to be discussed under general shareholders' meeting, and relevant information is not disclosed after adjustment.

(6) Dividend policy and implementation status

1. Dividend policy stipulated in the Company's Articles of Incorporation:

In accordance with the provisions of the Company Law and the Articles of Association, if there is a surplus in the annual final accounts, taxes shall be paid in accordance with the law, and after the accumulated losses are made up, 10% shall be set aside as the statutory surplus reserve, and the rest shall be withdrawn or transferred to the special surplus reserve according to the law. If there is a balance, and the accumulated undistributed surplus, the board of directors will draft a surplus distribution proposal and submit a resolution to the shareholders' meeting to distribute shareholder dividends.Distribution policy is stipulated based on company’s capital budgeting, medium and log term operation planning and financial condition, and by referring the average levels of same trade and capital market dividend on shares. Earnings distribution is subject to the not less than 50% of divisible surplus in current year in stock or cash. Only cash dividends distribution proportion shall not be less than 20% of total dividends, which might also be increased in case of future surplus and capital are sufficient;shareholder dividends can be distributed in cash or stocks, and the proportion of cash dividends shall not be less than 10% of the total dividends.

The Company was approved by the Board of Directors on March 15, 2022 to pay a cash dividend equal to 91% of the current net profit.

2. Distribution of dividend proposed for approval at the Shareholders' Meeting:

   The Company’s 2021 Year Distribution of Earnings motion has been passed by the Board of Directors in 2022/03/15, and the shareholders’ cash dividends to be allocated amounting to NT$147,281 thousand (allocated per share is 3.85 NT$) is to be resolved.

(7) Effect of Stock Dividends to Operating Performance and EPS: Not applicable. There is nonstock dividend this year: None

(8) Remuneration of employees, directors and supervisors:

Related policies and implementation are as follows:

1. The remuneration of the directors of the company is authorized by the board of directors to be determined by the board of directors according to the extent of their participation in the operation of the company and the value of their contribution and the usual level of the industry, regardless of profit or loss.
2. Policies for employees and managers
   (1) The salary and remuneration policy of employees is evaluated by referring to the usual level of payment in the industry, and taking into account the results of individual performance evaluation, the time invested, the responsibilities assumed, the achievement of personal goals, and the performance of other positions. The salary of employees mainly includes monthly salary, performance bonus and year-end bonus.
   (2) The remuneration policy for general managers, deputy general managers and managers of equivalent positions. In recent years, the salary and remuneration given to the same position, and the achievement of the company's short-term and long-term business goals, the company's financial status, etc., evaluate personal performance and company operating performance and the rationality of the connection of future risks shall be implemented after the proposal made by the compensation committee and approved by the board of directors.
3. The percentage or range of employee dividends and directors’ and supervisors’ remuneration as set out in the company’s articles of incorporation

   In accordance with the provisions of Article 235-1 of the Company Law, the company’s temporary shareholders’ meeting on December 16, 2015 passed the amendment to the company’s articles of association. If the company makes a profit during the year (the so-called profit refers to the pre-tax profit before the distribution of employee compensation and director’s remuneration are deducted) Interests), 7.5%~10% shall be allocated for employee compensation, and the compensation of directors and supervisors shall not be higher than 3%. However, when the company still has accumulated losses, it shall reserve the compensation amount in advance. The employees to whom employee compensation is paid, including employees of affiliated companies who meet certain conditions.
4. The calculation basis of the estimated amount of compensation for employees, directors and supervisors in the current period, the calculation basis of the number of shares of employee compensation distributed by stocks, and the accounting treatment if the actual allotted amount differs from the estimated amount:

   The remuneration of employees and directors estimated for the year 2021 were resolved by the board of directors on March 15, 2022. If the amount still changes after the publication date of the annual consolidated financial report, it will be treated according to the changes in accounting estimates and adjusted and recorded in the next year.

5. Distribution of compensation passed by the Board of Directors:
   (1) Employee and directors' remuneration will be distributed in cash or stocks. If there is any difference from the annual estimated amount of recognized expenses, the amount of the difference, the reasons for the difference and the treatment shall be disclosed:
   Staff and director/supervisor remunerations of 2021 according to the Company's board resolution respectively are NT$16,500 thousand and NT$4,000 thousand, which are different from the recognized amounts in the annual consolidated financial report, and adjusted as the profit and loss of 2022.
   (2) Amount of employee compensation distributed in the form of stock and as a percentage of the after-tax profit provided in this year's standalone financial statements and total employee compensation combined: None.
6. Actual distribution of employee bonus and remuneration of board directors and supervisors in the previous year (including dividend shares, amount and stock price), discrepancies if any from the amount of employees' bonus and directors and supervisors' remuneration previously recognized, and the causes and treatments for the discrepancies:
   The remuneration of employees and the remuneration of directors and supervisors for the year 2020 of the company's board of directors were determined to be NT$20,600 thousand and NT$4,100 thousand, respectively. There is no difference between the estimated amount and the actual amount distributed .

(9) Repurchasing shares of the Company during the most recent fiscal year or up to the date of printing of the annual report: None.

2. Issuance of corporate bonds (include overseas corporate bond): None
3. Issuance of preferred shares: None.
4. Issuance of global depositary receipts (GDR): None.
5. Issuance of employee stock warrants:
   (1) Circumstances for handling the company's unexpired employee stock options: None.
   (2) The name, acquisition and subscription status of the manager who obtained the employee stock option certificate and the top ten employees who can subscribe for the number of the stock option certificate: None.
6. Issuance of new restricted employee shares: None.
7. Transaction situation of merger and acquisition: None.
8. Transaction situation of the issuance of new shares by the transfer of shares of other companies: None.
9. Financing plans and implementation: None.

V. Business Overview

1. Business Activities

I. Business scope

(1) The main business content of the operated business:

1. Machinery Equipment Manufacturing
2. Affairs Machine Manufacturing
3. Manufacture of Power Generation, Transmission and Distribution Machinery
4. Electronic Parts and Components Manufacturing
5. Electrical Appliances and Audiovisual Electronic Products Manufacturing
6. Manufacture of Batteries and Accumulators
7. Computer and Peripheral Equipment Manufacturing
8. Optical Instruments Manufacturing
9. Wholesale of Batteries
10. Wholesale of Motor Vehicles
11. Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
12. Wholesale of Computer Software
13. Wholesale of Electronic Materials
14. Retail Sale of Computer Software
15. Retail Sale of Electronic Materials
16. Retail Sale of Motor Vehicles
17. Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories
18. Software Design Services
19. Data Processing Services
20. Electronic Information Supply Services
21. General Advertising Services
22. Energy Technical Services
23. Automobile Repair
24. All business items that are not prohibited or restricted by law, except those that are subject to special approval

(2) Operation proportion: the operation proportion of various major products of the company in 2021 is as follows:

Unit: NT$1,000

Item	Operating Revenue	Operating proportion
Embedded control system	425,903	24.40%
Special application display module	702,760	40.26%
Medical touch display	463,565	26.55%
Other	153,540	8.79%
Total	1,745,768	100.00%

(3) Current products and services of the Company:
   (a) Embedded control system
   (b) Special application display module
   (c) Medical touch display
   (d) Others (design service income, etc.)

(4) New commodities and services planned for development
   The company is highly customized and actively participates in the customer's early development. The main applications are human-machine interface systems, including embedded control systems, medical touch displays and special application display modules and other niche products.

II. Industry overview

(1) Current situation and development of the industry

According to International Monetary Fund’s (IMF) latest reports that published on *World Economic Outlook in* 2021/10, the global economic growth was predicted to reduce from 6.0% in July to 5.9%; and that of 2022 also presented a a small drop and maintained at 4.9%. Yes, there has been a budding economic recovery, however, impacts of the COVID-19 pandemic spread across borders disrupting international supply chains, and also weakening the growth momentum. Therefore, IMF has reduced the economic growth among developed counties from 5.6% in July to 5.2%, as the economic conditions in low-income and developing countries continue to deteriorate, which offsets that of emerging markets and developed counties with strong economic outlook through bulk commodities export recently.

Word Bank’s economic report in June of last year pointed out that in post-epidemic era, global economic recovery was unbalance, and many developing counties were still in fighting against the pandemic. For this reason, it reduces the global economic growth to 4.3%, and 4.2% in America, 4.4% in Eurozone, 5.4% in China, while 2.6% in Japan. Beside, in the light of the latest *World Economic Outlook Report* that published by International Monetary Fund (IMF) in October, 12 last year, it also reduced the global economic growth speed to 4.9%, 5.2% in America, 4.3% in Eurozone, 5.6% in China, while 3.2% in Japan as expected. Furthermore, Global Economic Prospects” from Organization for Economic Cooperation and Development (OECD) in early December of last year pointed out that global the inflation rate has been creeping up to beyond expectation, and longer lasting, which may also cause soaring commodity prices risk to families and enterprises. So, it also regulated current year’s economic prediction rate, namely 4.5% for the world, 3.7% for America, 4.3% for Eurozone, 5.1% for China, while 2.6% for Japan.

The development of intelligent manufacturing also directly affects most of the equipment industry from four aspects to strengthen the layout of intelligence,

i. Robot support equipment, and enhance the degree of intelligence.
ii. Introduce an intelligent detection system to control the status of the equipment.
iii. Assist customers in spreading existing intelligent customization capabilities to other product lines.
iv. Develop virtual manufacturing, first simulate the best manufacturing process on the computer before proceeding.

In response to the demand for high automation and the development of intelligent manufacturing, the demand for man-machine interface control systems is also increasing. The LCD flat panel display has the characteristics of light and thin, power saving, low voltage and low radiation, and has been widely used in various display devices to replace the market of picture tube monitors. Among the various products of liquid crystal flat panel displays, Thin Film Transistor-Liquid Crystal Display (TFT-LCD) has become a product due to its high image quality, high contrast, high response speed, and the most mature manufacturing technology. The mainstream of LCD flat-panel displays, with the active investment of manufacturers in Asian countries (such as Japan, South Korea, my country, and the mainland), the production technology has matured day by day, so it can be widely used in various flat-panel displays. In recent years, as a result of large-scale LCD flat panel display manufacturers, LCD flat panel displays in special application markets (such as medical treatment, factory automation, military, outdoor use and sports equipment, etc.) have gradually expanded to all levels, and the product categories are facing more meta-development has made the overall market size of special-application displays and module products continue to grow.

With the advancement of science and technology such as medical treatment, public health, and nutrition, the global population over 65 years old is growing rapidly. By 2050, the number of people over 65 years old is estimated to reach 1.55 billion, accounting for 15.8% of the global population, and Asia is the region with the largest number of senior citizens.

At the same time, as the age increases, many aspects of the body's functions gradually decline, leading to a certain degree of physical obstacles, affecting the voluntary activities of daily life, and the demand for related care will gradually increase. With the gradual aging of the population, cancer and chronic diseases have increased year by year to promote the development of the medical diagnostic imaging product market. However, the principle of medical ultrasonic scanners uses sonic technology instead of radiation technology, which is more accepted by the public in terms of patient safety considerations. With the evolution of medical ultrasonic scanner technology, such as the improvement of spatial resolution, image depth and 3D imaging, etc., the application scope of medical ultrasonic scanners has been expanded, towards muscle and bone imaging, urology, anesthesiology, special care, and emergency medical care. And the development of application fields such as surgical navigation. The equipment has also developed from the original model ultrasonic scanner to portable or even ultra-portable (Ultra-portable) such as pocket and handheld ultrasonic equipment.

When reviewed on 2021 global medical equipment industry, and under the fast impact of COVID-19 epidemic around the world, medical demands were hugely increased, which also caused significant effect on the medical equipment industry, as well as promoted the rapid growth of precision medicine. Faced with environmental and epidemic impacts, how an enterprise and its products transformed successfully, and with a creative mode to deal those changes were key factors for success. In the meantime, with the population aging and high aging developed for medical cares, countries were actively seeking for more efficient medical treatment schemes to promote precise health, digital medicine development and relevant policies, thus upgrading medical efficiency and achieving the final life extension target through advanced medical technology development. Looking in the future, COVID-19 epidemic is spreading, and coexists with us gradually, theretofore, epidemic administration and infection treatment will continuously promote medicine and medical technologies development. On the other side, aging of population is still the most important issue for medical technology, as the distance medical care breaks limitations for service place and distance, while rapid changes on fields and users drives transformation of medical equipment pattern.

According to IEK Consulting Report, global medical medical equipment market scale value reached 427.3 billion dollars in 2020, and it was expected to achieve 437.7 billion dollars in 2021; with a compound annual growth rate of 4.8% to come up to 491.4 billion dollars in 2023.

With the development of medical imaging technology, many high-end medical image capture and processing devices have been developed and applied one after another. With high-resolution images, it is convenient for medical personnel to judge the actual situation of the subject. For high-resolution images, in addition to the front-end image capture system, the related display interface is also an important key. In order to ensure that the display can display correct medical image information, the medical display must comply with the relevant regulations of the relevant medical equipment. Its resolution, brightness and stability have extremely high requirements, and therefore increase the threshold for investment in this field. Since the market development of the medical industry can be expected, and the gross profit of medical displays is higher than that of general consumer displays, it has attracted many manufacturers to invest in the layout, and the competition is fierce. The international medical imaging is a three-thirds of the world, including GE Healthcare, Siemens Medical Solutions and Phlips Medical Systems, other well-known manufacturers include Carestream (formerly Kodak) and so on. There are not many domestic manufacturers specializing in R&D and production of medical displays, mainly from the United States and Japan. However, our company has entered this industry earlier than other manufacturers. It has cooperated with well-known manufacturers in Europe, America and Japan for many years, and related technologies have been obtained from related manufacturers. Certainly, in the future, we will continue to actively develop products that better meet customer needs.

Wisdom medical display technology is a niche market for traditional panel industry transformation, and as shown in 2020, the global medical display market value reached 2.17 billion dollars, which is expected to achieve 3.2 billion dollars in 2027, with an average growth rate of 5.6%. Further observation revealed that in 2020, more than half of global medical display products were applied for imaging diagnosis (52%), including image, radiation, digital pathologic analysis, etc.; and the next was the applications on endoscopy, image transmission and surgical operation (2%); while electronic billboard, monitors, tablet PC and other similar products accounted 18%; and the rest 8% was medical display applied in dentistry.

At present, medical-grade displays used in hospitals can be roughly divided into three categories: diagnostic displays, surgical displays, and clinical monitoring displays. These medical displays shall be compatible with the DICOM (Digital Imaging and Communications in Medicine) standard, and medical units also have different specifications for displays according to different medical uses. The following points are described:

i. Diagnostic display (Diagnostic Displays)

Diagnostic displays are used to allow medical personnel to use subtle differences in images as a basis for judging whether the subject is ill. Therefore, the high resolution and grayscale performance are particularly required. According to different usage scenarios, two types of products can be subdivided:

A. Radiological Medical Display (X-ray Display)

It is the one with the highest specifications among all medical displays. It shall meet the DICOM 2-3 million pixel grayscale standard. The mammography must meet the 5 million pixel grayscale standard. The specifications of this display have been standardized and used with the hospital's picture archiving and communication system PACS (Picture Archiving Communication System).

B. Displays for capturing images (Acquisition Displays)

It is directly linked to the display of medical image capture equipment, such as ultrasound, tomography, etc., as a reference when capturing images. Because the display is directly linked to the medical equipment, the specifications are diversified. As a part of the instrument, the display used to capture images varies from the material of the case, the color of the shape, the screen size, the pixel requirements to the electrical specifications, etc. Most of the time, it needs to be equipped with self-test and communication functions to communicate with the instrument or to drive the external second display.

According to IEK, the display for capturing images is the slowest-growing medical-grade display. In the hospital, CT, MRI, ultrasound, etc. are mainly used. Since the display is sold in combination with medical imaging equipment, and in the European and American medical markets, most of these imaging equipment have been saturated, so the growth of the display for capturing images is not strong.

ii. Monitors used in surgery (Surgical Display)

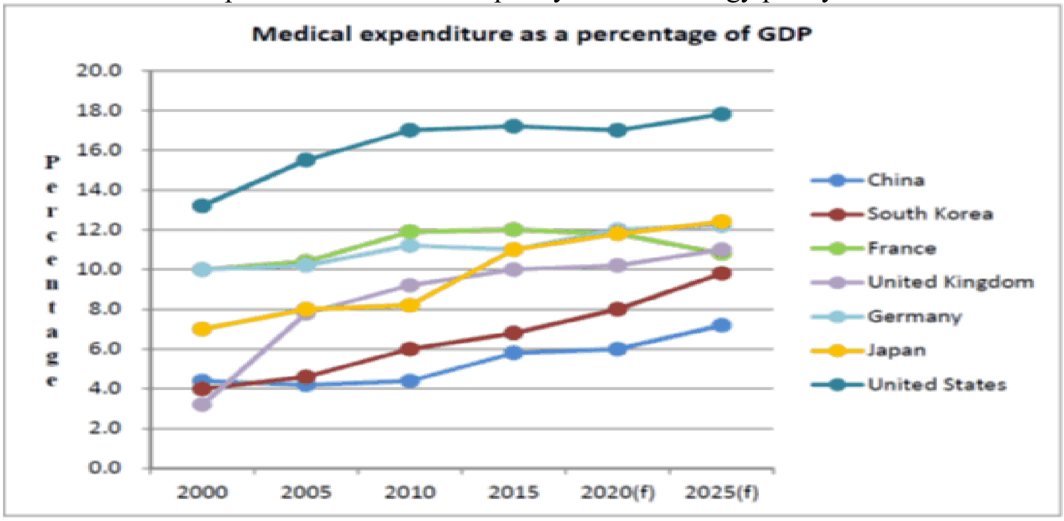
It is the monitor specially designed for surgery. The image of the surgical part can be displayed in real time during the operation. It has been widely used in procedures such as endoscopy and microsurgery. At present, the mainstream specifications of this type of display are 2-3 million pixel color products.

iii. Display for clinical monitoring (Clinical Review Display)

It is mainly used as a physiological monitoring instrument in the intensive care unit or emergency room. This type of display shall have good contrast and be compatible with the DICOM megapixel and color display standards.

The home care is one of the most important solutions for elderly care. In the future, home care and emergency applications will continue to drive the portable ultrasound market. The home care application is to allow the ultrasound images taken by patients at home to be transmitted to doctors through the network, it can make the judgment of the first film, and then go to the hospital for treatment as needed. In the future, the development of technology will also improve the portable ultrasound equipment, so that it can minimize the time required to set up traditional scanning, and the technology of portable ultrasound equipment is also improving day by day.

The world is facing the test of the continuous increase in the proportion of medical care expenditure in GDP, which has caused a huge financial burden. The advanced countries are actively seeking innovative technological development to slow down medical care expenditure, reduce unnecessary waste, and more effective medical care programs to make the governments of various countries promote medical care quality and technology policy.



Institute for International Strategic Development of Industrial Technology

Source of Information : FitchSolutions ; International Institute of Industrial Technology

Due to the huge business opportunities in the touch display application market, the R&D team of the company has begun to design and develop related products, and it has invested in the special application industry in one fell swoop, industry-specific hardware, software, and certification capabilities, combined with products and special systems, to find our blue ocean market, dedicated to global key customers, and it has had a wealth of cross-industry knowledge, and insight into the business model of the industry to provide the solution needed for the special applications.

The company mainly strives for customers with high niche products, including customized business opportunities in medical, factory automation, military, outdoor use and sports equipment related industries. These small and diverse customized products do not have commercial benefits for some large manufacturers, but as far as the company is concerned, it can become the best partner of these companies, and become the cooperation target of well-known manufacturers in the United States and Europe.

The company's special application touch display and module products provide customers with complete touch display solutions for special fields (such as military, medical, outdoor use, factory automation and sports equipment). Compared with ordinary personal and household TVs, besides the display screens of desktop monitors and portable devices, all touch monitors used in different environments and places with different specialized functions can be called special application touch monitors. Common ticket machines, ticket inspection machines, cash machines and digital signage (Digital Signage) in daily life, and even indoor and outdoor security monitoring related equipment, can be broadly classified in the application of special application touch display. The industrial computers not only have a wide range of applications, but because of the particularity of the application environment, the product life cycle is also longer than that of consumer touch displays, generally 3 to 5 years. Some products used in special environments may even have the useful life of more than 10 years. In terms of stability and reliability, the requirements are also higher, so the requirements for components are relatively more stringent, and compared with general consumer touch displays, the differences are as follows:

	Consumer applications	Special application
Demand purpose	More fixed purpose and more stable environment	There are different needs according to different purposes and environments (application-oriented)
Market area	General home, commercial office	Special applications such as medical, factory automation, military, outdoor use and sports equipment related industries
Life cycle	Short (about two to three seasons)	Long (about two to ten years)
Product specification	Standardization	Customized
Switching cost	Low	High
Price sensitivity	High	Low
Capacity requirements	Less sample more quantity	A small amount and variety
Purchasing elements	Price performance	Price performance, quality, stability, durability

And due to the rise of the Internet of Things theme, the use of special application touch displays and module products has been transferred to the vertically integrated market, such as: transportation, food and beverage, retail, agriculture and urban management, using innovative UI for human-computer interaction, and collecting, retrieve the required information to encourage the industry to increase its added value. The company has intensively cultivated solutions for various vertical application market areas, successfully introduced products into various industrial application areas, coupled with the great importance of various countries in the world for the Internet of Things, and strived to create a smart city environment. With this trend, the company will open up infinite possibilities for touch displays and modules for special applications.

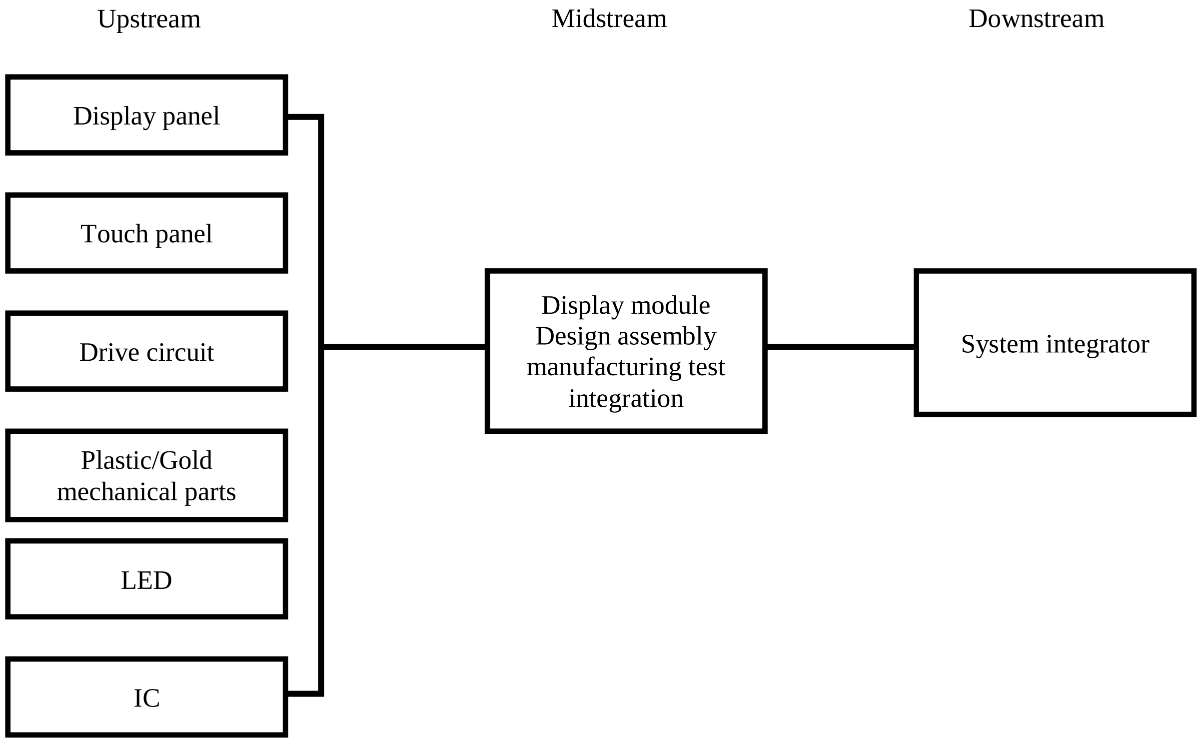
n recent years, the application of touch-sensitive liquid crystal displays in special fields has gradually expanded to all levels, such as transportation, defense, shipping, point-of-sale systems (POS), gaming, medical, etc., not only has the output value greatly increased, but also entered our daily lives. Among them, all the ubiquitous travel card readers, automatic ticket vending machines, security monitoring systems, medical equipment or digital signage (Digital Signage), etc., are all involved in special application touch displays and module products. Benefited from the economic rebound, the increase in corporate capital expenditures and automation requirements, and the gradual implementation of many digital life applications, in addition to the strong demand for infrastructure in emerging markets, which has gradually become the driving force for the development of special application touch displays and modules, with the gradual expansion of the application fields, the product categories are more diverse, making the overall market scale of special application touch display and module products continue to grow.

The special application touch display and module products belong to a small number of diverse and highly customized industries, emphasizing unique specifications and highly customized products, and their application products must have special functions and technologies such as shock resistance, water resistance, dust resistance, and robustness, so as to be more adaptable changing and severe environmental tests have therefore entered a high barrier and low substitution. The unique specifications and customized implementation that the company has adhered to for a long time are obvious to all. With various self-developed technologies, the company’s products are used in various applications. It can provide the best visual effects in a variety of different styles and sizes; with the development of new product lines, the company is a R&D and manufacturer of special application touch display and module products with the ability to provide complete solutions, adhering to customization service, customer demand-oriented, build a complete product line to meet customers' one-time purchase needs, and strengthen product after-sales service to improve customer satisfaction. In the future, it will continue to be customer-oriented to achieve sustainable operations.

(2) The relevance of the upstream, midstream and downstream industries

Taiwan’s industrial manufacturers mainly focus on midstream software development and hardware manufacturing and assembly. Taiwan has a large number of computer software and hardware talents. In addition to cultivating a world-renowned personal computer brand, it is also the world’s largest hardware manufacturing OEM center. As the personal computer market matures and the demand for the industrial computer market has expanded, and many manufacturers have moved from the personal computer field to niche industrial development, which has also created well-known manufacturers in the world-renowned special application field.

The company’s special application touch display module is in the midstream design and assembly manufacturer (ODM) role in the medical/military/industrial/outdoor specially designed portable computer/handheld device/interactive machine industry. The upper, middle and lower reaches of the industry are listed as follows:



(3) Various development trends of products

Since Microsoft launched Window10, a new generation operating window equipped with touch technology, the number of monitors and laptops equipped with touch panels has increased year by year. Even if products equipped with touch functions are more expensive, the market for large and medium-sized touch panels is expected to fully reflect that most system vendors and consumers regard touch functions as one of the important functions of the operating system. In addition, in order to solve the problem of the prominent frame of the traditional resistive touch panel, a full-plane capacitive touch panel was first designed and developed. Compared with the traditional resistive type, the full-planar touch technology can increase the visual range and touch area of the product, and the appearance of the body is simpler and thinner.

According to DRAM exchange statistics, although part of the midstream and upstream supply chains are not yet mature, the technology and production of complete parts are still in the hands of Japanese companies. However, the development of the domestic touch panel industry has gradually shifted from the assembly of touch panel modules to the vertical integration of the midstream and upstream. The reason is that in addition to the existing domestic optoelectronic technology that can quickly cut into some midstream components, domestic terminal system manufacturers are originally the advantages of the current global information and communication manufacturing supply chain will enable my country's touch industry to have a larger export to the sea in the future, which can support the medium and long-term development of the entire touch industry. Under the optimistic expectation that the global touch industry will continue to grow, relevant domestic manufacturers will play a more important role in the global touch industry chain in the future.

After the Smart Phone market has become the mainstream of mobile phones, in order to make full use of the body space, the traditional button operation functions have been gradually replaced by touch screens. In recent years, the release of iPad products has the potential to replace small laptops, prompting medium-sized LCDs to also begin to enter the era of touch screens. Due to the popularization of the Internet, the networking functions are more diverse and complex, and the structure that originally used resistive as the main touch mode is no longer as necessary for future development. The capacitive touch with multi-touch function and high light transmittance screens have gradually become the next mainstream, and various manufacturers have done their best to strengthen technological research and development, making touch panels lighter, thinner, more power-efficient, and cheaper. It is expected that the product specifications can meet consumer preferences, and widening the gap with competitors, making the touch panel industry must accelerate the development of a new generation of materials or structures to meet the rapid growth of mobile devices.

Due to the users' requirements for thinner and lighter mobile devices will become higher and higher, the concept of the Internet of Things has led to the vigorous development of data collection technology, increasing the demand for rugged portable devices, and also driving the technological upgrade of peripheral hardware and software. In the future, the future rugged portable device solutions (Rugged Solution) will become an increasingly popular product. Not only the military, police and other end users have abandoned traditional combat and case-handling methods and are moving towards electronic warfare and electronic case-handling, driving the demand for portable devices for rugged computer products, including the U.S. government's SDC4.0 (Standard Desktop Configuration 4.0). The Windows 8 operating system is included in the standard, so the growth of touch applications in the future can be expected. In the future, displays and modules for special applications will be directed towards high-level R&D such as high-resolution and interactive applications. The application range will be extended to automation, transportation, shipbuilding, national defense and aviation. It will not only have high-brightness, commercial, outdoor and industrial environment features, but also special I/O interface, optical bonding technology, robustness and avoiding fogging, and emphasizing interactivity are also the focus of future development.

In summary, the future development trends of the special application fields (such as military, medical, outdoor use, factory automation and sports equipment) industries are as follows:

i. Touch control import: Since most medical displays used to only have simple display functions, touch panel technology is changing day by day, and the new generation of medical practitioners has cultivated usage habits due to consumer electronics products. At present, they have seen image capture displays and on the clinical monitoring monitor, the imported touch function can be seen.

ii. Laminating technology improvement: because medical applications have high requirements for the accuracy of image display, when the touch is introduced, the all-optical laminating technology becomes the key to the success of the product. It is necessary to ensure that the laminating technology can resist UV yellowing and has low contractility, so as to avoid changes in production quality and cause misjudgment of medical images.

iii. New material introduction: medical equipment may be contaminated by bacteria due to touch. The introduction of new antibacterial materials can inhibit the growth of bacteria and molds and reduce the risk of nosocomial infections. In response to the need for medical equipment to be wiped with fungicides on a regular basis, new materials shall also be resistant to corrosion by various fungicides to avoid material degradation. At the same time, the appearance design shall also avoid the gap between the polygonal shape and the casing to avoid the bactericide remaining on the surface of the equipment during the wiping process, which will accelerate the deterioration of the material.

The company actively develops a niche product market, which has the characteristics of tailor-made for customers and high technical threshold. On the one hand, it is used to differentiate from other domestic competitors and widen the gap with domestic competitors, and enhance the competitiveness with the big international manufacturers; on the other hand, it is used to create higher added value, abandon low-profit and uncompetitive products, so that the overall competitiveness and profitability are continuously improved. From the initial customized LCD module driver board to the recent special application touch display and modules in special applications (such as medical, factory automation, military, outdoor use and sports equipment), with the accumulated technological foundation over the years, the company has established the ability to collaborate with customers to expand the market.

The company's products and services for special application displays and modules have a wide range of applications, in addition to the well-known ATM systems, intelligent automated monitoring, public information guidance systems, gaming machines, ticketing systems, digital electronic billboards, etc.; it also includes more specifications. The special military systems, vehicles, ships and medical, etc., continue to expand the application areas of new markets and new products, and to catch up with the strong demand for infrastructure in emerging markets in recent years, making the overall market scale of special application displays and modules continue growing. With the rapid growth and demand of the global industrial automation market, the company is committed to research and development of crash-resistant and seismic enclosure design, which supports wide temperature operation and can also be applied to various difficult operating environments, among them, the modular design can provide complete solutions according to the needs of different system platforms of customers. In response to the global energy-saving trend, the internal fanless design is adopted to ensure that it can not only have sufficient performance in use, but also maintain long-term operation stability. The company's future product development will focus on low power consumption and long-term use of energy-saving thinking as product design requirements, while developing key technology research and development of crash-resistant, seismic-resistant and strong specifications.

With the recovery of the economy, it is expected that touch-sensitive displays and modules for special applications will also have significant growth, and the growth momentum includes enterprise replacement, more diversified applications, promotion of new product technologies, and emerging market demand. In order to enhance the marketing benefits of touch displays and modules for special applications, and to improve human-computer interaction, the touch technology functions will also be the focus of the company's future development of touch displays and modules for special applications.

(4) Competition situation of products

The company has invested in the R&D and production of human-machine interface related products and services for many years, including medical displays, touch displays, industrial displays, etc., with the grasp of key technologies, specification setting, design and production experience, market application requirements and customer sources mastery, etc. have relative competitive advantages; the company's main competitors are traditional monitor factories, IPC manufacturers or manufacturers focusing on ODM/OEM business. In addition, many large domestic LCD monitor and notebook computer manufacturers have also begun to invest in R&D and production of LCD monitors for special applications, becoming the company's main or potential competitors. In addition, due to the popularization of tablet computers and lower prices of computer products, and with the popularization of rugged portable devices, the price of terminal products will gradually decline. In the future, the bidding situation for rugged portable devices will become increasingly fierce.

The special fields (such as military, medical, outdoor use, factory automation and sports equipment) and their industries are characterized by high product integration, small and diverse production and raw material inventory management methods, and marketing channel structure management advantages, all of which require long-term technology accumulation. In addition, the company shall be able to respond quickly to customer needs and maintain a high level of product quality. Therefore, it is important for the development of new products to provide a complete and effective new product development evaluation model to strengthen the efficiency and effectiveness of new product development, which is the most critical success factor for the special application industry. Due to high entry barriers and few competitors, existing manufacturers in the industry can maintain long-term stable profitability and growth. In addition, the cost of system conversion for industrial computer customers is higher, so the product life cycle is longer and the substitution is low.

In view of the fact that customer satisfaction is based on the conditions of quality and speed, the company has developed a modular R&D system that can provide customers with rapid R&D and design services. Such fast and efficient R&D service proves that the company has improved its R&D service capabilities, satisfying customers to obtain customized product support in the fastest time, so that customers can obtain the best competitiveness in special niche markets and projects, and at the same time, the monitor developed and produced by our company has passed many electronic regulations and safety certifications in the world, such as UL60601-1, CSA, TUV, TUV/GM, CE and FCC-B.

The biggest competitive advantage of the company’s special application touch display and module products is that it has core key technology research and development capabilities and a complete product line, combined with the machine board soft firmware research and development capabilities, and faces outdoor strong light environments, special high and low temperature environments or display controls. For products with interface requirements, the company can provide the solutions, as well as a more complete product line and R&D services. The company's current core technical capabilities include:

i. LCD quality adjustment technology
It has the ability : Visible under integrated strong light (Ambient-light Readable), Smart dimming (Auto Brightness), Photosensitive fine-tuning technology (Dimming), Ultra wide viewing angle (Ultra-Wide Viewing Angles), Ultra high resolution (Ultra High Resolution).

ii. Touch control module integration technology
It integrates key integration capabilities of five-wire resistive, full-planar resistive, surface acoustic wave, infrared, surface capacitive, and projected capacitive touch modules, which can be applied to various special application touch displays and module products.

iii. Mechanism module design
It has a modular design specification of 2 inches to 65 inches, which can meet the requirements of customized and standard product design, integrating the design capabilities of waterproof, shockproof, shockproof and fanless cooling mechanism.

iv. Optical full bonding process technology
It can ensure that various high value-added components (such as special 3D shape front cover protection glass/plastic construction, tempered glass, touch module, mechanism module, etc.) are integrated with special specifications LCD monitors, and meet the high cushioning performance of special industrial environment applications , Weather resistance, durability, acid and alkali resistance, water resistance, UV yellowing resistance, low shrinkage and other special industrial environment applications must have the characteristics of waterproof, dustproof, anti-collision, anti-fall and high stability, and face In different application environments, the formulated specifications are also different, such as special 3D-shaped front cover protection glass, antibacterial, anti-EMI, antistatic, anti-magnetic touch display and module products, etc. The company's products have a high degree of customization, with a high degree of flexibility and adaptability, in order to make a large number of customized adjustments.
In addition, the company has diversified the cultivation of marketing talents on the market side. In terms of localized business strategy, it deploys local marketing professional managers in Europe, America and Asia, actively promotes international marketing strategies, and has a more complete and international marketing layout. The company will actively participate in international exhibitions, and will continue to update the existing website and online marketing strategies, and actively deploy distributors and agents.

III. Technology and R&D overview

(1) The technical levels of the operated business and the research and development overview

The company’s R&D team is proficient in overall R&D technology. The design fully considers the benefits of functions and production costs and the principle of compatibility and modularity; the mechanism design has commonality and modularity. The different product lines can be combined according to customized requirements. The core key technology lies in the full integration of the core technology of optomechanical soft, combined with material mastery and production combination, to complete a number of technical development and product mass production in the field of special applications (such as medical, factory automation, military, outdoor use and sports equipment), which will continue in the future efforts to improve R&D

technical capabilities in compliance with relevant international certification standards.

In addition to the company’s core technology, it has high-brightness panel patents that provide visibility under sunlight, wide temperature, large brightness range, anti-reflection optical integration, wide input voltage, low energy consumption, waterproof, dustproof, and shockproof technologies. It can improve the brightness, viewing angle, color saturation and contrast of the panel. It will continue to develop different sizes, multi-touch and multi-functional liquid crystal displays, and use the application platform to do more advanced and diversified vertical integration to provide customers with complete industrial application display solutions.

In the special application touch display and module product industry, the most important thing is product reliability. In addition, in view of the vigorous development of portable devices and Internet of Things applications, the company's research and development focus will also be towards miniaturization and mobile applications. The market requirements such as miniaturization, energy saving, and mobile transmission have to integrate a number of different functions, which not only test the choice of suitable parts for R&D personnel, but also challenge the technology of heat dissipation design to make R&D work increasingly difficult. The miniaturized product industry requires a seamless combination of hardware, firmware, and software, and has reached a complete solution. Therefore, the development of firmware and software is another important direction.

(2) R&D personnel and their education background

Unit: person

Item \ Year		End of 2020		End of 2021		as of 2022 End of March	
		Number of person	%	Number of person	%	Number of person	%
Educational distribution	Doctor (including above)	-	-	-	-	-	-
	Master	18	40.00	18	40.00	19	42.55
	University (including junior college)	27	60.00	27	60.00	27	57.45
	High school, vocational high school	-	-	-	-	-	-
	Total	45	100	45	100	46	100
Average seniority		8.27		8.95		9.01	

(3) R&D expenditure for the most recent year and as of the publication date of annual report

Unit: NT$1,000

Item	2020	2021	First quarter of 2022
R&D expenses	67,463	68,111	17,781
Operating Revenue	1,771,303	1,745,768	516,478
Ratio of R&D expenses to total turnover (%)	3.81%	3.90%	3.44%

(4) Long-term and short-term business development plans

The company is committed to improving design quality and R&D innovation, and provides rapid R&D design services. In recent years, the development of new technologies has also expanded more application markets. The sales strategy is mainly to develop distributors in various regions, strengthen the channel deployment, and use distributors in various regions to expand the market and sell to the world in various application fields. Recently, the company attaches great importance to customer development in vertical markets, promotes and sells products for some special applications and customer groups, deepens professional capabilities in vertical fields, and strives to build a common platform to expand product categories and development based on customers' flexible needs a full range of product lines. Over the years, we have been actively contacting customers and the market. With the growth of customers and the market, the company has successfully laid the foundation for product quality and company image, and has gradually gained a foothold in the market. In response to future industry development trends, overall economic environment trends, and domestic and foreign market competition, the company uses long- and short-term development plans to plan the company's future business direction, adjust the company's physical fitness, and enhance overall competitiveness.

Here is a brief description of the short-term and long-term plans of our company's special application touch display and modules as follows:

i. Short-term plan

A. To provide customized product development and production for specific use markets, in order to develop and deepen new customer sources, so as to accurately grasp the market demand. And in line with market demand, establish a product sharing platform, provide customers with application solutions, lock in new application markets, actively collect market information and develop new customers.

B. Strengthen the establishment of overseas channels to expand business, strengthen management services for overseas marketing customers, actively develop special-purpose markets with regional customers, enhance the development and in-depth cultivation of regional markets, and seize the international market share of niche markets.

C. Participate in the customer's advance design (Join Design), actively create high value-added products, and cooperate with the continuous collection of industry information to effectively increase the market share of the company's products.

D. Deeply cultivate the existing customer base, make regular visits and service contacts, maintain a good relationship with customers, and be able to better grasp the needs of customers, through the development of new products, increase the topic of discussion with customers, thereby introduce new products and expand cooperation in product lines. In addition, it will introduce more customers with different needs from the existing customers, and explore other potential users horizontally from the original customers to further develop new customer sources and increase product penetration.

E. Continue to develop high-value-added and high-quality products. Through continuous innovation of products and new processes, improve the level and application of existing products, and continue to lead the trend of design; through the application of new materials and the development of new processes, and strengthen research and development functions, launch market-leading competitive products, let special application touch displays show different faces, provide customers with solutions for applications with differentiated technologies, and win customer orders. Adopting different sales strategies for new and old customers, using the successful cases of existing products to open up new customers, and at the same time gaining orders for new products from old customers, and both expanding the scale of revenue and economic scale.

F. Establish standardization and modular design, carry out process improvement, process improvement, through continuous re-planning and transformation, in order to improve the productivity and efficiency of the production line and reduce production costs. In order to maintain product price competitiveness, create economic scale, increase capacity utilization, and reduce manufacturing costs and profitability.

G. Maintain good cooperative relations with upstream manufacturers and decentralize different sources of purchases to ensure the supply of key parts; seek strategic alliances with other manufacturers to introduce or jointly develop technologies. Cooperate with a number of third parties and achieve synergy through vertical integration to ensure material sources and cost advantages, and to maintain long-term and stable partnerships with customers.

H. The company has the strongest R&D team, but will continue to invest in R&D funds, recruit and cultivate professional R&D and project management personnel to develop key technologies and new products, and build a stronger R&D team, professional technical personnel and the excellent process technology extends the technical field, accelerates the product development speed, matches the rigorous and perfect certification system, strengthens the inspection procedure, continuously improves the product quality, establishes the company image of the supplier of high-quality products, and gains the trust of customers.

I. Import the PLM (Product Lifetime Management) system, establish a research and development collaborative work platform, classify and collect the technical documents, diagram files, and forms produced during the product life cycle to avoid misuse of information and maintain data consistency to improve the product quality, shorten design time and reduce change errors, strengthen operational efficiency, establish e-systems for various operational processes, and accelerate and accurately execute customer services.

J. Implement the preparation of annual budgets by various departments and supervise the implementation of various budgets. It can control the cost of each item, reduce unnecessary expenses and waste, and strive to increase profitability.

K. Effectively use internal resources, quickly grasp industry information, establish a complete after-sales service system by establishing technical support services, inventory management, and enhance customer satisfaction with the company's products and improve service quality.

L. Strengthen the quality control system, continue to improve product quality, and strengthen customer service. Establish technical support services in order to establish a more complete after-sales service system, which can quickly feedback customer opinions and improve product quality as soon as possible, increase product competitiveness, and increase customer satisfaction with the company as a whole.

ii. Long-term plan

A. it can accelerate the global market development, increase overseas bases and strengthen technological innovation and exchanges, establish global regional marketing bases, implement different strategies for different regions, and be close to customers in order to achieve rapid service effects, and actively strive for Europe and the United States and large-scale customer cooperation opportunities in special application areas in Japan.

B. Set up an overseas business development (Business Development) team to develop new markets and new customer groups, and deepen the development of customized business opportunities in unique application industries such as medical, factory automation, military, outdoor use and sports equipment related industries, and develop high added value, processing high-priced products, in order to expand the product line, expand revenue, and increase profitability.

C. In response to the needs of the target market, from the perspective of the market and customers, go deep into the application environment of the vertical market, research, collect and use user experience, provide design and manufacturing services, integrate software and hardware technology and peripheral and application solutions, and develop special application touch display and module products and services, assist customers, satisfy customers, introduce new technologies and customer groups through new business models, develop differentiated products and services, and become special application systems, such as medical treatment and factories the best choice for customization in automation, military, outdoor use and sports equipment related applications.

D. Gradually transform from a hardware supplier to a solution service provider. In the direction of promoting its own brand, the organization will continue to adjust to a strategic brand organization that can more stimulate R&D creativity and improve customer service.

E. Strategic alliances with key component suppliers (such as upstream manufacturers of liquid crystal glass/panel, IC, optical materials, or other important electronic and institutional component manufacturers) to control the stability of key raw materials, and build stronger through technical cooperation the R&D team has improved its R&D capabilities and become a world-renowned supplier of special application touch display and module products and services. At the same time, it makes full use of the company's development of touch display related technologies to develop towards a wide range of applications and diversified products.

F. The scale of long-term operation is developed toward internationalization and diversification, and toward operational needs, using various financial tools to reduce financial costs and support the needs of operational goals.

G. Through the domestic and foreign capital markets to raise funds, it will further build the corporate global map. It will actively respond to business needs, continue to plan for capacity expansion, whether it is short-term or long-term considerations, it will evaluate the construction of new plants and add new equipment, and strengthen the management system to meet the production capacity required by large brand customers. It will expand the market share of customized liquid crystal display modules and touch integrated products, and accelerate the development of the global market.

2. Overview of market, production and sales
   I. Market analysis
      (A) Sales areas of major commodities

Unit: NT$1,000;%

Year	2020		2021	
Region	Amount	%	Amount	%
Asia	139,592	7.88	175,044	10.03
America	1,494,601	84.38	1,469,294	84.16
Europe	137,110	7.74	100,990	5.78
Other	-	-	440	0.03
Total	1,771,303	100.00	1,745,768	100.00

(B) Market occupancy

The company mainly provides customers with comprehensive and feasible integration services. The application scope includes medical products, fitness system products and other professional applications, and provides customized integration of optics, institutions, electronics, and software in the process of interacting with customers. Due to the diversification of the industry, especially the medical application-related fields, which are more conservative than other industries, it is impossible to express the market share of the industry in a clear value. However, since the company was established, the output and sales have been increased to maintain a certain growth rhythm.

(C) The future supply and demand situation and growth of the market

The company estimates that the future revenue momentum will mainly come from special industrial applications such as medical, factory automation, outdoor use and sports equipment related industries. The global medical equipment market and fitness sports equipment have shown steady growth every year. The special application touch display is dominated by the enterprise application market. When the boom is gradually recovering, the industry and commerce are gradually developing, and manufacturers' investment and expansion of factories drive the increase in demand for business equipment. The demand for touch-sensitive displays for special applications has grown accordingly; and when the economy declines, the demand for touch-sensitive displays for special applications is still stable because the applications of special-application touch-sensitive display products have the effect of reducing operating costs through automation.

(D) The company's competitive niche

The company has excellent product design and development teams for optics, motors, circuit design, machinery, heat dissipation, system applications, etc., and is supplemented by past cooperation with major international brands. Under the highly customized product design, both the next generation of products can be successfully connected to customers. The increase in capital expenditures of enterprises and government agencies drives the demand for industrial display equipment. At the same time, as the overall consumption power of the people grows, the lifestyle changes, the awareness of energy saving and carbon reduction is rising, the development and growth of the cloud industry will greatly increase the adoption of electronic information for advertising and automation services by enterprises, which in turn will increase the demand for touch display applications in special fields (such as military, medical, outdoor use, factory automation, and sports equipment), resulting in huge business opportunities, the entire industry is expected to have vigorous development.

(A) Strong R&D team:

At the beginning of its establishment, the company invested considerable costs in research and technology development. It has excellent product design and development teams such as optics, motors, circuit design, machinery, heat dissipation, and system applications. In the education, while investing a lot of money in the development of processes that meet the needs of special applications (such as medical, factory automation, military, outdoor use and sports equipment), the purchase of related machinery and equipment and the improvement of production processes, so that high-quality production technology is available, and Improve operating efficiency and reduce operating costs; we are also ready to plan future new product plans, continue to expand the R&D team and attach importance to the quality and experience of R&D personnel, and strengthen technological innovation capabilities to maintain competitive advantages.

The company focuses on the design and manufacture of touch display and module products. The biggest competitive niche lies in the special application touch display and module core key technology research and development capabilities and complete R&D system integration capabilities, combined with the group's internal industry division and vertical integration, and link upstream and downstream supply and transportation relations, reduce transaction costs and establish a quick response system, reduce inventory costs, increase turnover and reduce out-of-stock rates, and accumulate vertically integrated production effects from liquid crystal glass substrates, backlight modules, touch modules, drive circuit boards, IC components to laminating integrated manufacturing; in addition to the existing product line, it also provides customized software and hardware development services for customers, and provides solutions for products that face outdoor strong light environments, special high and low temperature environments, or display control interfaces, mainly used in special fields (such as military, medical, outdoor use, factory automation and sports equipment), combined with key component technology and integrated development and R & D capabilities, with high-quality, high-yield products and services, we have won the support and trust of major international brands in the field of special applications (such as medical, factory automation, military, outdoor use and sports equipment); the development cost is lower than Europe, America and Japan, the design and development technology is leading mainland, Southeast Asia and other countries, and the entry barrier is high, which is the company’s main competition niche.

(B) Continuous innovation ability and complete product line:

The development of new products and the construction of services have always been the company's core competitiveness. Compared with other companies designing products of various standard specifications, the company pays more attention to the needs of the industry. Because of the focus, we can better understand the application environment. In addition to attracting opportunities for advanced industrial cooperation, it also builds a higher competition threshold. In addition to technology, development time and quality are also important keys. The project management members not only need to have a considerable degree of knowledge about products and design, but also need to be familiar with a wide range of fields such as material preparation, production, industrial knowledge and customer communication. The accumulated experience and talent cultivation of ODM/JDM in the past few years will be an important opportunity for future development.

The company's product line is complete, flexible and efficient, and the technical threshold is higher than that of general touch display products. For screens of different sizes (2”~65”), special application touch display and module products have rich R&D and production experience. The special application LCDs and modules developed and manufactured have the characteristics and functions of light and thin, high specifications, high dustproof, waterproof, high temperature resistance and shock resistance. The technical level is higher than that of general functional LCDs, except for the electronic safety regulations and in addition to international certification, it has the professional technology required for R&D and production of military-level and medical-level displays and conforms to world-class military regulations and medical safety regulations and certifications.

(C) Excellent quality performance:

The company has long been upholding quality, technology and service to operate a wide range of markets and customers, and is developing in the direction of vertical integration to increase the added value of products and enhance competitiveness. It is very effective in interactive display solutions derived from the combination of display and touch panel functions to have the performance of competitiveness; whether it is the highly required optical bonding process capability and yield rate of the product itself, or the technical support of client application software compatibility testing, it far exceeds the general industry level.

Investing the resources in E-ization, automation and knowledge management is also the focus of the company's development. In addition to purchasing software packages and directly using its functions, the interface between the systems or the inadequate parts are made up by MIS and software personnel to achieve a seamless information flow. The expertise of software personnel is also used in the automation of factory production, and the reduction of personnel judgment and use not only reduces the probability of error, but also reduces the cost of production.

(D) Good customer relationship:

The special applications (such as medical, factory automation, military, outdoor use and sports equipment) are in a relatively closed market, and related products must have a high degree of reliability and durability in order to obtain opportunities for cooperation with major international equipment manufacturers. The main business class and R&D personnel have been engaged in special application touch display and module products and services for a long time, have many years of technical experience, have a deep understanding of the industry environment and trends, and used the most advanced machines at the beginning of the establishment of the equipment and strictly control the product process to improve the yield rate. The product quality has remained stable for many years. Although it is quite challenging to meet the needs of heavyweight customers, once it is reached, the cooperation relationship between the companies will be closer. In addition, the industrial computer pursuit with stable characteristics, it is even more difficult for competitors to cut in. Based on our company’s many years of experience in cooperating with international heavyweight manufacturers in various fields, we provide customers with special application touch display and module product technology that meets the trend of demand, as well as perfect and rapid after-sales service and technical support to help customers achieve time-to-market from the objective point of view, it is confirmed that the company’s related technology has obtained certification status comparable to that of well-known special application touch display and module products and service manufacturers in Japan, Europe and the United States, and has entered its long-term supplier system, bringing stable order opportunities and performance supported by a long-term and stable customer base, it can also attract new customers and partners through word-of-mouth marketing.

(E) Good supplier relationship:

The company has a stable and good relationship with suppliers (such as LCD glass factory, IC factory, optical material factory, etc.). With years of complete and rich industrial experience, and cooperation with well-known international manufacturers, in addition to fully grasp the trend of cutting-edge components, and develop long-term good and stable cooperative relations with suppliers to ensure that the supply of key components is not scarce, and maintain second or even third suppliers to facilitate flexible operation. In addition, it has established first-hand technical exchanges and R&D with suppliers, leading the industry in launching cutting-edge, high-performance and high-quality products; exchanging opinions on technology and the market from time to time, maintaining a pioneer and leader in new technology development; when the components are on the market or the version is changed, we can cooperate with the supplier to develop and test early to ensure the resilience of the product launched. It can strategically cooperate with major international brands in the field of special applications (such as medical, factory automation, military, outdoor use and sports equipment) and well-known key materials (such as liquid crystal glass, optical materials, optical glue, IC), and suppliers attacking the international and Asian markets, the niche point of both parties is to use existing research and development capabilities, production capacity, unique production efficiency and production methods to reduce production costs, provide a competitive price strategy, and match the market experience and reputation of major international companies, the sales network enters the international market. And it can use the successful experience in Asia, combined with the complete product line and organized sales strategy of major international companies to attack the global market, not only to win the existing market, but also to develop more applications to accelerate revenue growth and increase market share.

(5) Favorable and unfavorable factors and countermeasures of development prospect

Favorable factors

(A) The market continues to develop and applications are becoming more diversified:

Due to changes in lifestyles, in addition to traditional factory production to increase productivity and quality improvement, the demand for information has greatly increased, and the industry and commerce have adopted electronic information advertising and traditional service industries to enhance automated services, and to drive the demand for touch display devices and generate huge business opportunities.

The consumer electronics market is rapidly changing, and the requirements for aesthetics, ergonomics and texture of the product appearance are gradually increasing, which in turn enhances the market’s ability to touch special specifications in special applications (such as medical, factory automation, military, outdoor use and sports equipment) for display and module product requirements, the company has a professional R&D team engaged in the introduction of new processes, new materials, and new construction methods, and has considerable advantages in quickly launching materials and technologies that meet market needs.

(B) High degree of customer control and rapid product launch:

The company's main sales customers are mostly internationally renowned brand manufacturers in various application fields. The customer's operating conditions are stable and have a solid foundation. The sales area is all over the world. It is less susceptible to major fluctuations in individual markets or changes in the economy. It can tailor-made for customers. To make products to meet the special needs of customers and enhance customer competitiveness; and the company’s product series are complete and excellent in performance, which can provide customers with complete solutions, enhance customer competitiveness, increase customer profits, and form long-term partnerships with customers; maintain a good communication bridge with customers to grasp the customer's product needs, gain customers' favor, and contribute to the stable growth of the company's revenue.

(C) Focus on niche markets and good customer relationships:

Different from general consumer electronics products, the company's special application display module products for medical, industrial and professional color applications are high-end and niche markets with a long life cycle, high degree of customization, high technical barriers, and price It has the characteristics of high quality and safety certification. The company's annual revenue and business have remained stable, showing that it has accumulated considerable experience and customization capabilities in the liquid crystal display market for special applications. The company enters the supply chain of internationally renowned brand manufacturers through European and American distributors. In the future, the company will have more independent capabilities and competitive advantages in channel and marketing. In summary, the special application touch display and module product industry has barriers to entry and has a high degree of customization. The products have considerable competitiveness and customers have room for bargaining, so they can maintain a considerable margin and a stable customer base.

(D) Complete R&D team and good product quality:

The company’s main business class and R&D personnel have been engaged in the field of professional displays for a long time, have a deep understanding of the industry environment and trends, effectively grasp the development trend of special application touch displays and module products, and actively develop related products to fully satisfy the demand of the customers. Since its establishment, the company has attached great importance to innovative research and technology development, and continues to provide products with high resolution, high brightness, high color saturation, wide viewing angle, high speed, large display size, low cost, high compatibility, and special applications to work hard for design and R&D goals.

The company has the ability to conform to the industrial level of the integration and integration process, and the special application touch display and module products developed and manufactured with advanced technology have high dustproof, waterproof, high temperature resistance and shock resistance characteristics and functions, and the technical level is more general. The high-performance liquid crystal display, and huge investment in related equipment and equipment, the accumulation of customized technical capabilities is not easy, and the characteristics of high correlation with the overall system design are unfavorable for competitors to invest. Its excellent forward-looking technical services have been recognized by the market to become an important key element of the company's operation and development.

Good product quality is the lifeblood of a company’s survival and development, and the application industry of electronic special fields (such as military, medical, outdoor use, factory automation and sports equipment) has stricter quality requirements. The company has a dedicated department dedicated to product quality for improvement, the product quality inspection and maintenance, and customer after-sales service work, the company has passed ISO 9001 quality certification, and has successively obtained ISO14001 and ISO 13485 certifications.

Disadvantages

(A) The value of hardware is declining year by year, and the industry is developing towards the integration of software and hardware.

The countermeasures are:

Increase the added value and profitability of products, improve production efficiency, create differentiation from the same industry by strengthening technical competitiveness and thresholds, and develop products with higher gross profit to increase production capacity utilization and profitability; and upstream system integrators, software vendors, hardware vendors, etc. establish closer cooperative relationships, deepen the ecosystem, and provide customers with complete vertical solutions.

(B) The client is a well-known international manufacturer with small negotiation ability and concentrated sales.

The countermeasures are:

Actively develop new customers and gradually decentralize customers; maintain good communication relationships with customers.

(C) Many competitors in the market have joined, and facing other Asian countries, they use national resources to cultivate the manufacturing capacity of key components, resulting in profit compression and order-grabbing effects.

The countermeasures are:

The company’s innovative business model has led potential competitors and established a solid relationship with internationally renowned brand customers in special fields (such as military, medical, outdoor use, factory automation and sports equipment), and internationally renowned brand customers in special fields have valued supply. The company is more stable and less likely to change manufacturers. In addition to consolidating the existing results, the company also continues to strengthen the integrated development of high-quality and high-value-added and reduce the cost structure to improve its competitiveness.

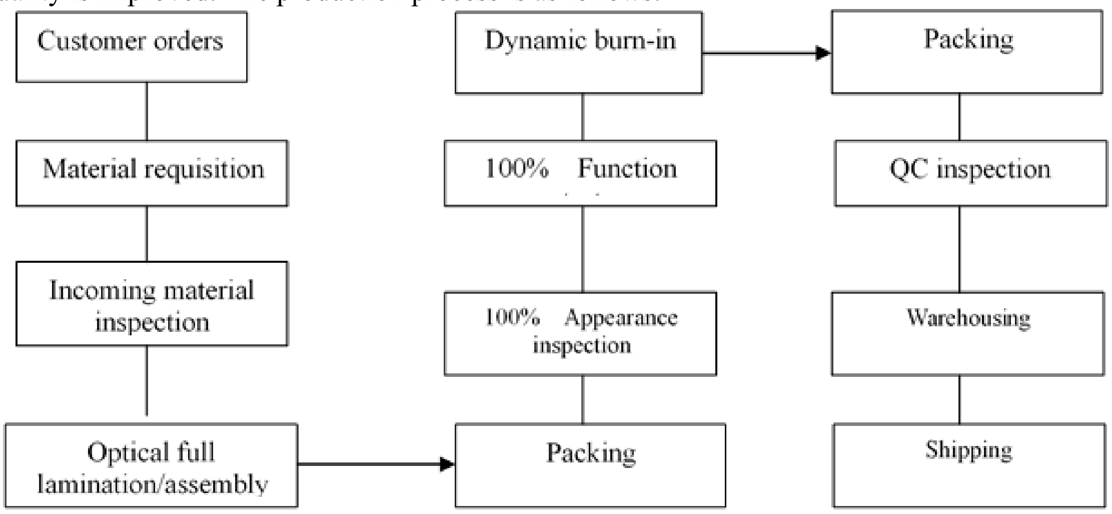
II. Important use and production process of main products

(1) Main product uses:

Main product name	Uses
Medical touch display	Ultrasound and clinical nursing monitor
Embedded control system	Fitness use/outdoor use/special supplies/specially designed man-machine interface control system
Special application display module	Special application display module for industrial use/military use/outdoor use

(2) Production process:

The company's special application touch display and module products, after receiving customer orders, the production management will schedule the production, and the property management will prepare the materials. They will be produced according to the production schedule or outsourced. After inspection by the quality assurance unit, if they are good products put in storage and prepare for shipment. If it is a defective product, it will be reworked until the quality is improved. The production process is as follows:



III. Supply status of main raw materials:

(1) Have a stable source of main materials

Medical and industrial LCD panels for specific applications are sold through agents due to their higher unit prices and smaller output. For example, AUO panels purchase from the main domestic agent Promate Company, and Innolux will act as an agent. For the purchase by the Company, Samsung will purchase with its agent Lingwang Company to maintain a good and stable delivery. On the other hand, the company is also actively seeking alternative products for the design schemes introduced by customers to maintain flexibility and autonomy to reduce business risks. Therefore, since the establishment of the company, there has been no supply interruption caused by product shortages. Compared with domestic counterparts, it can be said to have considerable advantages.

(2) Long-term cultivation of the upstream and downstream of the supply chain, with flexible advantages in material source development and procurement

The company's procurement and business colleagues, as well as the medical and industrial special application touch display industry, have considerable experience, and have been working on the upstream and downstream of the supply chain for a long time. Therefore, the company can maximize its advantages based on the premise of comparing customer design requirements to intensively cultivate competitive sources of materials.

IV. List of major suppliers and customers

1. Information of main suppliers in recent two years

Unit:NT$1,000

Item	2020				2021				As of the previous quarter in 2022			
	Name	Amount	Ratio to net purchase amount of whole year (%)	Relationship with issuer	Name	Amount	Ratio to net purchase amount of whole year (%)	Relationship with issuer	Name	Amount	Ratio to net purchase amount of whole year (%)	Relationship with issuer
1	Promate Electronic Co., Ltd.	258,491	23.51%	Parent company	Promate Electronic Co., Ltd.	444,504	37.23%	Parent company	Promate Electronic Co., Ltd.	142,735	40.57%	Parent company
	Other	840,893	76.49%		Other	749,050	62.77%		Other	209,071	59.43%	
	Net purchase	1,099,384	100.00%		Net purchase	1,193,554	100.00%		Net purchase	351,806	100.00%	

Reasons for increase or decrease:

There was no significant change in the suppliers in 2021 and 2020.

2. information of major customers in recent two years

Unit: NT$1,000

Item	2020				2021				As of the previous quarter in 2022			
	Name	Amount	Ratio to net sale amount of whole year (%)	Relationship with issuer	Name	Amount	Ratio to net sale amount of whole year (%)	Relationship with issuer	Name	Amount	Ratio to net sale amount of whole year (%)	Relationship with issuer
1	Company A	652,302	36.83%	None	Company C	418,256	23.96%	None	Company C	109,749	21.29%	None
2	Company B	211,386	11.93%	None	Company A	312,289	17.89%	None	Company D	99,203	19.25%	None
	Other	907,615	51.24%			1,015,223	58.15%			306,445	59.46%	
	Net sales	1,771,303	100.00%			1,745,768	100.00%			515,397	100.00%	

Explanation of the reasons for the increase or decrease:

In 2021, as a newly developed customer of current year, Company C mainly contributed the sales demands in Brazil, and the rest customers were without any significant change.

V. Table of production volume in recent two years:

Unit: Thousand PCS: NT$1,000

Production year / Yield Value / Main commodity (or sector)	2021			2020		
	Capacity	Yield	Value	Capacity	Yield	Value
Embedded control system	32	37	411,326	69	74	626,032
Special application display module	470	498	744,671	197	225	535,808
Medical touch display	43	49	346,623	40	47	432,296
Total	545	584	1,502,620	306	346	1,594,136

VI. Table of sales volume in recent two years:

Unit: Thousand PCS: NT$1,000

Production year / Value / Main commodity (or sector)	2021		2020	
	Yield	Value	Yield	Value
Embedded control system	24	425,903	38	647,377
Special application display module	303	702,760	202	352,676
Medical touch display	48	463,565	45	623,916
Other (Note)	2,150	153,540	547	147,334
Total	2,525	1,745,768	832	1,771,303

Note: Others include materials and spare parts for customer maintenance and replacement.

3. Number of employees in recent two years and as of the publication date of annual report

Year		2020	2021	As of March 31, 2022
Number of employee	Manager	26	23	23
	General staff	141	137	139
	Total	167	160	162
Average age		40.58	41.09	41.20
Average service senority (years)		9.04	9.97	10.00
Distribution ratio of educational background	PHD(Doctor)	-	-	-
	Master	15.57%	16.25%	16.67%
	Institutions of higher education/Bachelor	63.47%	65.00%	63.58%
	High school	20.96%	18.75%	19.75%
	Below high school	0.00%	0.00%	0.00%

4. Environmental protection expenditure information

In recent year and as of the publish date of annual report, the total losses (including compensations) and penalties of the Company due to the environmental pollution, indicating the future responding strategies (including improvements) and possible expenses (including the estimated amount of possible loss, penalty and compensation for no responding strategy; if unable to reasonably estimate, please specify the fact of unable to make a reasonable estimate): none.

5. Labor-capital relationship:

i. List the Company's various employee benefits, education, training and retirement systems and their implementations, as well as the agreements between employers and employees, and the protection of employee rights and interests

(1) Employee welfare measure and implementation:

1. Employee welfare measures

The company's management system is based on government laws and regulations, with various management regulations and working rules, and all employees are notified to know, and reasonable salary and treatment are set. In terms of employee benefits, the company has an employee welfare committee, an employee restaurant and employee parking lot. In addition, in accordance with labor laws and regulations, the company purchases various labor insurance, national health insurance, employee and family group insurance, and provides monthly retirement reserves in accordance with the law. The regular distribution of employee birthday and three-day gift vouchers, wedding and funeral celebrations and condolences subsidies, and organization of employee tours, banquets, etc., have a complete welfare system

2. Employee training status

The company attaches great importance to the professional learning of employees, focuses on cultivating professional talents, developing human resources and enhancing quality and environmental awareness to enhance the overall operating efficiency of the company. It encourages employees to participate in training courses provided by domestic colleges and universities and professional institutions to cultivate the talents with professional abilities and challenges.

(2) Retirement system and its implementation status:

The company’s retirement system is in accordance with the provisions of the Labor Standards Law. The employees can choose the applicable method and allocation rate by themselves, and allocate them regularly every month to stabilize their life after retirement.

(3) Agreement between labor and management:

The company’s labor-management relations are in accordance with the Labor Standards Law, and labor-management relations are harmonious.

(4) Various employee rights protection measures:

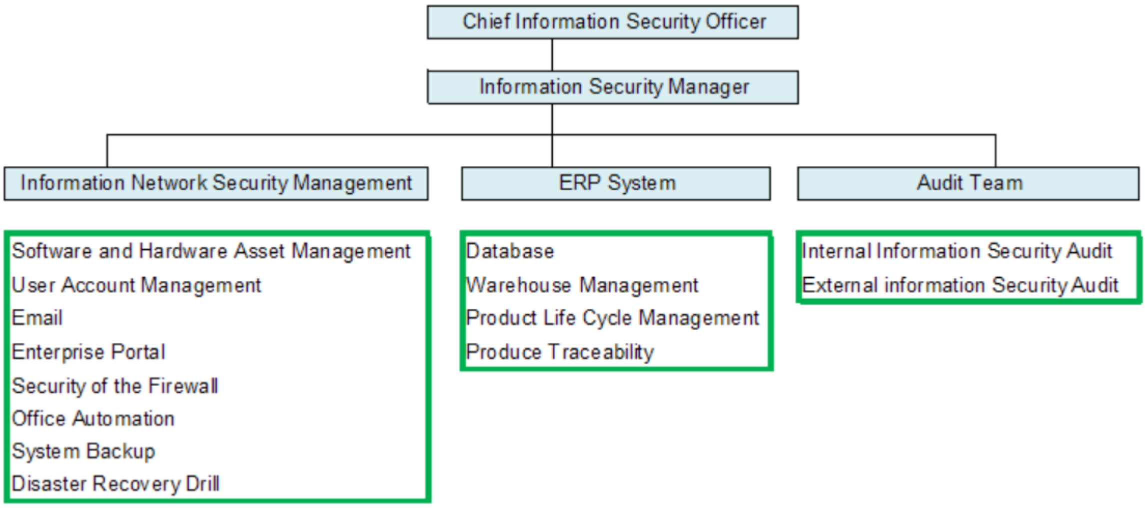
The rights and interests of other employees of the company are handled in accordance with the law.

ii. In the most recent fiscal year and as of the publishment date of annual report, the loss incurred from the labor disputes, and the estimated amount and response measures exposing the present and future possible losses: in terms of labor relations, the Company’s labor and the management have been in a rational communication and maintain a harmonious relationship, so the Company has no major labor disputes since its establishment.

6. Cyber Security Management

i. The Company's Cyber security management framework, Cyber security policies, management plan and investments in resources for cyber security

a. Organizational structure of information security



b. Information Security Management Policy

Purpose: To strengthen information security management, Promate Electronic Co., Ltd. establishes safe and reliable electronic communications that ensure data confidentiality, system integrity and process management, in addition to equipment and network security. This avoids unnecessary operational losses caused by information security failures so as to ensure the purpose of continuous business operations. See details in company website “Management Practices for Information and Network Security”.

c. Information Security Management Measures

Type	Relevant Operations
Access Management	1. Review of personnel account access management
	2. Regular inventory of personnel accounts
	3. Strengthen employees' awareness of information security and information security education and training
Control and Management on System Access	1. Management measures of personnel access to internal/external systems and data transmission
	2. Separating the internal/external network with a firewall
	3. Remote access management measures
External Threats	1. Program for computer virus protection and regular virus pattern updates
	2. Regular vulnerability scans
	3. If the information system is infected by a virus, security vulnerabilities and exploits shall be protected
	4. E-Mail security, Spam mail filtering mechanism
Availability	1. Network and system usage status monitoring and reporting mechanism
	2. Contingency measures when information services are interrupted
	3. Ensure the implementation of daily backup/remote backup mechanisms and store them in a secure location
	4. Data leakage prevention mechanism to ensure data confidentiality
	5. Regular disaster recovery drills so that the computer systems and business can quickly resume to normal operations after a disaster occurs

d. Investments in resources for cyber security

The Company takes current events as cyber security promotion at regular intervals, and organizes 5 times of educational training of this year, totally 24 hours, to enhance its staffs' watchfulness for cyber security.

ii. Losses Related to Cyber Security for the Most Recent Year and Up To the Publication Date of this Annual Report:None.

7.Significant contract

Contract nature	Party involved	Beginning and ending dates of the contract	Main content	Restrictive clause
Credit contract	Mega Bank	2021/08/01~2022/07/31	The comprehensive credit line is US$4 million.	Chairman Cheer Du and Director Eric Chen act as joint guarantors in their personal capacities.
Credit contract	Chang Hwa Bank	2021/09/14~2022/09/30	The comprehensive credit line is NT$80 million. The amount of export bills is 500,000 U.S. dollars. The comprehensive quota of foreign exchange derivative financial products is 300,000 U.S. dollars.	Chairman Cheer Du and Director Eric Chen act as joint guarantors in their personal capacities.
Lease contract	Promate Electronic Co., Ltd.	2018/08/01~2023/07/30	Factory lease	None

VI. Financial Overview

1. Brief financial information for the past five years

(1) Condensed balance sheet and consolidated income statement

Condensed Balance Sheet (Consolidated)-IFRS

Unit: NT$1,000

Item \ Year		Financial statements for the past five years					Financial data for fiscal year 2022 as of March 31 (Note 1)
		2017	2018	2019	2020	2021	
Current assets		1,376,567	1,338,258	1,419,184	1,320,594	1,576,278	1,541,048
Property, plant and equipment (Note 2)		73,983	61,001	47,268	48,946	43,823	47,262
Intangible assets		6,783	9,668	7,219	4,027	5,851	5,357
Other assets (Note 2)		13,493	13,986	118,555	127,144	144,828	138,407
Total Assets		1,470,826	1,422,913	1,592,226	1,500,711	1,770,780	1,732,074
Current liabilities	Before distribution	434,135	359,251	439,908	341,446	668,997	577,197
	After distribution	587,154	531,397	631,182	532,720	Note 3	Note 3
Non-current liabilities		34,375	27,598	84,745	60,410	34,934	29,165
Total liabilities	Before distribution	468,510	386,849	524,653	401,856	703,931	606,362
	After distribution	621,529	558,995	715,927	593,130	Note 3	Note 3
Equity attributable to owners of parent		1,002,316	1,036,064	1,067,573	1,098,855	1,066,849	1,125,712
Capital		382,549	382,549	382,549	382,549	382,549	382,549
Capital surplus	Before distribution	463,721	400,600	396,393	386,829	386,829	386,829
	After distribution	444,594	396,393	386,829	386,829	Note 3	Note 3
Retained earnings	Before distribution	156,088	252,941	291,359	318,234	292,676	349,656
	After distribution	22,196	85,002	109,649	126,960	Note 3	Note 3
Other equity		(42)	(26)	(2,728)	11,243	4,795	6,678
Treasury stock		-	-	-	-	-	-
Non-controlling interests		-	-	-	-	-	-
Total amount of Equity	Before distribution	1,002,316	1,036,064	1,067,573	1,098,855	1,066,849	1,125,712
	After distribution	849,297	863,918	876,299	907,581	Note 3	Note 3

Note 1: The financial statements on March 31, 2022 have been audited and approved by the accountant.

Note 2: Asset revaluation has not been processed.

Note 3:The Company's 2021 year distribution of earnings has been passed by Board of Directors' resolution, and is to be distributed by the next year shareholders' meeting.

Condensed Statement of Comprehensive Income (Consolidated)-IFRS

Unit: NT$1,000 (Except EPS: NT$)

Item \ Year	Financial statements for the past five years					Financial statements as of March 31, 2022 (Note 1)
	2017	2018	2019	2020	2021	
Operating Revenue	1,837,023	1,891,754	1,874,393	1,771,303	1,745,768	516,478
Operating margin	464,482	499,572	531,482	493,121	425,586	129,405
Operating income	193,645	216,747	260,754	265,989	201,176	53,221
Non-operating income and expense	(12,363)	10,627	(3,768)	(16,163)	(5,352)	18,336
Pre-tax profit	181,282	227,374	256,986	249,826	195,824	71,557
Continuing operations Current period net profit	150,699	186,286	206,641	203,075	162,274	56,980
Income (loss) on Discontinued Operations	-	-	-	-	-	-
Net income (loss)	150,699	186,286	206,641	203,075	162,274	56,980
Other comprehensive income (Net amount after tax)	(880)	482	(2,962)	19,481	(3,006)	1,883
Total comprehensive income	149,819	186,768	203,655	222,556	159,268	58,863
Net profit attributable to parent company shareholders	150,699	186,286	206,641	203,075	162,274	56,980
Profit Attributable to Noncontrolling Interest	-	-	-	-	-	-
Comprehensive Income (Loss) Attributable to Owners of the Parent	149,819	186,768	203,655	222,556	159,268	58,863
Comprehensive Income Attributable to Noncontrolling Interest	-	-	-	-	-	-
Earnings Per Share	4.00	4.87	5.40	5.31	4.24	1.49

Note 1: The financial documents on March 31, 2022 have been audited and approved by the accountant.

Condensed Balance Sheet (Parent Company Only)-IFRS

Unit: NT$1,000

Item \ Year		Financial statements for the past five years					Financial statements as of March 31, 2022 (Note 1)
		2017	2018	2019	2020	2021	
Current assets		1,375,513	1,335,527	1,416,014	1,316,738	1,572,915	-
Property, plant and equipment (Note 2)		73,983	61,001	47,268	48,946	43,823	-
Intangible assets		6,783	9,668	7,219	4,027	5,851	-
Other assets (Note 2)		14,380	16,026	119,792	129,127	147,447	-
Total Assets		1,470,659	1,422,222	1,590,293	1,498,838	1,770,036	-
Current liabilities	Before distribution	433,968	358,560	438,939	340,216	668,533	-
	After distribution	586,988	530,706	630,213	531,490	Note 3	-
Non-current liabilities		34,375	27,598	83,781	59,767	34,654	-
Total liabilities	Before distribution	468,343	386,158	522,720	399,983	703,187	-
	After distribution	621,363	558,304	713,994	591,257	Note 3	-
Capital		382,549	382,549	382,549	382,549	382,549	-
Capital surplus	Before distribution	463,721	400,600	396,393	386,829	386,829	-
	After distribution	400,600	396,393	386,829	386,829	Note 3	
Retained earnings	Before distribution	156,088	252,941	291,359	318,234	292,676	-
	After distribution	66,189	85,002	109,649	126,960	Note 3	-
Other equity		(42)	(26)	(2,728)	11,243	4,795	-
Treasury stock		-	-	-	-	-	-
Total amount of Equity	Before distribution	1,002,316	1,036,064	1,067,573	1,098,855	1,066,849	-
	After distribution	849,296	863,918	876,299	907,581	Note 3	-

Note 1: No individual financial statements have been issued for the first quarter of 2022.

Note 2: Asset revaluation has not been processed.

Note 3:The above numbers are allocated and filled in next year based on resolutions of Board of Directors or shareholders’ meeting. Only 2021 distribution of earnings has been passed by Board of Directors’ resolution, and is to be distributed by the next year shareholders' meeting.

Condensed Statement of Comprehensive Income (Parent Company Only)-IFRS

Unit: NT$1,000 (Except EPS: NT$)

Item \ Year	Financial statements for the past five years					Financial statements as of March 31, 2022 (Note 1)
	2017	2018	2019	2020	2021	
Operating Revenue	1,836,948	1,889,258	1,871,472	1,769,299	1,743,796	-
Operating margin	464,422	498,393	531,084	493,027	424,308	-
Operating income	195,395	215,393	260,147	266,169	200,554	-
Non-operating income and expense	(14,113)	11,793	(3,256)	(16,411)	(4,863)	-
Pre-tax profit	181,282	227,186	256,891	249,758	195,691	-
Continuing operations Current period net profit	150,699	186,286	206,641	203,075	162,274	-
Income (loss) on Discontinued Operations	-	-	-	-	-	-
Net income (loss)	150,699	186,286	206,641	203,075	162,274	-
Other comprehensive income (Net amount after tax)	(880)	482	(2,986)	19,481	(3,006)	-
Total comprehensive income	149,819	186,768	203,655	222,556	159,268	-
Earnings Per Share	4.00	4.87	5.40	5.31	4.24	-

Note: No individual financial statements have been issued for the first quarter of 2022.

(2) Name of CPA and Auditors' Opinions for the last five years

Year	Name of accounting firm	Name of CPA	Audit opinion
2017	Deloitte & Touche	Li, Li-Huang and Chen, Huei-Ming	Unqualified opinion
2018	Deloitte & Touche	Li, Li-Huang and Chen, Huei-Ming	Unqualified opinion
2019	Deloitte & Touche	Li, Li-Huang and Sie, Ming-Jhong	Unqualified opinion
2020	Deloitte & Touche	Li, Li-Huang and Wong, Bo-Ren	Unqualified opinion
2021	Deloitte & Touche	Wong, Bo-Ren and Chen, Huei-Ming	Unqualified opinion

2. Financial analysis

(1) Financial ratio

IFRS

Item	Year	Financial analysis of the last five years					Financial Analysis of Year 2022 as of March 31
		2017	2018	2019	2020	2021	
Financial structure (%)	Debt to asset ratio	31.85	27.19	32.95	26.78	39.75	35.01
	Long-term Fund to Property, Plant and Equipment	1,401.26	1,743.68	2,437.84	2,368.41	2,514.17	2,443.56
Liquidity (%)	Current Ratio	317.08	372.51	322.61	386.76	235.62	266.99
	Quick Ratio	230.81	223.77	257.12	298.66	183.40	206.41
	Times interest earned	1,395.48	2,527.38	106.67	121.92	113.03	267.01
Operating ability	Average Collection Turnover (Times)	6.07	6.07	7.03	6.26	4.67	3.91
	Average days of collection	60.14	60.09	51.90	58.30	78.23	93.42
	Average Inventory Turnover (Times)	4.56	3.12	3.32	4.40	4.10	4.47
	Average Payables Turnover (Times)	5.50	5.93	6.51	6.41	4.82	4.72
	Average days of sales	80.07	116.98	109.78	82.92	89.12	81.66
	Property, Plant and Equipment Turnover (Times)	29.04	28.03	34.62	36.82	37.64	45.36
	Total Assets Turnover (Times)	1.48	1.31	1.24	1.15	1.07	1.18
Profitability	Return on Total Assets (%)	12.14	12.88	13.84	13.24	10.01	13.06
	Return on Equity (%)	18.23	18.28	19.65	18.75	14.99	20.79
	Pre-tax Income to Paid-in Capital Ratio (%)	47.36	59.44	67.18	65.31	51.19	74.82
	Net Margin (%)	8.20	9.85	11.02	11.46	9.30	11.03
	Earnings Per Share (NT$)	3.94	4.87	5.40	5.31	4.24	1.49
Cash flows	Cash Flow Ratio (%)	(0.58)	29.22	115.42	37.81	29.82	(27.87)
	Cash Flow Adequacy Ratio (%)	54.52	40.54	68.18	59.17	70.69	78.18
	Cash Flow Reinvestment Ratio (%)	(14.58)	(4.19)	26.33	(4.72)	0.64	(11.98)
Leverage	Operating leverage	1.11	1.11	1.16	1.15	1.19	1.17
	Financial leverage	1.00	1.00	1.01	1.01	1.01	1.01

Please explain the reasons for the changes in various financial ratios in the last two years. (If the increase or decrease does not reach 20%, the analysis will be exempted)

Proportion of assets covered by liabilities:
mainly due to the increased customer demand sales and purchase quantity from supplier in fourth quarter of 2021, as well as the closing account payable balance, which result in the rising proportion of assets covered by liabilities.

Current ratio:
mainly due to the increased customer demand sales and purchase quantity from supplier in fourth quarter of 2021, as well as the closing account payable balance, which result in the current ratio decreasing.

Quick ratio:
mainly due to the increased customer demand sales and purchase quantity from supplier in fourth quarter of 2021, as well as the closing account payable balance, which result in quick ratio decreasing.

Receivables turnover (%):
mainly due to the increased sales in fourth quarter of 2021 as the market demands from South America are significantly raised compared with same period last year, and the longer transaction credit extension has led to an increasing of the closing account payable balance, which result in receivables turnover decreasing slightly.

Average cash collection days:
mainly due to the increased sales in fourth quarter of 2021 as the market demands from South America are significantly raised compared with same period last year, and the longer transaction credit extension has led to an increasing of the closing account payable balance, which result in receivables turnover decreasing slightly.

Turnover of payable (%):
mainly due to the increased customer demand sales and purchase quantity from supplier in fourth quarter of 2021, as well as the closing account payable balance, which result in turnover of payable decreasing.

Return on assets (%):
mainly due to the rise in market electronic components price and product sales portfolio difference that cause the gross profit rate in 2021 to be lower than that of 2020, and the increase in stock of inventories coping with electronic components shortage and rise in price, as well as the closing account payable balance raises owing to the increased sales in fourth quarter, which result in return on assets decreasing.
Pre tax net income ratio (%):
mainly due to the rise in market electronic components price and product sales portfolio difference that cause the gross profit rate in 2021 to be lower than that of 2020, which result in pre tax net income ratio decreasing.
Pre tax net profit ratio (%):
mainly due to the rise in market electronic components price and product sales portfolio difference that cause the gross profit rate in 2021 to be lower than that of 2020, which result in pre tax net profit ratio decreasing.
Cash flow ratio (%):
mainly due to the increased customer demand sales and purchase quantity from supplier in fourth quarter of 2021, as well as the closing account payable balance, which result in cash flow ratio decreasing.
Cash reinvestment ratio (%):
mainly due to the huge inflows of net cash from operation in 2021, which result in cash reinvestment ratio raising.

Note 1: The above-mentioned annual financial reports have been checked or reviewed by accountants.

Note 2: As of the date of publication of the annual report, companies that are listed or whose stocks have been traded in the business premises of a securities firm have the latest financial information that has been verified by an accountant or reviewed by the accountant, and should be analyzed.

Note 3: At the end of this annual report, the following calculation formula should be given:

1. Financial structure

(1)Debt to asset ratio = Total Liabilities / Total Assets

(2)Long-term Fund to Property, Plant and Equipment Ratio = (Shareholders' Equity + Noncurrent Liabilities) / Net Property, Plant and Equipment

2. Liquidity

(1)Current Ratio = Current Assets / Current Liabilities

(2)Quick Ratio = (Current Assets – Inventories – Prepaid Expenses) / Current Liabilities

(3)Time interest earned = net income before income tax and interest expense / current interest expense.

3. Operating ability

(1)Average Collection Turnover = Net Sales / Average Trade Receivables (including all accounts receivable and all notes receivable resulting from trade)

(2)Average Collection Days = 365 / Average Collection Turnover

(3)Inventory turnover ratio = cost of goods sold / average amount of inventory

(4)Average Payables Turnover = Cost of Sales / Average Trade Payables (including all accounts payable and all notes payable resulting from trade)

(5)Average Inventory Turnover Days = 365 / Average Inventory Turnover

(6)Property, Plant and Equipment Turnover = Net Sales / Average Net Property, Plant and Equipment

(7)Fixed assets turnover ratio = net sales / total average fixed assets

4. Profitability

(1)Return on Total Assets = (Net Income + Interest Expenses * (1-Effective Tax Rate)) / Average Total Assets

(2)Return on Equity = Net Income / Average Equity

(3)Net profit margin = after-tax profit / net operating income

(4)Earnings Per Share = (Net Income Attributable to Shareholders of the Parent – Preferred Stock Dividend)

/ Weighted Average Number of Shares Outstanding

5. Cash flows

(1)Cash flow ratio = new cash flows from operating activities / current liabilities

(2)Cash flow adequacy ratio = net cash flows from operating activities in the past five years / (capital expenditure + increase in inventory + cash dividend) in the past five years

(3)Cash reinvestment ratio = (net cash flows from operating activities –cash dividend) / (gross margin of property, plant and equipment + long-term investment + other noncurrent assets + working capital)

6. Leverage

(1)Operating leverage = (net operating revenue － variable operating cost and expenses) / operating profit

(2)Financial leverage = operating profit / (operating profit － interest expense)

Note 4: The above calculation formula of earnings per share shall be measured with special attention to the following matters:

1. Based on the weighted average number of common shares, not on the number of shares outstanding at year-end.
2. Any trader with cash increase or treasury share shall calculate the weighted average number of shares, taking into account the period of circulation.
3. In the case of conversion of surplus to capital increase or conversion of capital reserve to capital increase, the calculation of earnings per share of previous years and semi-years shall be adjusted retroactively according to the proportion of capital increase, without taking into account the issuing period of such capital increase.
4. If the special shares are non-convertible cumulative special shares, the current year dividend (whether distributed or not) shall be deducted from the net profit after tax or added to the net loss after tax. If the special shares are non-cumulative, the dividend of special shares shall be deducted from the net profit after tax if there is any net profit after tax; if it is a loss, no adjustment is required.

Note 5: Cash use analysis should pay special attention to the following matters when measuring:

5. Net cash flow from operating activities refers to the net cash inflow from operating activities in the statement of cash flows.
6. Capital expenditure refers to the annual cash outflow from capital investments.
7. The inventory increase is only taken into account when the ending balance is greater than the beginning balance. If the inventory decreases at the end of the year, it is calculated as zero.
8. Cash dividends include the cash dividends of common shares and special shares.
9. Real estate, building and equipment means the total value of real estate, building and equipment before the accumulated depreciation.

Note 6: The issuer shall classify the operating costs and expenses into the fixed and variable by nature. If any of them involve in the estimates or subjective judgments, the issuer shall pay attention to their rationality and maintain consistency.

Note 7: If the shares of the Company are in no denomination or in denomination other than NT$10 per share, the above calculation of paid-in capital ratio shall be based on the equity ratio attributable to the owner of parent company in the balance sheet.

3. Approval and Audit Report of Audit Committee for 2021

Promate Solutions Corporation

Audit Report of Audit Committee

Hereby Approved

The board of directors of the company prepared and submitted the 2021 business report, financial statements, and surplus distribution statement. The financial statements were verified by Qinye Zhongxin Certified Public Accountants CPA Wong, Bo-Ren, CPA Chen, Huei-Ming. The accountant has communicated with the Audit Committee on the key audit matters in the audit report. The Audit Committee, upon examination, finds no discrepancy in the foregoing lists, and in accordance with the provisions of Article 14 of the Securities and Exchange Act and Article 219 of the Company Act, hereby provides a report for your approval.

Sincerely

General Meeting of Shareholders in 2022 of Promate Electronic Co., Ltd.

Convener of Audit Committee: Ying-Min Zhong

Date: March 29, 2022

4. Financial Statements for 2021

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Promate Solutions Corporation

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with the Regulation 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled out 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 informing our opinion thereon, and we do not provide a separate opinion on these matters

The key audit matters identified in the audit of the Group's consolidated financial statements for the year ended December 31, 2021 are as follows:

<u>Occurrenc of shipment with revenue gained from specific clients</u>

The Group specializes in trading embedded control systems, special application display module and medical touch display module. Based on the materiality and auditing standards, revenue recognition is presumed to be a significant risk. Therefore, we believe that the existence of sales revenue with specific clients would materially affect the occurrence of the financial statement, which is the reason why we listed the occurrence of shipment with sales revenue from certain clients as the key audit matter of 2021 audit process. Refer to note 4(12) for more details of revenue recognitoin policy.

Our main audit procedures performed in respect of above matter include the following:

1. We understood the internal control procedures for revenue recognition and the relevant approval process followed by the Group's management.

2. We utlized audit sampling on specific clients' shipments, which we would verify the relevant documents and test the receivable collection to confirm the existence of sales transaction.

3. We ascertained sales returns and discounts that occurred after the balance sheet date, to ensure whether there is a materialy misstatement on sales revenue from specific clients in the group's financial statement.

Other Matters

We have also audited the parent company only financial statements of Promate Solution Corporation as of and for the year ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgement 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 material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirement 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 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 auditor's report are Po Jen Weng and Hui-Min.Chen
Deloitte & Touche
Taipei, Taiwan
Republic of China
March 29, 2022

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.
For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES

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

	December 31, 2021		December 31, 2020	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 30)	$ 726,561	41	$ 637,464	42
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 30)	10,594	1	12,354	1
Financial assets at amortized cost - current (Notes 4, 9, 10 and 30)	-	-	85,797	6
Notes receivable (Notes 4, 11, 24, 30 and 32)	76,221	4	-	-
Accounts receivable (Notes 4, 11, 24 and 30)	384,826	22	270,397	18
Accounts receivable from related parties (Notes 4, 11, 24, 30 and 31)	4,212	-	5,167	-
Other receivables (Notes 4, 11 and 30)	24,521	1	8,590	1
Inventories (Note 4 and 12)	346,426	20	298,287	20
Prepayments (Notes 17)	2,887	-	2,508	-
Other current assets (Note 17)	30	-	30	-
Total current assets	1,576,278	89	1,320,594	88
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4, 8 and 30)	85,519	5	43,607	3
Property, plant and equipment (Notes 4 and 14)	43,823	3	48,946	3
Right-of-use assets (Notes 4, 15 and 31)	42,836	2	65,120	5
Other intangible assets (Note 4 and 16)	5,851	-	4,027	-
Deferred tax assets (Note 4 and 26)	8,983	1	13,893	1
Prepayments for business facilities (Note 17)	6,834	-	3,888	-
Guarantee deposits paid (Notes 17 and 30)	656	-	636	-
Total non-current assets	194,502	11	180,117	12
TOTAL	$ 1,770,780	100	$ 1,500,711	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowing (Notes 4, 18 and 32)	$ 76,221	4	$ -	-
Contract liabilities - current (Notes 4, 20 and 24)	69,004	4	30,466	2
Notes payable (Notes 19 and 30)	31	-	-	-
Accounts payable (Notes 19 and 30)	200,299	12	123,026	8
Accounts payable to related parties (Notes 18, 30 and 31)	181,574	10	43,392	3
Lease liabilities - current (Notes 4, 15, 28, 30 and 31)	20,763	1	21,665	2
Other payables (Notes 20 and 30)	106,590	6	94,222	6
Other payables - related parties (Notes 20, 30 and 31)	607	-	955	-
Current tax liabilities (Note 4 and 26)	8,813	1	22,078	2
Provisions - current (Note 4 and 21)	2,938	-	3,285	-
Other current liabilities (Note 20)	2,157	-	2,357	-
Total current liabilities	668,997	38	341,446	23
NON-CURRENT LIABILITIES				
Lease liabilities - noncurrent (Notes 4, 15, 29 and 30)	22,216	1	43,072	3
Provisions - noncurrent (Note 20)	1,386	-	2,239	-
Deferred tax liabilities (Note 25)	10,408	1	15,044	1
Net defined benefit liabilities - noncurrent (Note 21)	924	-	55	-
Total non-current liabilities	34,934	2	60,410	4
Total liabilities	703,931	40	401,856	27
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 23)				
Share capital				
Ordinary shares	382,549	22	382,549	25
Capital surplus	386,829	22	386,829	26
Retained earnings				
Legal reserve	126,158	7	105,299	7
Special reserve	-	-	2,728	-
Unappropriated earnings	166,518	9	210,207	14
Total retained earnings	292,676	16	318,234	21
Other equity				
Exchange differences on translation of foreign financial statements	(391)	-	(49)	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	5,186	-	11,292	1
Total other equity interest	4,795	-	11,243	1
Total equity attributable to owners of the Company	1,066,849	60	1,098,855	73
Total equity	1,066,849	60	1,098,855	73
TOTAL	$ 1,770,780	100	$ 1,500,711	100

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

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES

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

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 24 and 31)				
Sales	$ 1,745,768	100	$ 1,771,303	100
OPERATING COSTS (Notes 12, 16, 22, 25 and 31)				
COST OF GOODS SOLD	(1,320,182)	(76)	(1,278,182)	(72)
GROSS PROFIT	425,586	24	493,121	28
PERATING EXPENSES (Notes 11, 16, 21, 25 and 31)				
Selling and marketing expenses	(133,171)	(7)	(116,733)	(7)
General and administrative expenses	(28,878)	(2)	(36,576)	(2)
Research and development expenses	(68,111)	(4)	(67,463)	(4)
Expected credit loss	5,750	-	(6,360)	-
Total operating expenses	(224,410)	(13)	(227,132)	(13)
OPERATING PROFIT	201,176	15	265,989	15
NON-OPERATING INCOME (Note 15 ,25 and 31)				
Interest income	1,673	-	3,821	-
Other income	4,446	-	3,062	-
Other gains and losses	(9,723)		(20,980)	(1)
Finance costs	(1,748)	-	(2,066)	-
Total non-operating income and expenses	(5,352)	-	(16,163)	(1)
PROFIT BEFORE INCOME TAX	195,824	11	249,826	14
INCOME TAX EXPENSE (Notes 4 and 26)	(33,550)	(2)	(46,751)	(2)
NET PROFIT FOR THE PERIOD	162,274	9	203,075	12

（Continued）

	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss：				
Remeasurement of defined benefit plans（Notes 4 ,and 22）	$ 4,094	-	($ 340)	-
Unrealized gain (loss) on investments in equity instruments as at fair value through other comprehensive income（Notes 4 ,and 23）	(5,940)	-	19,752	1
Income tax relating to items that will not be reclassified（Notes 4 ,and 26）	(818)	-	68	-
	(2,664)	-	19,480	1
Items that may be reclassified subsequently to profit or loss：				
Exchange differences on translating the financial statements of foreign operations（Notes 4 ,and 23）	(428)	-	2	-
Income tax relating to items that may be reclassified subsequently to profit or loss（Notes 4 ,and 26）	86	-	(1)	-
	(342)	-	1	-
Other comprehensive loss for the year, net of income tax	(3,006)	-	19,481	1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 159,268	9	$ 222,556	13
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 27)				
From continuing operations				
Basic	$ 4.24		$ 5.31	
Diluted	$ 4.21		$ 5.25	

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

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company								
	Issued Capital			Retained Earnings			Other Equity		
	Shares (Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized gain on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
BALANCE AT JANUARY 1, 2020	38,255	$ 382,549	$ 396,393	$ 84,663	$ 26	$ 206,670	($ 50)	($ 2,678)	$ 1,067,573
Appropriation of 2019 earnings									
Legal reserve	-	-	-	20,636	-	(20,636)	-	-	-
Special reserve	-	-	-	-	2,702	(2,702)	-	-	-
Cash dividends	-	-	-	-	-	(181,710)	-	-	(181,710)
Changes other Capital Surplus：									
Capital Surplus issue Cash dividends	-	-	(9,564)	-	-	-	-	-	(9,564)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	5,782	-	(5,782)	-
Net profit for the year ended December 31, 2020	-	-	-	-	-	203,075	-	-	203,075
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	(272)	1	19,752	19,481
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	202,803	1	19,752	222,556
BALANCE AT DECEMBER 31, 2020	38,255	382,549	386,829	105,299	2,728	210,207	(49)	11,292	1,098,855
Appropriation of 2020 earnings									
Legal reserve	-	-	-	20,859	-	(20,859)	-	-	-
Special reserve	-	-	-	-	(2,728)	2,728	-	-	-
Cash dividends	-	-	-	-	-	(191,274)	-	-	(191,274)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	166	-	(166)	-
Net profit (loss) for the year ended December 31, 2021	-	-	-	-	-	162,274	-	-	162,274
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	3,276	(342)	(5,940)	(3,006)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	165,550	(342)	(5,940)	159,268
BALANCE AT DECEMBER 31, 2021	38,255	$ 382,549	$ 386,829	$ 126,158	$ -	$ 166,518	($ 391)	$ 5,186	$ 1,066,849

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

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES

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

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 195,824	$ 249,826
Adjustments for		
Expected credit (gain) loss	(5,750)	6,360
Depreciation expenses	35,866	36,492
Amortization expenses	1,718	3,192
Finance costs	1,748	2,066
Other adjustments to reconcile profit (loss)	3,010	(5,590)
Interest incomes	(1,673)	(3,821)
Dividend income	(4,114)	(2,242)
Impairment loss on non-financial assets	(17,000)	10,000
Inventory write off loss	322	3,069
Gain on Lease Modification	(255)	-
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(1,097)	(3,920)
Unrealized foreign exchange loss (gain)	(1,004)	1,355
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	2,857	(5,398)
Decrease (increase) in notes receivable	(76,221)	-
Decrease (increase) in accounts receivable	(108,679)	1,714
Decrease (increase) in accounts receivable due from related parties	955	(203)
Decrease (increase) in other receivable	(15,931)	2,533
Decrease (increase) in inventories	(31,461)	(28,872)
Decrease (increase) in prepayments	(379)	3,112
Decrease (increase) in other current assets	-	23
Increase (decrease) in contract liabilities	38,538	(9,301)
Increase (decrease) in notes payable	31	(11)
Increase (decrease) in accounts payable	77,273	(42,775)
Increase (decrease) in accounts payable to related parties	138,182	(23,073)
Increase (decrease) in other payable	12,368	(8,183)
Increase (decrease) in other payable to related parties	(348)	(1,370)
Increase (decrease) in provisions	(4,210)	(7,010)

(Continued)

	2021	2020
Increase (decrease) in other current liabilities	($ 200)	($ 23)
Increase (decrease) in net defined benefit liability	(542)	(548)
Cash generated from operations	239,828	177,448
Interest received	1,673	3,821
Interest paid	(219)	-
Income tax paid	(41,768)	(52,159)
Net cash generated from operating activities	199,514	129,110
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	(27,842)	(1,426,652)
Acquisition of financial assets at fair value through other comprehensive income	(48,323)	(23,663)
Proceeds from disposal of financial assets at amortized cost	114,643	1,339,500
Proceeds from disposal of financial assets at fair value through other comprehensive income	471	14,700
Proceeds from sale of financial assets at fair value dividends received	4,114	2,242
Increase in prepayments for business facilities	(16,397)	(16,890)
Acquisition of property, plant and equipment	(200)	(307)
Decrease (increase) in refundable deposits	(20)	(500)
Net cash used in investing activitie	26,446	(111,570)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Short-term borrowing increase	76,221	-
Payments of lease liabilities	(21,382)	(22,234)
Cash dividends	(191,274)	(191,274)
Net cash used in financing activities	(136,435)	(213,508)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(428)	2
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	89,097	(195,966)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	637,464	833,430
CASH AND CASH EQUIVALENTS REPORTED IN THE STATEMENT OF FINANCIAL POSITION	$ 726,561	$ 637,464

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

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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1. GENERAL INFORMATION

Promate Solutions Corporation (the "Company") is a listed company established on May 29. 2000. The main business of the Company include research & development and manufacture of medical touch screen displays, embedded control systems, special application and industrial displays, and research & development of applicable software and hardware.

According to resolutions of the shareholders' meeting on June 10, 2013 , the department of special application product of Promate Electronic Co., Ltd had been transfer to the Company based on Business Mergers And Acquisitions Act. The purpose of division was due to organization adjustment of Promate Electronic Co. According to Board resolutions, the reference date of the division was August 1.2013. , the value of the division department was 123,900 thousand. The Company had been issued 8,260 thousand ordinary share priced at 15 for division.

The parent company of the Company is Promate Electronic Co., Ltd. with equity interests of 66.21% on December 31, 2021 and 2020.

The Company's shares have been listed on OTC trading at Taipei Exchange since March 2004.

The functional currency of the Company is the New Taiwan Dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on March 15, 2022.

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

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

   Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group's accounting policies.

b. The IFRs endorsed by 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)

Note1: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 11 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) Annual Improvements to IFRSs Standards 2018-2020

   Several standards, including IFRS 9 “Financial Instruments”, were amended in the annual improvements. IFRS 9 requires the comparison of the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, with that of the cash flows under the original financial liability when there is an exchange or modification of debt instruments. The new terms and the original terms are substantially different if the difference between those discounted present values is at least 10%. The amendments to IFRS 9 clarify that the only fees that should be included in the above assessment are those fees paid or received between the borrower and the lender.

2) Amendments to IFRS 3 “‘Reference to the Conceptual Framework

   The amendments replace the references to the Conceptual Framework of IFRS 3 and specify that the acquirer shall apply IFRIC 21 “Levies” to determine whether the event that gives rise to a liability for a levy has occurred at the acquisition date.

3) Amendments to IAS 16 “Property, Plant and Equipment: Proceeds before Intended Use”

   The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of those items is measured in accordance with IAS 2 “Inventories”. Any proceeds from selling those items and the cost of those items are recognized in profit or loss in accordance with applicable standards.

The amendments are applicable only to items of 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. The Group will restate its comparative information when it initially applies the aforementioned amendments.

4) Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”

The amendments expressly evaluate contracts if contracts onerous or not,” Cost of Fulfilling a Contract” include incremental cost(ex:direcet labor and raw materials) and allocation of other costs directly related to the fulfill contract (ex: fulfill contract allocation used property, plant and equipment depreciation expense).

The Gloup is recognized as retained earning on the date of initial application by first time use this amendments.

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

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 12 after January 1, 2023.

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

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

1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

   The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full. Conversely, when the Group sells or contributes assets that do not constitute a business to an associate, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate, i.e., the Group's share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence over an associate, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate, i.e., the Group's share of the gain or loss is eliminated.

2) Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"

   The amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right. The amendments also clarify that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Group's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32: Financial Instruments: Presentation, the aforementioned terms would not affect the classification of the liability.

3) Amendments to IAS 1 "Disclosure of Accounting Policies"

   The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- ●Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;
- ●The Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and
- ●Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

a) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
b) The Group chose the accounting policy from options permitted by the standards;
c) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;
d) The accounting policy relates to an area for which the Group is required to make significant judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions; or
e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

4) Amendments to IAS 8 “Definition of Accounting Estimates

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Group may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value 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 based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

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

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

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

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

Current assets include:

1) Assets held primarily for the purpose of trading;
2) Assets expected to be realized within 12 months after the reporting period; and
3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilitiesinclude:

1) Liabilities held for the purpose of trading;
2) Liabilities due to be settled within 12 months, and
3) Liabilities for which the entity does not have the right at the end of the reporting period to defer settlement beyond 12 months.

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

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

See Note 13 and Table 4 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

e. Foreign Currencies

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

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

1) Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and,

2) Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investments.

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

Non-monetary 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 consolidated financial statements, the financial statements of the Company's foreign operations 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 (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or 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.

In a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, theproportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. 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 the weighted-average cost on the balance sheet date.

g. 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 measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the 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.

h. Intangible assets

1) Intangible assets acquired separately

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. Intangible assets with indefinite

useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition of intangible assets

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 asset, intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

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.

The inventory, real estate, building and equipment and intangible assets recognized by customer agreement shall recognize the impairment according to the provisions of inventory impairment and the above requirements, and then the amount of the carrying amount in accordance with the contract costs related assets exceeding the amount remaining in consideration expected to be charged for the provision of relevant goods or services after deducting the directly related costs shall be recognized as the impairment loss. The carrying amount of assets related to the contract cost shall be added to the cash generating unit for the impairment assessment of cash generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs 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 Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL 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 debt instruments and equity instruments at FVTOCI.

   i. Financial assets at FVTPL

      Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated 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, 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 30: Financial Instruments.

   ii. Financial assets at amortized cost

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

      i) The financial assets are 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 assets 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, trade receivable and notes receivable (including associates) at amortized cost, contract assets and other trade receivables (including associates), 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, except for:

      i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

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

Cash equivalents include time deposits held for the purpose of meeting short-term cash commitments, highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation 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. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

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

b) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including cash and cash equivalents, trade receivable and notes receivable (including related party) at amortized cost, contract assets and other trade receivables (including related party).

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables and contract assets. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent 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 represent 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.

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, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

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

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

2) Equity instruments

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

Equity instruments issued by the Group 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.

k. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Warranty

Provisions for the expected cost of warranty obligations to assure that products comply with agreed-upon specifications are recognized on the date of sale of the relevant products at the best estimate by the management of the Company of the expenditures required to settle the Group's obligations.

l. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied. Where the time interval between the transfer of goods or services and the receipt of consideration is less than one year, no adjustment of transaction price shall be made for the material financial component of the contract.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from the sale of embedded control systems, medical displays, and application-specific display modules at the agreed prices stipulated in contracts, quotations or orders. Sales of goods are recognizes as revenue when the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables and contract assets are recognized concurrently. Any amounts previously recognized as contract assets are reclassified to trade receivables when the remaining obligations are performed.

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

2) Service revenue

Service revenue mainly comprises revenue from the design of embedded, medical, and application specific display modules during product development; revenue from customers' request for repair when defects occur in products that exceed the warranty period; and revenue recognized at the agreed prices stipulated in contracts.

m. Leases

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

1) The Group as lessor

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

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by 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 adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received.

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

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets.However, if the carrying amount of the right-of-use assets is reduced to zero, an y remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

n. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

o. 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.

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

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. 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

The accounting treatment for other long-term employee benefits is the same as that of the defined benefit retirement plan, except that the relevant remeasurements are recognized as profit and loss.

4) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

p. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

Deferred income tax liabilities are generally recognized for all taxable temporary differences, whereas deferred income tax assets are recognized when there is a high possibility that the tax income will be available to provide the income tax credits for expenditures such as deductible temporary differences.

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

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

Deferred tax 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 Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

The accounting policies, estimates, and basic assumptions adopted by the Group have been evaluated by the Group's management, and there are no major accounting judgments, estimates, and assumptions that are uncertain key sources of estimation uncertainty.

a. Estimated impairment of financial assets

The provision for impairment of trade receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group'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 11.

b. Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience in the sale of product of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

6. CASH AND CASH EQUIVALENTS

	December 31,2021	December 31,2020
Cash on hand	$ 165	$ 873
Checking accounts	385,676	348,074
Cash equivalents (investment with original maturities less than three months)		
Time deposits	340,720	260,000
Repurchase agreement,	-	28,517
	$ 726,561	$ 637,464

The market rate intervals of cash in bank, at the end of the reporting period were as follows:

	December 31,2021	December 31,2020
Demand deposits	0.001%~0.08%	0.001%~0.05%
Time deposits	0.13%~0.35%	0.34%~0.40%
Repurchase agreement,	-	0.45%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31,2021	December 31,2020
Financial assects at FVTPL-currect		
Financial assets mandatorily classified as at FVTP:		
Non-derivative financial assets		
Domestic listed shares	$ 10,594	$ 12,354

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31,2021	December 31,2020
Non-currect		
Investments in equity instruments	$ 85,519	$ 43,607
Non-currect		
Domestic investments		
Listed shares		
HIGGSTEC Inc	$ 37,595	$ 43,607
Foreign investments		
Private Funds		

	December 31,2021	December 31,2020
Esquarre IoT Landing Fund, L.P.	47,924	-
	$ 85,519	$ 43,607

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

9. FINANCIAL ASSETS AT AMORTIZED COSTS

	December 31,2021	December 31,2020
Currect		
Foreign investments		
Repurchase agreement		
－PERTAMINA	$ -	$ 28,715
－CITIC Group Corporation Ltd.	-	28,567
－Bank of China	-	28,515
Less：Allowance for loss	-	-
	$ -	$ 85,797

As of December 31, 2020, the Group purchased repurchase agreements issued by China Bills Finance Corporation and International Bills Finance Corporation, with coupon rates ranging 0.5% respectively.

Refer to Note 10 for information related to credit risk management and impairment evaluation of financial assets at amortized cost.

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments were classified as at amortized cost:

December31 2020

	At Amortization costs
Gross carrying amount	$ 85,797
Less: Allowance for impairment loss	-
Amortization costs	$ 85,797

In order to minimize credit risk, the management of the Group has delegated a dedicated team to build a credit rating database, with a view to assessing the default risk of investments in debt instruments. For items without external credit ratings, appropriate internal ratings can be given by reference to publicly available financial information. The Group continuously tracks major information from financial institutions to monitor changes in the credit risk of investments in debt instruments, and uses such information to assess whether there is a significant increase in the initially recognized credit risk of investments in debt instruments. The Group has tasked its credit management committee with the development and maintenance of a credit risk grading framework for categorizing exposures according to the degree of the risk of default. The credit rating information may be obtained from independent rating agencies, where available, and if not available, the credit management committee uses other publicly available financial information to rate the debtors.

The Group considers the historical default records and current financial status of financial institutions supplied by the internal rating team to measure the 12-month or lifetime expected credit losses of investments in debt instruments.

The Group's current credit risk rating mechanism is as follows:

Credit Rating	Definition	Basis for Recognition of Expected Credit Losses
Normal	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12-month ECLs

The gross carrying amount and applicable expected credit loss rate of investments in debt instruments are as follows:

December31 2020

Credit Rating	Expected Credit Loss Rate	Gross Carrying Amount Amortized Cost
Normal	0%~0.01%	$ 85,797

The group did not have any investment in debt instruments at amortized cost as of December 31, 2021.

There was no change in the allowance for impairment loss of investments in debt instruments at amortized cost for the year ended December 31, 2020.

11. NOTES RECEIVABLE, ACCOUNTS RECEIVABLES AND OTHER RECEIVABLES

	December 31,2021	December 31,2020
Notes reveivable		
At amortized cost		

	December 31,2021	December 31,2020
Gross carrying amount-unrelated parties	$ 76,221	$ -
Less: Allowance for impairment loss	-	-
	$ 76,221	$ -

	December 31,2021	December 31,2020
Accounts receivables		
At amortized cost		
Gross carrying amount-unrelated parties	$ 385,684	$ 277,005
Gross carrying amount-related parties	4,212	5,167
Less: Allowance for impairment loss	(858)	(6,608)
	$ 389,038	$ 275,564
Overdue receivables		
Overdue receivables	$ 30	$ 30
Less: Allowance for impairment loss	(30)	(30)
	$ -	$ -
Others receivables		
Tax refund receivables	$ 15,097	$ 6,667
Duty Tax refund receivable	2,104	1,923
Proceeds from sale of financial assets	7,320	-
	$ 24,521	$ 8,590

a. Notes receivables

Notes receivables as collateral for borrowings are set out in Note 32

b. Accounts receivables

At amortized cost

The average credit period of the sales of goods was 90-135 days. No interest was charged on accounts receivables. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Group estimates expected credit losses according to the prescribed approach, which permits the recognition of lifetime expected losses for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix, which takes into consideration the historical credit loss experience with the respective debtor, the current financial position of the debtor, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlooks. The Group uses different provision matrixes based on customer segments by default risks and determines the expected credit loss by reference to the expected credit loss rate of each customer segment. The Group 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. For accounts receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

December 31,2021

	Not Past Due	Less than 1～30Days	Less than 31～60Days	Less than 61～90Days	Less than over 91Days	Total
Expected credit loss rate	0%	0%	3.86%	5.93%	9.12~100%	
Gross carrying amount	$ 432,786	$ 22,733	$ 10,213	$ 207	$ 178	$ 466,117
Loss allowance (Lifetime ECL)	-	-	(790)	(25)	(43)	(858)
Amortized cost	$ 432,786	$ 22,733	$ 9,423	$ 182	$ 135	$ 465,259

December 31,2020

	Not Past Due	Less than 1～30Days	Less than 31～60Days	Less than 61～90Days	Less than Over 91Days	Total
Expected credit loss rate	0.01%	0.27%	30.21%	56.2%	71.15~100%	
Gross carrying amount	$ 238,514	$ 25,201	$ 14,853	$ 3,564	$ 40	$ 282,172
Loss allowance (Lifetime ECL)	(24)	(67)	(4,478)	(1,999)	(40)	(6,608)
Amortized cost	$ 238,490	$ 25,134	$ 10,375	$ 1,565	$ -	$ 275,564

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

	2021	2020
Accounts receivables		
Balance on January 1	$ 6,608	$ 248

	2021	2020
Add: Amount of expected credit loss	-	6,360
Less: Amount of credit loss reversal	(5,750)	-
Balance on December 31	$ 858	$ 6,608

Overdue receivables		
Balance on January 1	$ 30	$ 30
Balance on December 31	$ 30	$ 30

Compared to the balance on January 1, 2021 and 2020, the gross carrying amount of accounts receivables on December31, 2021 and 2020 increase $183,945 thousand and decreased $1,511 thousand. Due to increase in projected credit loss, the loss allowance decreased $5,750 thousand and increase $6,360 thousand.

c. Other receivables

The Group does not accrue interest on other receivables. When determining the recoverability of other receivables, the Group considers any changes in the credit quality of other receivables from the original credit date to the balance sheet date. As historical experience shows that other receivables overdue for more than one year are not recoverable, the Company recognizes 100% allowance for bad debts for other receivables aged over one year. For other receivables aged within one year, the Company determines allowance for bad debt by reference to the past arrears of counterparties and analyzing their current financial position, in order to evaluate irrecoverable amounts.

There was no allowance for impairment loss of other receivables on December 31, 2021, December 31, 2020.

12. INVENTORIES

	December 31,2021	December 31,2020
Raw materials	$ 219,235	$ 103,410
Work in process	36,705	24,214
Finished goods	64,717	166,134
Merchandise inventories	2,023	4,529
Stock in transit	23,746	-
	$ 346,426	$ 298,287

Costs of goods sold were as follows:

	2021	2020
Cost of Goods Sold	$ 1,315,163	$ 1,242,689
Labor cost	21,697	22,424

Loss (gain) on inventory impairment	(17,000)	10,000
Inventory Scrap	322	3,069
	$ 1,320,182	$ 1,278,182

The net realizable value of inventories is the increase in the sales price of the inventory in specific markets

13. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

The entity included in the consolidated statements is listed below:

			Proportion of Ownership (%)		
Investor	**Investee**	**Nature of Activities**	**Dec 31 2021**	**Dec31, 2020**	**Note**
Promate Solutions Co., Ltd	Promate Japan Inc	Trade of electronic commodities	100%	100%	(a)

a. Promate Japan Inc. was incorporated on Mach 2017 in Tokyo, Japan. It is 100% owner by the Company and the nature of its activities includes trade of electronic commodities.

14. PROPERTY, PLANT AND EQUIPMENT

	December 31,2021	**December 31,2020**
Assets used by the Group	$ 43,823	$ 48,946

Assets used by the Group

	Machinery Equipment	**Transportation Equipment**	**Office Equipment**	**Miscellaneous Equipment**	**Leasehold Improvements**	**Total**
Cost						
Balance on January 1, 2021						
	$ 72,642	$ 2,810	$ 10,688	$ 62,593	$ 15,083	$ 163,816
Additions	-	-	70	130	-	200
Reclassification	1,361	-	-	8,548	-	9,909
Disposal	-	-	-	(2,210)	(1,708)	(3,918)
Balance on December 31, 2021	$ 74,003	$ 2,810	$ 10,758	$ 69,061	$ 13,375	$ 170,007
Accumulated depreciation						
Balance on January 1,	$ 40,911	$ 2,810	$ 9,739	$ 48,950	$ 12,460	$ 114,870

	Machinery Equipment	Transportation Equipment	Office Equipment	Miscellaneous Equipment	Leasehold Improvements	Total
2021						
Depreciation expense	6,714	-	475	7,100	943	15,232
Disposal	-	-	-	(2,210)	(1,708)	(3,918)
Balance on December 31, 2021	$ 47,625	$ 2,810	$ 10,214	$ 53,840	$ 11,695	$ 126,184
Carrying amounts on December 31, 2021	$ 26,378	$ -	$ 544	$ 15,221	$ 1,680	$ 43,823
Cost						
Balance on January 1, 2020	$ 61,285	$ 2,810	$ 10,381	$ 56,923	$ 17,452	$ 148,851
Additions	-	-	307	-	-	307
Reclassification	11,357	-	-	5,670	-	17,027
Disposal	-	-	-	-	(2,369)	(2,369)
Balance on December 31, 2020	$ 72,642	$ 2,810	$ 10,688	$ 62,593	$ 15,083	$ 163,816
Accumulated depreciation						
Balance on January 1, 2020	$ 33,910	$ 2,810	$ 9,252	$ 41,859	$ 13,752	$ 101,583
Depreciation expense	7,001	-	487	7,091	1,077	15,656
Disposal	-	-	-	-	(2,369)	(2,369)
Balance on December 31, 2020	$ 40,911	$ 2,810	$ 9,739	$ 48,950	$ 12,460	$ 114,870
Carrying amounts on December 31, 2020	$ 31,731	$ -	$ 949	$ 13,643	$ 2,623	$ 48,946

There was no indication of an impairment loss; therefore, the Group did not perform impairment assessment during the year ended December 31, 2021 and 2020

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

Machinery equipment	3-10 years
Transportation equipment	5 years
Office equipment	3-5 years
Miscellaneous equipment	3-20 years
Leasehold improvements	3-10 years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31,2021	December 31,2020
Carrying amounts		
Buildings	$ 41,921	$ 63,727
Transportation equipment	915	1,393
	$ 42,836	$ 65,120

	2021	2020
Additions to right-of-use assets	$ 9,428	$ 1,433
Depreciation charge for right of use assets		
Buildings	$ 20,156	$ 20,796
Transportation equipment	478	40
	$ 20,634	$ 20,836

Due to the early termination of the lease contract during current period, the Group's right of-use assets and lease liabilities were reduced by NT$10,970 thousand and NT$11,225 thousand respectively. Thus, it resulted in a lease modification benefit of NT$255 thousand

b. Lease liabilities

	December 31,2021	December 31,2020
Carrying amounts		
Current	$ 20,763	$ 21,665
Non-current	$ 22,216	$ 43,072

Discounted rate ranges of lease liabilities were as follows:

	December 31,2021	December 31,2020
Buildings	3%	3%
Transportation equipment	5.69%	5.69%

c. Material lease in activities and terms

The Group leased a number of cars for use by business personnel or warehouse personnel for 3 years. The lease contracts for these cars do not contain terms for the right of renewal or the right of purchase.

The Group also leased certain buildings for the use as plant and office in a period of 5 years. The Group does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	2021	2020
Expenses relating to low-value asset leases	$ 496	$ 201
Total cash outflow for lease	($ 21,878)	($ 22,435)

The Group has selected to apply the exemption of recognition to certain office equipment leases conforming to low-value asset leases, and does not recognize the relevant right-to-use assets and lease liabilities for such leases.

The Group has no lease commitments commencing after the balance sheet date during the non-leasehold period in 2021 and as of December 31, 2020.

16. OTHER INTANGIBLE ASSETS

	Computer Software
Cost	
Balance on January 1, 2021	$ 18,379
Reclassification	3,542
Disposal	(6,262)
Balance on December 31, 2021	$ 15,659
Accumulated amortization	
Balance on January 1, 2021	$ 14,352
Amortization expenses	1,718
Disposal	(6,262)
Balance on December 31, 2021	$ 9,808
Carrying amount on December 31, 2021	$ 5,851
Cost	
Balance on January 1, 2020	$ 20,179
Additions	-
Disposal	(1,800)
Balance on December 31, 2020	$ 18,379
Accumulated amortization	
Balance on January 1, 2020	$ 12,960
Amortization expenses	3,192
Disposal	(1,800)
Balance on December 31, 2020	$ 14,352

	Computer Software
Carrying amount on December 31, 2020	$ 4,027

There was no indication of an impairment loss; therefore, the Group did not perform impairment assessment during the year ended December 31, 2021 and 2020

Other intangible assets were amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	3-10 years

	2021	2020
Amortization expenses summarized by function:		
Operating costs	$ -	$ -
Selling and marketing expenses	108	108
General and administrative expenses	1,053	2,714
Research and development expenses	557	370
	$ 1,718	$ 3,192

17. OTHER ASSETS

	December 31,2021	December 31,2020
Currect		
Prepayments		
Prepayment for purchases and expenses	$ 2,887	$ 2,508
Other current assets		
Temporary debits and Payment for others	30	30
	$ 2,917	$ 2,538
Non-Currect		
Prepayments for equipment	$ 6,834	$ 3,888
Refundable deposits	656	636
Overdue receivables（Note11）	30	30
Allowance for impairment loss - overdue receivables	(30)	(30)
	$ 7,490	$ 4,524

18. BORROWINGS

Short-term borrowings

	December 31,2021	December 31,2020
Secured borrowings (Note 32)		
Bank loans - export letters of credit	$ 76,221	$ -

The weighted average effective interest rate for export L/C documentary loan which were secured by the Group’s notes receivable (refer to Note 32) with maturity date between April 19, 2022 and May 31, 2022 was 0.786% per annum as of December 31, 2021.

19. NOTES AND ACCOUNTS PAYABLE

	December 31,2021	December 31,2020
Notes payable		
Non trade	$ 31	$ -
Accounts payable		
Accounts payable	$ 200,299	$ 123,026
Accounts payable - related parties	181,574	43,392
	$ 381,873	$ 166,418

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

20. OTHER LIABILITIES

	December 31,2021	December 31,2020
Currect		
Other payables		
Accrued commissions	$ 15,282	$ 2,244
Payables for salaries or bonuses	52,312	46,028
Payables for annual eave	8,050	7,750
Payables for compensation of employees and remuneration of	19,500	24,700

	December 31,2021	December 31,2020
directors (Note 25)		
Payable for service	1,371	1,380
Accrued freights	2,315	1,770
Others	7,760	10,350
	$ 106,590	$ 94,222
Other payables－related parties(Note31)		
Others	607	955
	$ 107,197	$ 95,177
Contract liability(Note24)		
Advance payment	$ 69,004	$ 30,466
Others liability		
Receipts under custody and others	$ 2,157	$ 2,357

21. PROVISIONS

	December 31,2021	December 31,2020
Current		
Warranties (a)	$ 2,938	$ 3,285
Non-current		
Warranties (a)	$ 1,386	$ 2,239

	Warranties	
	2021	2020
Balance on January 1	$ 5,524	$ 18,124
Additional provisions recognized	3,010	-
Amount used	(4,210)	(7,010)
Reversal of unused portion	-	(5,590)
Balance on December 31	$ 4,324	$ 5,524

a. The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under sale of goods legislation. The estimate had been made on the basis of historic warranty trends, and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Parent Company and subsidiary adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Group makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

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

The amounts included in the balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31,2021	December 31,2020
Present value of defined benefit obligation $		
Fair value of plan assets	$ 18,132	$ 22,031
Present value of defined benefit obligation $		
Fair value of plan assets	(7,724)	(6,987)
Allocation for deficiency	10,408	15,044
Net defined benefit liabilities (assets)	$ 10,408	$ 15,044

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

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance on January 1, 2021	$ 22,031	($ 6,987)	$ 15,044
Service cost			
Service cost of current period	-	-	-

Net interest expense (income)	110	(37)	73
Recognized in loss (profit)	110	(37)	73
Remeasurement			
Return on plan assets (other than amounts included in net interest)	-	(85)	(85)
Actuarial loss – change in demographic assumptions	424	-	424
Actuarial loss – changes in financial assumptions	-	-	-
Actuarial loss – experience adjustments	(4,433)	-	(4,433)
Recognized in other comprehensive loss (gain)	(4,009)	(85)	(4,094)
Contributions from employer	-	(615)	(615)
Balance on December 31, 2021	$ 18,132	($ 7,724)	$ 10,408
Balance on January 1, 2020	$ 21,342	($ 6,090)	$ 15,252
Service cost			
Service cost of current period	-	-	-
Net interest expense (income)	160	(48)	112
Recognized in loss (profit)	160	(48)	112
Remeasurement			
Return on plan assets (other than amounts included in net interest)	-	(189)	(189)
Actuarial loss – change in demographic assumptions	144	-	144
Actuarial loss – changes in financial assumptions	538	-	538
Actuarial loss – experience adjustments	(153)	-	(153)
Recognized in other comprehensive loss (gain)	529	(189)	340
Contributions from employer	-	(660)	(660)
Balance on December 31, 2020	$ 22,031	($ 6,987)	$ 15,044

The amount recognized as profit or loss for the defined benefit plan is summarized by function as follows:

	2021	2020
Operating cost	$ 19	$ 26
Selling and marketing expenses	17	19

General and administrative expenses	15	42
Research & development expense	22	25
	$ 73	$ 112

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau 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 were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2021	**December 31, 2020**
Discount rate(s)	0.50%	0.50%
Expected rate(s) of salary increase	2.00%	2.00%
Death rate	According to the sixth mortality experience table of Taiwan life insurance industry	According to the fifth mortality experience table of Taiwan life insurance industry
Disability rate	According to 10% of expected mortality rate	According to 10% of expected mortality rate

Employee turnover rate

Based on the empirical data of consolidated company on the turnover rate of the Company in the past and the future trend, the revised data were adopted.

Age	**2021**	**2020**
20 years old ~ 30 years old	6%～10%	6%～10%
35 years old ~ 60 years old	0%～4%	0%～4%

The turnover rate under 20 years old shall be calculated as 20 years old; the turnover rate of each age group shall be calculated in the way of internal difference.

Voluntary retirement rate

Assuming that Z is the earliest retirement age for individual employees

Age	December 31, 2021	December 31, 2020
Z	15%	15%
Z＋1～64	3%	3%
65	100%	100%

However, the voluntary retirement rate of individual employees shall not be less than 1.5 times of the turnover rate for the same age adopted by the Company.

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 will increase (decrease) as follows:

	December 31, 2021	December 31, 2020
Discount rate(s)		
0.25% increase	($ 460)	($ 540)
0.25% decrease	$ 479	$ 562
Expected rate(s) of salary increase		
0.25% increase	$ 465	$ 546
0.25% decrease	($ 449)	($ 527)

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	December 31, 2020
The expected contributions to the plan for the next year	$ 607	$ 676
The average duration of the defined benefit obligation	10.3years	9.9 years

23. EQUITY

a. Share capital

Common stock

	December 31, 2021	December 31, 2020
Number of shares authorized (in thousands)	100,000	100,000
Shares authorized	$ 1,000,000	$ 1,000,000
Number of shares issued and fully paid (in	38,255	38,255

thousands)		
Shares issued	$ 382,549	$ 382,549

The authorized shares include 4,000 thousand shares allocated for the exercise of employee stock options.

b. Capital surplus

	December 31, 2021	December 31, 2020
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	$ 386,829	$ 396,393
Less: cash dividends paid	-	(9,564)
	$ 386,829	$ 386,829

1. 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 to once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on distribution of employees' compensation and remuneration of directors after amendment, refer to employees' compensation and remuneration of directors in Note 25,(g).

Taking into account future capital expenditure requirements and long-term financial planning of the Company, the total dividends paid in any given year may not be less than 50% of the distributable earnings in that year. However, cumulative distributable earnings cannot be distributed if it is less than 20% of the total paid-up capital. Dividends could be distributed either through cash or shares, and cash dividends shall not be less than 10% of the total dividends for the year.

An appropriation of earnings to a legal reserve should be made until the legal reserve equals the Company's paid-in capital. The 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.

The company is in accordance with the provisions of the No. 1090150022 Order of the Financial Supervisory Commission R.O.C .The amendments explicitly stipulate that when a special reserve is appropriated for cumulative net debit balance reserves from prior period, the sum of net profit for current period and items other than net profit that are included directly I the unappropriated earning for current period is used if the prior unappropriated earnings is not sufficient. Before the Articles is amendments, the special reserve is appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2020 and 2019 that were approved in the shareholders' meetings on July 22, 2021 and June 9, 2020, respectively, were as follows:

	2020	2019
Legal reserve	$ 20,859	$ 20,636
Special reserve	-	2,702
Reversal of special surplus reserve	(2,728)	-
Cash dividends	191,274	181,710
Cash dividends (additional paid-in capital)	-	9,564
Cash dividends per share (NT$)	5	5

The Group suspends its originally scheduled on June 11,2021 shareholders' meeting in response to the FSC's announcement (For pandemic prevention, the FSC demands public companies to postpone their shareholders' meetings.) The shareholders' meeting change held on July 22, 2021.

In addition, the General Shareholders' Meeting of the Company resolved on June 9, 2020 to release the capital reserves of NT$9,564,000 respectively in cash.

The appropriation of earnings for 2021 was proposed by the Company's board of directors on March 15 2022. The appropriation and dividends per share were as follows:

	2021
Legal reserve	$ 16,572
Cash dividends	147,281
Cash dividends per share (NT$)	3.85

The above appropriation for cash dividends had been resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting to be held on June 14, 2022.

d. Special reserves

	2021	2020
Beginning on January 1	$ 2,728	$ 26
Appropriations of special reserves		
Appropriations other equity items	-	2,702

	2021	2020
Reversal of special reserves		
Rotate other equity items	(2,728)	-
Balance on December 31	$ -	$ 2,728

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	2021	2020
Balance on January 1	($ 49)	($ 50)
Recognized for the period		
Exchange differences arising on translating the financial statements of foreign operations	(428)	2
Conversion of income tax related to interests arising from net assets of foreign operating agency	86	(1)
Other comprehensive income recognized for the period	(342)	1
Balance on December 31	($ 391)	($ 49)

2) Unrealized gain or loss on Financial Assets at FVTOCI

	2021	2010
Balance on January 1	$ 11,292	($ 2,678)
Recognized for the period		
Unrealized gain (loss)-equity instruments	(5,940)	19,752
Other comprehensive Income recognized for the year	(5,940)	19,752
Gain (loss) on disposal of equity instruments transfer to retained earnings	(166)	(5,782)
Balance on December 31	$ 5,186	$ 11,292

24. REVENUE

	2021	2020
Revenue from contracts with customers		
Revenue from the sale of goods	$ 1,695,139	$ 1,700,492
Design & development revenue	37,822	57,754
Service revenue	12,807	13,057
	$ 1,745,768	$ 1,771,303

a. Revenue from Sales to customers

Revenue from the sale of goods

Goods are categorized into computer monitors and customized products for manufacturing engineering. The Group engages in the sale of embedded control systems, medical displays, and application-specific display modules at the agreed prices stipulated in contracts, quotations or orders.

Service revenue

Service revenue mainly comprises revenue from the design of embedded, medical, and application specific display modules during product development; revenue from customers' request for repair when defects occur in products that exceed the warranty period; and revenue recognized at the agreed prices stipulated in contracts.

b. Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Accounts and Notes receivables			
(Note 11)	$ 465,259	$ 275,564	$ 283,435
Contract liabilities (Note 20)			
Sale of good	$ 69,004	$ 30,466	$ 39,767

The change of contract assets and contract liabilities is mainly due to the difference between the time of meeting the performance obligation and the time of payment by the customer. There is no other material change.

The amount recognized as income in the current year from the contract liabilities at the beginning of the year and the performance obligations already met in the earlier period is as follows:

	2021	2020
Contract liabilities at the beginning of the year		
Revenue from sale of goods	$ 11,258	$ 36,533

c. Disaggregation of revenue

2021

	Embedded Control	Application specific	Medical Touch	Others	Total
Goods or service					
Revenue from sale of goods	$ 419,524	$ 442,946	$ 679,283	$ 153,386	$1,695,139
Service revenue	6,379	20,619	23,477	154	50,629

	$ 425,903	$ 463,565	$ 702,760	$ 153,540	$1,745,768

2020

	Embedded Control	Application specific	Medical Touch	Others	Total
Goods or service					
Revenue from sale of goods	$ 641,204	$ 617,098	$ 294,862	$ 147,328	$1,700,492
Service revenue	6,173	6,818	57,814	6	70,811
	$ 647,377	$ 623,916	$ 352,676	$ 147,334	$1,771,303

25. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS AND OTHER COMPREHENSIVE INCOME (LOSS)

a. Interest income

	2021	2020
Bank deposits	$ 1,287	$ 2,251
Financial assets at amortized cost	386	1,570
	$ 1,673	$ 3,821

b. Other income

	2021	2020
Dividend income	$ 4,114	$ 2,242
Others	332	820
	$ 4,446	$ 3,062

c. Other gains and losses

	2021	2020
Gain (loss) on financial instruments		
Mandatorily measured at FVTPL	$ 1,097	$ 3,920
Net foreign exchange gain (losses)	(10,986)	(24,805)
Gain on Lease	255	-
Others	(89)	(95)
	($ 9,723)	($ 20,980)

d. Finance costs

	2021	2020
Interest on lease liabilities	($ 1,529)	($ 2,066)
Bill inrerest cost	(219)	-
	($ 1,748)	($ 2,066)

There was no interest capitalizationin the combined company for the year ended December

31, 2021 and 2020.

e. Depreciation and amortization

	2021	2020
An analysis of deprecation by function		
Operating costs	$ 10,617	$ 10,642
Operating expenses	25,249	25,850
	$ 35,866	$ 36,492
An analysis of amortization by function		
Operating costs	$ -	$ -
Operating expenses	1,718	3,192
	$ 1,718	$ 3,192

f. Employee benefits expense

	2021	2020
Short-term benefits	$ 184,406	$ 187,385
Post-employment benefits(Note 22)		
Defined contribution plans	5,806	5,992
Defined benefit plans	73	112
	5,879	6,104
Other employee benefits	6,930	7,900
Total employee benefits expense	$ 197,215	$ 201,389
An analysis of employee benefits expense by function		
Operating costs	$ 52,029	$ 54,497
Operating expenses	145,186	146,892
	$ 197,215	$ 201,389

g. Employees' compensation and remuneration of directors and supervisors

The Company accrued employees' compensation at the rates of no less than 7.5%~10% and remuneration of directors at the rates of no higher than 3%, of net profit before income tax, employees' compensation, and remuneration of directors. Employees' compensation and the remuneration of directors for the year ended December 31, 2021 and 2020 were approved by the Board of Directors on March 15, 2022 and March 23, 2021, respectively, and are as follows:

Accrual rate

	2021	2020
Employees' compensation	7.6%	7.5%
Remuneration of directors	1.9%	1.5%

Amount

	2021		2020	
	Employees' compensation	Remuneration of directors	Employees' compensation	Remuneration of directors
The Board of Directors issue pay amounts	$ 16,500	$ 4,000	$ 20,600	$ 4,100
Annual consolidated financial statements authorized	$ 16,500	$ 3,000	$ 20,600	$ 4,100

There was difference between the will pay amounts of employees' compensation and remuneration of directors and the amounts recognized in the consolidated financial statements by the Board of Directors on March 15 2022 and will be adjusted in 2022 income.

If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are 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 2019Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange

h. Gain and loss on foreign currency exchange

	2021	2020
Foreign exchange gains	$ 20,533	$ 26,533
Foreign exchange losses	(31,519)	(51,338)
Net gain (loss)	($ 10,986)	($ 24,805)

i. The reversal of impairment of non-financial instruments

	2021	2020
Inventories (included in costs of goods sold)	$ 17,000	($ 10,000)

26. INCOME TAXES RELATING TO CONTINUING OPERATION

a. Income tax recognized in profit or loss

Major components of tax expense (income) recognized in profit or loss are as follows:

	2021	2020
Current tax		
In respect of the current period	$ 33,422	$ 47,307
Surtax on undistributed retained earnings	-	65
Adjustment for the prior year	(4,919)	(1,828)
	28,503	45,544
Deferred tax		
In respect of the current period	5,047	1,207
Income tax expense recognized in profit or loss	$ 33,550	$ 46,751

A reconciliation of accounting profit and income tax expense recognized in profit or loss is as follows:

	2021	2020
Income before income tax	$ 195,824	$ 249,826
Income tax expense calculated at the statutory rate	$ 39,387	$ 50,094
Non-deductible tax loss	(1,036)	(1,476)
Surtax on undistributed retained earnings	-	65
Unrecognized net operating loss	(122)	(74)
Unrecognized deductible temporary difference	240	(30)
Adjustments for prior year	(4,919)	(1,828)
Income tax expense recognized in profit or loss	$ 33,550	$ 46,751

b. Income tax expense (benefit)recognized in other comprehensive income

	2021	2020
Deferred tax		
In respect of current period		
－Translating the financial statements of foreign operations	$ 86	($ 1)
－Actuarial profit and loss of defined benefit plans	(818)	68
Income tax recognized in other comprehensive income (loss)	($ 732)	$ 67

c. Current tax assets and liabilities

	December 31, 2021	December 31, 2020
Current tax liabilities		
Income tax payable	$ 8,813	$ 22,078

d. Deferred tax assets and liabilities

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

2021

	Opening Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Deferred tax assets				
Temporary differences				
Defined benefit obligation	$ 193	($ 108)	($ 85)	$ -
Allowance for write-down of inventories	8,079	(3,400)	-	4,679
Debt provision	1,105	(240)	-	865
Accrued warranty expense	453	-	-	453
Allowances for bad debts exceeding the limit	764	(764)	-	-
Foreign operating agency exchange difference	12	-	86	98
Unrealized exchange difference	1,497	(219)	-	1,278
Financial liabilities measured at fair value through profits and losses	240	(240)	-	-
Other	1,550	60	-	1,610
	$ 13,893	($ 4,911)	$ 1	$ 8,983
Deferred tax liabilities				
Temporary differences				
Long-term investment accounted for using the equity method	($ 55)	($ 136)	$ -	($ 191)
Defined benefit obligation	-	-	(733)	(733)
	($ 55)	($ 136)	($ 733)	($ 924)

2020

	Opening Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Deferred tax assets				
Temporary differences				
Defined benefit obligation	$ 234	($ 109)	$ 68	$ 193
Allowance for write-down of inventories	6,079	2,000	-	8,079
Debt provision	3,625	(2,520)	-	1,105
Accrued warranty expense	453	-	-	453
Allowances for bad debts exceeding the	-	764	-	764

limit				
Foreign operating agency exchange difference	13	-	(1)	12
Unrealized exchange difference	3,077	(1,580)	-	1,497
Financial liabilities measured at fair value through profits and losses	-	240	-	240
Other	1,500	50	-	1,550
	$ 14,981	($ 1,155)	$ 67	$ 13,893
Deferred tax liabilities				
Temporary differences				
Financial liabilities measured at fair value through profits and losses	($ 3)	$ 3	$ -	$ -
Long-term investment accounted for using the equity method	-	(55)	-	(55)
	($ 3)	($ 52)	$ -	($ 55)

e. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets.

	December 31, 2021	**December 31, 2020**
Loss carryforwards		
Expiry in 2022	$ 46	$ 504

f. Income tax assessments

The Company's business income tax declarations over the years have been verified by the taxing authority to 2019.

27. EARNINGS PER SHARE

Unit: NT$ Per Share

	2021	**2020**
Basic earnings per sharel		
From continuing operation	$ 4.24	$ 5.31
Basic earnings per share total	$ 4.24	$ 5.31
Diluted earnings per share		
From continuing operation	$ 4.21	$ 5.25
Diluted earnings per share total	$ 4.21	$ 5.25

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

Net Profit for the Year

	2021	**2020**
Income for the period attributable to owners of the Company	$ 162,274	$ 203,075
Earnings used in the computation of basic earnings per share	$ 162,274	$ 203,075
Earnings used in the computation of diluted earnings per share	$ 162,274	$ 203,075

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

	2021	2020
Weighted average number of ordinary shares in computation of basic earnings per share	38,255	38,255
Effect of potentially dilutive ordinary shares:		
Employees' compensation	316	391
Weighted average number of ordinary shares used in the computation of diluted earnings per share	38,571	38,646

If the Company settles the bonuses or remuneration paid to employees in cash or shares, the Company presumed that the entire amount of the bonus or remuneration would 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, if the effect is dilutive. The 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.

28. CASH FLOW INFORMATION

a. Non-cash transaction

For the year ended December 31, 2021 and 2020, the Group entered into the following non-cash investing and financing activities:

1) The Group reclassified prepayments for equipment amounting to $9,909 and $17,027 thousand to property, plant and equipment for the year ended December 31, 2021 and 2020, respectively.
2) The Group reclassified prepaid equipment to other intangible assets amounting to $3,524 thousand in the year ending December 31, 2021.
3) The group prepaid equipment and acquired property, plant, and equipment in the year ended December 31, 2019, resulting in decrease in other payables by $860 thousand, respectively.

b. Reconciliation of liabilities arising from financing activities

2021

	Balance on January 1, 2021	Cash Flows	Non-cash Changes				Balance as of December 31, 2021
			New Lease	Lease Modified	Disposals	Foreign Exchange Difference	
Short-term borrowings	$ -	$ 76,221	$ -	$ -	$ -	$ -	$ 76,221
Lease liabilities	64,737	(21,382)	9,428	1,529	(11,225)	(108)	42,979
	$ 64,737	$ 54,839	$ 9,428	$ 1,529	($ 11,225)	($ 108)	$ 119,200

2020

	Balance on January 1,2020	Cash Flows	Non-cash Changes				Balance as of December 31, 2020
			New Lease	Lease Modified	Disposals	Foreign Exchange Difference	
Lease liabilities	$ 83,470	($ 22,234)	$ 1,433	$ 2,066	$ -	$ 2	$ 64,737

29. CAPITAL MANAGEMENT

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

Adopting a prudent risk management strategy and regularly reviewing the strategy, the Group engages in overall planning based on business development strategies and operational needs, in order to determine the appropriate capital structure of the Group.

The Group is not subject to any externally imposed capital requirements.

30. FINANCIAL INSTRUMENTS

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

The management of the Group believes the carrying amounts of financial assets and financial liabilities not measured at fair value that are very close to maturity or whose future prices equals their carrying amounts, approximates their fair values.

b. Fair value of financial instruments 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				
Securities listed in ROC	$ 10,594	$ -	$ -	$ 10,594
Financial assets at FVTOCI				
Investments in equity				
－Securities listed in ROC	$ 37,595	$ -	$ -	$ 37,595
－Domestic unlisted shares and domestic emerging market shares	-	-	47,924	47,924
Total	$ 37,595	$ -	$ 47,924	$ 85,519

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in ROC	$ 12,354	$ -	$ -	$ 12,354
Financial assets at FVTOCI				
Investments in equity				
－Securities listed in ROC	$ 43,607	$ -	$ -	$ 43,607

There were no transfers between Levels 1 and 2 in the current and prior periods.

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

2021

Financial assets	Financial assets at FVTPL Equity Instrument
Balance at January 1	$ -
Recognized in other comprehensive income	-
Purchase	47,924
Balance at December 31	$ 47,924
Unrealized gain (loss) for the current year included in profit or loss relating to assets held at the end of the year	$ -

3) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

The Gloup measures the fair value of its investments on domestic unlisted shares by using the market approach.and using asset-based approach. The comparable company method of market approach is based on the profitability at the end of the year to select the market multiplier of comparable companies. The valuation method is chosen by the Company after careful evaluation. Therefore, the fair value measurement is reasonable.The asset-based approach assesses the fair value by calculating the value of each asset and liability by reflect the overall fair value.

c. Categories of financial instruments

	December 31, 2021	December 31, 2020
Financial assets		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 10,594	$ 12,354
Financial assets at amortized cost (Note 1)	1,216,997	1,008,051
Financial assets at FVTOCI		
Equity instruments	85,519	43,607
Financial liabilities		
Measured at amortized cost (Note 2)	565,322	261,595

Note 1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, debt investments, notes and accounts receivables, other receivables and refundable deposits

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term loans,, notes and accounts payable, other payables

d. Financial risk management objectives and policies

The Group's major financial instruments included equity and debit investments, accounts receivables, accounts payables, and lease liabilities. The Group's Corporate Treasury monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk, and liquidity risk.

1) Market risk

The Group'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 risk (see (c) below).

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

a) Foreign currency risk

The Company and its subsidiaries had foreign currency sales and purchases, which exposed the Group to foreign currency risk. The Group manages the risk that fluctuations in foreign currency could have on foreign-currency denominated assets and future cash flow by using forward exchange contracts, which was governed by the Group's policies

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the year are set out in Note 34.

Sensitivity analysis

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

The following table details the Group's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. The 1% sensitivity rate is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusted their translation at the end of the reporting period for a 1% change in foreign currency rates.

A positive number below indicates an increase in pretax profit and other equity associated with the 1% strengthening of the New Taiwan dollar against the relevant currency. For a 1% weakening of New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity and the balances below would be negative.

	U.S. Dollar Impact For the Year Ended December 31	
	2021	**2020**
Profit or loss	$ 3,710 (i)	$ 3,430 (i)

(i) This was mainly attributable to the exposure outstanding on U.S. dollar-denominated accounts receivables, and accounts payables which were not hedged at the end of the reporting period

The Group's sensitivity to foreign currency increased during the current year mainly due to the increase of accounts receivable balance in the USD.

In management's opinion, the sensitivity analysis did not reflect the inherent exchange rate risk because the exposure at the end of the year did not reflect the exposure during the period.

b) Interest rate risk

The Group evaluates hedging activities regularly to align with interest rate views and defined risk appetite and ensures that the most cost-effective hedging strategies are applied.

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

	December 31, 2021	December 31, 2020
Fair value interest rate risk		
－Financial assets	$ 340,720	$ 374,314
－Financial liabilities	$ 76,221	$ -
Cash flow interest rate risk		
－Financial assets	$ 385,676	$ 348,947

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for nonderivative instruments at the end of the year. For floating-rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the year was outstanding for the whole year. A 50 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 been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax profits for the year ended December 31, 2021 and 2020 would increase / decrease by NT$1,928 thousand and NT$1,745 thousand, respectively, mainly attributable to the Group's exposure to the floating-interest rates on bank borrowings and bank deposits

The Group's sensitivity to rate increased mainly because of its increase in Bank rate change in 2021.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities and beneficiary certificates. The Group has appointed a special team to monitor the price risk and evaluate when it is necessary to increase the risk aversion position.

Sensitivity analysis

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

If equity prices had fluctuated by 3%, the pre-tax profit for the year ended December 31, 2021 and 2020 would have increased/decreased by $318 thousand and $371 thousand as a result of the changes in fair value of financial assets at FVTPL,

If equity prices had fluctuated by 3%, the pre-tax other comprehensive income of or the year ended December 31, 2021 and 2020 would have increase/decreased by $2,566 thousand and $1,308 thousand as a result of the changes in fair value of financial assets at FVTOCI.

The Group’s sensitivity to equity prices increased mainly because of its increase in financial assets investment in 2021.

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 Group. At the end of the year, the Group’s maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be mainly from the following:

a) The carrying amount of the financial assets recognized in the balance sheets; and
b) The maximum amount payable by the Group due to financial guarantees provided by the Group, regardless of possibility.

Financial assets are potentially affected by the failure of the Group’s counterparties to fulfill their contractual obligations. The Group’s credit risk is evaluated based on contracts whose fair value at the end of the financial reporting period is positive. The Group’s counterparties are financial institutions and companies with sound credit ratings. The Group has a dedicated unit that regularly monitors counterparty credit exposure levels every year, so no significant credit risk is expected.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, management believes the Company’s credit risk was significantly reduced.

Accounts receivable from customers exceeding 5% of the total accounts receivable accounted for 61.6% and 71.9% of the Group's accounts receivable balance as of December 31, 2021 and 20120 respectively.

The maximum credit exposure of the Group is the net carrying amount of financial assets after deducting the amount that can be offset against each other and the impairment loss recognized in accordance with the regulations without considering collateral and other credit enhancement policies.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2021 and 2020, the Group's available unutilized bank loan facilities set out in section (b) below.

a) Liquidity and interest risk rate tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included 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. The maturity dates for other non-derivative financial liabilities were based on agreed repayment dates.

December 31, 2021

	Less Than 1 Year	1-5 Years
Non-interest bearing liabilities		
Notes payable	$ 31	$ -
Trade payable	381,873	-
Other payable	107,197	-
Lease liabilities	21,383	22,771
Fixed Rate		
Short-term borrowings	76,440	-
	$ 586,924	$ 22,771

Additional information about the maturity analysis for lease liabilities:

	Less Than 1 Year	1-5 Years
Lease liabilities	$ 21,383	$ 22,771

December 31, 2020

	Less Than 1 Year	1-5 Years
Non-interest bearing liabilities		
Notes payable	$ -	$ -

	Less Than 1 Year	1-5 Years
Trade payable	166,418	-
Other payable	95,177	-
Lease liabilities	22,710	47,327
	$ 284,305	$ 47,327

Additional information about the maturity analysis for lease liabilities:

	Less Than 1 Year	1-5 Years
Lease liabilities	$ 22,710	$ 47,327

b) Financing facilities

	December 31 2021	December 31 2020
Unsecured bank overdraft facilities		
－Amount used	$ 6,000	$ 10,000
－Amount unused	184,720	183,920
	$ 190,720	$ 193,920

31. TRANSACTIONS WITH RELATED PARTIES

The parent company of the Company is Promate Electronic Co., Ltd., which held 66.21% of the Company’s ordinary shares on December 31, 2021 and 2020.

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

a. Names and categories of related parties

Name	Related Party Categories
Promate Electronic Co., Ltd	The Company’s Parent company
Promate Electronic (Shenzhen) Co., Ltd	Fellow subsidiary company
Promate Electronic (Shanghai) Co., Ltd	Fellow subsidiary company
PROMATE ELECTRONICS COMPANY USA	Fellow subsidiary company
Weikeng Industrial Co., Ltd	Substantive related party-chairman is the director of the Company
Higgstec, Inc.	Principal management - parent company of the Company is the corporate director of the Company

b. Operating revenues

Line Items	Related Party Category/Name	2021	2020
Sale of goods	The Company's Parent company	$ 29,582	$ 20,506
	Subsidiary of Pormate	44	61
	Managerial level	831	1,751
		$ 30,457	$ 22,318
Repairs	The Company's Parent company	$ 97	$ 45

c. Purchases of goods

Related Party Category/Name	2021	2020
The Company's Parent company	$ 444,504	$ 258,491
Substantive related parties	34,201	39,793
Managerial level	13,526	12,494
	$ 492,231	$ 310,778

The related-party transactions were conducted under normal terms.

d. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	December 31, 2021	December 31, 2020
Accounts receivable	The Company's Parent company	$ 3,568	$ 5,167
	Managerial level	644	-
		$ 4,212	$ 5,167

The outstanding accounts receivables from related parties are unsecured. For the year ended December 31 2021 and 2020, no impairment loss was recognized for accounts receivables from related parties

e. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category/Name	December 31, 2021	December 31, 2020
Accounts payables	The Company's Parent company	$ 168,978	$ 34,739
	Substantive related parties	7,889	6,740
	Managerial level	4,707	1,913
		$ 181,574	$ 43,392
Other payables	Subsidiary of Pormate	$ 607	$ 955

The outstanding accounts payables to related parties are unsecured.

f. Lease arrangements - the Group is lessee

Related Party Category/Name	2021	2020
Acquisition of right-of-use assets		
Substantive related parties	$ 5,439	$ -

Line Item	Related Party Category/Name	December 31, 2021	December 31, 2020
Lease liabilities	The Company's Parent company	$ 21,765	$ 31,819
	Substantive related parties	4,139	3,808
		$ 25,904	$ 35,627

Related Party Category/Name	2021	2020
Interest expense		
The Company's Parent company	$ 742	$ 1,047
Substantive related parties	132	123
	$ 874	$ 1,170
Gain on Lease Modification		
Substantive related parties	$ 111	$ -

Lessor	Location	Lease term and Payment Method
Promate Electronic Co., Ltd	Chingpu Plant	The lease term begins on January 1, 2019 and ends on December 31, 2023. Rent is paid every six months, where the monthly rent is NT$929,000.
Substantive related parties	Office building along Huanshan Road, Neihu District	The lease term begins on January 1, 2019 and ends on December 31, 2023. Rent is paid every six months, where the monthly rent is NT$111,00 (In January 1, 2021, the lease was early terminated)
Substantive related parties	Office building along Huanshan Road, Neihu District	The lease term begins on January 1, 2021 and ends on December 31, 2024. Rent is paid every six months, where the monthly rent isNT$119,000

g. Other transactions with related parties

Line Item	Related Party Category/Name	2021	2020
Research and development fee	The Company's Parent company	$ 1,535	$ 1,395
	Substantive related parties	579	424
	Managerial level	1,600	1,033
		$ 3,714	$ 2,852
Professional service fees	Subsidiary of Pormate	$ 8,613	$ 9,342
IT information expense	The Company's Parent company	$ 2,440	$ 2,580

h. Compensation of key management personnel

	2021	2020
Short-term employee benefits	$ 14,537	$ 26,636
Other long-term employee benefits	392	559
	$ 14,929	$ 27,195

The remuneration of directors and key executives is determined by the remuneration committee based on the performance of individuals and market trends.

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings: ：

	December 31, 2021	December 31, 2020
Notes Receivable（Note11）	$ 76,221	$ -

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENT

In addition to those disclosed in other notes, significant commitments and contingencies of the Group were as follows:

a. As of December 31, 2021 and 2020, the Group has all issued letters of guarantee for tariff guarantee amounted to $6,000 thousand and $10,000 thousand, respectively

b. .As of December 31, 2020 and 2019, commitment for acquisition of property, plant and equipment were as follows:

	December 31, 2021	December 31, 2020
Contract amount		
Paid amount	$ 6,834	$ 3,888

	December 31, 2021	December 31, 2020
Unpaid amount	10,231	7,492
	$ 17,065	$ 11,380

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2021

Unit: In Thousands for Currencies, Except Exchange Rates

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 27,499	27.68 （USD:NTD）	$ 761,179
USD	180	115.02 （USD：JPY）	4,984
EUR	92	31.52 （EUR:NTD）	2,912
GBP	76	37.50 （GBP：NTD）	2,849
JPY	9,994	0.24 （JPY:NTD）	2,403
			$ 774,327
Financial liabilities			
Monetary items			
USD	14,096	27.68 （USD:NTD）	$ 390,183
USD	125	115.02 （USD：JPY）	3,458
EUR	16	31.52 （EUR:NTD）	519
JPY	1,570	0.24 （JPY:NTD）	378
			$ 394,538

December 31, 2020

Unit: In Thousands for Currencies, Except Exchange Rates

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 15,974	28.48 （USD:NTD）	$ 454,940
EUR	166	35.02 （EUR:NTD）	5,813

			$ 460,753
Financial liabilities			
Monetary items			
USD	3,931	28.48 （USD:NTD）	$ 111,955

The Group is mainly exposed to the fluctuations other than USD. For the year ended December 31, 2021 and 2020, realized foreign exchange gains(losses) were $(4,507) thousand and $(28,079) thousand, respectively; Unrealized foreign exchange gains(losses) were $(6,479) thousand and $3,274 thousand for the year months ended December 31, 2021 and 2020, respectively.

35. OTHERS ITEMS

On April 29, 2021, the Company's board of directors resolved to subscribe Esquarre IoT Landing Fund,L.P. in US$5 million. The investments in private funds accounted for 13.00% of the company's total equity of the current period. As of December 31, 2021, the Company has invested US$1,723 thousand and measured at fair value through other comprehensive income. Please refer to Note 8 disclosure.

36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others. (None)
2) Endorsement/guarantee provided. (None)
3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures). (Table 1)
4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital. (Table 2)
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 3)

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

9) Trading in derivative instruments. (None)

10) Significant transactions between the Company and subsidiaries. (None)

b. Information of investees. (Table 4)

c. Information on investments in mainland China (None)

d. Information of major shareholders (Table 5)

37. SEGMENT INFORMATION

a. Industry Information

Information reported to the chief operating decision maker ("CODM") for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. According to the requirements of IAS 34, the Group engages in organization management and resource allocation in a single operating segment, and its business is concentrated in a single industry related to mainframes and peripheral equipment for point-of-sale systems. In addition, the Group provides segment information reviewed by the CODM, whose basis of measurement is similar to that of financial statements. Therefore, the revenue and total assets of reportable segments for the year ended December 31, 2021 and 2020 can be determined by reference to the balance sheet and consolidated statement of profit and loss for the year ended December 31, 2021 and 2020.

The CODM considers the sales units engaging in the sale of mainframes and peripheral equipment in each country as separate operating segments. But for financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment, taking into account the following factors:

b. These operating segments have similar long-term gross profit margins.

c. Similar product nature and transaction method.

d. Products are delivered to customers in the same way.

e. Revenue from sales of products and services

The Group's operating segment's revenue from sales of products and services are as follows:

	For the Year ended December 31	
	2021	**2020**
Embedded control systems	$ 425,903	$ 647,377
Medical touch displays	463,565	623,916
Special application displays	702,760	352,676
Other	153,540	147,334
	$ 1,745,768	$ 1,771,303

f. Geographic information

The geographic information of the Group's revenue from external customers are as follows:

	For the Year ended December 31	
	2021	**2020**
Asia	$ 175,044	$ 139,592
America	1,469,294	1,494,601
Europe	100,990	137,110
Other	440	-
	$ 1,745,768	$ 1,771,303

g. Information about main customers

Single customers contributing 10% or more to the Group's revenue were as follows:

	2021		**2020**
Customer900022	$ 418,256	Customer500009	$ 652,302
Customer500009	312,289	Customer500082	211,386
	$ 730,545		$ 863,688

TABLE 1

PROMATE SOLUTIONS CORPORATION 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 (Note 1)	Relationship with the Holding Company (Note 2)	Financial Statement Account	December 30, 2021				Note（Note 4）
				Shares	Carrying Value(Note3)	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Ordinary shares							
Promate Solutions Corporation	HIGGSTEC Inc.	None	Financial assets at fair value through profit or loss - noncurrent	1,062,000	$ 37,595	-	$ 37,595	Publicly traded stocks
	Esquarre IoT Landing Fund,L.P.	〃	〃	-	47,924	-	47,924	Non-publicly traded stocks
					$ 85,519		$ 85,519	
	LOTES CO., LTD	〃	Financial assets at fair value through profit or loss - current	1,000	$ 761	-	$ 761	Publicly traded stocks
	Asia Vital Components Co., Ltd.	〃	〃	13,000	1,147	-	1,147	〃
	INTERNATIONAL GAMES SYSTEM CO.,LTD.	〃	〃	2,000	1,586	-	1,586	〃
	Avalue Technology Incorporation	〃	〃	12,000	683	-	683	〃
	KO JA (CAYMAN) CO., LTD	〃	〃	40,000	3,136	-	3,136	〃
	Sports Gear Co., Ltd.	〃	〃	35,000	2,366	-	2,366	〃
	NAN YA PRINTED CIRCUIT BOARD CORPORATION	〃	〃	1,600	915	-	915	〃
					$ 10,594		$ 10,594	

Note 1: Marketable securities in this table refer to stocks, bonds, beneficiary certificates, and other relevant derivative securities as promulgated in IFRS 9 "Financial Instruments."

Note 2: When the issuers of marketable securities are not related parties, this column can be left blank

Note 3: If measured by fair value, please fill in the carrying balance, which is adjusted through fair value valuation with loss allowance deducted, in the carrying amount column; if not measured by fair value, please fill in the carrying balance at amortized cost (loss allowance is already deducted).

Note 4: The number of shares of securities, the amount pledged as security or pledged for loans, and the restrictions on use under some agreements shall be stated in the remarks column if the securities presented herein have such conditions.

Note 5: Please refer to Table 4 for relevant information on investments in subsidiaries.

TABLE 2

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST $300 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	Type and Name of Marketable Securities (Note 1)	Financial Statement Account	Counter Party (Note 2)	Relationship (Note 2)	Beginning Balance		Acquisition (Note 3)		Disposal (Note 3)				Ending Balance	
					Share	Amount	Share	Amount	Share	Carrying Amount	Book cost	Gain (Loss) on Disposal	Share	Amount
Promate Solutions Corporation	Fund -UPAM C James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	President Securities Corporation	None	-	$ -	11,866,939	$ 200,000	11,866,939	$ 200,062	$ 200,000	$ 62	-	$ -
	Fund－First Abu Dhabi Bank	Cash and cash equivalents	China Bills Finance Corporation Foreign Branch Fund	None	-	-	-	109,789 (USD3,956)	-	109,855 (USD3,958)	109,789 (USD3,956)	66 (Note 4)	-	-

Note1. Marketable securities in this table refer to stocks, bonds, beneficiary certificates, and other relevant derivative securities

Note2 Marketable securities investor by equity need wrire this item if none.

Note3. The accumulated amount of purchase and sales shall be calculated separately based on market value to see if the amount exceed NT$300 million or 20% of the Company's paid-in capital.

Note4. Paid-in capital referred to herein is the parent company's paid-in capital.In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of the equity attributable to owners of the parent in the calculation.

TABLE 3

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES
TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $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)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction (Note 1)		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total	Payment Term	Unit Price	Payment Terms	Ending Balance	% to Total	
Promate Solutions Corporation	Promate Electronic Co., Ltd	Parent company	Purchase	$ 444,504	37.23%	Net 60 days after monthly closing	-	-	Accounts payable $ 168,978	44.26%	

Note 1. Where related parties' transaction conditions are different from the general ones, the situation and reasons of the differences shall be stated in the column of unit price and credit granting period.

Note 2. In case of advance payment (receipt), the reasons, contractual terms, the amount, and differences from general transactions shall be stated in the remarks column.

Note 3. Paid-in capital referred to herein is the parent company's paid-in capital. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of the equity attributable to owners of the parent in the calculation.

TABLE 4

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES

FOR THE YEAR ENDED DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company (Note 1, 2)	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2021			Net Income (Loss) of the Investee (Note 2(2))	Investment Gain (Loss) (Note 2(3)	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Value			
Promate Solutions Corporation	PROMATE JAPAN Inc	Japan	Trade of electronic commodities	$ 2,791	$ 2,791	10,000	100%	$ 3,254	$ 679	$ 679	

Note 1. Where a public company has a foreign holding company and the consolidated financial report is the main financial report according to local laws and regulations, the disclosure of information on foreign investees may only include the holding company's relevant information.

Note 2. In cases other than those described in Note 1, the following information shall be provided:

1)"Investee name," "region," "main business items," "the original investment amount," and "the final stake" shall be filled in in order according to the reinvestment situation of the (public) Company and the reinvestment situation of each investee directly or indirectly controlled, and the relationship between each investee and the (public) Company shall be indicated in the remarks column (e.g., a subsidiary or a sub-subsidiary).

2)In the column of "Profit and loss of investee in the current period," the current profit and loss amount of each investee shall be filled in.

3)Under "investment gains and losses recognized in the current period," only the recognized profit and loss amount of each subsidiary that is directly invested by the (public) Company and each investee assessed by equity method shall be filled in and the rest is not required to be filled in. Under "gains and losses of subsidiaries that are invested directly are recognized for the current period," it shall be confirmed that the gains and losses of the subsidiaries include their investment gains and losses and that it shall be recognized in accordance with the regulations.

TABLE 5

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS

AS OF DECEMBER 31, 2021

Name of Major Shareholder	Shares	
	Number of Shares	Shares Percentage of Ownership (%)
Promate Electronic Co., Ltd	25,327,500	66.21%

Note 1:The percentage of ownership of major shareholders included in the table should be more than 5%, which was calculated based on the total number of ordinary shares, preference shares and treasury shares owned in the last trading day of the quarter that were traded in and registered electronically and was prepared by the Taiwan Depository & Clearing Corporation. In addition, the share capital and the actual number of traded shares with the completion of electronic registration stated in the consolidated financial statements might vary due to different calculation basis.

5. Individual Financial Statements of the Company in the Latest Year Audited and Approved by an Accountant

INDEPENDENT AUDITORS REPORT
The Board of Directors and Shareholders
Promate Solutions Corporation:

Opinion

The Independent balance sheets of Promate Solutions Corporation of December 31, 2021 and 2020, and the entity consolidated income statement, statement of changes in entity equity, statement of entity cash flows and notes to Independent financial statements (including the summary of major accounting policies) from January 1 to December 31, 2021 and 2020, have been checked by the accountant.

In the opinion of the accountant, the above independent financial statements have been prepared in all major respects in accordance with the financial report compilation standards for securities issuers, which are sufficient to express the independent financial position of Promate Solutions Corporation on December 31, 2021 and 2020, and independent financial performance and independent cash flows from January 1 to December 31, 2021 and 2020.

Basis of Audit Opinion

The accountant had carried out the inspection in accordance with the rules for checking the financial statements and the generally accepted auditing standards. The accountant's responsibility under these standards will be further explained in the paragraph of responsibility for the accountant's examination of the independent financial statements. In accordance with the professional ethics of accountants, the personnel who are subject to the independence standards of the accounting firm have maintained their independence from Promate Solutions Corporation and performed other responsibilities of the standards. The accountant believes that sufficient and appropriate audit evidence has been obtained as the basis for expressing the audit opinion.

Key Audit Items

The key audit items means the most important items for the inspection of the independent financial statements of Promate Solutions Corporation in 2021 according to the professional judgment of the accountant. These items have been responded to in the process of examining the independent financial statements as a whole and forming audit opinions, and the accountant does not comment on these items separately.

The key items for checking the independent financial statements of Promate Solutions Corporation in 2021 are described as follows:

Deliverability of specific customer revenue

Promate Solutions Corporation and its subsidiaries is engaged in the embedded control system, special application display module and medical touch display module; based on the importance and auditing standards bulletin, the income is recognized and preset to be with significant risk, so we think whether Promate Solutions Corporation recognize the sales revenue of some specific customers has a significant impact on the financial statements; thus, the deliverability of sales revenue for some specific customers is listed as a key item to be audited in this year. For the explanation of income recognition policy, please refer to Note IV (XII).

We perform the following main auditing procedures:

1. Understand and test the design and implementation of the revenue recognition of certain customers related to internal control.
2. Select and check the revenue of above-mentioned specific customers, review the relevant documents and test the collection status to confirm the sales transactions have taken place.
3. Examinate whether any major sales returns or discounts have occurred to specific sales customers after the balance sheet date, so as to confirm whether there is any material misrepresentation of the revenue of some specific sales customers.

Responsibilities of Management and Governance Unit to independent Financial Statements

The responsibility of management is to prepare properly expressed independent financial statements in accordance with the financial reporting standards of securities issuers, and to maintain the necessary internal controls relating to the preparation of the independent financial statements to ensure that the independent financial statements do not contain material misrepresentations caused by fraud or errors.

In preparing the independent financial statements, the responsibility of management also includes the assessment of the ability of Promate Solutions Corporation to continue to operate, the disclosure of related items, and the adoption of the accounting basis for continued operation, unless the management intends to liquidate the Promate Solutions Corporation or cease business, or there is no practical alternative other than liquidation or closure.

The governance unit of Promate Solutions Corporation (including the audit committee) is responsible for supervising the financial reporting process.

Responsibility of Accountant to Check Independent Financial Statements

The purpose of the accountant to check the independent financial statements is to obtain reasonable assurance as to whether there are material misrepresentations caused by fraud or error in the independent financial statements as a whole, and to issue an audit report. Reasonable certainty is a high degree of certainty, but audits carried out in accordance with generally accepted audit standards do not guarantee that material misrepresentations in the independent financial statements will be identified. False expression may be caused by fraud or error. It is considered significant if the individual amounts or remittances misrepresented can be reasonably expected to affect the economic decisions made by the users of the independent financial statements.

When checking in accordance with generally accepted audit standards, the accountant shall use professional judgment and maintain professional doubts. The accountant also performs the following work:

1. Identify and evaluate the risk of material misrepresentation resulting from fraud or error in the independent financial statements; design and implement appropriate measures to the assessed risks; and obtain sufficient and appropriate audit evidence to serve as the basis for audit opinions. Because fraud may involve collusion, forgery, deliberate omission, misrepresentation or internal control, the risk of material misrepresentation due to fraud is higher than that caused by error.
2. Acquire the necessary understanding of the internal controls related to the audit in order to design appropriate audit procedures in the circumstances, but not for the purpose of expressing the opinion on the effectiveness of internal controls of Promate Solutions Corporation.
3. Assess the appropriateness of accounting policies adopted by management and the reasonableness of accounting estimates and related disclosures.
4. Based on the audit evidence obtained, draw a conclusion as to whether there is significant uncertainty about the appropriateness of the management's adoption of the accounting basis of continuing operations and whether there is significant uncertainty about the events or circumstances that may give rise to significant doubts about the ability of the Promate Solutions Corporation to continue to operate. If the accountant considers that there is material uncertainty in such events or circumstances, the accountant shall, in the audit report, remind users of the independent financial statements to pay attention to the relevant disclosures of the independent financial statements, or amend the audit opinion if such disclosures are inappropriate. The accountant's conclusion is based on the audit evidence obtained as of the date of the inspection report. However, future events or circumstances may cause the Promate Solutions Corporation have no ability to continue to operate.
5. Assess the overall expression, structure and content of the independent financial statements (including related notes), and whether there are related transactions and events expressed in the independent financial statements.
6. Obtain sufficient and appropriate audit evidence for the financial information of the constituent individuals within the Promate Solutions Corporation to express the opinion on independent financial statements. The accountant is responsible for the guidance, supervision and implementation of group audit cases, and is responsible for forming audit opinions of Promate Solutions Corporation.

The items that the accountant communicates with the governance unit include the scope and timing of the planned audit, as well as major audit findings (including significant deficiencies in internal controls identified in the audit process).

The accountant also provides the governance unit with a statement that the personnel of the firm to which the accountant belongs to the independence standard have complied with the professional ethics of accountants, and communicate with the governance unit all relationships and other items (including relevant protective measures) that may be considered to affect the independence of accountants.

From the items of communication with the governance unit, the accountant decides on the key items for checking the consolidated financial statements of Promate Solutions Corporation in 2021. The accountant describes these items in the audit report, unless the law does not allow public disclosure of specific items, or in rare cases, the accountant decides not to communicate specific items in the audit report, because it can be reasonably expected that the negative impact of this communication is greater than the promotion of the public interest.

The engagement partners on the audits resulting in this independent auditor's report are Po Jen Weng and Hui-Min.Chen
Deloitte & Touche Taipei, Taiwan
Republic of China
March 29, 2022

Notice to Readers

The accompanying 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 consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying 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.

PROMATE SOLUTIONS CORPORATION

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

	December 31, 2021		December 31, 2020	
Asset	Amount	%	Amount	%
Current Assets				
Cash and Cash Equivalents (Note 4, 6and 29)	$ 721,037	41	$ 634,125	42
Financial Assets Measured at Fair Value through Profit or Loss-Current(Note 4, 7 and 29)	10,594	1	12,354	1
Financial Assets Measured at Amortized Cost-Current (Note4,9,10 and30)	-	-	85,797	6
Notes Receivable-Non-related Parties(Note4,11,24,30and32)	76,221	4		
Accounts Receivable - Non-related Parties (Note4,11,12and30)	381,853	22	269,948	18
Accounts Receivable - Related Parties (Note4,11,29, 30and 31)	9,077	-	5,167	-
Other Accounts Payable (Note4, 11 and 30)	24,521	1	8,590	1
Other Accounts Payable- Related Parties (Note4, 11,30 and 29)	345			
Inventory (Note4, 12)	346,426	20	298,287	20
Prepayment (Note17	2,811	-	2,440	-
Other Current Assets (Note17)	30	-	30	-
Total Current Assets	1,572,915	89	1,316,738	88
Non-current Assets				
Financial Assets Measured at Fair Value through Other Consolidated Profit or Loss - Non-current (Note4, 8,30)	85,519	5	43,607	3
Investment Using Equity (Note4, 13)	3,253	-	3,002	-
Immovable Property, Plant and Equipment (Note4, 14)	43,823	3	48,946	3
Right-of-use Assets (Note4, 15 and 31)	42,276	2	64,155	5
Other intangible assets (Note4, 16)	5,851	-	4,027	-
Deferred Income Tax Assets (Note4,26)	8,983	1	13,893	1
Advance Payment for Equipmen (Note17)	6,834	-	3,888	-
Refundable Deposits (Note17, 30)	582	-	582	-
Total Non-current Assets	197,121	11	182,100	12
Total Assets	$ 1,770,036	100	$ 1,498,838	100
Liabilities and Equity				
Current Liabilities				
Short-term borrowings (Note4,18, 30and32)	$ 76,221	4	$ -	-
Contract Liabilities-Current (Note4,20, 24)	69,004	4	30,466	2
Notes Payable - Non-related Parties (Note19, 30)	31			
Accounts Payable - Non-related Parties (Note19, 30)	200,299	12	123,026	8
Accounts Payable - Related Parties (Note19 30 and 31)	181,574	10	43,392	3
Lease Liabilities-Current (Note4, 15,28,30 and 31)	20,483	1	21,343	2
Other Accounts Payable (Note20, 30)	106,201	6	93,390	6
Other Accounts Payable - Related Parties (Note20,30 and 31)	967	-	955	-
Current income tax liability (Note4, 26)	8,688	1	22,063	2
Liability reserve -Current (Note4, 21)	2,938	-	3,285	-
Other Current Liabilities (Note20)	2,127	-	2,296	-
Total Current Liabilities	668,533	38	340,216	23
Non-current Liabilities				
Lease Liabilities - Non-current (Note4, 15, 28,30and 31)	21,936	1	42,429	3
Liability reserve - Non-current (Note4, 21)	1,386		2,239	
Net Defined Benefit Liabilities - Non-current (Note4, 22)	10,408	1	15,044	1
Deferred Income Tax Liabilities (Note4, 26)	924	-	55	-
Total Non-current Liabilities	34,654	2	59,767	4
Total Liabilities	703,187	40	399,983	27
Interest (Note23)				
Capital				
Common Stock	382,549	22	382,549	25
Capital Reserves	386,829	22	386,829	26
Reserved Surplus				
Statutory surplus reserve	126,157	7	105,299	7
Special Surplus Reserve	-	-	2,728	-
Undivided Surplus	166,518	9	210,207	14
Total retained surplus	292,676	16	318,234	21
Other Interests				
Exchange difference in the conversion of financial statements of foreign operating institutions	(391)	-	(49)	-
For the unrealized evaluation profit and loss information of financial assets measured at fair value through other comprehensive profit and loss	5,186	-	11,292	1
Total other interests	4,795	-	11,243	1
Total Interests	1,066,849	60	1,098,855	73
Total Liabilities and Interests	$ 1,770,036	100	$ 1,498,838	100

The attached notes form part of the independent financial statements.

PROMATE SOLUTIONS CORPORATION

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

	2021		2020	
	Amount	%	Amount	%
Operating Revenues (Note4, 24 and 31)				
Sales revenue	$ 1,743,796	100	$ 1,769,299	100
Operating Costs (Note4, 12, 16,22,25 and 31)				
Sales cost	(1,319,488)	(76)	(1,276,272)	(72)
Operating margin	424,308	24	493,027	28
Operating Expenses (Note11, 16,22,25 and 31)				
Selling Expenses	(132,515)	(7)	(116,459)	(7)
Administrative Expenses	(28,878)	(2)	(36,576)	(2)
R&D expenses	(68,111)	(4)	(67,463)	(4)
Expected credit Gain (loss)	5,750	-	(6,360)	-
Total Operating Expenses	(223,754)	(13)	(226,858)	(13)
Net operating profit	200,554	11	266,169	15
Non-operating Revenues and Expenses (Note13, 15,25 and 31)				
Interest Revenues	1,673	-	3,821	-
Other Revenues	4,241	-	2,390	-
Other Benefits and Losses	(9,708)	-	(20,980)	(1)
Financial Costs	(1,748)	-	(2,066)	-
Share of profits and losses of subsidiaries, affiliates and joint ventures recognized by the equity method	679	-	424	-
Total Non-operating Revenues and Expenses	(4,863)	-	(16,411)	(1)

(To be continued)

	2021		2020	
	Amount	%	Amount	%
Net profit before tax for continuing business units	$ 195,691	11	$ 249,758	14
Income tax expense (Note4, 26)	(33,417)	(2)	(46,683)	(2)
Net profit for this year	162,274	9	203,075	12
Other Consolidated Profits and Losses				
Tems that are not reclassified to profit or loss				
Remeasurement of defined benefit plan (Note4, 22)	4,094	-	(340)	-
Unrealized evaluation of profit or loss on investment in equity instruments measured at fair value through other consolidated profit or loss (Note4, 23)	(5,940)	-	19,752	1
Income tax related to non-reclassified items (Note4, 26)	(818)	-	68	-
	(2,664)	-	19,480	1
Items that may be reclassified to profit or loss in the future:				
Exchange difference in the conversion of financial statements of foreign operating institutions (Note4, 23)	(428)	-	2	-
Income tax related to items that may be reclassified (Note4, 26)	86	-	(1)	-
	(342)	-	1	-
Other consolidated profit and loss of current year (Net amount after tax)	(3,006)	-	19,481	1
Total consolidated profit and loss of current year	$ 159,268	9	$ 222,556	13
Earnings per share (Note27)				
From continuing business units				
Basic	$ 4.24		$ 5.31	
Diluted	$ 4.21		$ 5.25	

The attached notes form part of the independent financial statements.

PROMATE SOLUTIONS CORPORATION

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

	Capital			Reserved Surplus			Other rights and interests		
	Number of Shares (1,000 shares)	Amount	Capital Reserves	Statutory surplus reserve	Special Reserve	Undivided Surplus	Exchange difference in the conversion of financial statements of foreign operating institutions	Unrealized evaluation of profit or loss on financial assets measured at fair value through other consolidated profit or loss	Total Interests
Balance on December 31, 2019	38,255	382,549	396,393	84,663	26	206,670	(50)	(2,678)	1,067,573
2019 surplus allocation and distribution									
Statutory surplus reserve	-	-	-	20,636	-	(20,636)	-	-	-
Special Reserve	-	-	-	-	2,702	(2,702)	-	-	-
The Company's shareholders cash dividends	-	-	-	-	-	(181,710)	-	-	(181,710)
Other changes in capital reserves:									
Capital reserves distributed cash	-	-	(9,564)	-	-	-	-	-	(9,564)
Deal with equity instruments measured at fair value through other consolidated profit and loss	-	-	-	-	-	5,782	-	(5,782)	-
Net profit of 2020	-	-	-	-	-	203,075	-	-	203,075
Other Consolidated Profit and Loss after Tax of 2020	-	-	-	-	-	(272)	1	19,752	19,481
Total consolidated profits and losses of 2020	-	-	-	-	-	202,803	1	19,752	222,556
Balance on December 31, 2020	38,255	382,549	396,393	105,299	2,728	210,207	(49)	11,292	1,098,855
2020 surplus allocation and distribution									
Statutory surplus reserve	-	-	-	20,859	-	(20,859)	-	-	-
Special Reserve	-	-	-	-	(2,728)	2,728	-	-	-
The Company's shareholders cash dividends	-	-	-	-	-	(191,274)	-	-	(191,274)
Deal with equity instruments measured at fair value through other consolidated profit and loss	-	-	-	-	-	166	-	(166)	-
Net profit of 2021	-	-	-	-	-	162,274	-	-	162,274
Other Consolidated Profit and Loss after Tax of 2021	-	-	-	-	-	3,276	(342)	(5,940)	(3,006)
Total consolidated profits and losses of 2021	-	-	-	-	-	165,550	(342)	(5,940)	159,268
Balance on December 31, 2021	38,255	$ 382,549	$ 386,829	$ 126,158	$ -	$ 166,518	($ 391)	$ 5,186	$ 1,066,849

The attached notes form part of the independent financial statements.

PROMATE SOLUTIONS CORPORATION

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

	2021	2020
Cash Flow of Operating Activities		
Net Losses before Tax of this year	$ 195,691	$ 249,758
Income Expense Item		
Expected credit impairment (recovery) losses	(5,750)	6,360
Depreciation Expense	35,569	36,170
Amortization expense	1,718	3,192
Financial Costs	1,748	2,066
Provision (recovery) for liabilities	3,010	(5,590)
Share of losses (profits) of subsidiaries, affiliates and joint ventures recognized by the equity method	(679)	(424)
Interest Revenues	(1,673)	(3,821)
Dividend Revenues	(4,114)	(2,242)
Loss of falling inventory prices and sluggish (recovery benefit)	(17,000)	10,000
Inventory scrap loss	322	3,069
Gain on Lease	(255)	
Net interest in financial assets and liabilities measured at fair value through profit and loss	(1,097)	(3,920)
Unrealized foreign currency conversion loss	(1,004)	1,355
Net changes in operating assets and liabilities		
Increase in financial assets of compulsory measurement at fair value through profit or loss	2,857	(5,398)
Decrease (increase) in notes receivable	(76,221)	
Decrease (increase) in accounts receivable	(106,155)	2,001
Decrease (increase) in Accounts Receivable - Related Parties	(3,910)	(203)
Decrease (increase) in other receivables	(15,931)	2,533
Increase in other receivables - Related Parties	(345)	
Decrease (increase) in inventory	(31,461)	(28,872)
Decrease in prepayment	(371)	3,103
Decrease (increase) in other current assets	-	23
Increase (decrease) in contract liability	38,538	(9,301)
Decrease in notes payable	31	(11)
Increase (decrease) in accounts payable	77,273	(42,775)

	2021	2020
Increase (decrease) in accounts payable - Related Parties	138,182	(23,073)
Increase (decrease) in other payable	12,811	(8,412)
Other accounts receivable - Related party decreased	12	(1,370)
Decrease in liability provision	(4,210)	(7,010)
Increase in other current liabilities	(169)	7
Decrease in net defined benefit liability	(542)	(548)
Cash inflow from operations	236,875	176,667
Interest charged	1,673	3,821
Interest paid	(219)	-
Income tax paid	(41,745)	(52,109)
Net cash inflow (outflow) from operating activities	196,584	128,379
Cash flow from investment activities		
Acquisition of financial assets measured at amortized cost	(27,842)	(1,426,652)
Acquisition of Financial Assets Measured at Fair Value through Other Consolidated Profit or Loss	(48,323)	(23,663)
Disposal of financial assets measured at amortized cost	114,643	1,339,500
Deal with the financial assets at fair value through other consolidated profit or loss	471	14,700
Collection of other dividends	4,114	2,242
Increase in advance payment for equipment	(16,397)	(16,890)
Purchase immovable property, plant and equipment	(200)	(307)
Refundable deposits added	-	(500)
Net cash outflow from investment activities	26,466	(111,570)
Cash flow from fund-raising activities		
Increase in short-term borrowings	76,221	-
Lease principal repayment	(21,085)	(21,912)
Dividend payment	(191,274)	(191,274)
Net cash outflow from fund-raising activities	(136,138)	(213,186)
Net (decrease) increase in cash and cash equivalent	86,912	(196,377)
Cash and cash equivalents balance at the beginning of the year	634,125	830,502
Cash and cash equivalents balance at the end of the year	$ 721,037	$ 634,125

The attached notes form part of the independent financial statements.

PROMATE SOLUTIONS CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Promate Solutions Corporation (the "Company") is a listed company established on May 29. 2000. The main business of the Company include research & development and manufacture of medical touch screen displays, embedded control systems, special application and industrial displays, and research & development of applicable software and hardware.

According to resolutions of the shareholders' meeting on June 10, 2013 , the department of special application product of Promate Electronic Co., Ltd had been transfer to the Company based on Business Mergers And Acquisitions Act. The purpose of division was due to organization adjustment of Promate Electronic Co. According to Board resolutions, the reference date of the division was August 1.2013. , the value of the division department was 123,900 thousand. The Company had been issued 8,260 thousand ordinary share priced at 15 for division.

The parent company of the Company is Promate Electronic Co., Ltd. with equity interests of 66.21% on December 31, 2021 and 2020.

The Company's shares have been listed on OTC trading at Taipei Exchange since March 2004.

The functional currency of the Company is the New Taiwan Dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The independent financial report was approved by the board of directors on March 15, 2022.

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

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

The initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Company's accounting policies.

b. The IFRs endorsed by FSC for application starting from 2022:

New IFRSs	Effect 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	January 1, 2022 (Note 4)

New IFRSs	Effect Date Announced by IASB
Contract”	

Note1: 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 11 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) Annual Improvements to IFRSs Standards 2018-2020
Several standards, including IFRS 9 “Financial Instruments”, were amended in the annual improvements. IFRS 9 requires the comparison of the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, with that of the cash flows under the original financial liability when there is an exchange or modification of debt instruments. The new terms and the original terms are substantially different if the difference between those discounted present values is at least 10%. The amendments to IFRS 9 clarify that the only fees that should be included in the above assessment are those fees paid or received between the borrower and the lender.
2) Amendments to IFRS 3 “‘Reference to the Conceptual Framework
The amendments replace the references to the Conceptual Framework of IFRS 3 and specify that the acquirer shall apply IFRIC 21 “Levies” to determine whether the event that gives rise to a liability for a levy has occurred at the acquisition date.

3) Amendments to IAS 16 “Property, Plant and Equipment: Proceeds before Intended Use”
The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of those items is measured in accordance with IAS 2 “Inventories”. Any proceeds from selling those items and the cost of those items are recognized in profit or loss in accordance with applicable standards.
The amendments are applicable only to items of 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. The Group will restate its

comparative information when it initially applies the aforementioned amendments.

4) Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”

The amendments expressly evaluate contracts if contracts onerous or not,” Cost of Fulfilling a Contract” include incremental cost(ex:direcet labor and raw materials) and allocation of other costs directly related to the fulfill contract (ex: fulfill contract allocation used property, plant and equipment depreciation expense).

The company is recognized as retained earning on the date of initial application by first time use this amendments.

Except for the above impact, as of the date the Company’s financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company’s financial position and financial performance and will 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	Effect Date Announced by IASB (Note1)
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 12 after January 1, 2023.

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

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

1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments stipulate that, when the Company's sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate, the gain or loss resulting from the transaction is recognized in full. Also, when the Company's loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Company's sells or contributes assets that do not constitute a business to an associate, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate, i.e., the Company's share of the gain or loss is eliminated. Also, when the Company loses control of a subsidiary that does not contain a business but retains significant influence over an associate, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate, i.e., the Company's share of the gain or loss is eliminated.

2) Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"

The amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right. The amendments also clarify that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date.

The amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Company's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Company's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32: Financial Instruments: Presentation, the aforementioned terms would not affect the classification of the liability.

3) Amendments to IAS 1 "Disclosure of Accounting Policies"

This amendment clearly stipulates that the consolidated company shall determine the material accounting policy information to be disclosed according to the definition of materiality. Accounting policy information is material to the extent that it can reasonably be expected to influence the decisions made by major users of the financial statements for general purpose on which the financial statements are based. This amendment clarifies:

- Accounting policy information relating to non-material transactions, other matters or circumstances is non-material and the consolidated company is not required to disclose such information.
- The company may judge the relevant accounting policy information to be material due to the nature of the transaction, other matters or circumstances, even if the amount is not material.
- Not all accounting policy information relating to material transactions, other matters or circumstances is material.

In addition, the amendment provides an example of how accounting policy information may be material if it is related to material transactions, other matters or circumstances and if:

(1) The company changes its accounting policies during the reporting period and the change results in a material change in the financial statement information;

(2) The company selects its applicable accounting policies from the options permitted by the

Standards;

(3) Accounting policies are established by the company in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" due to the lack of specific standards;

(4) The consolidated company discloses relevant accounting policies determined by the application of material judgments or assumptions; or

(5) There are complex accounting requirements and users of financial statements rely on such information in order to understand such material transactions, other matters or circumstances.

4) Amendments to IAS 8 "Definition of Accounting Estimates"

This amendment clearly stipulates that the accounting estimates refer to the monetary amounts in financial statements that are affected by measurement uncertainties. When the accounting policies apply to the company, the financial statement items may have to be measured in terms of monetary amounts that cannot be directly observed but must be estimated. Measuring techniques and input values are used to establish the accounting estimates for this purpose. If the impact of change in the measurement technology or input value on accounting estimates is not correction of previous errors, it is the change in accounting estimates.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of Preparation

The financial statements have been prepared on the historical cost basis except for financial instruments which 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 based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

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

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an 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.

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these parent company only financial statements

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

Current assets include:

1) Assets held primarily for transaction purposes

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

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

Current liabilities include:

1) Liabilities held for the purpose of trading;

2) Liabilities due to be settled within 12 months, and

3) Liabilities for which the entity does not have the right at the end of the reporting period to defer settlement beyond 12 months.

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, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions

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

1) Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and,

2) Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investments.

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

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

e. Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. 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 the weighted-average cost on the balance sheet date.

f. Investments in Subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity (including a structured entity) that is controlled by the Company.

Under the equity method, an investment in a subsidiary 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 subsidiary. The Company also recognizes the changes in the Company's share of equity of the subsidiaries.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control of the subsidiaries are equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

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

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 that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full only in the parent company's financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company's financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

g. 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 measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the 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.

h. Intangible assets

1) Intangible assets acquired separately

Intangible assets with limited useful life acquired separately are initially measured at cost, and subsequently measured at the amount of cost minus accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis within their useful life.

The company reviews the estimated useful life, residual value and amortization method at least at the end of each year, and defers the impact of changes in applicable accounting estimates. Intangible assets with non-determined useful life are presented at cost minus accumulated impairment losses.

2) Derecognition of intangible assets

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 asset, intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the 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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

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.

The inventory, real estate, building and equipment and intangible assets recognized by customer agreement shall recognize the impairment according to the provisions of inventory impairment and the above requirements, and then the amount of the carrying amount in accordance with the contract costs related assets exceeding the amount remaining in consideration expected to be charged for the provision of relevant goods or services after deducting the directly related costs shall be recognized as the impairment loss. The carrying amount of assets related to the contract cost shall be added to the cash generating unit for the impairment assessment of cash generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs 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 FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL 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) Measure categories

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

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated 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, 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 29: Financial Instruments.

ii. Financial assets at amortized cost

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

i) Held under a business model for the purpose of holding financial assets to collect contractual cash flows; and

ii)The terms of the contract generate cash flows on a specific date, which are solely interest on the payment of principal and the amount of principal outstanding.

Financial assets measured at amortized cost (including cash and cash equivalents, debt investment instruments at amortized cost, accounts receivable, other receivables, and deposits) are identified as The total book amount determined by the effective interest method is measured after deducting any impairment loss after amortization, and any foreign currency exchange gains and losses are recognized in profit and loss.

Except for the following two cases, interest income is calculated by multiplying the effective interest rate by the total book value of financial assets:

i) The financial assets are 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 assets 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, trade receivable and notes receivable (including associates) at amortized cost, contract assets and other trade receivables (including associates), 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, except for:

i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

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

Cash equivalents include time deposits held for the purpose of meeting short-term cash commitments, highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

iii. Investments in debt instruments designated at FVTOC

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

i) The financial asset is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and

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

Investments in debt instruments designated at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

b) Impairment of financial assets and contractual assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including cash and cash equivalents, trade receivable and notes receivable (including related party) at amortized cost, contract assets and other trade receivables (including related party).

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables and contract assets. 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 default occurring as the weights. Lifetime ECLs represent 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 represent 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.

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, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

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 it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

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

2) Equity instrument

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

Equity instruments issued by the Group 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.

k. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Warranty

Provisions for the expected cost of warranty obligations to assure that products comply with agreed-upon specifications are recognized on the date of sale of the relevant products at the best estimate by the management of the Company of the expenditures required to settle the Company's obligations.

l. Revenue recognition

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

Where the time interval between the transfer of goods or services and the receipt of consideration is less than one year, no adjustment of transaction price shall be made for the material financial component of the contract

1) Revenue from the sale of goods

Revenue from the sale of goods comes from the sale of embedded control systems, medical displays, and application-specific display modules at the agreed prices stipulated in contracts, quotations or orders. Sales of goods are recognizes as revenue when the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables and contract assets are recognized concurrently. Any amounts previously recognized as contract assets are reclassified to trade receivables when the remaining obligations are performed.

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

2) Service revenue

Service revenue mainly comprises revenue from the design of embedded, medical, and application specific display modules during product development; revenue from customers' request for repair when defects occur in products that exceed the warranty period; and revenue recognized at the agreed prices stipulated in contracts.

m. Leases

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

1) The company as lessor

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

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The company 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 by 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 adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, 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, an y remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the balance sheets.

n. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

o. 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.

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

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group’s defined benefit plans. 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

The accounting treatment for other long-term employee benefits is the same as that of the defined benefit retirement plan, except that the relevant remeasurements are recognized as profit and loss.

4) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

p. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

The original recognition of assets and liabilities that are not part of a business merger does not affect either tax income or accounting profit, and the temporary differences arising therefrom are not recognized as deferred income tax assets and liabilities.

The original recognition of assets and liabilities that are not acquired from subsidiaries does not affect either tax income or accounting profit, and the temporary differences arising therefrom are not recognized as deferred income tax assets and liabilities.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, whereas deferred income tax assets are recognized when there is a high possibility that the tax income will be available to provide the income tax credits for expenditures such as deductible temporary differences.

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 assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax 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 Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the 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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

The accounting policies, estimates, and basic assumptions adopted by the company have been evaluated by the company's management, and there are no major accounting judgments, estimates, and assumptions that are uncertain.

Key Sources of Estimation Uncertainty

a. Estimated impairment of financial assets

The provision for impairment of trade receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group'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 11.

b. Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience in the sale of product of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

6. CASH AND CASH EQUIVALENTS

	December 31, 2021	December 31, 2020
Cash on hand	$ 165	$ 873
Checking accounts	380,152	344,735
Cash equivalents (investment with original maturities less than three months)		
Time deposits	340,720	260,000
Repurchase agreement		28,517
	$ 721,037	$ 634,125

The interest rate range of bank deposits on balance sheet date is as follows:

	December 31, 2021	December 31, 2020
Bank Deposits	0.001% ~ 0.08%	0.001% ~ 0.05%
Time deposit	0.13% ~ 0.35%	0.34% ~ 0.40%
Repurchase agreement	-	0.45%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2021	December 31, 2020
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTP:		
Non-derivative financial assets		
Domestic listed shares	$ 10,594	$ 12,354

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31, 2021	December 31, 2020
Non-current		
Investments in equity instruments	$ 85,519	$ 43,607
Non-current		
Domestic investments		
Listed shares		
HIGGSTEC Inc	37,595	43,607
Foreign investments		
Private Funds		
Esquarre IoT Landing Fund, L.P.	47,924	-
	$ 85,519	$ 43,607

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

9. FINANCIAL ASSETS AT AMORTIZED COSTS

	December 31, 2021	December 31, 2020
Current		
Foreign investments		
Repurchase agreement		
—PERTAMINA	$ -	$ 28,715
—CITIC Group Corporation Ltd.	-	28,567
—Bank of China	-	28,515
Less：Allowance for loss	-	-
	$ -	$ 85,797

As of December 31, 2020, the company purchased repurchase agreements issued by China Bills Finance Corporation and International Bills Finance Corporation, with coupon rates ranging 0.5% respectively.

Refer to Note 10 for information related to credit risk management and impairment evaluation of financial assets at amortized cost.

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments were classified as at amortized cost:

December 31, 2020

	At Amortized Cost
Gross carrying amount	$ 85,797
Less: Allowance for impairment loss	-
Amortization costs	$ 85,797

In order to minimize credit risk, the management of the Company has delegated a dedicated team to build a credit rating database, with a view to assessing the default risk of investments in debt instruments. For items without external credit ratings, appropriate internal ratings can be given by reference to publicly available financial information. The Company continuously tracks major information from financial institutions to monitor changes in the credit risk of investments in debt instruments, and uses such information to assess whether there is a significant increase in the initially recognized credit risk of investments in debt instruments. The Company has tasked its credit management committee with the development and maintenance of a credit risk grading framework for categorizing exposures according to the degree of the risk of default. The credit rating information may be obtained from independent rating agencies, where available, and if not available, the credit management committee uses other publicly available financial information to rate the debtors.

The Company considers the historical default records and current financial status of financial institutions supplied by the internal rating team to measure the 12-month or lifetime expected credit losses of investments in debt instruments.

The Company's current credit risk rating mechanism is as follows:

Credit Rating	Definition	Basis for Recognition of Expected Credit Losses
Normal	The debtor's credit risk is low and the debtor has sufficient ability to pay off the contract cash flow	12 months of expected credit losses

The gross carrying amount and applicable expected credit loss rate of investments in debt instruments are as follows:

December 31, 2020

Credit Rating	Expected Credit Loss Rate	Gross Carrying Amount Amortized Cost
Normal	0% ~ 0.01%	$ 85,797

The Company did not have any investment in debt instruments at amortized cost as of December 31, 2021.

There was no change in the allowance for impairment loss of investments in debt instruments at amortized cost for the year ended December 31, 2020.

11. NOTES RECEIVABLE, ACCOUNTS RECEIVABLES AND OTHER RECEIVABLES

	December 31, 2021	December 31, 2020
Notes receivables		
At amortized cost		
Gross carrying amount-unrelated parties	$ 76,221	$ -
Less: Allowance for impairment loss		-
	$ 76,,221	$ -
Accounts receivables		
At amortized cost		
Gross carrying amount-unrelated parties	$ 382,711	$ 276,556
Gross carrying amount-related parties	9,077	5,167
Less: Allowance for impairment loss	(858)	(6,608)
	$ 390,930,	$ 275,115
Overdue receivables		
Overdue receivables	$ 30	$ 30
Less: Allowance for impairment loss	(30)	(30)
	$ -	$ -
Others receivables		
Tax refund receivables	$ 15,097	$ 6,667
Duty Tax refund receivables	2,104	1,923
Proceeds from sale of financial assets	7,320	-
	$ 24,521	$ 8,590

a. Notes receivable

Notes receivables as collateral for borrowings are set out in Note 32

b. Accounts receivable

At amortized cost

The average credit period of the sales of goods was 90-135 days. No interest was charged on accounts receivables. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivables. The expected credit losses on accounts receivables are estimated using an allowance matrix, which takes into consideration the historical credit loss experience with the respective debtor, the current financial position of the debtor, and the current and future economic conditions of the industry as well as the overall economy. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

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. For accounts receivables 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 receivables based on the Company's provision matrix.

December 31, 2021

	Not Overdue	Overdue 1 ~ 30 days	Overdue 31 ~ 60 days	Overdue 61 ~ 90 days	Overdue More Than 91days	Total
Expected Credit Loss Rate	0%	0%	3.86%	5.93%	9.12~100%	
Gross carrying amount	$ 434,678	$ 22,733	$ 10,213	$ 207	$ 178	$ 468,009
Loss allowance (Lifetime ECL)	-	-	(790)	(25)	(43)	(858)
Amortized Cost	$ 464,678	$ 22,733	$ 9,423	$ 182	$ 135	$ 467,151

December 31, 2020

	Not Overdue	Overdue 1 ~ 30 days	Overdue 31 ~ 60 days	Overdue 61 ~ 90 days	Overdue More Than 91days	Total
Expected Credit Loss Rate	0.01%	0.27%	30.21%	56.2%	71.15~100%	
Gross carrying amount	$ 238,065	$ 25,201	$ 14,853	$ 3,564	$ 40	$ 281,723
Loss allowance (Lifetime ECL)	(24)	(67)	(4,478)	(1,999)	(40)	(6,608)
Amortized Cost	$ 238,041	$ 25,134	$ 10,375	$ 1,565	$ -	$ 275,115

The movements of the loss allowance of accounts receivables were as follows:

	2021	2020
Accounts receivables		
Balance on January 1	$ 6,608	$ 248
Add: Amount of expected credit loss	-	6,360
Less: Amount of credit loss reversal	(5,750)	-
Balance on December 31	$ 858	$ 6,608
Overdue receivables		
Balance on January 1	$ 30	$ 30
Balance on December 31	$ 30	$ 30

Compared to the balance on January 1, 2021 and 2020, the gross carrying amount of accounts receivables on December 31, 2021 and 2020 increased $186,286 thousand and decreased $1,798 thousand. Due to increase in projected credit loss, the loss allowance decreased $5,750 thousand and increased $6,360 thousand.

c. Other receivables

The Company does not accrue interest on other receivables. When determining the recoverability of other receivables, the Company considers any changes in the credit quality of other receivables from the original credit date to the balance sheet date. As historical experience shows that other receivables overdue for more than one year are not recoverable, the Company recognizes 100% allowance for bad debts for other receivables aged over one year. For other receivables aged within one year, the Company determines allowance for bad debt by reference to the past arrears of counterparties and analyzing their current financial position, in order to evaluate irrecoverable amounts.

There was no allowance for impairment loss of other receivables on December 31, 2021, and, 2020.

12. INVENTORIES

	December 31, 2021	December 31, 2020
Raw materials	$ 219,235	$ 103,410
Work in process	36,705	24,214
Finished goods	64,717	166,134
Merchandise inventories	2,023	4,529
Stock in transit	23,746	-
	$ 346,426	$ 298,287

Costs of goods sold were as follows:

	For the Year ended December 31	
	2021	2020
Cost of Goods Sold	$ 1,314,469	$ 1,240,779
Labor cost	21,697	22,424
Loss (gain) on inventory impairment	(17,000)	10,000
Inventory Scrap	322	3,069
	$ 1,319,488	$ 1,276,272

The net realizable value of inventories is the increase in the sales price of the inventory in specific markets

13. INVESTMENTS MEASURED BY EQUITY METHOD

	December 31, 2021	December 31, 2020
Investments in subsidiaries	$ 3,253	$ 3,002

Investments in subsidiaries

	December 31, 2021	December 31, 2020
PROMATE JAPAN CO., LTD.	$ 3,253	$ 3,002

	Proportion of Ownership (%)	
Name of Subsidiary	December 31, 2021	December 31, 2020
PROMATE JAPAN CO., LTD.	100%	100%

Promate Japan Inc. was incorporated on Mach 2017 in Tokyo, Japan. It is 100% owner by the Company and the nature of its activities includes trade of electronic commodities.

The share of profits and losses and other consolidated profits and losses of subsidiaries using the equity method in 2021 and 2020 are recognized on the basis of the financial statements audited by accountants of each subsidiary in the same period.

14. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2021	December 31, 2020
Assets used by the Company	$ 43,823	$ 48,946

Assets used by the Company

	Machinery and equipment	Transportation Equipment	Furniture and fixtures	Miscellaneous equipment	Leasehold improvements	Total
Cost						
Balance on January 1, 2021	$ 72,642	$ 2,810	$ 10,688	$ 62,593	$ 15,083	$ 163,816
Add	-	-	70	130	-	200
Reclassification	1,361	-	-	8,548	-	9,909
Disposal	-	-	-	(2,210)	(1,708)	(3,918)
Balance on December 31, 2021	$ 74,003	$ 2,810	$ 10,758	$ 69,061	$ 13,375	$ 170,007
Accumulated Depreciation						
Balance on January 1, 2021	$ 40,,911	$ 2,810	$ 9,739	$ 48,950	$ 12,460	$ 114,870
Depreciation Expense	6,714	-	475	7,100	943	15,232
Disposal	-	-	-	(2,210)	(1,708)	(3,918)
Balance on December 31, 2021	$ 47,625	$ 2,810	$ 10,214	$ 53,840	$ 11,695	$ 126,184
Net Amount on December 31, 2021	$ 26,378	$ -	$ 544	$ 15,221	$ 1,680	$ 43,823
Cost						
Balance on January 1, 2020	$ 61,285	$ 2,810	$ 10,381	$ 56,923	$ 17,452	$ 148,851
Add	-	-	307	-	-	307
Reclassification	11,357	-	-	5,670	-	17,027
Disposal	-	-	-	-	(2,369)	(2,369)
Balance on December 31, 2020	$ 72,642	$ 2,810	$ 10,688	$ 62,593	$ 15,083	$ 163,816
Accumulated Depreciation						
Balance on January 1, 2020	$ 33,910	$ 2,810	$ 9,252	$ 41,859	$ 13,752	$ 101,583
Depreciation Expense	7,001	-	487	7,091	1,077	15,656
Disposal	-	-	-	-	(2,369)	(2,369)
Balance on December 31, 2020	$ 40,911	$ 2,810	$ 9,739	$ 48,950	$ 12,460	$ 114,870
Net Amount on December 31, 2020	$ 31,731	$ -	$ 949	$ 13,643	$ 2,623	$ 48,946

There was no indication of an impairment loss; therefore, the Group did not perform impairment assessment during the year ended December 31, 2021and 2020.

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

Machinery Equipment	3 to 10 years
Transportation Equipment	5 years
Furniture and fixtures	3 to 5 years
Miscellaneous equipment	3 to 20 years
Leasehold improvements	3 to 10 years

15. LEASE ARRANGEMENTS

a. Right-of-use Assets

	December 31, 2021	December 31, 2020
Carrying amounts		
Buildings	$ 41,361	$ 62,762
Transportation equipment	915	1,393
	$ 42,276	$ 64,155

	For the Year ended December 31	
	2021	2020
Additions to right-of-use assets	$ 9,428	$ 1,433
Depreciation charge for right-of-use assets		
Buildings	$ 19,859	$ 20,474
Transportation equipment	478	40
	$ 20,337	$ 20,514

Due to the early termination of the lease contract during current period, the company's right of-use assets and lease liabilities were reduced by NT$10,970 thousand and NT$11,225 thousand respectively. Thus, it resulted in a lease modification benefit of NT$255 thousand.

b. Lease Liabilities

	December 31, 2021	December 31, 2020
Carrying amounts		
Current	$ 20,483	$ 21,343
Non-current	$ 21,936	$ 42,429

Discounted rate ranges of lease liabilities were as follows:

	December 31, 2021	December 31, 2020
Buildings	3%	3%
Transportation equipment	5.69%	5.69%

c. Material lease-in activities and terms

The Company leased a number of cars for use by business personnel or warehouse personnel for 3 years. The lease contracts for these cars do not contain terms for the right of renewal or the right of purchase.

The Company also leased certain buildings for the use as plant and office in a period of 5 years. The Company does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Year ended December 31	
	2021	2020
Expenses relating to low-value asset leases	$ 203	$ 201
Total cash outflow for lease	($ 21,288)	($ 22,113)

The Company has selected to apply the exemption of recognition to certain office equipment leases conforming to low-value asset leases, and does not recognize the relevant right-to-use assets and lease liabilities for such leases.

The Company has no lease commitments commencing after the balance sheet date during the non-leasehold period in 2021 and as of December 31, 2020.

16. OTHER INTANGIBLE ASSETS

	Computer Software
Cost	
Balance on January 1, 2021	$ 18,379
Reclassification	3,542
Disposal	(6,262)
Balance on December 31, 2021	$ 15,659
Accumulated amortization	
Balance on January 1, 2021	$ 14,352
Amortization expenses	1,718
Disposal	(6,262)
Balance on December 31, 2021	$ 9,808
Carrying amount on December 31, 2021	$ 5,851
Cost	
Balance on January 1, 2020	$ 20,179
Additions	-
Disposal	(1,800)
Balance on December 31, 2020	$ 18,379
Accumulated amortization	
Balance on January 1, 2020	$ 12,960
Amortization expenses	3,192
Disposal	(1,800)
Balance on December 31, 2020	$ 14,352
Carrying amount on December 31, 2020	$ 4,027

There was no indication of an impairment loss; therefore, the company did not perform impairment assessment during the year ended December 31, 2021 and 2020

Other intangible assets were amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	3 ~ 10 years

	2021	2020
Amortization expenses summarized by function		
Operating costs	$ -	$ -
Selling and marketing expenses	108	108
General and administrative expenses	1,053	2,714
Research and development expenses	557	370
	$ 1,718	$ 3,192

17. OTHER ASSETS

	December 31, 2021	December 31, 2020
Current		
Prepayments		
Prepayment for purchases	$ 1,741	$ 1,864
Prepayment for expenses	$ 1,070	$ 576
Other current assets		
Temporary debits and Payment for others	30	30
	$ 2,841	$ 2,470
Non-current		
Prepayments for equipment	$ 6,834	$ 3,888
Refundable deposits	582	582
Overdue receivables (Note11)	30	30
Allowance for impairment loss - overdue receivables	(30)	(30)
	$ 7,416	$ 4,470

18. BORROWINGS

Short-term borrowings

	December 31, 2021	December 31, 2020
Secured borrowings(Note32)		
Bank loans - export letters of credit	$ 76,221	$ -

The weighted average effective interest rate for export L/C documentary loan which were secured by the Group's notes receivable (refer to Note 32) with maturity date between April 19, 2022 and May 31, 2022 was 0.786% per annum as of December 31, 2021

19. NOTES AND ACCOUNTS PAYABLE

	December 31, 2021	December 31, 2020
Notes payable		
Non-trade	$ 31	$ -
Accounts payable		
Accounts payable	$ 200,299	$ 123,026
Accounts payable - related parties	181,574	43,392
	$ 381,873	$ 166,418

The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

20. OTHER LIABILITIES

	December 31, 2021	December 31, 2020
Current		
Other payables		
Accrued commissions	$ 15,282	$ 2,244
Payables for salaries or bonuses	52,312	46,028
Payables for annual leave	8,050	7,750
Payables for compensation of employees and remuneration of directors (Note 25)	19,500	24,700
Payable for service	1,371	1,380
Accrued freights	2,315	1,770
Other	7,371	9,518
	$ 106,201	$ 93,390
Other payables- related parties(Note31)		
Others	967	955
	$ 107,168	$ 94,345
Contract liability(Note24)		
Advance payment	$ 69,004	$ 30,466
Others liability		
Receipts under custody and others	$ 2,127	$ 2,296

21. PROVISIONS

	December 31, 2021	December 31, 2020
Current		
Warranties*	$ 2,938	$ 3,285
Non-current		
Warranties*	$ 1,386	$ 2,239

	Warranty	
	2021	2020
Balance on January 1	$ 5,524	$ 18,124
Additional provisions recognized	3,010	
Amount used	(4,210)	(7,010)
Reversal of unused portion		(5,590)
Balance on December 31	$ 4,324	$ 5,524

*The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under sale of goods legislation. The estimate had been made on the basis of historic warranty trends, and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plans

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

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows::

	December 31, 2021	December 31, 2020
Present value of defined benefit obligation $ Fair value of plan assets	$ 18,132	$ 22,031
Present value of defined benefit obligation $ Fair value of plan assets	(7,724)	(6,987)
Allocation for deficiency	10,408	15,044
Net defined benefit liabilities (assets)	$ 10,408	$ 15,044

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

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities**
Balance on January 1, 2021	$ 22,031	($ 6,987)	$ 15,044
Service cost			
Service cost of current period	-	-	-
Net interest expense (income)	110	(37)	73
Recognized in loss (profit)	110	(37)	73
Remeasurement			
Return on plan assets (other than amounts included in net interest)	-	(85)	(85)
Actuarial loss – change in	424	-	424

demographic assumptions			
Actuarial loss – changes in financial assumptions	-	-	-
Actuarial loss – experience adjustments	(4,433)	-	(4,433)
Recognized in other comprehensive loss (gain)	(4,009)	(85)	(4,094)
Contributions from employer	-	(615)	(615)
Balance on December 31, 2021	$ 18,132	($ 7,724)	$ 10,408
Balance on January 1, 2020	$ 21,342	($ 6,090)	$ 15,252
Service cost			
Service cost of current period	-	-	-
Net interest expense (income)	160	(48)	112
Recognized in loss (profit)	160	(48)	112
Remeasurement			
Return on plan assets (other than amounts included in net interest)	-	(189)	(189)
Actuarial loss – change in demographic assumptions	144	-	144
Actuarial loss – changes in financial assumptions	538	-	538
Actuarial loss – experience adjustments	(153)	-	(153)
Recognized in other comprehensive loss (gain)	529	(189)	340
Contributions from employer	-	(660)	(660)
Balance on December 31, 2020	$ 22,031	($ 6,987)	$ 15,044

The amount recognized as profit or loss for the defined benefit plan is summarized by function as follows:

	For the Year ended December 31	
	2021	2020
Operating expense	$ 19	$ 26
Selling and marketing expenses	17	19
General and administrative expenses	15	42
Research & development expense	22	25
	$ 73	$ 112

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau 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 were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2021	December 31, 2020
Discount rate(s)	0.50%	0.50%
Expected rate(s) of salary increase	2.00%	2.00%
Death rate	According to the sixth mortality experience table of Taiwan life insurance industry	According to the fifth mortality experience table of Taiwan life insurance industry
Disability rate	According to 10% of expected mortality rate	According to 10% of expected mortality rate

Employee turnover rate

Based on the empirical data of consolidated company on the turnover rate of the Company in the past and the future trend, the revised data were adopted.

Age	2021	2020
20 years old ~ 30 years old	6% ~ 10%	6% ~ 10%
35 years old ~ 60 years old	0% ~ 4%	0% ~ 4%

The turnover rate under 20 years old shall be calculated as 20 years old; the turnover rate of each age group shall be calculated in the way of internal difference.

Voluntary retirement rate

Assuming that Z is the earliest retirement age for individual employees

Age	December 31, 2021	December 31, 2020
Z	15%	15%
Z＋1 ~ 64	3%	3%
65	100%	100%

However, the voluntary retirement rate of individual employees shall not be less than 1.5 times of the turnover rate for the same age adopted by the Company.

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 will increase (decrease) as follows:

	December 31, 2021	December 31, 2020
Discount rate(s)		
0.25% increase	($ 460)	($ 540)
0.25% decrease	$ 479	$ 562
Discount rate(s)		
0.25% increase	$ 465	$ 546
0.25% decrease	($ 449)	($ 527)

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	December 31, 2020
The expected contributions to the plan for the next year	$ 607	$ 676
The average duration of the defined benefit obligation	10.3 years	9.9 years

23. EQUITY

a. Share capital

Common Stock

	December 31, 2021	December 31, 2020
Number of shares authorized (in thousands)	100,000	100,000
Shares authorized	$1,000,000	$1,000,000
Number of shares issued and fully paid (in thousands)	38,255	38,255
Shares issued	$ 382,549	$ 382,549

The authorized shares include 4,000 thousand shares allocated for the exercise of employee stock options

b. Capital surplus

	December 31, 2021	December 31, 2020
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*		
Issuance of ordinary shares	$ 386,829	$ 396,393
Less：Cash dividend issued from additional paid-in capital	-	(9,564)
	$ 386,829	$ 386,829

* 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 to once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on distribution of employees' compensation and remuneration of directors after amendment, refer to employees' compensation and remuneration of directors in Note 25, (g).

Taking into account future capital expenditure requirements and long-term financial planning of the Company, the total dividends paid in any given year may not be less than 50% of the distributable earnings in that year. However, cumulative distributable earnings cannot be distributed if it is less than 20% of the total paid-up capital. Dividends could be distributed either through cash or shares, and cash dividends shall not be less than 10% of the total dividends for the year.

An appropriation of earnings to a legal reserve should be made until the legal reserve equals the Company's paid-in capital. The 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.

The company is in accordance with the provisions of the No. 1090150022 order of the Financial supervisory Commission R.O.C .The amendments explicitly stipulate that when a special reserve is appropriated for cumulative net debit balance reserves from prior period, the sum of net profit for current period and items other than net profit that are included directly I the unappropriated earning for current period is used if the prior unappropriated earnings is not sufficient. Before the Articles is amendments, the special reserve is appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2020 and 2019 that were approved in the shareholders' meetings on July 22, 2021 and June 9, 2020, respectively, were as follows:

	For the Year Ended December 31	
	2020	**2019**
Legal reserve	$ 20,859	$ 20,636
Special reserve	-	2,702
Reversal of special surplus reserve	(2,728)	-
Cash dividends	191,274	181,710
Cash dividends (additional paid-in capital)	-	9,564
Cash dividends per share (NT$)	5	5

The company suspends its originally scheduled on June 11,2021 shareholders' meeting in response to the FSC's announcement (For pandemic prevention, the FSC demands public companies to postpone their shareholders' meetings.) The shareholders' meeting change held on July 22, 2021.
In addition, the General Shareholders' Meeting of the Company resolved on June 9, 2020 to release the capital reserves of NT$9,564,000 respectively in cash.

The appropriation of earnings for 2021 was proposed by the Company's board of directors on March 15, 2022. The appropriation and dividends per share were as follows:

	2021
Legal reserve	$ 16,572
Cash dividends	147,281
Cash dividends per share (NT$)	3.85

The above appropriation for cash dividends had been resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting to be held on June 14, 2022.

d. Special reserve

	For the Year Ended December 31	
	2021	2020
Beginning on January 1	$ 2,728	$ 26
Appropriations of special reserves	-	2,702
Reversal of special reserves	(2,728)	-
Balance on December 31	$ -	$ 2,728

e. Other Equity Items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2021	2020
Beginning on January 1	($ 49)	($ 50)
Exchange differences arising on translating the financials statements of foreign operations	(428)	2
Conversion of income tax related to interests arising from net assets of foreign operating agency	86	(1)
Other comprehensive income recognized for the period	(342)	1
Balance on December 31	($ 391)	($ 49)

2) Unrealized gain or loss on Financial Assets at FVTOCI

	For the Year Ended December 31	
	2021	2020
Balance on January 1	$ 11,292	($ 2,678)
Recognized in current period		
Unrealized gain (loss)-equity instruments	(5,940)	19,752
Other comprehensive Income recognized for the year	(5,940)	19,752
Gain (loss) on disposal of equity instruments transfer to retained earnings	(166)	(5,782)
Balance on December 31	$ 5,186	$ 11,292

24. REVENUE

	For the Year Ended December 31	
	2021	2020
Revenue from contracts with customers		
Revenue from the sale of goods	$ 1,693,167	$ 1,698,488
Design & development revenue	37,822	57,754
Service revenue	12,807	13,057
	$ 1,743,796	$ 1,769,299

a. Revenue from Sales to customers

Revenue from the sale of goods

Goods are categorized into computer monitors and customized products for manufacturing engineering. The Group engages in the sale of embedded control systems, medical displays, and application-specific display modules at the agreed prices stipulated in contracts, quotations or orders.

Service revenue

Service revenue mainly comprises revenue from the design of embedded, medical, and application specific display modules during product development; revenue from customers' request for repair when defects occur in products that exceed the warranty period; and revenue recognized at the agreed prices stipulated in contracts.

b. Contract Balance

	December 31, 2021	December 31, 2020	January 1, 2020
Accounts and Notes receivables (Note 11)	$ 467,151	$ 275,115	$ 283,273
Contract liabilities (Note 20)			
Sale of good	$ 69,004	$ 30,466	$ 39,767

The change of contract assets and contract liabilities is mainly due to the difference between the time of meeting the performance obligation and the time of payment by the customer. There is no other material change.

The amount recognized as income in the current year from the contract liabilities at the beginning of the year and the performance obligations already met in the earlier period is as follows:

	2021	2020
Contract liabilities at the beginning of the year		
Revenue from sale of goods	$ 11,258	$ 36,533

c. Division of customer contract revenue

For the year ended December 31,2021

	Embedded Control	Application specific	Medical Touch	Others	Total
Goods or service					
Revenue from sale of	$ 419,524	$ 442,946	$ 679,283	$ 151,414	$1,693,167

goods					
Service revenue	6,379	20,619	23,477	154	50,629
	$ 425,903	$ 463,565	$ 702,760	$ 151,568	$1,743,796

For the year ended December 31,2020

	Embedded Control	Application specific	Medical Touch	Others	Total
Goods or service					
Revenue from sale of goods	$ 641,204	$ 617,098	$ 294,862	$ 145,324	$1,698,488
Service revenue	6,173	6,818	57,814	6	70,811
	$ 647,377	$ 623,916	$ 352,676	$ 145,330	$1,769,299

25. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

a. Interest income

	For the Year Ended December 31	
	2021	2020
Bank deposits	$ 1,287	$ 2,251
Financial assets at amortized cost	386	1,570
	$ 1,673	$ 3,821

b. Other income

	For the Year Ended December 31	
	2021	2020
Dividend income	$ 4,114	$ 2,242
Others	127	148
	$ 4,241	$ 2,390

c. Other gains and losses

	For the Year Ended December 31	
	2021	2020
Gain (loss) on financial instruments		
Mandatorily measured at FVTPL	$ 1,097	$ 3,920
Net foreign exchange gain (losses)	(10,971)	(24,805)
Gain on Lease	255	-
Others	(89)	(95)
	($ 9,708)	($ 20,980)

d. Financial Costs

	For the Year Ended December 31	
	2021	2020
Interest on lease liabilities	($ 1,529)	($ 2,066)
Bill inrerest cost	(219)	-
	($ 1,748)	($ 2,066)

There was no interest capitalization in 2021 and 2020.

e. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
An analysis of deprecation by function		
Operating costs	$ 10,617	$ 10,642
Operating expenses	24,952	25,528
	$ 35,569	$ 36,170
An analysis of amortization by function		
Operating costs	$ -	$ -
Operating expenses	1,718	3,192
	$ 1,718	$ 3,192

f. Employees' Benefit Expenses

	For the Year Ended December 31	
	2021	2020
Short-term benefits	$ 183,190	$ 186,458
Post-employment benefits(Note 21)		
Defined contribution plans	5,806	5,992
Defined benefit plans	73	112
	5,879	6,104
Other employee benefits	6,930	7,900
Total employee benefits expense	$ 195,999	$ 200,462
An analysis of employee benefits expense by function		
Operating costs	$ 52,029	$ 54,497
Operating expenses	143,970	145,965
	$ 195,999	$ 200,462

g. Employees' compensation and remuneration of directors and supervisors

The Company accrued employees' compensation at the rates of no less than 7.5%~10% and remuneration of directors at the rates of no higher than 3%, of net profit before income tax, employees' compensation, and remuneration of directors. Employees' compensation and the remuneration of directors for the year ended December 31, 2021 and 2020 were approved by the Board of Directors on March 15, 2022 and March 23, 2021, respectively, and are as follows:

Accrual rate

	For the Year Ended December 31	
	2021	**2020**
Employees' compensation	7.6%	7.5%
Remuneration of directors	1.9%	1.5%

Amount

	2021		2020	
	Employees' compensation	Remuneration of directors	Employees' compensation	Remuneration of directors
The Board of Directors issue pay amounts	$ 16,500	$ 4,000	$ 20,600	$ 4,100
Annual consolidated financial statements authorized	$ 16,500	$ 3,000	$ 20,600	$ 4,100

There was difference between the will pay amounts of employees' compensation and remuneration of directors and the amounts recognized in the company financial statements by the Board of Directors on March 15 2022 and will be adjusted in 2022 income.

If there is a change in the proposed amounts after the annual the company financial statements are authorized for issue, the differences are 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 company financial statements for the years ended December 31, 2020 and 2019
Information on the employees' compensation and remuneration of directors resolved by the company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange

h. Gain and loss on foreign currency exchange

	For the Year Ended December 31	
	2021	**2020**
Foreign exchange gains	$ 20,320	$ 26,533
Foreign exchange losses	(31,291)	(51,338)
Net gain (loss)	($ 10,971)	($ 24,805)

i. The reversal of impairment of non-financial instruments

	For the Year Ended December 31	
	2021	2020
Inventories (included in costs of goods sold)	$ 17,000	($10,000)

26. INCOME TAXES RELATING TO CONTINUING OPERATION

a. Income tax recognized in profit or loss

	For the Year Ended December 31	
	2021	2020
Current tax		
In respect of the current period	$ 33,289	$ 47,239
Surtax on undistributed retained earnings	-	65
Adjustment for the prior year	(4,919)	(1,828)
	28,370	45,476
Deferred tax		
In respect of the current period	5,047	1,207
Income tax expense recognized in profit or loss	$ 33,417	$ 46,683

A reconciliation of accounting profit and income tax expense recognized in profit or loss is as follows:

	For the Year Ended December 31	
	2021	2020
Income before income tax	$ 195,691	$ 249,758
Income tax expense calculated at the statutory rate	$ 39,138	$ 49,951
Non-deductible tax loss	(1,042)	(1,475)
Surtax on undistributed retained earnings	-	65
Unrecognized deductible temporary difference	240	(30)
Unrecognized net operating loss	(4,919)	(1,828)
Adjustments for prior year	$ 33,417	$ 46,683

b. Income Tax Recognized in Other Consolidated Profit or Loss

	For the Year Ended December 31	
	2021	2020
Deferred tax		
In respect of the current year		
Translation of foreign operations	$ 86	($ 1)
Remeasurement on defined benefit plans	(818)	68
	($ 732)	$ 67

c. Current income tax assets and liabilities

	December 31, 2021	December 31, 2020
Current tax liabilities		
Income tax payable	$ 8,688	$ 22,063

d. Deferred tax assets and liabilities

The movements of deferred assets and liabilities were as follows:

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Deferred tax assets				
Temporary differences				
Defined benefit obligation	$ 193	($ 108)	($ 85)	$ -
Allowance for write-down of inventories	8,079	(3,400)	-	4,679
Debt provision	1,105	(240)	-	865
Accrued warranty expense	453	-	-	453
Allowances for bad debts exceeding the limit	764	(764)	-	-
Foreign operating agency exchange difference	12	-	86	98
Unrealized exchange difference	1,497	(219)	-	1,278
Financial liabilities measured at fair value through profits and losses	240	(240)	-	-
Other	1,550	60	-	1,610
	$ 13,893	($ 4,911)	$ 1	$ 8,983
Deferred tax liabilities				
Temporary differences				
Long-term investment accounted for using the equity method	($ 55)	($ 136)	$ -	($ 191)
Defined benefit obligation	-	-	(733)	(733)
	($ 55)	($ 136)	($ 733)	($ 924)

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Deferred tax assets				
Defined benefit retirement plan	$ 234	($ 109)	$ 68	$ 193
Impairment loss on inventories	6,079	2,000	-	8,079
Debt provision	3,625	(2,520)	-	1,105
Accrued warranty expense	453	-	-	453
Allowances for bad debts exceeding the limit	-	764	-	764
Foreign operating agency exchange difference	13	-	(1)	12
Unrealized exchange difference	3,077	(1,580)	-	1,497
Financial liabilities measured at fair value through profits and losses	-	240	-	240
Other	1,500	50	-	1,550
	$ 14,981	($ 1,155)	$ 67	$ 13,893

	Opening Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Deferred tax liabilities				
Temporary differences				
Financial liabilities measured at fair value through profits and losses	($ 3)	$ 3	$ -	$ -
Long-term investment accounted for using the equity method	-	(55)	-	(55)
	($ 3)	($ 52)	$ -	($ 55)

e. Income Tax Assessment

The Company's business income tax declarations over the years have been verified by the taxing authority to 2019.

27. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2021	2020
Basic earnings per share		
From continuing operation	$ 4.24	$ 5.31
Total	$ 4.24	$ 5.31
Diluted earnings per share		
From continuing operation	$ 4.21	$ 5.25
Total	$ 4.21	$ 5.25

Earnings per share and weighted average number of common shares used to calculate the earnings per share are as follows:

Net profit for the year

	2021	2020
Net profit for the year	$ 162,274	$ 203,075
Net profit used to calculate the basic earnings per share	$ 162,274	$ 203,075
Net profit used to calculate the diluted earnings per share	$ 162,274	$ 203,075

Unit: In Thousand Shares

	For the Year Ended December 31	
	2021	2020
Weighted average number of ordinary shares outstanding in computation of basic earnings per share	38,255	38,255

	2021	2020
Effect of potentially dilutive ordinary shares:		
Employees' compensation	316	391
Weighted average of ordinary shares outstanding in computation of dilutive earnings per share	38,571	38,646

If the Company settles the bonuses or remuneration paid to employees in cash or shares, the Company presumed that the entire amount of the bonus or remuneration would 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, if the effect is dilutive. The 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.

28. CASH FLOW INFORMATION

a. Non-cash transaction

For the year ended December 31, 2021 and 2020, the Company entered into the following non-cash investing and financing activities :

1) The Company reclassified prepayments for equipment amounting to $9,909 and $17,027 thousand to property, plant and equipment for the year ended December 31, 2021 and 2020, respectively.

2) The Company reclassified prepaid equipment to other intangible assets amounting to $3,542 thousand in the year ending December 31, 2021.

3) The Company prepaid equipment and acquired property, plant, and equipment in the year ended December 31, 2020, resulting in decrease in other payables by $860 thousand, respectively..

b. Changes in Liabilities from Fund-raising Activities

For the year ended December 31, 2021

			Non-cash Changes			
	Balance as of January 1, 2021	Cash Flows	New Lease	Interest Amortized	Disposals	Balance as of December 31, 2021
Short-term borrowings	$ -	$ 76,221	$ -	$ -	$ -	$ 76,221
Lease liabilities	63,772	(21,085)	9,428	1,529	(11,225)	42,419
	$ 63,772	$ 55,136	$ 9,428	$ 1,529	($ 11,225)	$ 118,640

For the year ended December 31, 2020

			Non-cash Changes			
	Balance as of January 1, 2020	Cash Flows	New Lease	Interest Amortized	Disposals	Balance as of December 31, 2020
Lease liabilities	$ 82,185	($ 21,912)	$ 1,433	$ 2,066	$ -	$ 63,772

29. CAPITAL MANAGEMENT

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

Adopting a prudent risk management strategy and regularly reviewing the strategy, the Company engages in overall planning based on business development strategies and operational needs, in order to determine the appropriate capital structure of the Company

The company is not subject to any externally imposed capital requirements.

30. FINANCIAL INSTRUMENTS

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

The management of the Company believes the carrying amounts of financial assets and financial liabilities not measured at fair value that are very close to maturity or whose future prices equals their carrying amounts, approximates their fair values.

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

1.Fair value hierarchy

Balance as of December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in ROC	$ 10,594	$ -	$ -	$ 10,594
Financial assets at FVTOCI				
Investments in equity				
Securities listed in ROC	$ 37,595		$	$ 37,595
Domestic unlisted shares and domestic emerging market shares	-	-	47,924	47,924
Total	$ 37,595-	-	$ 47,924	$ 85,519

Balance as of December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in ROC	$ 12,354	$ -	$ -	$ 12,354
Financial assets at FVTOCI				
Investments in equity				
Securities listed in ROC	$ 43,607	$ -	$ -	$ 43,607

There were no transfers between Levels 1 and 2 in the current and prior periods.

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

2021

Financial assets	Financial assets at FVTPL Equity Instrument
Balance at January 1	$ -
Recognized in other comprehensive income	-
Purchase	47,924
Balance at December 31	$ 47,924
Unrealized gain (loss) for the current year included in profit or loss relating to assets held at the end of the year	$ -

3. Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

The Company measures the fair value of its investments on domestic unlisted shares by using the market approach.and using asset-based approach. The comparable company method of market approach is based on the profitability at the end of the year to select the market multiplier of comparable companies. The valuation method is chosen by the Company after careful evaluation. Therefore, the fair value measurement is reasonable.The asset-based approach assesses the fair value by calculating the value of each asset and liability by reflect the overall fair value

c. Categories of financial instruments

	December 31, 2021	December 31, 2020
Financial assets		
Fair value through profit or loss (FVTPL)		
Mandatory at FVTPL	$ 10,594	$ 12,354
Financial assets at amortized (Note 1)	1,213,636	1,004,209
Financial assets at FVTOCI equity instruments		
Investments in equity instruments	85,519	43,607
Financial liabilities		
Measured at amortized cost (Note 2)	565,293	260,763

Note 1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivables,accounts receivables, other receivables and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term loans ,notes payable, accounts payables, and other payable.

d. Financial risk management objectives and policiet

The Company’s major financial instruments included equity and debit investments, accounts receivables, accounts payables, borrowings and lease liabilities. The Company’s Corporate Treasury monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk, and liquidity risk.

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 risk (see (c) below).

There had been no change to the Company’s exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Company’s had foreign currency sales and purchases, which exposed the Company to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing forward exchange contracts and currency swaps.

The carrying amounts of the Company’s foreign currency denominated monetary assets and monetary liabilities and as for the carrying amounts of derivatives exposing to foreign currency risk at the end of the reporting period, refer to Note 34.

Sensitivity Analysis

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

The following table details the Company’s sensitivity to a 1% increase in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. 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%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency exchange forward contracts designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 1% change in exchange rates. A positive number below indicates an increase in pre-tax profit associated with the New Taiwan dollar weakening 1% against the relevant currency. For a 1% strengthening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	U.S. Dollar Impact	
	For the Year Ended December 31	
	2021	**2020**
Profit and Loss	$ 3,710(i)	$ 3,430(i)

(i) This was mainly attributable to the exposure outstanding on U.S. dollar-denominated accounts receivables and accounts payables, which were not hedged at the end of the reporting period

The Company's sensitivity to foreign currency increase during the current year mainly due to the increase of accounts receivable balance in the USD In management's opinion, the sensitivity analysis did not reflect the inherent exchange rate risk because the exposure at the end of the year did not reflect the exposure during the period.

In management's opinion, the sensitivity analysis did not reflect the inherent exchange rate risk because the exposure at the end of the year did not reflect the exposure during the period.

b) Interest Rate Risk

The Company evaluates hedging activities regularly to align with interest rate views and defined risk appetite and ensures that the most cost-effective hedging strategies are applied.

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

	December 31, 2021	December 31, 2020
Fair value interest rate risk		
—Financial assets	$ 340,720	$ 374,314
—Financial liabilities	$ 76,221	$ -
Cash flow interest rate risk		
—Financial assets	$ 380,152	$ 345,608

Sensitivity Analysis

The sensitivity analyses below were determined based on the Company's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. A 50 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 50 basis points higher/lower and all other variables were held constant, the Company's pre-tax profit for the year ended December 31, 2021 and 2020 would increase/decrease by NT$1,901 thousand NT$1,728 thousand, which was mainly attributable to the Company's exposure to the floating-interest rates on bank deposits.

The Company's sensitivity to interest rates reduced during the year, mainly affected by the increase in bank deposits with variable interest rates.

c) Other Price Risk

The Company was exposed to equity price risk through its investments in mutual funds. The Company has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity Analysis

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

If equity prices had been 3% higher/lower, the pre-tax other comprehensive income for the year ended December 31, 2021 and 2020 would have increased/decreased by NT$318 thousand and NT$371 thousand as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices had been 3% higher/lower, the pre-tax profit for the year ended December 31, 2021, and 2020 would have increased/decreased by NT$2,566 thousand and NT$1,308 thousand, as a result of the changes in fair value of financial assets at FVTPL.

The Company's sensitivity to equity prices reduced in the current year, mainly due to a increase financial assets investment.

2) Credit Risk

Credit risk refers to the risk of the company's financial losses caused by the counterparty's default of contractual obligations. As of the balance sheet date, the maximum credit risk exposure of the company that may cause financial losses due to the counterparty's failure to perform its obligations and the company's financial guarantees (the maximum irrevocable maximum exposure amount that does not consider collateral or other credit enhancement tools) mainly from:

a) The book value of financial assets recognized on the individual's balance sheet.

b) The maximum amount payable by the Company due to financial guarantees provided by the Company, regardless of possibility.

Financial assets are potentially affected by the failure of the Company's counterparties to fulfill their contractual obligations. The Company's credit risk is evaluated based on contracts whose fair value at the end of the financial reporting period is positive. The Company's counterparties are financial institutions and companies with sound credit ratings. The Company has a dedicated unit that regularly monitors counterparty credit exposure levels every year, so no significant credit risk is expected.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. The Company has signed a contract with the bank to sell accounts receivable, and there is no need to guarantee to the ability of debtors in accounts receivable to affect fulfillment of debt obligations due to credit risk within the bank's underwriting limit. Hence, the management of the Company believes that the credit risk of the Company has declined significantly

Accounts receivable from customers exceeding 5% of the total accounts receivable accounted for 61.30% and 72.02%of the Company's accounts receivable balance as of December 31, 2021 and 2020, respectively.

The maximum credit exposure of the Company is the net carrying amount of financial assets after deducting the amount that can be offset against each other and the impairment loss recognized in accordance with the regulations without considering collateral and other credit enhancement policies.

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. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2021 and 2020, the Company's available unutilized bank loan facilities set out in section (b) below.

a) Liquidity and interest risk rate tables for non-derivative financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had 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 tables included 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. The maturity dates for other non-derivative financial liabilities were based on agreed repayment dates.

December 31, 2021

	Less Than 1 Year	1-5 Years
Non-interest bearing liabilities		
Notes payable	$ 31	$ -
Trade payable	381,873	-
Other payable	107,168	-
Lease liabilities	21,085	22,474
Fixed Rate		
Short-term borrowings	76,440	-
	$586,597	$22,474

Further information on maturity analysis of lease liabilities is as follows:

	Less Than 1 Year	1-5 Years
Lease liabilities	$ 21,085	$ 22,474

December 31, 2020

	Less Than 1 Year	1-5 Years
Non-interest bearing liabilities		
Notes payable	$ -	$ -
Trade payable	166,418	-
Other payable	94,345	-
Lease liabilities	22,387	46,387
	$ 283,150	$ 46,387

Further information on maturity analysis of lease liabilities is as follows:

	Less Than 1 Year	1-5 Years
Lease liabilities	$ 22,387	$ 46,387

b) Financing facilities

	December 31, 2021	December 31, 2020
Unsecured bank overdraft facilities		

－Amount used	$ 6,000	$ 10,000
－Amount unused	184,720	183,920
	$ 190,720	$ 193,920

31. TRANSACTIONS WITH RELATED PARTIES

The parent company of the Company is Promate Electronic Co., Ltd., which held 66.21% of the Company's ordinary shares on December 31, 2021 and 2020

Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Names and categories of related parties

Name	Related Party Category
Promate Electronic Co., Ltd.	Parent company of the Company
PROMATE JAPAN CO., LTD.	Subsidiary
Promate Electronic (Shenzhen) Co., Ltd.	Fellow subsidiary company
Promate Electronic (Shanghai) Co., Ltd.	Fellow subsidiary company
PROMATE ELECTRONICS COMPANY USA	Fellow subsidiary company
Weikeng Industrial Co., Ltd.	Substantive Party - Chairman is the Director of the Company
HIGGSTEC INC.	Principal management - parent company of the Company is the corporate director of the Company

b. Operating revenues

		For the Year Ended December 31	
Line Item	Related Party Category/Name	2021	2020
Sale of goods	The Company's Parent company	$ 29,582	$ 20,506
	Subsidiary	10,090	
	Subsidiary of Promate	44	61
		831	1,751
	Managerial level		
		$ 40,547	$ 22,318
Repairs	The Company's Parent company	$ 97	$ 45

c. Purchase of goods

	For the Year Ended December 31	
Related Party Category/Name	2021	2020
Promate Electronic Co., Ltd	$ 444,504	$ 258,491
Substantive related party-chairman is a director of the Company	34,201	39,793
Managerial level	13,526	12,494
	$ 492,231	$ 310,778

The terms of sale and purchase and the period of credit between the Company and related parties are not materially different from those of other customers and suppliers of the Company.

d. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	December 31, 2021	December 31, 2020
Account Receivable	**The Company's Parent company**	$ 3,568	$ 5,167
	Subsidiary	4,865	
	Managerial level	644	-
		$ 9,077	$ 5,167
Other Receivable	**Subsidiary**	$ 345	$ -

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2021 and 2020, no impairment losses were recognized for trade receivables from subsidiaries.

e. Payables to related parties (excluding borrowings from related parties)

Line Item	Related Party Category/Name	December 31, 2021	December 31, 2020
Accounts payable	Promate Electronic Co., Ltd	$ 168,978	$ 34,739
	Substantive related party-chairman is a director of the Company	7,889	6,740
	Managerial level	4,707	1,913
		$ 181,574	$ 43,392
Other payables	**Subsidiary**	$ 360	$ -
	Subsidiary of Pormate	607	955
		$ 967	$ 955

The outstanding accounts payables to related parties are unsecured.

f. Lease arrangements - the Company is lessee

Related Party Categories/Name	For the Year ended December 31 2021	2020
Acquisition of right-of-use assets		
Substantive related parties		
Weikeng Industrial Co., Ltd.	$ 5,439	$ -

Line Item	Related Party Category/Name	December 31, 2021	December 31, 2020
Lease liabilities	Promate Electronic Co., Ltd	$ 21,765	$ 31,819
	Substantive related party-chairman is a director of the Company	4,139	3,808

	$ 25,904	$ 35,627

Related Party Category/Name	For the Year Ended December 31 2021	2020
Interest expense		
Promate Electronic Co., Ltd	$ 742	$ 1,047
Substantive related party - chairman is a director of the Company	132	123
	$ 874	$ 1,170
Gain on leaset modifiction		
Substantive related party - chairman is a director of the Company	$ 111	$ -

Lessor	Location	Lease Term Payment Method
Promate Electronic Co., Ltd	Chingpu Plant	The lease term begins on January 1, 2019 and ends on December 31, 2023. Rent is paid every six months, where the monthly rent is NT$929,000.
Substantive related party- chairman is a director of the Company	Office building along Huanshan Road, Neihu District	The lease term begins on January 1, 2019 and ends on December 31, 2023. Rent is paid every six months, where the monthly rent is NT$111,000 ◦ (In January 1, 2021, the lease was early terminated)
Substantive related party- chairman is a director of the Company	Office building along Huanshan Road, Neihu District	The lease term begins on January 1, 2021 and ends on December 31, 2024. Rent is paid every six months, where the monthly rent is NT$119,000 ◦

g. Other transactions with related parties

Line Item	Related Party Category/Name	For the Year Ended December 31 2021	2020
Research and development expense	The Company's Parent company	$ 1,535	$ 1,395
	Substantive related party-chairman is a director of the Company	579	424
	Managerial level	1,600	1,033
		$ 3,714	$ 2,852
Professional service fees	Subsidiary	$ 1,560	$ -
	Subsidiary of Pormate l	8,613	9,342
		$ 10,173	$ 9,342
IT information expense	The Company's Parent company	$ 2,440	$ 2,580

h. Compensation of key management personnel

	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	$ 14,537	$ 26,636
Other long-term employee benefits	392	559
	$ 14,929	$ 27,195

The remuneration of directors and key executives is determined by the remuneration committee based on the performance of individuals and market trends.

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings: ：

	December 31, 2021	December 31, 2020
Notes Receivable（Note11）	$ 76,221	$ -

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS s

In addition to those disclosed in other notes, significant commitments and contingencies of the Company as of December 31, 2021 and 2020 were as follows:

a. As of December 31, 2021 and 2020, the Company has all issued letters of guarantee for tariff guarantee amounted to $6,000 thousand and $10,000 thousand

b. As of December 31, 2021 and 2020 commitments due to contracts for the acquisition of equipment were as follows:

	December 31, 2021	December 31, 2020
Contract amount		
Paid amount	$ 6,834	$ 3,888
Unpaid amount	10,231	7,492
	$ 17,065	$ 11,380

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company entities' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and functional currencies were as follows:

December 31, 2021

Unit: In Thousands for Currencies, Except Exchange Rates

	Foreign Currencies	Exchange Rate	Carrying Amount
Foreign currency assets			

Monetary Item			
US Dollars	$ 27,499	27.68 (USD: TWD)	$ 761,179
Euro	92	31.52 (EUR: TWD)	2,912
GBP	76	37.5 (GBP: TWD)	2,849
JPY	9,994	0.24 (JPY: TWD)	2,403
			$ 769,343
Non-monetary Item			
Subsidiaries withthe Equity Law			
JPY	13,528	0.24 (JYP: TWD)	$ 3,253
Foreign currecy liabilities			
Monetary Item			
US Dollars	$ 14,096	27.68 (USD: TWD)	$ 390,183
Euro	16	31.52 (EUR: TWD)	519
JPY	1,570	0.24 (JPY: TWD)	378
			$ 391,080

December 31, 2020

Unit: In Thousands for Currencies, Except Exchange Rates

	Foreign Currencies	Exchange Rate	Carrying Amount
Foreign currency assets			
Monetary Item			
US Dollars	$ 15,974	28.48 (USD: TWD)	$ 454,940
Euro	166	35.02 (EUR: TWD)	5,813
			$ 460,753
Non-monetary Item			
Subsidiaries withthe Equity Law			
JPY	10,877	0.276 (JYP: TWD)	$ 3,002
Foreign currecy liabilities			
Monetary Item			
USD	3,931	28.48 (USD: TWD)	$ 111,955

The Company is mainly exposed to the fluctuations other than USD. For the year ended December 31, 2021 and 2020, realized foreign exchange gains(losses) were $(4,509) thousand and $(28,079) thousand, respectively; Unrealized foreign exchange gains(losses) were $(6,462) thousand and $3,274 thousand for the year months ended December 31, 2021 and 2020, respectively.

35. OTHERS ITEMS

On April 29, 2021, the Company's board of directors resolved to subscribe Esquarre IoT Landing Fund,L.P. in US$5 million. The investments in private funds accounted for 13.00% of the company's total equity of the current period. As of December 31, 2021, the Company has invested US$1,723 thousand and measured at fair value through other comprehensive income. Please refer to Note 8 disclosure

36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. information on investee

1) Financing provided to others. (None)

2) Endorsement/guarantee provided. (None)

3) Marketable securities held. (Table 1)

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital. (Table 2)

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 3)

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

9) Trading in derivative instruments. (None).

b. Information of investees. (Table 4)

c. Information on investments in mainland China (None).

d. Information of major shareholders: The following is the information of major shareholders: Name of major shareholder, number of shares owned and percentage of ownership of shareholders whose percentage of ownership of shareholders is higher than 5%. (Table 5).

TABLE 1

PROMATE SOLUTIONS CORPORATION

MARKETABLE SECURITIES HELD
December 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company (Note 2)	Financial Statement Account	December 31, 2020				Note (Note 4)
				Number of Shares	Carrying Amount (Noted 3)	Percentage of Ownership (%)	Fair Value	
Promate Solutions Corporation	Ordinary shares:							
	HIGGSTEC Inc.	None	Financial assets at fair value through profit or loss - noncurrent	1,062,000	$ 37,595		$ 37,595	Publicly traded stocks
	Esquarre IoT Landing Fund,L.P.	〃	〃		47,924		47,924	Non-publicly traded equity investments
					$ 85,519		$ 85,519	
	LOTES CO., LTD.	〃	Financial assets at fair value through profit or loss - current	1,000	$ 761		$ 761	Publicly traded stocks
	Asia Vital Components Co., Ltd.	〃		13,000	1,147		1,147	〃
	INTERNATIONAL GAMES SYSTEM CO.,LTD..	〃	〃	2,000	1,586		1,586	〃
	Avalue Technology Incorporation	〃	〃	12,000	683		683	〃
	KO JA (CAYMAN) CO., LTD	〃	〃	40,000	3,136		3,136	〃
	Sports Gear Co., Ltd.	〃	〃	35,000	2,366		2,366	〃
	NAN YA PRINTED CIRCUIT BOARD CORPORATION.	〃	〃	1,600	915		915	〃
					$ 10,594		$ 10,594	

Note 1. Marketable securities in this table refer to stocks, bonds, beneficiary certificates, and other relevant derivative securities as promulgated in IFRS 9 "Financial Instruments."

Note 2. When the issuers of marketable securities are not related parties, this column can be left blank

Note 3. If measured by fair value, please fill in the carrying balance, which is adjusted through fair value valuation with loss allowance deducted, in the carrying amount column; if not measured by fair value, please fill in the carrying balance at amortized cost (loss allowance is already deducted).

Note 4. The number of shares of securities, the amount pledged as security or pledged for loans, and the restrictions on use under some agreements shall be stated in the remarks column if the securities presented herein have such conditions.

Note 5. Please refer to Table 4 for relevant information on investments in subsidiaries.

TABLE 2

PROMATE SOLUTIONS CORPORATION
MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST $300 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	Type and Name of Marketable Securities (Note 1)	Financial Statement Account	Counter Party	Relationship	Beginning Balance		Acquisition (Note 2)		Disposal (Note 2)				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares	Amount
Promate Solutions Corporation	Fund beneficiary certificate－UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	President Securities Corporation	None	-	$ -	11,866,939	$ 200,000	11,866,939	$ 200,062	$ 200,000	$ 62	-	$ -
	Fund－First Abu Dhabi Bank	Cash and cash equivalents	China Bills Finance Corporation Foreign Branch Fund	None	-	-	-	109,789 (USD 3,956)	-	109,855 (USD 3,958)	109,789 (USD 3,956)	66 (Note 4)	-	-

Note 1. Marketable securities in this table refer to stocks, bonds, beneficiary certificates, and other relevant derivative securities.

Note 2. Marketable securities investor by equity need wrire this item if none.

Note 3. The accumulated amount of purchase and sales shall be calculated separately based on market value to see if the amount exceed NT$300 million or 20% of the Company's paid-in capital..

Note 4. Paid-in capital referred to herein is the parent company's paid-in capital. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of the equity attributable to owners of the parent in the calculation.

Note 4. Interest received on bonds when they expire under repurchase agreements is recognized as interest income.

TABLE 3

PROMATE SOLUTIONS CORPORATION

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $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)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction (Note 1)		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total	Payment Term	Unit Price	Payment Terms	Ending Balance	% to Total	
Promate Solutions Corporation	Promate Electronic Co., Ltd	Parent company	Purchase	$ 444,504	37.23%	Net 60 days after monthly closing	-	-	Accounts payable $ 168,978	44.26%	

Note 1. Where related parties' transaction conditions are different from the general ones, the situation and reasons of the differences shall be stated in the column of unit price and credit granting period.

Note 2. In case of advance payment (receipt), the reasons, contractual terms, the amount, and differences from general transactions shall be stated in the remarks column.

Note 3. Paid-in capital referred to herein is the parent company's paid-in capital. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of the equity attributable to owners of the parent in the calculation.

TABLE 4

PROMATE SOLUTIONS CORPORATION

INFORMATION ON INVESTEES
FOR THE YEAR DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars/Foreign Currency)

Investor Company	Investee Company (Note 1, 2)	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2020			Net Income (Loss) of the Investee (Note 2(2))	Investment Gain (Loss) (Note 2(3))	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Value			
Promate Solutions Corporation	PROMATE JAPAN Inc	Japan	Trade of electronic commodities	$ 2,791	$ 2,791	10,000	100%	$ 3,254	$ 679	$ 679	

Note 1. Where a public company has a foreign holding company and the consolidated financial report is the main financial report according to local laws and regulations, the disclosure of information on foreign investees may only include the holding company's relevant information.

Note 2. In cases other than those described in Note 1, the following information shall be provided:

1) "Investee name," "region," "main business items," "the original investment amount," and "the final stake" shall be filled in in order according to the reinvestment situation of the (public) Company and the reinvestment situation of each investee directly or indirectly controlled, and the relationship between each investee and the (public) Company shall be indicated in the remarks column (e.g., a subsidiary or a sub-subsidiary).

2) In the column of "Profit and loss of investee in the current period," the current profit and loss amount of each investee shall be filled in.

Under "investment gains and losses recognized in the current period," only the recognized profit and loss amount of each subsidiary that is directly invested by the (public) Company and each investee assessed by equity method shall be filled in and the rest is not required to be filled in. Under "gains and losses of subsidiaries that are invested directly are recognized for the current period," it shall be confirmed that the gains and losses of the subsidiaries include their investment gains and losses and that it shall be recognized in accordance with the regulations.

TABLE 5

PROMATE SOLUTIONS CORPORATION

INFORMATION OF MAJOR SHAREHOLDERS
December 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Name of Major Shareholder	Shares	
	Number of Shares	Number of Shares
Promate Electronic Co., Ltd	25,327,500	66.21%

Note 1: The percentage of ownership of major shareholders included in the table should be more than 5%, which was calculated based on the total number of ordinary shares, preference shares and treasury shares owned in the last trading day of the quarter that were traded in and registered electronically and was prepared by the Taiwan Depository & Clearing Corporation. In addition, the share capital and the actual number of traded shares with the completion of electronic registration stated in the consolidated financial statements might vary due to different calculation basis.

6. The impact of the financial difficulties of the Company and the affiliated companies, if any, on the Company's financial position in the past year and as of the printing date of the annual report: None.

VII. Review and analysis of the financial status, financial performance, and risk management:

1. Financial position

Unit: NT$1,000

Item \ Year	2021/12/31	2020/12/31	Difference	
			Amount	%
Current assets	1,576,278	1,320,594	255,684	19.36
Property, plant and equipment	43,823	48,946	(5,123)	(10.47)
Intangible assets	5,851	4,027	1,824	45.29
Non-current assets	144,828	127,144	17,684	13.91
Total Assets	1,770,780	1,500,711	270,069	18.00
Current liabilities	668,997	341,446	327,551	95.93
Non-current liabilities	34,934	60,410	(25,476)	(42.17)
Total liabilities	703,931	401,856	302,075	75.17
Capital	382,549	382,549	-	-
Capital surplus	386,829	386,829	-	-
Retained earnings	292,676	318,234	(25,558)	(8.03)
Other equity	4,795	11,243	(6,448)	(57.35)
Total amount of Equity	1,066,849	1,098,855	(32,006)	(2.91)

Analysis standard

The change of each item reaches more than 20%, and the amount of change is more than 10 million.

Analysis items

Current liabilities:	Mainly due to the increased sales in fourth quarter of 2021 and the increase in stock of inventories coping with electronic components shortage and rise in price, which result in the closing account payable balance raising.
Non-current liabilities:	Mainly due to the rent payables under lease in 2021 is recognized as current liabilities, which result in non-current lease liabilities decreasing.
Total liabilities:	Mainly due to the increased sales in fourth quarter of 2021 and the increase in stock of inventories coping with electronic components shortage and rise in price, which result in the closing account payable balance raising

2. Financial performance

Unit: NT$1,000

Item \ Year	2021	2020	Increase (decrease) amount	Difference %
Operating Revenue	1,745,768	1,771,303	(25,535)	(1.44)
Operating cost	(1,320,182)	(1,278,182)	(42,000)	3.29
Operating margin	425,586	493,121	(67,535)	(13.70)
Operating expenses	(224,410)	(227,132)	2,722	(1.20)
Operating Profit	201,176	265,989	(64,813)	(24.37)
Non-operating income and expense	(5,352)	(16,163)	10,811	(66.89)
Pre-tax profit	195,824	249,826	(54,002)	(21.62)
Income tax expense	(33,550)	(46,751)	13,201	(28.24)
Current period net profit	162,274	203,075	(40,801)	(20.09)

Analysis standard
The change of each item reaches more than 20%, and the amount of change is more than 10 million.
Analysis items
Net operating profit: mainly due to the rise in market electronic components price and product sales portfolio difference that cause the gross profit rate in 2021 to be lower than that of 2020, which result in net operating profit decreasing.

Non-operating income and expenses: mainly due to the exchange rate between US Dollars and New Taiwan Dollars in 2021 is stabler than that of 2020, which result in loss of foreign currency exchange decreasing.

3. Cash flows
(1) Liquidity analysis of the last two years

Item \ Year	2021	2020	Increase (decrease) %
Cash Fl ow Ratio (%)	29.82	37.81	(21.13)
Cash Flow Adequacy Ratio (%)	70.69	59.17	19.47)
Cash Flow Reinvestment Ratio (%)	0.64	(4.72)	(113.61)
Analysis and description on increase or decrease change: 1. Cash flow ratio: mainly due to the increased customer demand sales and purchase quantity from supplier in fourth quarter of 2021, as well as the closing account payable balance, which result in cash flow ratio decreasing. 2. Cash reinvestment ratio: mainly due to the huge inflows of net cash from operation in 2021, which result in cash reinvestment ratio raising.			

(2) Cash liquidity analysis for the coming year

Unit: NT$1,000

Beginning Cash Balance	Net cash inflow from operating activities	Annual cash inflow	Cash surplus (insufficiency) +－	Remedial measures for cash deficit	
				Investment plan	Financial plan
726,561	282,932	27,057	753,618	-	-

4. Effect of major capital spending on financial position and business operations:
The Company has no significant capital expenditure in the most recent year and no significant capital expenditure is planned for the next five years, which will have no impact on the financial affairs.
5. Reinvestment situation: The company's reinvestment is mainly based on business needs, and there is no major investment plan in the next year.
6. Risk management analysis
i. Impact of interest rate and exchange rate changes and inflation on Company's profit and response measures:
(a) Impact of exchange rate fluctuations on the Company's revenue and profit

Unit: NT$1,000

Item \ Year	2021	2020
Net exchange profits (losses)	(10,986)	(24,805)
Operating Revenue	1,745,768	1,771,303

Net exchange profits (losses) to operating revenues(%)	(0.63)	(1.40)
Operating Profit	201,176	265,989
Net exchange profits (losses) to operating Profit (%)	(5.46)	(9.33)

The company's purchase and sales transactions are mostly priced in U.S. dollars, so exchange rate changes will directly affect the company's profits, and there is little difference in the amount of exchange gains and losses generated on the two accounts.

(b) The Company's specific measures in response to exchange rate fluctuations are as follows:

A. The Finance Department compiles the "Statistical Table of Foreign Exchange Positions" derived from US dollar assets and liabilities on each business day, which will be used as the basis for hedging foreign exchange deficiency positions.

B. The Finance Department regularly prepares the "Foreign Exchange Hedge List" and "Statistical Analysis Table of Foreign Exchange Positions" to evaluate the profit and loss caused by foreign exchange rate and provide reference for future foreign exchange hedging.

C. The Company's foreign exchange hedging operation adopts the forward purchase of foreign exchange to lock in the exchange rate cost of incoming goods, and reduce the impact of exchange rate fluctuations on the Company.

D. To connect closely with financial institutions to collect relevant information, and acquire the exchange rate of NTD to USD and other international currencies through the financial market online service, so as to provide the Company to carry on the judgment of foreign exchange hedging, reduce the impact on the normal operation caused by exchange loss of dramatic changes in foreign exchange, and plan the responding measures in a timely manner.

ii. Policies of engaging in high-risk, high-leverage investments, lending to others, providing endorsement and guarantee, and derivatives transactions, profit/loss analysis, and future response measures:

(a) Derivative commodity trading of the Company engaged in

1) For the purpose of trading: none.

2) For non-trading purposes:'

The Company's forward foreign exchange contracts are primarily designed to protect against the foreign currency claims, liabilities and commitments arising from exchange rate fluctuations. The Company's hedging strategy is designed to evade a large portion of the market price risk. The Company uses the derivatives which are highly negatively correlated with the fair price changes of hedged items as the hedging tools, and conducts the periodic evaluations.

3) Change of destination of derivative trading due to changes in objective environment: the Company is not engaged in the derivative trading with the change of destination of derivative trading due to changes in objective environment.

(b) The company has no funds lent to others.

(c) The company does not endorse the guarantee for others.

iii. Research and development work to be carried out in the future, and further expenditures expected for research and development work:

The amount of R&D expenses invested is gradually listed in accordance with the progress of new product development. In the future, it will be improved year by year depending on the operating conditions, so as to support future R&D plans and enhance the company's competitiveness in the industry and the market. It is estimated that this year's R&D expenses will be approximately NT$18,397,000.

iv. Major changes in government policies and laws at home and broad and the impact on the Group's financial position and business activities: None.

v. Effects of changes in technology and industry on the Group's financial position and business activities, and response measures: None.
vi. Impact of corporate image change on risk management and response measures: None.
vii. Expected benefits and potential risks of merger and acquisition: None.
viii. Expected benefits and potential risks of capacity expansion: None.
ix. Risks associated with over-concentration in purchase or sale and response measures:

The company is positioned to produce and sell a small number of diversified and customized niche products. The capacity does not need to be expanded as in mass production of standard specifications. Therefore, when the product quality is recognized and purchased by internationally renowned manufacturers, the sales proportion is easy to compare. Concentrating on major customers, this is a common situation in companies in the growth stage, so it is reasonable without major abnormalities.

In the future, the company will continue to strengthen its research and development capabilities and improve product quality to meet customer product development trends and needs, and to consolidate the good cooperation relationship between the company and its customers. In addition, we hope to increase the number of medical monitors in the world. The actual performance of large customers can continue to actively expand the sales market in terms of production capacity, product application, and innovation capabilities, so as to increase the sales amount and proportion of other original customers, and increase new sales customers and market territory, thereby gradually reducing sales will be more concentrating situation.

The company's parent company, Promate, has been AUO's agent in the Greater China region for more than ten years. It has a good agency relationship with the original factory. The risk of concentration and shortage of the company's main raw materials should be limited; and for the company, in addition to purchasing panels from the parent company, it will also purchase panels from other panel manufacturers and maintain contact with two or more panel suppliers to reduce the risk of sudden shortages of major raw material supply sources.

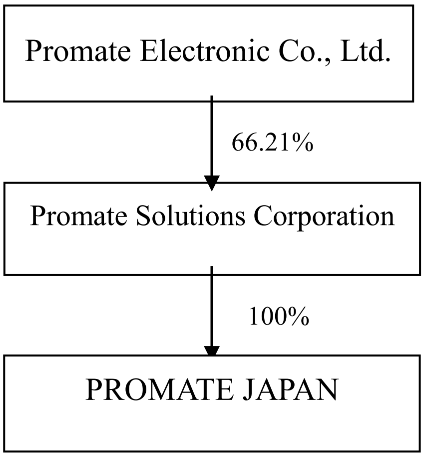
x. Effects and risk of large-scale share transfer or changes in directors, supervisors, or major shareholders with more than 10% shares on the Group, and the response measures: None.
xi. Impact of change in management rights on the Company, associated risk and response measures: None.
xii. For litigious or non-litigious matters, state the major litigation, non-litigation or administrative litigation proceedings that has been determined or is still in litigation of the Group and the Group's directors, supervisors, presidents, de facto responsible person, major shareholders with more than 10% shares, and subordinate companies. If the result may have material impacts on shareholders' equity or stock price, disclose the facts of the dispute, the amount of the subject matter, the commencement date of the lawsuit, the parties involved in the proceedings, and the handling as of the printing date of the annual report: None.
xiii. Other major risks and response measures: None.

7. Other important matters:None.

VIII.Special notes

1. Profiles of affiliates enterprises

(1) Organization chart of affiliated enterprises:



April 15,2022
Unit: NT$1,000

Name of Related Parties	Relationship	Percentage of Ownership	Shares	Investment Amount
Promate Electronic Co., Ltd.	Investment companies evaluated by the equity method of the company	66.21%	25,327,500	297,527

(2) Information on the shareholders of the companies shall be concluded as the existence of the controlling and subordinate relation in accordance with Article 369-3 of the Company Act: None.

(3) In accordance with Paragraph 2 of Item 2 of Article 369 of the Company Act, subsidiary company directly or indirectly controlled by the Company in personnel, finance or business: none

(4) Information on affiliated enterprises:

Name of enterprise	Date of Establishment	Address	Paid-in capital (NT$1,000)	Main business and products
Promate Electronic Co., Ltd.	75.05.26	4F, No. 30, Section 1, Huanshan Road Neihu District, Taipei, 11442 Taiwan	1,934,141	General trade of electronic components
PROMATE JAPAN	106.03	Tokyo, Japan	2,791	Trade of electronic commodities

(5) Information of the same shareholders in companies that are presumed to have a relationship of control and subordination: None.

(6) Industries covered by the operations of all affiliates: Including the purchase and sale of electrical materials and electronic components manufacturing as well as international trade industries.

(7) Information on Directors, Supervisors, and Presidents of affiliates:

April 16, 2022

Name of enterprise	Title	Name or Representative	Shares held	
			Number of shares	Shareholding percentage
Promate Electronic Co., Ltd.	Chairman and General Manager	Eric Chern	8,667,851	4.37%
	Director and COO.	Cheer Du	3,385,088	1.71%
	Director	Ciou-Jiang Hu	2,248,949	1.13%
	Director	Chuang Fong investment Co., Ltd.(Representative: Ming-Jhen Jhu)	3,654,901	1.86%
	Independent Director	Siou-Ming Huang	-	-
	Independent Director	Jiang-Long Guo	-	-
	Independent Director	Han-Liang Hu	-	-
PROMATE JAPAN	Owner	Andy Chen	-	100%

(8) Affiliated enterprises' operational review

Dec. 31, 2021 Unit: NT$1,000 ,Except EPS: NT$

Name of enterprise	Capital	Total Assets	Total liabilities	Net worth	Operating Revenue	Operating Profit	Current profit and loss (After tax)	Earnings Per Share (NT$) (After tax)
Promate Electronic Co., Ltd.	1,934,141	15,212,599	10,206,928	5,005,671	32,469,053	1,234,817	848,904	4.31
PROMATE JAPAN	2,791	9,615	6,361	3,254	13,592	621	679	註

Note:The limited company has not issued shares and is not applicable.

(二)Consolidated financial declaration statement of affiliated enterprises and consolidated financial statement: None.

(三)Affiliation report: None.

2. Private placement of securities in the most recent year and as of the printing date of the annual report: None.
3. Holding or disposal of stocks of the Company by subsidiaries in the past year and up to the date of report: None.
4. Other supplemental information: None.

IX. Matters, if any, that may affect shareholders' equity or securities price as defined in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act in the most recent year and as of the printing date of the annual report: None.

Promate Solutions Corporation 

Chairperson: Cheer Du