Stock code：6451

SHUNSIN TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARY

Consolidated Financial Statements

With Independent Auditors' Report

For the Years Ended December 31, 2021 and 2020

Address: **Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1-1205, Cayman Islands**

Telephone: **02-22688368**

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the 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 accepted and applied in the Republic of China. The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and consolidated financial statements, the Chinese version shall prevail.

Menu

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors of ShunSin Technology Holdings Limited:

Audit Opinion

We have audited the consolidated financial statements of ShunSin Technology Holdings Limited and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2021 and 2020, and the related consolidated statement of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, and notes to the consolidated financial statements, including a summary of significant accounting policy.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 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 Report by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of consolidated financial statements taken as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgements, the key audit matters that should be disclosed in this audit report are as follows:

1. Revenue recognition

Please refer to note 4 (14) for accounting policy related to revenue recognition, and notes 6

(20) for the information related to revenue of the consolidated financial report.

Description of key audit matter:

Due to sales transactions of the Group are depending on contracts, we need to judge individually to confirm the adequacy of revenue recognition. Additionally, the Group adopts IFRSs 15, which involves complex accounting treatments and policy may result in inappropriate performance obligations and recognition of revenue under IFRSs 15. In addition, it is necessary to evaluate and verify the completeness and accuracy of the relevant materials used, as well as the new disclosure requirements revenue recognition is listed as one of the important items in the audit of the financial statements of this year.

Our audit procedures included:

- Assess the appropriateness of accounting policy in accordance with the requirements of the IFRSs 15 and the understanding of operating and industry characteristics.
- Testing the effectiveness of the design and implementation of internal control over sales and collection cycle, and to examine major contracts to assess revenue recognition.
- Performing comparison analysis on sale of the current period to last period and the latest quarter, and performing trend analysis on sales from each top ten customer to assess the existence of any exceptions, and further identify and analyze the causes if there is any significant exception.
- Performing confirmation procedure of sales revenue and examining significant returns or exchanges after the balance sheet date to assess the assertions of the existence, accuracy, as well as the appropriateness of recognition.
- Performing sales cut-off test of a period before and after the financial position date by vouching relevant documents of sales transactions to determine whether the sales of goods, sales returns and allowances have been the appropriately recognized.

2. Financial Assets at Fair Value through Profit and Loss

Please refer to note 4 (7) “Financial Instrument” for the accounting policies of financial assets measured at fair value through profit and loss; note 5 for accounting assumptions and estimation uncertainties of impairment of financial assets measured at fair value through profit and loss, and note 6 (2) and (23) “Financial Instrument” for the property and evaluation statements of financial assets measured at fair value through profit and loss.

Description of key audit matter:

The financial assets measured at fair value through profit and loss of the Group are susceptible to the operating conditions of the companies and the economic environment that the fund invests, resulting in greater changes in the subsequent profits or losses recognized as gains and losses at fair value re-measurement, thus adjusting the value of financial assets. Assessing the fair value of this financial asset often requires complicated evaluation techniques. Therefore, we listed the evaluation of financial assets measured at fair value of profits and losses as one of the key audit matters in the audit of Financial Statements of this year.

Our audit procedures included:

- Obtain the appraiser's appraisal report of the invested Company entrusted by the Group, and evaluate the appraiser's qualification and independence.
- Evaluate the rationalities of the assumptions used in the appraisal report in estimating the price of an investment.
- Evaluate the rationalities of the recognition of profit and loss of financial assets in the accounts of the Group.

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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, 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 operations, 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.

Accountant's Responsibility for Auditing Consolidated Financial Report

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 a 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 ROC GAAS 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 ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

controls.

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

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

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

From the matters communicated with those charged with governance, we determine those matters significant in our audit of the consolidated financial statements for the years ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG

SHUNSIN TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2021 and 2020

Expressed in Thousands of New Taiwan Dollars

		2021.12.31		2020.12.31	
	Assets	**Amount**	**%**	**Amount**	**%**
11xx	**Current assets:**				
1100	Cash and cash equivalents (note 6 (1))	$ 9,066,899	61	9,943,380	68
1110	Current financial assets at fair value through profit or loss (note 6 (2) and (13))	-	-	13,607	-
1137	Financial assets at amortized costs- current (note 6 (3) , (12) and 8)	52,572	-	-	-
1140	Current contract assets (note 6 (20) and 7)	329,504	2	188,071	1
1170	Accounts receivable (note 6 (4) and (20))	653,771	4	394,033	3
1181	Accounts receivable－related parties (note 6 (4), (20) and 7)	101,458	1	701,751	5
1206	Other receivables (note 6 (5), (7) and 7)	24,715	-	10,945	-
1220	Current tax assets	-	-	11,513	-
1310	Inventories (note 6 (6))	1,141,455	8	325,196	2
1410	Prepayments	288,511	2	36,522	-
1460	Non-current assets classified as held for sale (note 6 (7), (8) and 7)	24,532	-	-	-
1470	Other current assets	3,173	-	2,044	-
		11,686,590	78	11,627,062	79
15xx	**Non-current assets:**				
1510	Financial assets measured at fair value through profit or loss-non-current (note 6 (2) and (13))	406,002	3	446,000	3
1535	Financial assets at amortized costs- non -current (note 6 (3), (12) and 8)	8,000	-	8,000	-
1600	Property, plant and equipment (note 6 (8) and 7)	2,283,174	16	2,120,032	15
1755	Right-of-use assets (note 6 (9))	307,747	2	344,034	2
1780	Intangible assets (note 6 (10))	989	-	10,779	-
1840	Deferred tax assets (note 6 (16))	219,162	1	115,075	1
1915	Prepayments for business facilities	45,148	-	359	-
1920	Guarantee deposits paid	11,426	-	12,540	-
		3,281,648	22	3,056,819	21
1xxx	**Total assets**	$ 14,968,238	100	14,683,881	100

		2021.12.31		2020.12.31	
	Liabilities and equities	**Amount**	**%**	**Amount**	**%**
21xx	**Current liabilities:**				
2100	Short-term loans (note 6 (11))	$ 3,142,240	21	4,513,883	31
2120	Financial liabilities at fair value through profit or loss- current (note 6 (2) and (13))	962	-	-	-
2170	Accounts payable	619,058	4	319,494	2
2180	Accounts payable to related parties (note 7)	11,485	-	3,175	-
2200	Other payables (note 6 (21))	551,916	4	534,213	4
2220	Other payables to related parties (note 7)	43,725	-	38,454	-
2230	Current tax liabilities	87,177	1	31,553	-
2280	Current lease liabilities (note 6 (14))	35,133	-	32,598	-
2321	Bonds payable, current portion (note 6 (13))	-	-	1,443,956	10
2322	Long-term borrowings, current portion (note 6 (3) , (12) and 8)	838,700	6	-	-
2399	Other current liabilities	88,581	1	27,090	-
		5,418,977	37	6,944,416	47
25xx	**Non-current liabilities:**				
2530	Bonds payable (note 6 (13))	1,474,834	10	-	-
2540	Long-term loans (note 6 (3), (12) and 8)	1,107,200	7	836,100	6
2570	Deferred tax liabilities (note 6 (16))	339,045	2	520,289	4
2580	Non-current lease liabilities (note 6 (14))	3,976	-	33,187	-
2630	Long-term deferred revenue	91,648	1	110,546	1
2645	Guarantee deposits received	4,826	-	1,118	-
		3,021,529	20	1,501,240	11
2xxx	**Total liabilities**	8,440,506	57	8,445,656	58
31xx	**Total equity attributable to owners of parent (note 6 (13), (17) and (18)):**				
3110	Ordinary share	1,074,648	7	1,072,558	7
3200	Capital surplus	2,866,304	19	2,816,502	19
3300	Retained earnings:				
3310	Legal reserve	473,243	3	403,331	3
3320	Special reserve	253,000	2	345,229	2
3350	Unappropriated retained earnings	1,969,807	13	1,887,499	13
		2,696,050	18	2,636,059	18
3400	Other equity interest:				
3410	Exchange differences on translation of foreign financial statements	(298,036)	(2)	(253,000)	(2)
3500	Treasury shares	-	-	(74,605)	-
	Total equity attributable to owners of parent	6,338,966	42	6,197,514	42
36xx	**Non-controlling interests**	188,766	1	40,711	-
3xxx	**Total equity**	6,527,732	43	6,238,225	42
2-3xxx	**Total liabilities and equity**	$ 14,968,238	100	14,683,881	100

See accompanying notes to consolidated financial statements

Chairman: Hsu, Wen-Yi **Manager: Hsu, Wen-Yi** **General Accountant: Wang, Chieh-Min**

SHUNSIN TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Profit or Loss and Other Comprehensive Income

For the years ended December 31, 2021 and 2020

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

		2021		2020	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue (note 6 (20) and 7):**				
4110	Sales revenue	$ 4,284,492	100	4,855,293	100
4190	Loss: Sales discounts and allowances	14,092	-	5,604	-
	Net operating Revenue	4,270,400	100	4,849,689	100
5000	**Operating costs (note6 (6), (8), (9), (10), (14), (15) and 7)**	3,347,948	78	3,269,332	67
5900	**Gross profit from operations**	922,452	22	1,580,357	33
6000	**Operating expenses (note 6 (4), (8), (9), (10), (14), (15), (18), (21) and 7):**				
6100	Selling expenses	39,317	1	38,811	1
6200	Administrative expenses	409,809	9	306,770	6
6300	Research and development expenses	429,555	10	272,144	6
6450	Expected credit loss (gain)	(15,241)	-	1,026	-
	Total operating expenses	863,440	20	618,751	13
6900	**Net operating profits**	59,012	2	961,606	20
7000	**Non-operating income and expenses (note 6 (13), (14), (22) and 7)**				
7100	Interest revenue	219,087	5	173,508	4
7010	Other income	63,947	1	59,199	1
7020	Other gains and losses	(62,654)	(1)	(122,078)	(3)
7050	Finance costs	(73,220)	(2)	(65,864)	(1)
	Total non-operating income and expenses	147,160	3	44,765	1
7900	**Profit from continuing operations before tax**	206,172	5	1,006,371	21
7950	**Loss: Tax expense (benefit) (note 6 (16))**	(172,435)	(4)	286,815	6
8200	**Profit**	378,607	9	719,556	15
8300	**Other comprehensive income:**				
8360	**Components of other comprehensive income that will be reclassified to profit or loss**				
8361	Exchange differences on translation	(43,209)	(1)	92,841	2
8399	Loss: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
8300	**Other comprehensive income, net**	(43,209)	(1)	92,841	2
8500	**Total comprehensive income (loss)**	**$ 335,398**	**8**	**812,397**	**17**
	Profit, attributable to:				
8610	Owners of parent	$ 403,082	10	724,859	15
8620	Non-controlling interests	(24,475)	(1)	(5,303)	-
		$ 378,607	**9**	**719,556**	**15**
	Comprehensive income attributable to:				
8710	Owners of parent	$ 358,046	8	817,089	17
8720	Non-controlling interests	(22,648)	-	(4,692)	-
		$ 335,398	**8**	**812,397**	**17**
	Basic earnings per share (expressed in New Taiwan Dollars) (note 6 (19))				
9750	Basic earnings per share	**$**	**3.77**		**6.88**
9850	Diluted earnings per share	**$**	**3.72**		**6.52**

See accompanying notes to consolidated financial statements

Chairman: Hsu, Wen-Yi **Manager: Hsu, Wen-Yi** **General Accountant: Wang, Chieh-Min**

SHUNSIN TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
			Retained earnings								
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance as of January 1, 2020	$ 1,065,248	2,753,167	339,499	-	1,985,081	2,324,580	(345,230)	(149,649)	5,648,116	19,664	5,667,780
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	63,832	-	(63,832)	-	-	-	-	-	-
Special reserve	-	-	-	345,229	(345,229)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(387,641)	(387,641)	-	-	(387,641)	-	(387,641)
Profit	-	-	-	-	724,859	724,859	-	-	724,859	(5,303)	719,556
Other comprehensive income (loss)	-	-	-	-	-	-	92,230	-	92,230	611	92,841
Total comprehensive income (loss)	-	-	-	-	724,859	724,859	92,230	-	817,089	(4,692)	812,397
Shares issued due to stock option executed	7,310	60,161	-	-	-	-	-	-	67,471	-	67,471
Proceeds from sale of treasury shares	-	-	-	-	-	-	-	75,044	75,044	-	75,044
Changes in ownership interests in subsidiaries	-	-	-	-	(25,739)	(25,739)	-	-	(25,739)	25,739	-
Share-based payment transactions	-	3,174	-	-	-	-	-	-	3,174	-	3,174
Balance at December 31, 2020	1,072,558	2,816,502	403,331	345,229	1,887,499	2,636,059	(253,000)	(74,605)	6,197,514	40,711	6,238,225
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	69,912	-	(69,912)	-	-	-	-	-	-
Special reserve	-	-	-	(92,229)	92,229	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(440,212)	(440,212)	-	-	(440,212)	-	(440,212)
Profit	-	-	-	-	403,082	403,082	-	-	403,082	(24,475)	378,607
Other comprehensive income (loss)	-	-	-	-	-	-	(45,036)	-	(45,036)	1,827	(43,209)
Total comprehensive income (loss)	-	-	-	-	403,082	403,082	(45,036)	-	358,046	(22,648)	335,398
Shares issued due to stock option executed	2,090	17,201	-	-	-	-	-	-	19,291	-	19,291
Proceeds from sale of treasury shares	-	26,998	-	-	-	-	-	74,605	101,603	-	101,603
Changes in ownership interests in subsidiaries	-	97,121	-	-	-	-	-	-	97,121	(97,121)	-
Share-based payment transactions	-	5,603	-	-	-	-	-	-	5,603	6,732	12,335
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	261,092	261,092
Balance at December 31, 2021	$ 1,074,648	2,963,425	473,243	253,000	1,872,686	2,598,929	(298,036)	-	6,338,966	188,766	6,527,732

See accompanying notes to consolidated financial statements

Chairman: Hsu, Wen-Yi **Manager: Hsu, Wen-Yi** **General Accountant: Wang, Chieh-Min**

SHUNSIN TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from operating activities:		
Profit before tax	$ 206,172	1,006,371
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	500,214	492,935
Amortization expense	10,435	2,120
Expected credit loss (gain)	(15,241)	1,026
Net loss on financial assets and liabilities at fair value through profit or loss	40,167	68,172
Interest expense	73,220	65,864
Interest income	(219,087)	(173,508)
Share-based payments	39,333	3,174
Property, plant and equipment transferred to expenses	7,015	246
Net loss on disposal and scrapping of property, plant and equipment	4,622	1,867
Rent concessions (recognized as other income)	-	(1,719)
Total adjustments to reconcile profit (loss)	440,678	460,177
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets designated at fair value through profit and loss	11,057	-
Contract assets	(141,433)	72,313
Notes receivable	-	710
Accounts receivable	(244,497)	135,555
Accounts receivable－related parties	604,839	(130,259)
Other receivables	(17,971)	116,616
Inventories	(816,259)	8,865
Prepayments	(251,989)	66,030
Other current assets	1,471	(115,288)
Total changes in operating assets	(854,782)	154,542
Changes in operating liabilities:		
Accounts payable	299,564	(43,977)
Accounts payable－related parties	8,310	3,174
Other payable	(81,645)	190,890
Other payable－related parties	6,855	(6,298)
Other current liabilities	61,491	6,854
Long-term deferred income	(18,898)	16,456
Total changes in operating liabilities	275,677	167,099
Total changes in operating assets and liabilities	(579,105)	321,641
Total adjustments	(138,427)	781,818
Cash inflow generated from operations	67,745	1,788,189
Interest received	223,288	169,961
Interest paid	(42,023)	(36,226)
Income taxes paid	(44,290)	(32,747)
Net cash flows from (used in) operating activities	204,720	1,889,177
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortized costs	(52,572)	(8,000)
Acquisition of financial assets at fair value through profit or loss	-	(64,096)
Proceeds from disposal of non-current assets classified as held for sale	479,916	-
Acquisition of property, plant and equipment	(1,067,346)	(294,460)
Proceeds from disposal of property, plant and equipment	343	26,611
Decrease (Increase) in guarantee deposits paid	1,114	(1,732)
Acquisition of intangible assets	(696)	(9,789)
Acquisition of use-of-right assets	-	(135,471)
Increase in prepayments for business facilities	(45,074)	(584)
Net cash flows from (used in) investing activities	(684,315)	(487,521)
Cash flows from (used in) financing activities:		
Increase in short-term loans	6,790,979	7,050,973
Decrease in short-term loans	(8,162,622)	(5,559,319)
Proceeds from long-term debt	1,107,200	840,000
Increase (Decrease) in guarantee deposits received	3,708	(341)
Payments of lease liabilities	(35,707)	(25,903)
Cash dividends paid	(440,212)	(387,641)
Shares issued due to stock option executed	19,291	67,471
Proceeds from sale of treasury shares	74,605	75,044
Changes in non-controlling interests	261,092	-
Net cash flows from (used in) financing activities	(381,666)	2,060,284
Effect of exchange rate changes on cash and cash equivalents	(15,220)	95,125
Net (decrease) increase in cash and cash equivalents	(876,481)	3,557,065
Cash and cash equivalents at beginning of period	9,943,380	6,386,315
Cash and cash equivalents at end of period	**$ 9,066,899**	**9,943,380**

See accompanying notes to consolidated financial statements

Chairman: Hsu, Wen-Yi **Manager: Hsu, Wen-Yi** **General Accountant: Wang, Chieh-Min**

ShunSin Technology Holdings Limited and Its Subsidiaries
Notes to Consolidated Financial Statements
For the year ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. History of the Company

ShunSin Technology Holdings Limited (formerly known as Amtec Holdings Limited, hereinafter referred to as "the Company") was established in the Cayman Islands on January 8, 2008, and set up a branch in Taiwan on July 4, 2013. On Approval dates August 28, 2013, the Company was renamed as ShunSin Technology Holdings Limited and changed the Chinese name of Amtec Holding Limited to ShunSin Technology Holdings Limited through the Board of Directors resolution. The Company's stock was listed on the Taiwan Stock Exchange on January 26, 2015. The Company and its subsidiaries (hereinafter referred to as "the Group") are mainly engaged in the assembly, testing and sales of various integrated circuits related to semiconductors.

2. Approval dates and procedures of consolidated financial statements

The consolidated financial statements were authorized for issuance by the Board of Directors on March 22, 2022.

3. New standards, amendments and interpretations adopted:

(1) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The Group' s adoption of the newly revised International Financial Reporting Standards from January 1, 2021, and it does not cause significant impact on consolidated financial report.

・Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"

・Amendments to IFRS 9, IAS39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform—Phase 2"

The Group' s adoption of the newly revised International Financial Reporting Standards from April 1, 2021, and it does not cause significant impact on consolidated financial report.

・Amendments to IFRS 16 "Covid-19-Related Rent Concessions After June 30, 2021"

(2) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its consolidated financial statements.

・Amendments to IAS 16 "Property, Plant and Equipment—Proceeds before Intended Use"

・Amendments to IAS 37 "Onerous Contracts—Cost of Fulfilling a Contract"

・Annual Improvements to IFRS Standards 2018–2020

・Amendments to IFRS 3 "Reference to the Conceptual Framework"

(3) The impact of IFRS issued by IASB but not yet endorsed by FSC

As of the date, the following IFRSs that have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

New or Amended Standards	Main revision contents	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	2023/1/1
Amendments to IAS 1 "Disclosure of Accounting Policies"	The key amendments to IAS 1 include: ・requiring companies to disclose their material accounting policies rather than their significant accounting policies; ・clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and ・clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.	2023/1/1
Amendments to IAS 8 "Definition of Accounting Estimates"	The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the target set out based on accounting policies.	2023/1/1

The Group is evaluating the impact of its initial adoption of the above mentioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

・Amendments to IFRS 10 and IAS 28 "sale or contribution of Assets Between an Investor and Associate or Joint Venture"

- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"」

4. Summary of Major Accounting Policies

The significant accounting policies have been applied consistently to all periods presented in the consolidated financial statements which are summarized as follows:

(1) Statement on compliance

These consolidated financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" (hereinafter referred to the Regulations) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to as the IFRSs endorsed by the FSC).

(2) Basic of preparation

A. The basis of measurement

The consolidated financial report is prepared on the basis of historical cost, except for financial instruments (including derivative financial instruments) measured at fair value through profit and loss at fair value.

B. Functional and presentation currency

The functional currency of a Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional currency. All financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

(3) Basic of consolidation

A. Principle of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and its subsidiaries.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of parent and to non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

B. List of subsidiaries in the consolidated financial statements

			Percentage of ownership (%)	
Name of Investor	**Name of subsidiary**	**Business activities**	**2021.12.31**	**2020.12.31**
The Company	ShunSin Technology Holdings (Hong Kong) Limited (hereinafter referred to ShunSin (Hong Kong))	Holding Company	91.80% （Note1）	90.15%
The Company	ShunSin Technology (Samoa) Corporation Limited (hereinafter referred to as ShunSin (Samoa))	Overseas material and equipment purchase	100.00%	100.00%
The Company	ShunYun Technology Holdings Limited (hereinafter referred to as ShunYun (Cayman))	Sales of high-speed optical transceiver module	100.00% （Note2）	100.00%
The Company	ShunYun Technology (Ha Noi,Vietnam) Limited (hereinafter referred to as ShunYun (HaNoi)) （Note4）	Optical transceivers manufacturing	（Note3）	100.00%
The Company	ShunSin Technology (Bac Giang, Vietnam) Limited (hereinafter referred to as ShunSin (Bac Giang))	Optical transceivers manufacturing	（Note3）	100.00%
ShunSin (Samoa)	ShunSin (Hong Kong)	Holding Company	8.20% （Note1）	9.85%
ShunSin (Hong Kong)	ShunSin Technology (Zhongshan) Limited (hereinafter referred to as ShunSin (Zhongshan))	Assembly, testing and sales of high-speed optical transceiver module, high-frequency wireless communication module and various integrated circuits	100.00%	100.00%
ShunSin (Hong Kong)	ShunYun Technology (Zhongshan) Limited (hereinafter referred to as ShunYun (Zhongshan))	Optical transceivers manufacturing	100.00%	100.00%
ShunSin (Zhongshan)	Talentek Microeletronics (Hefei) Limited (hereinafter referred to as Talentek (Hefei))	Design, R&D, measurement and sales of electrical equipment, communication equipment and automation equipment	45.42% （Note5）	66.25%
ShunYun (Cayman)	ShunYun (HaNoi)) （Note4）	Optical transceivers manufacturing	100.00%	（Note3）

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

ShunYun (Cayman)	ShunSin (Bac Giang)	Optical transceivers manufacturing	100.00%	（Note3）
ShunYun (Zhongshan)	ShunYun Technology Holdings (Hong Kong) Limited (hereinafter referred to ShunYun (Hong Kong))	Holding Company	100.00% （Note6）	- %

Note 1: The company increased its capital in ShunSin (Hong Kong) by US$9,500 thousand and US$10,000 thousand on January 25 and December 7, 2021, resulting in the company's shareholding ratio in ShunSin (Hong Kong) from 90.15% to 91.80%, while the shareholding ratio of ShunSin (Samoa) to ShunSin (Hong Kong) decreased from 9.85% to 8.20%.

Note 2: ShunYun (Cayman) was registered on July 13, 2020 in Cayman Islands. The authorized capital is US$ 40,000 thousand. The Company has invested US$25,280 thousand as of December 31, 2021, and the shareholding ratio is 100%.

Note 3: ShunYun (Cayman) purchased 100% equity of the Company’s subsidiary, ShunYun (Ha Noi) and ShunSin (Bac Giang), on December 15, 2021. As of December 31, 2021, ShunYun (Cayman) has acquired 100% of ShunYun (Ha Noi) and ShunSin (Bac Giang).

Note 4: ShunSin Technology (Ha Noi, Vietnam) Limited was renamed as ShunYun Technology (Ha Noi, Vietnam) Limited on February 1, 2021, and the statutory change procedures have been completed.

Note 5: Talentek (Hefei) was approved by shareholders’ meeting on June 25, 2021 to increase its capital by RMB 12,000 thousand. The expected shareholding ratio of ShunSin (Zhongshan) will be 44.44% after increasing capital. The actual shareholding ratio is 45.42% according to invested capital, because several shareholders have not invested funds yet as of December 31, 2021.

Note 6: ShunYun (Zhongshan) was approved by Board of Directors on July 30, 2021 to set up its subsidiary, ShunYun Technology (Hong Kong) Holdings Limited (hereinafter referred as ShunYun (Hong Kong) in Hong Kong, on July 7, 2021.The authorized capital is US$ 10,000 thousand. The expected shareholding ratio of ShunYun (Zhongshan) is 100%, but it has not invested funds yet as of December 31, 2021.

Subsidiaries not included in the consolidated financial report: None.

(4) Foreign currency

A. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rate at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated into the functional currencies using exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of transaction.

B. Foreign operations

The assets and liabilities of foreign operations are translated into the presentation currency at the exchange rate at the reporting date. The income and expense of foreign operations, are translated into presentation currency at the average rate. Exchange differences are recognized in other comprehensive income.

When the Group disposes of a foreign operating organization results in the loss of control, joint control or significant influence, the accumulated exchange differences related to the foreign operating organization shall be fully reclassified as profit or loss. When the Group disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Group disposes of only part of investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation and are recognized in other comprehensive income.

(5) Standards of classifying current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

A. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
B. It is held primarily for the purpose of trading;
C. It is expected to be realized within twelve months after the reporting period; or
D. The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

A. It is expected to be settled in the normal operating cycle;
B. It is held primarily for purpose of trading;
C. It is due to be settled within 12 months after the reporting period; or
D. The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting period. Terms of a liability that could at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(6) Cash and cash equivalents

Cash comprises cash on hand and demand deposit. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(7) Financial instruments

Accounts receivables and debt securities issued are initially recognized when transactions occurred. All other financial assets and liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

A. Financial assets

Where the purchase or sale of financial assets conforms to conventional transactions, all purchases and sales of financial assets classified in the same way by the Group shall be accounted for on the transaction date or settlement date.

On initial recognition, a financial asset is classified as measured at: amortized cost and FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial assets is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(b) Fair value through profit or loss(FVTPL)

Financial assets not classified as amortized cost described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost, as at FVTPL in order to eliminate or significantly reduce an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(c) Impairment of financial assets

The Group recognize losses allowances for expected credit losses (ECL) on financial assets (including cash and cash equivalents, notes receivable and accounts receivable, other receivables and guarantee deposits paid, etc.) and contractual assets measured at post-amortization costs.

If the credit risk of bank deposits, other receivables and guarantee deposits paid (that is, the risk of default in the expected duration of the existence of financial instruments) has not increased significantly since the original recognition, it shall be measured as the loss allowance based on the expected 12-month credit loss amount.

Accounts receivable and contractual assets are measured against the expected amount of credit loss during the term of the contract.

Lifetime ECLs are ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (of a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group’s historical experience and informed credit assessment as well as forward-looking information.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive.) ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or delay of payments;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost and contractual assets are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(d) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

B. Financial liabilities and equity instruments

(a) Classification of debt or equity

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

(b) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

(c) Treasury stocks

When repurchasing the equity instruments recognized by the Company, the Company recognized as a decrease in equity base on the paying amount. (including directly attributable costs). The repurchased shares are classified as treasury stocks. Subsequent sales or reissue of treasury stocks, the amount received is recognized as an increase in equity, and the remaining or loss generated by the transaction is recognized as a paid-in capital or retained earnings (if the paid-in capital is insufficient).

(d) Compound financial instruments

Compound financial instruments issued by the Group are convertible bonds (denominated in New Taiwan dollars) that the holder has the option to convert into share capital, and the number of shares issued will not vary with changes in their fair value.

The original recognized amount of a compound financial liability is measured by the fair value excluding equity conversion rights. The original recognized amount of the equity component is measured by the difference between the fair value of the overall composite financial instrument and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liabilities and equity components based on the proportion of the original debt and equity book value.

After the initial recognition, the liability component of the composite financial instrument is measured using the effective interest rate method after amortization. The equity components of compound financial instruments are not remeasured after they are initially recognized.

Interest related to financial liabilities is recognized as profit or loss. Financial liabilities are reclassified as equity at the time of conversion, and the conversion does not generate profit or loss.

(e) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(f) Derecognition of financial liabilities

The Group excludes financial liabilities when contractual obligations have been fulfilled, cancelled or expired. When the terms of financial liabilities changed and the cash flow of the modified liabilities is significantly different, the original financial liabilities are excluded and the new financial liabilities are recognized at fair value based on the revised terms.

When excluding financial liabilities, the difference between their carrying amount and the total payment (including any transferred non-cash assets or liabilities assumed) is recognized as profit or loss.

(g) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset when the Group has the legal right to offset and intend to deliver or simultaneously realize the assets and settle the liabilities, expressing them in the balance sheet in net.

C. Derivative financial instruments

The Group hold derivative financial instruments to hedge its foreign currency and interest rate exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and change therein are generally recognized in profit or loss.

(8) Inventories

The original cost of inventory refers to the acquisition, production or processing costs and other costs incurred when the inventory reaches the available location and status, and the moving weighted average method is adopted for calculation.

The subsequent measurement of inventory is based on the lower cost and net realizable value of each category of inventory, while the net realizable value is calculated on the basis of the reduction of the estimated selling price on the balance sheet day from the cost and sales cost of the completed investment. When the cost of inventory exceeds the net realized value, the inventory cost shall be reduced to the net realized value and the amount of such write-off shall be recognized as the cost of goods sold. If the net realizable value increases in the subsequent period, the net realizable value of the revolving inventory increases within the original deduction amount and is recognized as a reduction in the cost of current sales.

(9) Non-current assets classified as held for sale

When Board of directors of the Group decided to sell some of property, plant and equipment and right-of-use assets, these assets shall be applicable to the accounting policy of non-current assets classified as held for sale.

Non-current assets should be classified as held for sale when their carrying amount is highly likely to be recovered through sale rather than continuing use. Assets shall be remeasured according to the accounting policies of the Group before they are originally classified as for sale. After being classified as held for sale, it is measured based on the lower of its book amount and fair value minus selling cost. Impairment losses on assets initially classified as held for sale and any subsequent gains or losses on remeasurement are recognized in profit or loss, but gains are not recognized in excess of the cumulative impairment loss that has been recognized.

Once classified as held for sale, property, plant and equipment is no longer amortized or depreciated.

(10) Property, plant and equipment

A. Recognition and measurement

Property, plant and equipment are measured by cost less accumulated depreciation and any accumulated impairment.

When the major components of property, plant and equipment have different economic lives, they are treated as separate items (main components) of property, plant and equipment.

The gain or loss generated from the disposal of property, plant and equipment are recognized as profit or loss.

B. Subsequent cost

Subsequent expenditures are capitalized when their future economic benefits are likely to flow into the Group.

C. Depreciation

Depreciation is calculated based on the cost of assets minus the residual value, and the straight-line method is adopted to recognize profit or loss within the estimated useful life.

The estimated service life of various assets in the current period and comparison period is as follows:

(a) Buildings and structures	21 years
(b) Machinery and equipment	1 year 10 months to 9 years
(c) Office equipment (including computer and telecommunication equipment)	4 to 6 years
(d) Testing equipment	1 to 6 years
(e) Other facilities	1 to 10 years
(f) Lease improvement	1 to 10 years

The Group reviews the depreciation method, useful life and residual value on each reporting day, and makes appropriate adjustments if necessary.

(11) Lease－As a leasee

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that are cannot be reliably determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

A. Fixed payments, including in-substance fixed payments;

B. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

C. Amounts expected to be payable under a residual value guarantee; and

D. Payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

A. There is a change in future lease payments arising from the change in an index or rate; or

B. There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

C. There is charge in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying assets, or

D. There is a change of its assessment on whether it will exercise a extension or termination option; or

E. There is any lease modifications.

When the lease liability is remeasured due to the changes of index or rate, residual value deposit, and the assessment of purchase, extend or terminate option, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The rental periods of office, parking, staff dorm, and machinery are short-term lease, the Group chose to apply exemption recognition requirements instead of recognizing its relative right-of-use assets and lease liabilities, and recognized as expenses during the lease period on a straight-line basis.

As a practical expedient, the Group elects not to assess whether all rent concessions that meets all the following conditions are lease modifications or not:

A. The rent concessions occurring as a direct consequence of the COVID-19 pandemic;

B. The change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

C. Any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2021; and

D. There is no substantive change in other terms and conditions of the lease.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(12) Intangible assets

A. Recognition and measurement

The Group obtains intangible assets with limited service life, which is measured by cost less accumulated amortization and accumulated impairment.

B. Subsequent expenditure

Subsequent expenditures may be capitalized only if they increase the future economic benefit of the particular asset concerned. All other expenditures are recognized as gains and losses when incurred.

C. Amortization

Intangible assets are computer software, which are amortized on a straight-line basis over the estimated service life of one to five years from the moment they become available for use.

The Group reviews the amortization method, useful life and residual value of intangible assets on each reporting day, and makes appropriate adjustments if necessary.

(13) Impairment of non-financial assets

The Group assesses on each reporting day whether there is any indication that the carrying amount of non-financial assets (other than inventory, contract assets and deferred income tax assets) may be impaired. If any signs exist, the Group shall re-estimate the asset ’s recoverable amount.

For the purpose of impairment test, a group of assets whose cash inflow is mostly independent of the cash inflows of other individual assets or asset groups is used as the smallest identifiable asset group.

The recoverable amount is the greater of the fair value of individual assets or cash-generating units minus the disposal cost and its use value. If the recoverable amount of an individual asset or cash-generating unit is lower than the carrying amount, an impairment loss is recognized. Impairment losses are recognized immediately in profit or loss, and the book value of each asset is reduced in proportion to the book value of each other asset in the unit.

Non-financial assets other than goodwill will only be reversed within its book value (less depreciation or amortization) determined when the asset did not recognize impairment losses in previous years.

(14) Revenue recognition

Most products producing by the Group as work-in-process are under control of client, thus, the

Group recognized revenue during the process of produce. Main revenue items are as follows:

A. Revenues from packaging and testing service

The Group provides processing services such as packaging and testing, and recognizes the relevant income during the reporting period of providing processing services. The Group shall recognize revenue on the basis of the proportion of the standard cost of services provided as at the reporting date to the total standard cost of services.

If conditions change, estimates of revenues, costs and levels of completion will be revised and changes made during the period when management is informed of the changes will be reflected in profit and loss.

B. Revenue from merchandise sales

Revenue from merchandise sales comes from sales of automotive electronics, fingerprint identification and thick film products. The goods promised by the Group will be shipped or delivered to the place designated by the customer according to the transaction conditions, and the customer will recognize the income and accounts receivable when the customer obtains the control of the goods and meets the performance obligations.

C. Financial components

The Group expect that the time interval between the transfer of goods or services to customers by all customer contracts and the payment of goods or services by customers will not exceed one year. Therefore, the Group do not adjust the monetary time value of the transaction price.

(15) Employees benefits

The obligation to allocate a pension plan is defined as the employee's welfare expenses recognized as profit and loss during the period of service provided by the employee.

Short-term employee welfare obligations are measured on a non-discounted basis and are recognized as expenses in the provision of related services.

The amount of expected payment under a short-term cash bonus or bonus scheme is recognized as a liability if the Group have a current statutory or presumptive obligation to pay due to the past service provided by its employees and the obligation can be reliably estimated.

Subsidiaries in mainland China shall, in accordance with local government decrees, allocate pensions in proportion to one of the basic salaries of their employees and pay them to the relevant government departments, and deposit them exclusively in separate accounts of their employees.

(16) Government subsidies

The Group recognizes an unconditional government subsidy related to the business in profit or loss as other income when the subsidy becomes receivable. Subsidies that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(17) Share-based payment transactions

The employee shall be entitled to a share-based award for the fair value of the day, and shall recognize the remuneration cost and increase the relative rights and interests within the period when the employee can get the remuneration unconditionally. The recognized remuneration costs shall be adjusted in accordance with the quantity of the award which is expected to meet the conditions of service and which is not obtained at the market price; The final recognition amount is based on the amount of rewards that meet the conditions of service and non-market price on the vested day.

The non-vested conditions of share-based payment have been reflected in the measurement of the fair value of share-based payment and the difference between expected and actual results need not be verified and adjusted.

(18) Income tax

Income tax expenses include current and deferred income taxes. The current income tax and deferred income tax shall be recognized as profit and loss, except for those project stakeholders who are directly recognized as equity or other comprehensive gains and losses after consolidation.

Current taxes comprise the expected tax payables or receivables on the taxable profit (losses) for the year and any adjustment to the tax payable of receivable in respect of previous years. The amount is based on the statutory tax rate at the reporting date or the tax rate of the substantive legislation to measure the best estimate of the amount expected to be paid or received.

Deferred income tax is a measure of the temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and their tax basis. Temporary differences arising from the following circumstances shall not be recognized as deferred income tax:

A. Assets or liabilities not originally recognized in the transaction of a consolidation and which do not affect accounting profits and taxable income (losses) at the time of the transaction.
B. Arising from investments in subsidiaries and joint venture interests which are likely not to

be converted in the foreseeable future.

C. Original recognition of goodwill.

Deferred income tax is measured at the tax rate at which the temporary difference is expected to revert, and is based on the legal tax rate or substantive legislative tax rate at the reporting date.

Deferred income tax assets and deferred income tax liabilities shall be offset only when the Group simultaneously meets the following conditions:

A. Having the legal enforcement power to offset the current income tax assets and current income tax liabilities; and

B. Deferred income tax assets and deferred income tax liabilities are related to any of the following entities that are subject to income tax levied by the same tax authority;

(a) The same taxpayer; or

(b) Different tax payers, however, each tax payer intends to pay current income tax liabilities and assets on a net basis for each future period in which significant amounts of deferred income tax assets are expected to be recovered and deferred income tax liabilities are expected to be paid, or to realize assets and liabilities at the same time.

For unused taxation losses and unused income tax deduction in the later period of transfer, it may be considered as deferred income tax assets to the extent that future taxable income may be available. It will be re-assessed on each reporting day and adjusted to the extent that the relevant income tax benefits are not likely to be realized; such reduction are reversed when the probability of future taxable profit improves.

(19) Earnings per share

The Group list the basic and diluted earnings per share attributable to the general equity holders of the Company. The basic earnings per share of the Group shall be calculated by dividing the profits and losses attributable to the common equity holders of the Company by the weighted average number of common shares outstanding in the current period. Shares added due to surplus or capital reserve transferred to capital increase shall be calculated by retroactive adjustment. If the base date of the transfer of surplus or capital reserve to capital increase is prior to the submission of financial statements, the adjustment shall be made retroactively.

Diluted earnings per share are calculated after adjusting for the effect of all potential diluted common shares on the profits and losses attributable to holders of the Company's common shares and the weighted average number of outstanding common shares. The Company's potential dilution of common share includes employee compensation, employee stock options, and bonds.

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(20) Information of the departments

The operations department is an integral part of the Group and engages in business activities that may generate revenue and incur expenses (including revenues and expenses related to transactions between other components of the Group), together with separate financial information. The operating results of all operating departments are regularly reviewed by the major operating decision makers of the Group to determine the allocation of resources to the decisions of the department and to evaluate its performance.

5. Major Sources of Uncertainty in Accounting Judgments, Estimates and Assumptions

In preparing these consolidated financial reports in accordance with the IFRS recognized by the FSC, management must make judgments, estimates and assumptions that will affect the adoption of accounting policies and the reported amounts of assets, liabilities, earnings and expenses. The actual results may differ from the estimates.

Management continuously reviews estimates and basic assumptions and recognizes accounting estimates changes during periods of change and in the affected future periods.

The information relating to the uncertainty of the assumptions and estimates that there is a material risk that will cause a material adjustment in the next financial year is measured by the fair value of the financial asset as measured by profit and loss at fair value, In the process of re-measurement of its fair value, the Group must rely on the external appraisal report. The evaluation in the report is easy to be affected by the operating status of the invested companies and the changes in the overall industrial boom, so that the subsequent re-measurement of the interests or losses generated by the fair value will have a large range of changes in the recognition of gains and losses, so that the value of financial assets will be adjusted. Please refer to note 6 (22) for the description of financial asset evaluation through profit and loss at fair value.

6. Description of important accounting items

(1) Cash and cash equivalents

	2021.12.31	2020.12.31
Cash	$ 68	-
Current deposit	1,467,975	7,477,843
Times deposit	7,598,856	2,465,537
Cash and cash equivalents as shown in the consolidated cash flow statement	**$ 9,066,899**	**9,943,380**

For the disclosure of interest rate risk and sensitivity analysis of the Group's financial assets, please refer to note 6 (23) for details.

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

A. Current

		2021.12.31	2020.12.31
Financial assets (liabilities) designated at fair value through profit and loss:			
Derivative financial assets			
Right to redeem and sell back bonds	$	-	2,550
Financial assets (liabilities) held for trading:			
Non hedging derivatives			
Forward foreign exchange contract		-	11,057
SWAP contract		(962)	-
	$	(962)	13,607

The Group engages in derivative financial commodity transactions to avoid exchange rate risks exposed by business activities.

The details of the Group's derivative instruments reported as financial assets measured at fair value through profit or loss due to the absence of hedge accounting on December 31, 2021 and 2020 are as follows:

SWAP contract：

2021.12.31			
Contract amount	Currency	Period	Fair value asset (Liability)
CNY 407,000	Sell NTD/Buy RMB	2022.1.14	$ (962)

Forward foreign exchange contract:

2020.12.31			
Contract amount	Currency	Period	Fair value asset (Liability)
USD 15,000	Buy RMB/ Sell USD	2021.1.28~2021.3.2	$ 11,057

Financial assets at fair value through profit or loss of the Group arising from convertible corporate bonds, please refer to Note 6(13).

B. Non-current

	2021.12.31	2020.12.31
Financial assets designated at fair value through profit and loss:		
Non-derivative financial assets		

Stocks of domestic unlisted companies	$	20,704	-
Stocks of foreign unlisted companies		113,643	65,472
Private Equity		271,655	380,528
	$	**406,002**	**446,000**

Please refer to note 6 (22) for the amount recognized as profit or loss in the fair value re-measurement.

(3) Financial assets at amortised cost

A. Current

		2021.12.31	**2020.12.31**
Restricted bank deposits	**$**	**52,572**	**-**

ShunYun (Zhongshan), a subsidiary of the Group, applied to the customs for the qualification of import and export goods, guaranteed by ShunSin (Zhongshan) with customs deposit amounting to RMB 12,000 thousand (NTD 52,572 thousand) in January, 2021.

B. Non-current

		2021.12.31	**2020.12.31**
Restricted bank deposits	**$**	**8,000**	**8,000**

The Group started to use long-term loans in October, 2020. According to the contract, the amount of 8,000 thousand was deposited into the joint loan interest custody account.

The Group recognized as financial assets measured at amortized cost, whose intension is to hold the asset to maturity to collect contractual cash flow which is solely payment of principal and interest on the principal amount outstanding.

Please refer to note 8 for the details of customs deposit and collateral for long-term loans as of December 31, 2021 and 2020.

(4) Accounts receivable

		2021.12.31	**2020.12.31**
Accounts receivable	$	653,771	408,279
Accounts receivable-related party		101,458	701,751
Less: loss allowance		-	(14,246)
	$	**755,229**	**1,095,784**

Accounts receivable of the Group is not discounted or provided as collateral.

The Group uses the simplified method of estimating the anticipated credit loss for all accounts receivable, that is to say, the Group estimates anticipated credit losses based on the duration of those. In order to measure the abovementioned, the Group categorized its clients based on common credit risk about the ability to pay off the due amount, considered foresighted information which includes information on the overall economy and related industries.

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The anticipated credit loss of accounts receivable of the Group on December 31, 2021 and 2020, are analyzed as follows:

	2021.12.31		
	Book value of accounts receivable	**Weighted average anticipated credit loss rate (%)**	**Provision against anticipated credit losses during the continuance of existence**
Not overdue	$ 722,333	-	-
Past due 1-30 days	31,095	-	-
Past due 61-90 days	252	-	-
Past due 91-120 days	1,133	-	-
Past due 121-365 days	416	-	-
	$ 755,229	-	-

There is no need to recognize anticipated credit losses during the duration after assessment.

	2020.12.31		
	Book value of accounts receivable	**Weighted average anticipated credit loss rate (%)**	**Provision against anticipated credit losses during the continuance of existence**
Not overdue	$ 1,031,592	-	-
Past due 1-30 days	62,861	-	-
Past due 31-60 days	1,320	-	-
Past due 61-90 days	10	-	-
Past due 91-120 days	1	-	-
	$ 1,095,784	-	-

The Group has recognized whole amount of $14,426 thousand toward the accounts receivable with evidence showing that it cannot reasonably be expected to be recovered.

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The Group's statement of allowance of uncollectible notes receivable and accounts receivable is as follows:

	2021	2020
Opening balance	$ 14,246	13,802
Recognized loss allowance (Reversal of expected credit loss)	(15,241)	1,026
Exchange gain (loss)	995	(582)
Ending balance	$ -	14,246

Financial assets aforementioned are not used as guarantees for short-term loans and line of credit.

(5) Other receivables

	2021.12.31	2020.12.31
Other receivables	$ 24,715	10,945

Other receivables of the Group were not overdue in December 31, 2021 and 2020.

(6) Inventories

	2021.12.31	2020.12.31
Raw materials	$ 1,091,396	292,040
Work-in-process	26,790	12,389
Finished products (including semi-finished products)	23,269	20,767
	$ 1,141,455	325,196

Operating costs recognized for the year of 2021 and the year of 2020 of the Group:

	2021	2020
Cost of selling inventories	$ 3,323,093	3,250,665
Loss allowance for inventory valuation losses and slow-moving inventories	27,246	21,407
Revenue from sale of scraps	(2,391)	(2,740)
	$ 3,347,948	3,269,332

As of December 31, 2021 and 2020, the inventory of the Group has not been provided as a pledge guarantee.

(7) Non-current assets classified as held for sale

In order to optimize assets and raise efficiency of operation, after obtaining management's approval on July 30, 2021, Board of Directors approved to sell ShunSin (Zhongshan)'s equipment to Triple Win Technology (Shenzhen) Co., Ltd on October 28, 2021. The book value of the equipment is 507,203 thousand (RMB 118,111 thousand). The Group transferred the equipment to non-current assets classified as held for sale with its book value. Part of the aforementioned machinery and equipment for sale were sold at their book value in October and December of 2021. The disposal price was RMB 484,462 thousand (RMB 111,514 thousand), and the gain on the disposal was 0. As of December 31, 2021, the aforementioned remaining amount of 4,546 thousand has not yet been received, which is listed under other receivables. Among the remaining machinery and equipment for sale, 4,110 thousand (RMB 946 thousand) was transferred back to self use in December 2021, and 24,532 thousand (RMB 5,651 thousand) was sold at book value in March 2022.

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(8) Property, plant and equipment

The changes in the costs, depreciation and impairment losses of the real estate, plant and equipment of the Group in the year of 2021 and the year of 2020 are as follows:

	Housing and building	Machinery and equipment	Office equipment (including computer communication equipment)	Inspection equipment	Other equipment	Lease improvement	Unfinished construction and equipment to be inspected	Total
Cost:								
Balance as of January 1, 2021	$ 489,937	2,664,726	68,702	943,932	435,249	46,989	727,759	5,377,294
Acquisition	91,790	508,816	11,247	146,941	82,471	159	323,367	1,164,791
Disposal	-	(31,506)	(2,650)	(2,872)	(2,858)	-	-	(39,886)
Re-classification(Note 1 and 2)	684,295	(638,306)	6,554	(363,297)	(135,218)	-	(831,436)	(1,277,408)
Impact of exchange rate changes	(12,512)	(31,734)	(8,763)	(56,191)	(5,184)	(251)	(6,443)	(121,078)
Balance as of December 31, 2021	$ 1,253,510	2,471,996	75,090	668,513	374,460	46,897	213,247	5,103,713
Balance as of January 1, 2020	$ 482,658	2,716,649	64,547	999,550	349,634	46,118	641,337	5,300,493
Acquisition	-	92,588	3,887	33,176	72,607	146	104,772	307,176
Disposal	-	(213,290)	(572)	(103,495)	(10,286)	-	-	(327,643)
Re-classification(Note 1)	-	28,458	18	1,273	19,104	-	(29,539)	19,314
Impact of exchange rate changes	7,279	40,321	822	13,428	4,190	725	11,189	77,954
Balance as of December 31, 2020	$ 489,937	2,664,726	68,702	943,932	435,249	46,989	727,759	5,377,294
Accumulated depreciation and impairment losses:								
Balance as of January 1, 2021	$ 233,636	1,987,704	62,131	674,620	283,262	15,909	-	3,257,262
Depreciation	51,774	200,741	5,939	117,174	75,496	5,035	-	456,159
Disposal	-	(26,551)	(2,650)	(2,862)	(2,858)	-	-	(34,921)
Re-classification(Note 2)	-	(419,683)	(335)	(242,252)	(101,205)	-	-	(763,475)
Impact of exchange rate changes	(1,282)	(30,903)	(1,690)	(56,161)	(4,361)	(89)	-	(94,486)
Balance as of December 31, 2021	$ 284,128	1,711,308	63,395	490,519	250,334	20,855	-	2,820,539
Balance as of January 1, 2020	$ 203,563	1,922,956	54,049	616,868	236,874	10,732	-	3,045,042
Depreciation	26,374	233,216	7,674	142,200	47,449	4,914	-	461,827
Disposal	-	(198,902)	(572)	(94,815)	(4,876)	-	-	(299,165)
Impact of exchange rate changes	3,699	30,434	980	10,367	3,815	263	-	49,558
Balance as of December 31, 2020	$ 233,636	1,987,704	62,131	674,620	283,262	15,909	-	3,257,262
Carrying amount:								
Balance as of December 31, 2021	$ 969,382	760,688	11,695	177,994	124,126	26,042	213,247	2,283,174
Balance as of December 31, 2020	$ 256,301	677,022	6,571	269,312	151,987	31,080	727,759	2,120,032

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Note 1: From January 1 to December 31, 2021 and 2020, the amounts of reclassifying into expenses are $7,015 thousand and $246 thousand, and the amounts reclassified from prepayments for business facilities are $285 thousand and $19,560 thousand respectively.

Note 2: From January 1 to December 31, 2021, the cost and accumulated depreciation transferred to non-current assets classified as held for sale are $1,270,678 thousand and $763,475 thousand, respectively.

(9) Right-of-use asset

The cost and depreciation of the Group's leased land, building and transportation equipment, etc., and its changes are as follows:

	Land	Building	Vehicle	Total
Cost:				
Balance as of January 1, 2021	$ 282,271	92,396	7,049	381,716
Acquisition	-	7,505	2,290	9,795
Decrease (contract expired)	-	(410)	(1,493)	(1,903)
Impact of exchange rate changes	(1,614)	(577)	(45)	(2,236)
Balance as of December 31, 2021	**$ 280,657**	**98,914**	**7,801**	**387,372**
Balance as of January 1, 2020	$ 39,253	54,982	5,595	99,830
Acquisition	251,505	41,742	3,773	297,020
Decrease (contract expired)	-	-	(2,438)	(2,438)
Impact of exchange rate changes	(8,487)	(4,328)	119	(12,696)
Balance as of December 31, 2020	**$ 282,271**	**92,396**	**7,049**	**381,716**
Accumulated depreciation of right-of-use assets:				
Balance as of January 1, 2021	$ 3,942	30,694	3,046	37,682
Depreciation	8,355	32,906	2,794	44,055
Decrease (contract expired)	-	(410)	(1,493)	(1,903)
Impact of exchange rate changes	(104)	(99)	(6)	(209)
Balance as of December 31, 2021	**$ 12,193**	**63,091**	**4,341**	**79,625**
Balance as of January 1, 2020	$ 1,372	5,405	2,724	9,501
Depreciation	2,565	25,821	2,722	31,108
Decrease (contract expired)	-	-	(2,438)	(2,438)
Impact of exchange rate changes	5	(532)	38	(489)
Balance as of December 31, 2020	**$ 3,942**	**30,694**	**3,046**	**37,682**
Carrying amount:				
Balance as of December 31, 2021	**$ 268,464**	**35,823**	**3,460**	**307,747**
Balance as of December 31, 2020	**$ 278,329**	**61,702**	**4,003**	**344,034**

(10) Intangible assets

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The cost, amortization and impairment losses of the Group' intangible assets for the year of 2021 and 2020 are as follows:

	Cost of computer software
Cost:	
Balance as of January 1, 2021	$ 30,354
Acquisition	696
Impact of exchange rate changes	(162)
Balance as of December 31, 2021	$ 30,888
Balance as of January 1, 2020	$ 20,061
Acquisition	9,789
Impact of exchange rate changes	504
Balance as of December 31, 2020	$ 30,354
Amortization and impairment losses:	
Balance as of January 1, 2021	$ 19,575
Amortization	10,435
Impact of exchange rate changes	(111)
Balance as of December 31, 2021	$ 29,899
Balance as of January 1, 2020	$ 17,146
Amortization	2,120
Impact of exchange rate changes	309
Balance as of December 31, 2020	$ 19,575
Carrying amount:	
Balance as of December 31, 2021	$ 989
Balance as of December 31, 2020	$ 10,779

The amortization expenses of intangible assets for 2021 and 2020 are reported under the consolidated income statement as follows:

	2021	2020
Operating costs	$ 9,816	651
Operating expenses	619	1,469
	$ 10,435	2,120

(11) Short-term loans

The details of the short-term loans of the Group are as follows:

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	2021.12.31	2020.12.31
Unsecured bank loans	$ 3,142,240	4,513,883
Line of credit	$ 3,893,962	2,617,649
Interest rate range (%)	0.72~0.90	0.72~1.30

The Group did not set up assets as collateral for bank loan guarantee.

(12) Long-term loans

The details of the long-term loans of the Group are as follows:

	2021.12.31		
	Currency	Period	Amount
Syndicated loan from China CITIC Bank	NTD	2020.10~2022.12	$ 840,000
Less: deferred financing fee			(1,300)
Secured loan from MUFG Bank	NTD	2021.12~2024.12	775,040
Secured loan from E.SUN Bank	NTD	2021.12~2024.12	332,160
Less: part due within one year			838,700
Total			$ 1,107,200
Line of credit			$ 1,300,000
Interest rate range (%)			1.11~1.85

	2020.12.31		
	Currency	Period	Amount
Syndicated loan from China CITIC Bank	NTD	2020.10~2022.12	$ 840,000
Less: deferred financing fee			(3,900)
Less: part due within one year			-
Total			$ 836,100
Line of credit			$ 3,060,000
Interest rate range (%)			1.85

A. Collateral for loans

The Group started to use syndicated loan from China CITIC Bank in October 2020. According to the contract, the amount deposited into the joint loan interest custody account is 8,000 thousand. Please refer to note 8 for more information on the collateral loans.

B. Bank loan endorsement guarantee

The subsidiary of the Company, ShunYun (Cayman), started to use the secured loan from

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MUFG Bank which was guaranteed by the Company. The guaranteed amount is 1,668,000 thousand (USD 60,000 thousand).

C. Loan contract

According to the provisions of the syndicated loan contract from China CITIC Bank and the secured loan contract from MUFG Bank, during the loan period, the Group shall calculate and maintain financial covenants based on the consolidated financial report of each year for which the accountant audited, and the consolidated financial report for the second quarter of each year reviewed by the accountant, Financial covenants such as debt ratio, interest protection multiples and tangible net worth. And since the date of first use, it will be checked every half of the fiscal year. If it does not conform to the above ratio, within three months from April 1 of the following year of the audit year or August 15 (the syndicated loan contract from China CITIC Bank) and August 31 (the secured loan contract from MUFG Bank) of the year of the audit year, the financial ratio shall be improved by cash increase or other methods to meet the financial covenants, ie not considered as default.

According to the provisions of the syndicated loan contract from China CITIC Bank, the Group will repay the principal in one lump sum when it expires, and may apply for extension of the credit term before the expiry date. If the banks agree to the extension, the unpaid principal balance shall be repaid in five installments. The first installment is on the date after thirty-six months of the first use, and thereafter every six months shall be an installment for repayment. As of December 31, 2021, the Company has not applied for extension, therefore the non-current portion of non-current borrowings are classified as long-term borrowings, current portion.

According to the stipulations of the contract between the MUFG Bank and E.SUN Bank, the principal will be repaid in one lump sum upon maturity. Therefore, the amount of long-term borrowings - current portion on December 31, 2021 and 2020 is 0 thousand. According to the description of the above three non-current portion of non-current borrowings, the Group's long-term borrowings - current portion is 838,700 thousand.

(13) Convertible bonds payable

	2021.12.31	2020.12.31
The total amount of convertible bonds issued	$ 1,500,000	1,500,000
Less: amount of discount on issuing convertible bonds	142,650	142,650
Underwriting expenses	7,294	7,294
Compound present value of bonds converted at issuance	1,350,056	1,350,056
Amortization of Company debt payable at discount	117,278	86,400

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Cost of convertible bonds issue at premium		7,500	7,500
Ending balance of convertible bonds payable	$	**1,474,834**	**1,443,956**

In accordance with the official document No. 1060050468 issued by FSC, the Group issued the unsecured convertible bonds within R.O.C. for the first time on January 10, 2018. The maximum issuance amount was $1,530,000 thousand. Pricing had been completed on February 2, 2018. With February 12, 2018 as the date of issue, the convertible bonds were issued at 100.5% of face value at NT $100 thousand each. The total number of issues was 15,000, the total amount of issues was NT $1,500,000 thousand, and the raised amount was $1,507,500 thousand. The duration shall be five years from the date of issue, and the maturity date shall be the date on which the coupon interest rate is 0% per annum, and the conversion price shall be $175.2 per share.

The convertible bonds issued by the Group shall be separated from the liabilities and shall be recognized as equity and liabilities in accordance with the provisions of IFRS 9.

The value of the convertible bonds at the time of issue	$	1,357,350
Embedded derivative financial product at issue (i.e., put and call)		13,650
Composition of equity at issue (i.e. conversion rights)		129,000
	$	**1,500,000**

A. The main terms of issuance of the above convertible bonds are as follows:

First unsecured convertible bonds

(a) Coupon rate: 0%.

(b) Duration: five years (from February 12, 2018 to February 12, 2023).

(c) Re-payment method: In addition to the redemption by the Group and the request of the creditors to sell back or convert into stocks, the maturity of the bond will be repaid in cash at one time according to the face value of the bond.

(d) Conversion period: from the next day after the third months of the issuance of the convertible bonds (May 13, 2018) to the maturity date (February 12, 2023), the creditor shall, in accordance with the conversion method, request the Group to convert the convertible bonds into common shares.

(e) Redemption of the Group on the convertible bonds: from the next day after the third months of the issuance of the convertible bonds (May 13, 2018) to the maturity date (February 12, 2023), if the closing price of the common stock of the Company exceeds 30% of the conversion price at that time for 30 consecutive business days, or if the total amount of the bond that has not yet been converted is less than 10% of the total amount of the bond issued, the Group may send to the creditor a notice of bond recovery at the expiration of 30 days, and request the OTC to make a public announcement to exercise the right to redeem the convertible bonds.

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(f) Put provision of bond holders: The date of expiration of three years after the issuance of the convertible Company bonds (February 12, 2021) shall be the base date on which the bondholders sell back the bonds to the Group in advance, and the convertible bonds held by the bondholders shall be sold back in cash; In accepting the resale request, the Group shall, within five business days after the base date of resale, deliver the money to the bondholders by means of remittance.

(g) Conversion price: The conversion price of the converted Company's bonds shall be determined on February 2, 2018 as the base date of the conversion price. The simple arithmetic average of the closing price of the Company’s common shares shall be the base price, multiplied by the conversion premium of 113%. This is the basis for calculating the conversion price (calculated to $ 0.1, and rounded below). In the case of ex-dividend before the datum for determining the conversion price, the ex-dividend price shall be calculated as the closing price of the conversion price after the adoption; The conversion price shall be adjusted according to the conversion price adjustment formula in the event of deduction or interest deduction from the decision to the actual issuance date. The conversion price of the convertible bonds is $175.2 per share while it was issued; from July 30, 2021, which is ex-dividend base date, the conversion price is $159.7 per share.

B. Financial liabilities at fair value through profit or loss-non-current, the details are as follows:

	2021.12.31	2020.12.31
Initial balance of embedded derivative financial commodity (put and call)	$ 2,550	2,250
Valuation gains (loss) in the current period	(2,550)	300
	$ -	2,550

C. Equity composition item under capital reserve-stock option, the details are as follows:

	2021	2020
Closing balance(Initial balance)	$ 129,000	129,000

Based on conservative principle, the Group reclassified the bonds payable and financial liabilities at fair value through profit or loss to current liabilities as of first quarter of 2020 because the holder of bonds payable may require the Group to buy back the bonds at agreed price after 3 years from the bonds’ issue date (February 12, 2021 is the selling base day of bonds holders), nevertheless, the bonds payable is not necessarily required to fully paid off in one year. Due to put right has expired, the expiration dates of First unsecured convertible bonds, which are February 12, 2023 and January 3, 2023, respectively. The Group reclassified the convertible bonds and current financial assets at fair value through profit or loss as non-current items.

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(14) Lease Liability

The Group's booking value of lease liabilities are as follows:

	2021.12.31	2020.12.31
Current	$ 35,133	32,598
Non-current	3,976	33,187
Total	$ 39,109	65,785

Please refer to note 6 (23) for analysis of expiration.

Amounts recognized in profit or loss are as follows:

	2021	2020
Interest expense from lease liabilities	$ 1,601	1,503
Expense of short-term lease	$ 63,676	23,811
Expense of low-value leasing asset (not include low-value short-term lease)	$ 34	30
Covid-19-Related Rent Concessions（recognized as other income）	$ -	1,719

Amounts recognized in cash flow statement are as follows:

	2021	2020
Total cash used in operating activity	$ 65,311	25,344
Total cash used in financing activity	35,707	25,903
Total cash used in lease	$ 101,018	51,247

A. Lease of land, buildings and constructions

The Group leases land, houses and buildings as operating site and factory. The leasing periods of land is usually 30 to 50 years, the leasing periods of buildings and constructions are usually 2 to 3 years, and some leases include the option to extend the same period as the original contract when the lease period expires.

B. Other leases

The Group leases transportation equipment for a period of 3 to 4 years.

Besides, the rental periods of office, parking lot, staff dorm, and machinery are 1 to 3 years, which are short term or low value lease, the Group chose to apply exemption recognition requirements instead of recognizing its relative right-of-use assets and lease liabilities.

(15) Employee benefit

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

The Taiwan branch of the Group shall adopt a defined contribution plan, which shall be transferred to the individual pension account of the labor insurance bureau at the rate of 6% of the monthly salary of the employees in accordance with the provisions of the Labor Pension Act. There is no statutory or presumed obligation to pay additional amounts after a fixed amount is paid to the labor insurance bureau by the Group under the scheme.

In accordance with the pension insurance system stipulated by the government of the People's Republic of China, a company incorporated in the People's Republic of China shall allocate a certain proportion of its employees' total salary to the pension fund each month, and the proportion rate is 13%. And the pension fund is deposit into the individual account of each employee. The pension of each employee shall be managed and arranged by the government, and the Company shall have no further obligation except monthly allocation.

The pension expenses of the Group in 2021 and 2020 have been allocated to the labor insurance bureau and the local competent authority of the consolidated foreign subsidiaries. The details of the expenses reported by the Group are as follows:

		2021	2020
Operating costs	$	35,748	28,331
Operating expenses		21,008	12,066
	$	56,756	40,397

(16) Income tax

A. Income tax expenses (benefits)

Income tax declarations of the Group shall be made separately by each company, and shall not be consolidated.

The income tax expense (benefit) details of the Group for the year of 2021 and the year of 2020 are as follows:

		2021	2020
Current			
Current period	$	114,710	39,645
Underestimate (overestimate) of income tax for previous year		(3,283)	1,291
		111,427	40,936
Deferred income tax expenses (benefits)			
Occurrence and reversal of temporary differences	$	(173,777)	250,313
Reverse the temporary difference of previous year		(106,971)	-
Previous year's loss deduction against overestimates		(3,114)	(4,434)
		(283,862)	245,879
Income tax expense	$	(172,435)	286,815

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

The income tax expense (benefit) details of the Group for the year of 2021 and the year of 2020 are as follows:

	2021	2020
Pre-tax net profit	$ 206,172	1,006,371
Income tax calculated according to the local tax rate of each company	$ 4,733	187,542
Adjustment according to tax law	(53,919)	(9,988)
Underestimate (overestimate) of income tax for previous year	(3,283)	1,291
Previous year's loss deduction against underestimates	(3,114)	(4,434)
Reverse the temporary difference of previous year	(106,971)	-
Estimated (revolving) tax on the income distribution of subsidiaries	(9,881)	112,404
Income tax expense	$ (172,435)	286,815

B. Deferred tax assets and liabilities

(a) Unrecognized deferred tax liabilities

Board of Directors of ShunSin (Zhongshan) decided not to distribute the undistributed earnings of 2016 and 2015 on September 30, 2021. On June 29, 2015 and November 24, 2014, respectively, Board of Directors of ShunSin (Zhongshan) decided not to distribute the undistributed earnings of 2013 and previous years. Therefore, as of December 31, 2021 and 2020, the Group did not recognize the deferred income tax liabilities arising from the taxable earnings of long-term equity investment under the Equity Law of the Republic of China in 2014 and previous years. The relevant amounts are as follows:

	2021.12.31	2020.12.31
Taxable surplus of long-term equity investment in Equity method	$ 346,139	239,168

(b) Recognized deferred tax assets and liabilities

The changes of deferred tax assets and liabilities in 2021 and 2020 are as follows:

Deferred tax assets:

	Unrealized exchange gains (losses)	Loss deduction	Difference in durability of property, plant and equipment	Unrealized evaluate gains (losses)	Others	Total
Balance as of January 1, 2021	$ -	11,747	61,917	15,462	25,949	115,075

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Income Statement		2,123	108,861	(26,663)	8,754	11,777	104,852
The impact of exchange rate change		4	(135)	(415)	(89)	(130)	(765)
Balance as of December 31, 2021	**$**	**2,127**	**120,473**	**34,839**	**24,127**	**37,596**	**219,162**
Balance as of January 1, 2020	$	9,184	168,047	73,690	-	17,205	268,126
Income Statement		(9,184)	(155,909)	(12,719)	15,168	8,361	(154,283)
The impact of exchange rate change		-	(391)	946	294	383	1,232
Balance as of December 31, 2020	**$**	**-**	**11,747**	**61,917**	**15,462**	**25,949**	**115,075**

Deferred tax liabilities:

		Long-term equity investment	One-time expensation of equipment (Note)	Others	Total
Balance as of January 1, 2021	$	300,584	203,571	16,134	520,289
Income Statement		(116,852)	(61,184)	(974)	(179,010)
The impact of exchange rate change		(1,141)	(1,047)	(46)	(2,234)
Balance as of December 31, 2021	**$**	**182,591**	**141,340**	**15,114**	**339,045**
Balance as of January 1, 2020	$	183,990	237,105	294	421,389
Income Statement		112,404	(36,539)	15,731	91,596
The impact of exchange rate change		4,190	3,005	109	7,304
Balance as of December 31, 2020	**$**	**300,584**	**203,571**	**16,134**	**520,289**

Note: According to Cai-Shui [2018] 54 issued by the State Taxation Administration of the Ministry of Finance of the Mainland of China, newly purchased equipment and appliances with unit value not exceeding 5 million yuan between 2018 and 2020 are allowed to be deducted in the calculation of income tax payable at one time, and depreciation is not calculated annually.

(c) Examination and approval of income tax

The Company is exempt from income tax and do not need to declare profit-making enterprise income tax according to the law of the country where the Company is established.

The Taiwan Branch of the Company has been approved by the taxation authorities until 2019.

(17) Capital and other equities

As of December 31, 2021 and 2020, the amount of authorized share of the Company are both 1,440,000 thousand with par value of $10 for 144,000 thousand ordinary shares respectively. The issued shares are 107,465 and 107,256 thousand ordinary shares and all outstanding shares were collected.

Reconciliation of outstanding shares is as follows:

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

	Ordinary shares (thousands of shares)	
	2021	**2020**
Opening balance on January 1st	107,256	106,525
Employee stock option	209	731
Ending balance on December 31	**107,465**	**107,256**

A. Share Capital

The capital surplus balance of the Company is as follows:

	2021.12.31	**2020.12.31**
Share premium	$ 2,689,050	2,665,140
Changes in ownership interests in subsidiaries	97,121	-
Employee stock option	-	11,550
Employee stock option-expired	4,841	-
Treasury share transactions	37,810	10,812
Share payment transactions of its subsidiaries	5,603	-
Issuance of stock option embedded in convertible bonds	129,000	129,000
	$ 2,963,425	**2,816,502**

B. Retained earnings distribution

The rule of earnings distribution of the Company's Articles of Association as follows:

(a) The Board of Directors understands that the Company operates in a mature industry with stable earnings and sound financial structure. For the decision on dividends or other allotments (if any) established with the consent of shareholders in each fiscal year, the Board of Directors shall:

(I) Consider the Company's earnings, overall development, financial planning, capital needs, industry prospects and future prospects of the company in each fiscal year to ensure the protection of shareholders' rights and interests; and

(II) Recognize below items in the Company's earnings in each fiscal year: (i) the reserve for the payment of taxes in the relevant fiscal year; (ii) the amount of compensation for past losses; (iii) one-tenth of the general reserve and (iv) the reserve required by Board of Directors in accordance with Article 14.1 or the special surplus required by the securities authorities in accordance with the rules of the publicly issued company.

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(b) In the absence of any violation of the law, and after the prescribed allocation of remuneration to employees and directors and the allocation policy set forth in accordance with Article (1) of the Board of Directors as appropriate amounts, the Board of Directors shall allocate not less than 10% of the allowable amount which belongs to the surplus of the previous fiscal year (excluding the accumulated surplus of the previous year) as shareholder dividends, which shall be distributed after the adoption of the resolution of the shareholders' meeting.

(c) The distribution of shareholders' dividends and employees' remuneration may, upon the decision of the Board of Directors, be distributed to employees or shareholders in cash, or in such amount as to make full payment of the outstanding shares, or both; For the shareholders' dividend, the cash dividend shall not be less than 50% of the total dividend. The Company pays no interest on undistributed dividends and remuneration.

According to Charter of the Company, the Company's earnings distribution for 2020 and 2019 were decided by the shareholders' meeting on May 13, 2021 and March 25, 2020 respectively. The dividend distribution are as follows:

	2020		2019	
	Dividend per share (USD)	**Amount**	**Dividend per share (USD)**	**Amount**
Dividend distributed to ordinary share holders:				
Cash	$ 4.10	440,212	3.67	387,641

As of December 31, 2021 and 2020, all cash dividends have been paid.

Information on the decision of the Board of Directors and earnings distribution determined by the shareholders' meeting of the company can be obtained from MOPS.

C. Treasury Stock

The Company was approved by Board of Directors on January 8, 2019 to repurchase 2,858 thousand shares as treasury stock in order to transfer them to employee. The aforementioned 2,858 thousand shares had been repurchased with the average price $85.18 per share, and total repurchasing amount is $243,432 thousand. As of December 31, 2020, the transferred shares are 1,982 thousand shares and the amount of repurchased shares is $74,605 thousand. Board of Directors of the Group approved to transfer remaining 876 thousand shares on April 16, 2021. Employees' payment deadline is on June 18, 2021. Money received amounting is $74,605 thousand and the treasury stock has been transferred to employees on

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July 5, 2021.

In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and do not hold any shareholder rights before their transfer.

(18) Share-based payment

A. Employee stock options

(a) Talentek (Hefei), a subsidiary of the Company, was approved by the Board of Directors of Talentek (Hefei) on December 12, 2021, to issue stock options for employees. Talentek (Hefei) shall issue 7,680 thousand shares with issue price RMB 2 yuan per share. After the approval of the Board of Directors of Talentek (Hefei), the stock options could be fully executed.

(b) The Company was approved by the Board of Directors on March 9, 2017 to issue stock options for employees, and approved by FSC on April 12, 2017 to take effect. In addition, the Chairman of the Board of Directors set July 17, 2017 as the actual issuance date, issuing 3,000 thousand new shares at the subscription price based on the closing price of the Company's common shares on the day of issuance on the Taiwan Stock Exchange. If the closing price of the day is lower than the face value, the face value of the common stock shall be taken as the share price. The term of validity of option shall be 3.5 years. The stock options for employees have expired on January 17, 2021.

As of December 31, 2021 and 2020, the Group have the following underlying share payment transactions:

	Employee stock option certificate	
	Employee stock option certificates of The Company	**Employee stock option certificates of Talentek (Hefei)**
Grant date	2017.5.5	2021.12.22
Grant quantity (1,000 share)	3,000	7,680
Contract period	3.5year (expired)	Immediately vested at approval
Grant objects	Full-time employees of the Company and its subsidiaries	Full-time employees of the Company and its subsidiaries
Acquired conditions	60% can be exercised after two years, 100% can be exercised after three years	Immediately vested at approval

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B. The measurement parameters of fair value on grant date

Black Scholes option evaluation model was adopted to estimate the fair value of grant date's employee option. The input value of this model is as follows:

	Employee stock option certificates of The Company		**Employee stock option certificates of Talentek (Hefei)**	
Fair value on grant date	TWD	29.78	CNY	0.37
Share price on grant date	TWD	106.50	CNY	2.37
Exercise price	TWD	97.80	CNY	2.00
Expected volatility (%)		49.94~50.06		0
Option duration (year)		3.50		-
Risk-free interest rate (%)		0.53~0.65		-

Expected volatility is based on weighted average historical volatility and adjusts the expected changes due to publicly available information; the duration of the option is governed by the issuance method of the Group; and the risk-free interest rate is based on government bonds. The fair value decision does not take into account the service and non-market performance conditions contained in the transaction.

C. The information about employee stock options is as follows:

The details of the employee stock option certificates of the Company are as follow:

Unit: 1,000

	2021			**2020**		
	Weighted average performance price		**Number of option**	**Weighted average performance price**		**Number of option**
Outstanding option as of January 1	TWD	92.30	226	TWD	95.62	1,064
Grant quantity in current period		-	-		-	-
Quantity lost in current period		-	-		-	(107)
Quantity executed in current period		-	(209)		-	(731)
Overdue expiration of the current period		-	(17)		-	-
Outstanding option as of December 31		-	-		92.30	226
Executable as of December 31		-	-		92.30	226

The employee stock option plan of The Company expired on January 17, 2021.

The details of the employee stock option certificates of Talentek (Hefei), a subsidiary of the

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Company, are as follow:

Unit: RMB/1,000

	2021	
	Weighted average performance price	**Number of option**
Outstanding option as of January 1	CNY -	-
Grant quantity in current period	2.00	7,680
Quantity lost in current period	-	-
Quantity executed in current period	-	(7,680)
Overdue expiration of the current period	-	-
Outstanding option as of December 31	-	-
Executable as of December 31	-	-

D. Relative information of Policy Governing First Share Repurchased and Transferred to Employees

The Company transferred treasury stock to employees in accordance with the approval by Board of Directors on April 16, 2021 and March 25, 2020 which is based on the Policy Governing First Share Repurchased and Transferred to Employees. The transferring price is actual average repurchased price, amounting to 85.18 per share. The fair value of the subscription is $30.82 and $0 per share while the stock price on April 16, 2021 and March 25, 2020, which are also subscription dates, are $116 and $84.30 per share. As of December 31, 2021, 2,858 thousand shares were transferred and the Company has collected all the receivables of shares.

E. Expenses for employees of the share-based payment

The expenses incurred by the Group in the year of 2021 and 2020 due to the share-based payment are as follows:

	2021	2020
Expense from employee stock option	$ 12,335	3,174
Expense from treasury stock	26,998	-
Total	$ 39,333	3,174

(19) Earnings per share

The Company's basic earnings per share are calculated as follows:

Unit: 1,000

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

		2021	2020
Basic earnings per share of the Company			
Net profit for the current period	$	403,082	724,859
Weighted average number of outstanding shares		107,014	105,336
Basic earnings per share (NT$)	$	3.77	6.88
Diluted earnings per share of the Company			
Net profit for the current period	$	403,082	724,859
The impact of potential common stocks with diluting effect			
Fair value assessment of embedded derivatives (such as trading rights)		2,550	(300)
Expected reduction in interest expense for convertible bonds conversion		30,878	30,228
Net profit for the current period(adjusted)	$	436,510	754,787
Weighted average number of outstanding shares		107,014	105,336
The impact of potential common stocks with diluting effect			
Employees' remuneration		649	1,007
The impact of employee stock options		206	285
The impact of convertible bonds		9,393	9,069
Weighted average number of outstanding shares		117,262	115,697
Diluted earnings per share (NT$)	$	3.72	6.52

(20) Revenues from customers' contract

A. Disaggregation of revenue

		2021	2020
Primary geographical markets:			
Singapore	$	1,520,499	1,576,936
China		1,300,203	1,896,633
US		700,648	499,730
Taiwan		571,095	768,916
Malaysia		117,982	98,430
Other countries		59,973	9,044
	$	4,270,400	4,849,689

B. Remaining balance of contracts

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

	2021.12.31	2020.12.31	2020.1.1
Notes receivable	$ -	-	710
Accounts receivable (including related party)	755,229	1,110,030	1,115,908
Less: Loss allowance	-	(14,246)	(13,802)
Total amount	$ 755,229	1,095,784	1,102,816
Contract assets	$ 329,504	188,071	260,384

The Group has assessed that there is no need to recognize loss allowance for contract assets as of December 31 2021 and December 31, 2020.

The variation of contract liabilities comes from the difference between meeting performance obligations and payment timing of customers.

(21) Profit sharing bonus of employees and directors

The Company shall allocate profit sharing bonus to the employees with no less than 5% of the current year's profits before the payment of employees’ and the directors' profit sharing bonus. The Company may allocate no more than 0.1% of the profits of the current year for the profit sharing bonus of directors.

The Company accrued profit sharing bonus to employees for 2021 and 2020 are $43,333 thousand and $100,0000 thousand respectively, and $465 thousand and $855 thousand for the directors, which are based on the pre-tax net profit before minus the employees’ and directors’ profit sharing bonus in each period of the Company multiplied by the employee profit sharing bonus and director'' profit sharing bonus allotment stipulated in the Company’s Articles of Association, and are included as operating cost and operating expenses of 2021 and 2020. If there is a difference between the actual allocated amount and the estimated amount in the next year, it will be treated according to the changes in the accounting estimates, and the difference will be classified as the profit and loss of the next year. If employees' profit sharing bonus is paid by shares, the number of shares shall be calculated based on the closing price of the day before the Board of Directors. There is no difference between the amount of profit sharing bonus for employees and directors as determined by the Board of Directors and the estimated amount in the consolidated financial report of the Company for the year of 2021 and the year of 2020. Related information is available at the MOPS.

(22) Non-operating gains and losses

A. Interest income

Interest incomes of the Group are as follows:

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

		2021	2020
Bank deposit interest	$	219,087	173,508

B. Other incomes

Other incomes of the Group are as follows:

		2021	2020
Gains on write-off of past due payable	$	11,742	-
Incomes from government subsidy		37,111	53,955
Rent concessions (recognized as other income)		-	1,719
Other incomes		15,094	3,525
Total amount of other incomes	$	63,947	59,199

C. Other profits and losses

Other profits and losses of Group are as follows:

		2021	2020
Net profits (losses) of foreign currency exchange	$	(13,178)	(45,107)
Profits (losses) from disposal of Property, plant and equipment		(4,622)	(1,867)
Profits (losses) from financial assets/liabilities at fair value through profit and loss		(40,167)	(68,172)
Other losses		(4,687)	(6,932)
	$	(62,654)	(122,078)

D. Financial costs

The financial costs of the Group are as follows:

		2021	2020
Interest expenses from bank loans	$	40,741	34,133
Interest expenses of convertible bonds		30,878	30,228
Interest expenses of lease liabilities		1,601	1,503
	$	73,220	65,864

(23) Financial instruments

A. Credit risks

(a) Credit exposure risk

The book value of financial assets represents the maximum amount of credit exposure risk.

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(b) Concentration of credit risk

On December 31, 2021 and 2020, 83% of the accounts receivable balance of the Group were composed of several customers, which made the Group have a significant concentration of credit risk.

(c) Credit risks of receivables

For credit exposure risk information of notes receivable and accounts receivable, please refer to Note 6 (4) for details and Note 6 (5) for details of other receivables. The other receivables listed above are all financial assets with low credit risk. Therefore, the allowance loss during the period is measured by the amount of anticipated credit loss for 12 months.

B. Liquidity risk

The following table shows the contract maturity date of financial liabilities, which includes estimated interest.

	Book value	Cash flow of the contract	Within 1 year	1-2 years	2-5 years	More than 5 years
December 31, 2021						
Non-derivative financial liabilities						
Short-term loans	$ 3,142,240	3,142,240	3,142,240	-	-	-
Accounts payable (including related parties)	630,543	630,543	630,543	-	-	-
Other payables (including related parties)	595,641	595,640	595,640	-	-	-
Convertible bonds payable (including derivative financial assets)	1,474,834	1,500,000	-	1,500,000	-	-
Long-term loans	1,945,900	2,007,619	875,652	12,556	1,119,411	-
Lease liabilities	39,109	39,807	35,785	4,022	-	-
Guarantee deposits received	4,826	4,826	4,175	-	87	564
	7,833,093	7,920,675	5,284,035	1,516,578	1,119,498	564
Derivative financial liabilities						
SWAP contract:						
Outflow	-	1,765,379	1,765,379	-	-	-
Inflow	962	(1,766,341)	(1,766,341)	-	-	-
	962	(962)	(962)	-	-	-
	$ 7,834,055	7,919,713	5,283,073	1,516,578	1,119,498	564
December 31, 2020						
Non-derivative financial liabilities						
Short-term loans	$ 4,513,883	4,513,883	4,513,883	-	-	-
Accounts payable (including related parties)	322,669	322,669	322,669	-	-	-
Other payables (including	572,667	572,667	572,667	-	-	-

related parties)						
Convertible bonds payable (including derivative financial assets)	1,441,406	1,500,000	1,500,000	-	-	-
Long-term loans	836,100	870,865	15,539	855,326	-	-
Lease liabilities	65,785	67,770	34,035	31,011	2,724	-
Guarantee deposits received	1,118	1,118	350	202	-	566
	$ 7,753,628	7,848,972	6,959,143	886,539	2,724	566

C. Exchange rate risk

(a) Exchange rate exposure risk

The financial assets and liabilities of the Group exposed to significant foreign currency exchange rate risks are as follows:

	2021.12.31			2020.12.31		
	Foreign currency (in thousands)	Exchange rate (NT$)	NT$	Foreign currency (in thousands)	Exchange rate (NT$)	NT$
Financial assets						
Monetary items						
USD	85,955	27.6804	2,379,265	97,903	28.4790	2,788,170
RMB	2,197	4.3546	9,567	349,610	4.3546	1,522,412
Financial liabilities						
Monetary items						
USD	105,500	27.6818	2,920,432	94,307	28.4795	2,685,823
Yen	13,074	0.2408	3,148	15,046	0.2759	4,151

(b) Sensitivity analysis

The exchange rate risk of the Group mainly comes from the foreign currency-denominated cash and the cash equivalents, accounts receivable and other receivables, accounts payable and other payables, etc., which generate foreign currency exchange gains and losses during the conversion. On December 31, 2021 and December 31, 2020, when the Taiwan dollar depreciates by 0.25% against the US dollar, the Chinese Yuan and the Japanese Yen, while all other factors remain unchanged, the net profit before tax for the year of 2021 and 2020 will increase by approximately ($1,337) thousand and $4,052 thousand, respectively.

(c) Exchange gains and losses of monetary items

Due to the variety of functional currencies in the Group, the exchange gains and losses of monetary items are disclosed by the method of exchange consolidation. The exchange gains (losses) of foreign currencies in 2021 and 2020, including realized and unrealized ones, are ($13,205) thousand and ($45,107) thousand, respectively.

D. Interest rate analysis

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

The fixed deposit part of the Group belongs to floating interest rate, but the market interest rate does not change much, so the change of interest rate does not cause significant cash flow risk.

The interest rate of the Group's long-term loans is floating interest rate. The following sensitivity analysis based on the exposure to interest rate risk for long-term loans on reporting date. The analysis of floating interest rate liability is based on the assumption that the liability is outstanding for whole year. The rate of change used when reporting interest rates within the Group to key management is an increase or decrease of 0.25% in interest rates, which also represents management's assessment of the reasonably possible range of changes in interest rates.

If the interest rate increases or decreases by 0.25% and all other variables remain unchanged, the Group's net income before tax for the year of 2021 and 2020 will decrease or increase by 2,768 thousand and 0 thousand, mainly due to the Group's floating interest rate loans.

E. Information on fair value

(a) Types and fair value of financial instruments

The book amount and fair value (including fair value-grade information, but not a reasonable approximation of fair value to the book value of financial instruments measured by fair value, and investment in equity instruments without quotation and reliable measurement of fair value in the flexible market, there is no need to disclose fair value information according to regulations.) of the financial assets and financial liabilities of the Group are listed as follows:

	2021.12.31				
		Fair value			
	Book value	Grade 1	Grade 2	Grade 3	Total amount
Financial assets at fair value through profit or loss					
Domestic unlisted stocks	$ 20,704	-	-	20,704	20,704
Non-listed foreign shares	113,643	-	-	113,643	113,643
Private fund	271,655	-	-	271,655	271,655
Subtotal	406,002	-	-	406,002	406,002
Financial assets measured at amortized costs					
Cash and cash equivalents	9,066,899	-	-	-	-
Restricted bank deposit	60,572	-	-	-	-
Contract assets	329,504	-	-	-	-
Notes receivable and accounts receivable (including related parties)	755,229	-	-	-	-
Other receivables	24,715	-	-	-	-

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Guarantee deposits paid	11,426	-	-	-	-
Subtotal	10,248,345	-	-	-	-
Total amounts	**$ 10,654,347**	**-**	**-**	**406,002**	**406,002**
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities -current	$ 962	-	962	-	962
Financial liabilities at amortized costs					
Bank loans	3,142,240	-	-	-	-
Accounts payable (including related parties)	630,543	-	-	-	-
Other payables (including related parties)	595,641	-	-	-	-
Convertible bond-liability component	1,474,834	-	-	-	-
Long-term loans	1,945,900	-	-	-	-
Lease liabilities	39,109	-	-	-	-
Guarantee deposits received	4,826	-	-	-	-
Subtotal	7,833,093	-	-	-	-
Total amounts	**$ 7,834,055**	**-**	**962**	**-**	**962**

	2020.12.31				
		Fair value			
	Book value	**Grade 1**	**Grade 2**	**Grade 3**	**Total amount**
Financial assets at fair value through profit or loss					
Derivative financial assets-current	$ 13,607	-	13,607	-	13,607
Domestic unlisted stocks	65,472	-	-	65,472	65,472
Private fund	380,528	-	-	380,528	380,528
Subtotal	459,607	-	13,607	446,000	459,607
Financial assets measured at amortized costs					
Cash and cash equivalents	9,943,380	-	-	-	-
Restricted bank deposit	8,000	-	-	-	-
Contract assets	188,071	-	-	-	-
Notes receivable and accounts receivable (including related parties)	1,095,784	-	-	-	-
Other receivables	10,945	-	-	-	-
Guarantee deposits paid	12,540	-	-	-	-
Subtotal	11,258,720	-	-	-	-
Total amounts	**$ 11,718,327**	**-**	**13,607**	**446,000**	**459,607**
Financial liabilities at amortized costs					
Bank loans	$ 4,513,883	-	-	-	-
Accounts payable (including related parties)	322,669	-	-	-	-
Other payables (including related parties)	572,667	-	-	-	-
Convertible bond-liability component	1,443,956	-	-	-	-
Long-term loans	836,100	-	-	-	-
Lease liabilities	65,785	-	-	-	-
Guarantee deposits received	1,118	-	-	-	-

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Total amounts	$ 7,756,178	-	-	-	-

(b) Fair value assessment technique for measuring financial instruments at fair value

(I) Non-derivative financial instruments

The financial instrument held by the Group without an active market is an equity instrument or beneficiary certificate without open price, and its fair value is listed as the following by its kind and attributes:

(i) Equity instrument without open price: to use comparable company method and comparable transaction method. The main assumption of comparable company method is based on the profit after tax or the enterprise value of the investee and the listed earnings and enterprise value-to-sales multiplier derived from the market prices of comparable companies. This estimate has adjusted for the discounted effect of the lack of marketability of the equity securities.

(ii) Beneficiary certificate without open price: The fair value is estimated using the asset method. Total value of the beneficiary certificate is determined by the value covered by it.

(II) Derivative financial instruments

The right of conversion, redemption and sale of convertible bonds payable is estimated at fair value according to the appraisal report of external experts. The evaluation model is a binary tree convertible bond evaluation model, which uses market basis including stock price volatility, risk-free interest rate, risk discount rate and liquidity risk to observe the input value to reflect the fair value of options.

Forward foreign exchange contract and SWAP contract are usually evaluated based on the bank statement.

(c) Statement of changes of Grade 3

	2021			2020	
	Domestic unlisted stocks	**Non-listed foreign company shares**	**Private equity fund**	**Non-listed foreign company shares**	**Private equity fund**
Balance on January 1	$ -	65,472	380,528	-	476,151
Add	-	-	-	64,096	-
Gains/ Losses:					
Recognized in gains/ losses	20,950	48,553	(106,913)	-	(101,119)
The impact of exchange rate	(246)	(382)	(1,960)	1,376	5,496

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Balance on December 31	$ 20,704	113,643	271,655	65,472	380,528

The above mentioned profits/ losses are recognized in other profits and losses.

(d) Quantified information on significant unobservable inputs (Grade 3) used in fair value measurement

Main composition of fair value classified as Grade 3 of the Group is financial assets at fair value through profit or loss.

Investments in equity instruments classified as the Grade 3 non-active market have significant unobservable input values in the plural. The significant unobservable input values of equity instruments investment in non-active markets are independent of each other, so there is no correlation between them.

The quantitative information of significant unobservable input values is listed as follows:

Items	**Evaluation technologies**	**Significant unobservable input value**	**The relationship between significant unobservable input values and fair value**
Financial assets at fair value through profit or loss－equity vehicle investment without active market	Refer to Listed (OTC) Company Act and Comparable transaction method (Note)	• P/E ratio multiplier (11.71 on 2021.12.31)	• The higher the multiplier, the higher the fair value
		• Multiplier of enterprise value-to-sales (3.92 on 2021.12.31, 4.16 on 2020. 12.31)	
		• Lack of market liquidity discounts (P/E ratio multiplier is 20%, multiplier of enterprise value-to-sales is 10% on 2021.12.31；multiplier of enterprise value-to-sales is 20% on 2020.12.31)	• The higher the discount for lack of market liquidity, the lower the fair value

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Financial assets at fair value through profit or loss- Private fund investment consideration	Net asset value method	Net asset value	• The higher the net asset value, the higher the fair value

Note: The Group adopted comparable transaction method to use the latest price of capital increase to be fair value considering that the investee has a cash capital increase.

(e) A sensitivity analysis of the fair value of the Grade 3 to reasonable alternative assumptions

The fair value measurement of financial instruments by Group is reasonable, but different evaluation models or parameters may lead to different evaluation results. For financial instruments classified as the Grade 3, if the evaluation parameters change, the impact on current profits and losses is as follows:

			Changes in fair value reflecting in current profits and losses	
	Input value	**Move up or down**	**Favorable change**	**Unfavorable change**
December 31, 2021				
Financial assets measured at fair value through profit and loss				
Equity instrument investment in non-active market	P/E ratio	5%	10,368	(10,368)
Equity instrument investment in non-active market	Enterprise value-to-Sales	5%	1,309	(1,309)
December 31, 2020				
Financial assets measured at fair value through profit and loss				
Equity instrument investment in non-active market	Enterprise value-to-Sales	5%	792	(792)

The favorable and unfavorable changes of the Group refer to the fluctuations of the fair value, which is calculated based on the evaluation technology according to the varying degrees of unobservable input parameters. If the fair value of a financial instrument is affected by more than one input value, the above table only reflects the impact of changes in a single input value and does not take into account the correlation and variability between input values.

(f) Offsetting of financial assets and liabilities

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

The Group has transactions in financial instruments that are subject to the provisions of paragraph 42 of the IAS 32 endorsed by FSC, and the financial assets and financial liabilities related to such transactions are expressed on the balance sheet as a net amount. The following table lists the relevant information about the offset of the above financial assets and financial liabilities:

2021.12.31

Financial assets subject to offset, offset settlement agreement or similar agreements

				Relative amount not offset in balance sheet (d)		
	Total amount of recognized financial assets (a)	Offset financial liabilities recognized in balance sheet (b)	Net amount of financial assets in balance sheet (c)=(a)-(b)	Financial instrument	Cash collateral received	Net amount (e)=(c)-(d)
Other financial assets	802,720	802,720	-	-	-	-

2021.12.31

Financial assets subject to offset, offset settlement agreement or similar agreements

				Relative amount not offset in balance sheet (d)		
	Total amount of recognized financial liabilities (a)	Offset financial assets recognized in balance sheet (b)	Net amount of financial liabilities in balance sheet (c)=(a)-(b)	Financial instrument	Cash collateral received	Net amount (e)=(c)-(d)
Short-term loans	802,720	802,720	-	-	-	-

2020.12.31

Financial assets subject to offset, offset settlement agreement or similar agreements

				Relative amount not offset in balance sheet (d)		
	Total amount of recognized financial assets (a)	Offset financial liabilities recognized in balance sheet (b)	Net amount of financial assets in balance sheet (c)=(a)-(b)	Financial instrument	Cash collateral received	Net amount (e)=(c)-(d)
Other financial assets	1,993,600	1,993,600	-	-	-	-

2020.12.31

Financial assets subject to offset, offset settlement agreement or similar agreements

				Relative amount not offset in balance sheet (d)		
	Total amount of recognized financial liabilities (a)	Offset financial assets recognized in balance sheet (b)	Net amount of financial liabilities in balance sheet (c)=(a)-(b)	Financial instrument	Cash collateral received	Net amount (e)=(c)-(d)
Short-term loans	1,993,600	1,993,600	-	-	-	-

(24) Financial risk management

A. Overview

The Group has exposure the following risks arising from financial instruments:

(a) Credit risk.

(b) Liquidity risk.

(c) Market risk.

This note presents information about the Group's exposure to each of the above risks, the objectives, policies and processes for measuring and menaging risk, and the Group's management of capital. Please see other related notes for quantitative information.

The Group adopt a comprehensive financial risk management and control system to clearly identify, measure and control various financial risks of the Group: market risks (including exchange rate risks, interest rate risks and price risks), credit risks and liquidity risks.

B. Risk management framework

(a) Management targets

(I) Except that market risk is controlled by external factors, all the above risks can be eliminated by internal control or operation process, so their management aims at minimizing each risk.

(II) In the aspect of market risk, the overall position should be adjusted to the optimal target through rigorous analysis, suggestion, execution and process, and proper consideration of the overall external trend, internal operation status and the actual impact of market fluctuations.

(III) The Group' overall risk management policy focuses on financial market uncertainties and seek to mitigate potential adverse effects on the Group' financial position and performance.

(b) Management system

(I) Risk management shall be carried out by the financial department of the Group in accordance with the policies approved by the Board of Directors. To identify, assess and mitigate financial risks through close collaboration with the Group' operating units.

(II) The Board of Directors has written principles for overall risk management, and provides written policies for specific scope and matters, such as exchange rate risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of surplus working capital.

C. Credit risk

(a) Credit risk refers to the risk of financial loss caused by the failure of Group to perform its contractual obligations by its customers or counterparties to financial instruments.

(b) According to the internal credit policy of the Group, each operator of the Group shall conduct management and credit risk analysis for each new customer before making payment and proposing delivery terms and conditions. Internal risk management assesses customers' credit quality by taking into account their financial position, past experience and other factors.

The Board of Directors establishes limits for individual risks based on internal or external ratings, and regularly monitor the use of credit lines. The main credit risk is the credit risk of cash and cash equivalents, accounts receivable and other receivables, which is measured and monitored by the financial department of the Group. Since the transaction objects and performance objects of the Group are mainly banks with good credit, the company and financial institutions with investment grade or above, and there are no significant performance doubts, there is no significant credit risk.

D. Liquidity risk

The cash flow forecast is executed by each operator in the Group and summarized by the financial department of the Group. The financial department of the Group monitors the forecast of the Group's liquidity needs and maintains appropriate funds and bank credit lines to meet contractual obligations.

E. Market risk

(a) Exchange rate risk

(I) Nature

The Group operates multinationally, thus its exchange rate risk is affected by several kinds of currencies, mainly from US dollar, RMB and VND, generated from：

(i) The exchange rate risks arising from the differences in the exchange rates of functional currencies due to the differences in the time of setting up accounts receivable and accounts payable of non-functional foreign currencies.

(ii) In addition to the business transactions (business activities) on the income statement, there are also exchange rate risks associated with the assets and liabilities recognized on the balance sheet and the net investment in foreign operating institutions.

(II) Management

(i) The management of the Group has established a policy for the financial department to manage the exchange rate risks of the subsidiaries of the Group against their functional currencies.

(ii) The Group hold investments of several foreign operating institutions, and their net assets bear the risk of foreign currency conversion. Exchange rate risks arising from the operation of foreign operating institutions of the Group will be hedged by various financial instruments through assets or liabilities denominated in relevant foreign currencies when necessary.

(b) Interest Rate Risk

The short-term borrowings of the Group are debt of fixed interest rate, free from interest rate market fluctuation risk and fair value interest rate risk.

The interest rate risk of the Group mainly comes from long-term loans issued at floating interest rates, which exposes the Group to cash flow interest rate risk. In 2021 and 2020, the Group's floating-rate loans are denominated in New Taiwan Dollars.

The Group simulates several plans to analyze interest rate risks, including refinancing, renewal of existing positions, other available financing and hedging, etc., to calculate the impact of changes in specific interest rates on profit and loss.

When the benchmark interest rate of NTD floating rate loans rise or fall by 0.25% and all other factors remain unchanged, the net profit before tax of 2021 and 2020 will decrease or increase $2,768 thousand and $0 thousand, which mainly due to the Group's floating interest rate loans. If market changes have a specific range of impact on the benchmark interest rate, according to the loan contract, interest will continue to be calculated at the lower limit of interest rate.

(25) Capital management

The Group manages capital to safeguard the capacity to operate, to continue to provide a return on shareholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, issue new shares, or sell assets to settle any liabilities. The Group uses the debt-to-equity ratio to manage capital. This ratio is debt divided by equity. Net debt is calculated by deducting cash and cash equivalents from total borrowings (including "current and non-current borrowings" as reported in the consolidated balance sheet). The total net value shall be calculated by deducting the total amount of intangible assets from the "equity" as stated in the consolidated balance sheet. On this basis, the management of the Group decides on the optimal capital of the Group and, on the basis of maintaining a sound capital base, optimizes the balance of debt and equity to improve the remuneration of shareholders.

(26) Investment and financing activities in non-cash transactions

For the year ended December 31, 2021 and 2020, the Group's non-cash investing and financing activities were derived from acquisition right-of-use asset through finance leasing and the amotization of convertible bonds disount. Please refer to notes 6(9), (13) and (14) for related information.

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Reconcilation of libilities from financing activities are as follows:

			Non-cash changes					
	2021.1.1	Cash flow	Discount and amortization	Exchange rate changes	Fair value changes	Acquire	Others	2021.12.31
Short-term loans	$ 4,513,883	(1,371,643)	-	-	-	-	-	3,142,240
Long-term loans	836,100	1,107,200	-	-	-	-	2,600	1,945,900
Bonds payable	1,443,956	-	30,878	-	-	-	-	1,474,834
Lease liabilities	65,785	(35,707)	-	(764)	-	9,795	-	39,109
Total liabilities from financing activities	$ 6,859,724	(300,150)	30,878	(764)	-	9,795	2,600	6,602,083

			Non-cash changes						
	2020.1.1	Cash flow	Discount and amortization	Exchange rate changes	Fair value changes	Acquire	Changes in lease payments	Others	2020.12.31
Short-term loans	$ 3,022,229	1,491,654	-	-	-	-	-	-	4,513,883
Long-term loans	-	840,000	-	-	-	-	-	(3,900)	836,100
Bonds payable	1,413,728	-	30,228	-	-	-	-	-	1,443,956
Lease liabilities	51,875	(25,903)	-	(3,983)	-	45,515	(1,719)	-	65,785
Total liabilities from financing activities	$ 4,487,832	2,305,751	30,228	(3,983)	-	45,515	(1,719)	(3,900)	6,859,724

7. Related-party transactions:

(1) Parent Company and ultimate controlling party

Foxconn (Far East) Limited is the parent company of the Group, holding 59.52% and 59.64% of the outstanding common shares of the Group as of December 31, 2021 and 2020 respectively. Hon Hai Precision Industry Co., Ltd. is the ultimate controller of the Group to which the Group belongs. Hon Hai Precision Industry Co., Ltd. has prepared a consolidated financial report for public use.

(2) Names and relationship with related parties

During the period covered by this consolidated financial report, the following persons have business relations with the Group:

Name of related parties	Relation with Group
Hon Hai Precision Industry Co., Ltd.	Ultimate controller
Foxconn OE Technologies Singapore Pte. Ltd.	Its ultimate controller is the same as that of Group
Foxconn Interconnect Technology Limited	Its ultimate controller is the same as that of Group
Fortunebay Technology Pte. Ltd.	Its ultimate controller is the same as that of Group
Hong Fujin Precision Industry (Shenzhen) Limited Company	Its ultimate controller is the same as that of Group

Foxconn (Nanjing) Software Company	Its ultimate controller is the same as that of Group
Anpinda Precision Industry (Huizhou) Co., Ltd.	Its ultimate controller is the same as that of Group
Shenzhen Fu Neng New Energy Technology Co., Ltd.	Its ultimate controller is the same as that of Group
Futaihua Industry (Shenzhen) Co., Ltd.	Its ultimate controller is the same as that of Group
Zhengyi longhua Special Material (ShenZhen) Co., Ltd.	Its ultimate controller is the same as that of Group
Triple Win Technology (ShenZhen) Co., Ltd.	Its ultimate controller is the same as that of Group
Foxcavity Precision Industry (ShenZhen) Co., Ltd.	Its ultimate controller is the same as that of Group
Shenzhen Fertile Plan International Logistics Co., Ltd.	Its ultimate controller is the same as that of Group
Shenzhen Fulian Fugui Precision Industry Co.,Ltd	Its ultimate controller is the same as that of Group
Shenzhen Yuzhan Precision Technology Co., Ltd.	Its ultimate controller is the same as that of Group
YuanFu(Shenzhen) Technology Co.,Ltd.	Its ultimate controller is the same as that of Group
Futaijie Science & Technology Development (Shenzhen) Co., LTD	Its ultimate controller is the same as that of Group
Sharp Corporation	Other related parties
Champ Tech Optical (Foshan) Corporation	Other related parties

(3) Major transactions with related parties

A. Sales

The significant sales amount of the Group to the related parties is as follows:

	2021	2020
Other related parties		
Foxconn OE Technologies Singapore Pte. Ltd.	$ -	1,015
Foxconn Interconnect Technology Limited	373,072	407,446
Triple Win Technology (Shenzhen) Co., Ltd.	801,835	1,653,187
Other related parties	984	969
	$ 1,175,891	2,062,617

There is no significant difference between the above price terms of sales revenue and that of general customers. The collection conditions are within four months, no significant difference with the general customer.

B. Purchase

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

The purchase amount of the Group from the related parties is as follows:

	2021	2020
Other related parties	$ 88,702	55,040

There is no significant difference between the purchase price of the Group and that of the general manufacturer. Payment terms are all within four months, and there is no significant difference with the general manufacturers.

C. Expenses for professional services

The details of management service fees and legal fees paid by the Group to the related parties are as follows:

	2021	2020
Ultimate controller	$ 882	4,676

D. Accounts receivable from related parties

Details of the receivables of the related parties of the Group are as follows:

Account items	Related-party categories	2021.12.31	2020.12.31
Accounts receivable	Other related parties		
	Foxconn Interconnect Technology Limited	$ 99,344	101,436
	Triple Win Technology (Shenzhen) Co., Ltd.	2,027	600,228
	Others	87	87
Subtotal		101,458	701,751
Other receivables	Triple Win Technology (Shenzhen) Co., Ltd.	4,546	-
		$ 106,004	701,751

As of December 31, 2021 and December 31, 2020, no allowance for loss is required for the above-mentioned related parties.

E. Contract assets

The details of the contract assets of the Group to related parties are as follows:

Account items	Types of related parties	2021.12.31	2020.12.31
Contract assets	Other related parties		
	Triple Win Technology (Shenzhen) Co., Ltd.	$ -	12,855

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

F. Property trading - acquisition of property, plant and equipment

(a) Property, plant and equipment acquired

The purchase price of the real estate, plant and equipment acquired by the Group from the related parties is summarized as follows:

	2021	2020
Foxcavity Precision Industry (ShenZhen) Co., Ltd.	$ -	10,874
Futaihua Industry (Shenzhen) Co., Ltd.	18,592	-
	$ 18,592	10,874

(b) Property, plant and equipment disposed

Details of the Group's disposal of property, plant and equipment are as follows:

	2021		2020	
Related-party categories	Proceeds	Gain (loss) on disposal	Proceeds	Gain (loss) on disposal
Triple Win Technology (Shenzhen) Co., Ltd.	$ 484,462	-	-	-

As of December 31, 2021, the remaining sale price of RMB 4,546 thousand has not been received, and it is recognized as other receivables.

G. Payables to related parties

The details of the amount payable by the Group to its related parties are as follows:

Account	Related-party categories	2021.12.31	2020.12.31
Accounts payable to related parties	Other related parties	$ 11,485	3,175
Other payables to related parties	Ultimate controller	3,063	14,805
	Other related parties		
	Foxcavity Precision Industry (ShenZhen) Co., Ltd.	10,302	11,887
	Futaihua Industry (Shenzhen) Co., Ltd.	21,151	-
	Others	9,209	11,762
		43,725	38,454
		$ 55,210	41,629

(4) Remuneration of major management personnel

Key management personnel compensation comprised:

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

		2021	2020
Short-term employee benifit	$	41,921	65,519
Post-employment benifit		373	350
	$	42,294	65,869

8. Pledged assets

Book value list of pledged assets of the Group is as follows:

Pledged asset	Object	2021.12.31	2020.12.31
Restricted bank deposit (recognized as financial assets measured at amortized cost-current)	Customs deposit	$ 52,572	-
Restricted bank deposit (recognized as financial assets measured at amortized cost-non-current)	Long-term loan	8,000	8,000
Total		$ 60,572	8,000

9. Material contingent liabilities and unrecognized contractual commitments: None.

10. Major disaster losses: None.

11. Major subsequent events: None.

12. Others

The functions of employee welfare, depreciation, depletion and amortization are summarized as follows:

Functions / Items	2021 Operating costs	2021 Operating expenses	2021 Total amount	2020 Operating costs	2020 Operating expenses	2020 Total amount
Employee benefit expenses						
Salary expenses	516,898	327,347	844,245	604,348	275,375	879,723
Health insurance expenses	9,993	8,374	18,367	5,818	6,252	12,070
Pension expenses	35,748	21,008	56,756	28,331	12,066	40,397
Other employee benefit expenses	69,257	48,164	117,421	62,046	24,960	87,006
Depreciation expenses	401,423	98,791	500,214	419,279	73,656	492,935
Amortization expenses	9,816	619	10,435	651	1,469	2,120

ShunSin Technology Holdings Limited and Its Subsidiaries
Notes to Consolidated Financial Statements
For the year ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

13. Disclosure of Note

(1) Information on major transactions

In 2021, the Group shall disclose the information on the major transactions subject to Regulations Governing the Preparation of Financial Reports by Securities Issuers:

A. Loan to other parties:

Unit: NT$1,000

NO	Creditor	Borrrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2021	Balace at Decembe 31, 2021	Actual amount drawn down (Note 2)	Interest rate (%)	Natureo f loan (Note 1)	Amount of transacti ons with the borrower	Reason for short-term financing	Allowa nce for doubtfu l account s	Collateral		Limit on loans granted to a single party	Ceiling on total loans
													Iterm	Value		
1	ShunSin (Samoa)	The Company	Other receivables	Y	704,528 (RMB 160,000)	415,163 (RMB 95,350)	415,163 (RMB 95,350)	-	2	-	Business operation	-	-	-	3,925,252 (Note 2)	3,925,252 (Note 2)
2	ShunYun (Cayman)	ShunYun (Ha Noi)	Other receivables	Y	97,860 (USD 3,500)	96,880 (USD 3,500)	96,880 (USD 3,500)	0.50	2	-	Business operation	-	-	-	1,241,950 (Note 3)	2,483,900 (Note 3)

Note1: The method of filling in the nature of capital loan is as follows:

(1) For business trading, please fill in 1.

(2) If short-term financing is necessary, please fill in 2.

Note2: The policy for loans granted by subsidiaries to the Company whose voting shares are not directly or indirectly wholly-owned, the loan shall not be restricted to the regulation of individual subsidiary, though total loans shall not exceed 400% of the Company's net value.

Note3: The policy for loans granted by overseas subsidiaries of which parent company directly or indirectly holds 100% of their voting shares is as follows: ceiling on total loans granted by overseas subsidiaries is not limited to its regulations, however, ceiling of total loans is 400% of the net assets value of lender; limit on loans granted by an subsidiary to a single party is 200% of the net assets value of lender.

Note4: The aforementioned transactions between consolidated entities have been offset at the time of preparing consolidated financial statements.

B. Endorsement/Guarantee provided:

No	Guarantor/ Endorser	Party being guaranteed/ endorsed		Limited on guarantees/ endorsements provided for a single party(Note2)	Maximum outstanding guarantee/ endorsement amount as of December 31, 2021	Outstanding guarantee/ endorsement amount as of December 31, 2021	Amount of guarantees/ endorsements secured with collateral	Ratio of accumulated guarantee/ endorsement amount to net asset value of the guarantor/ endorser company (%)	Limit on total amount of guarantees/ endorsements period (Note2)	Provision of guarantees/ endorsements by parent company to subsidiary	Provision of guarantees/ endorseme nts by subsidiary to parent company	Provision of guarantees/ endorseme nts to the party in Mainland China	Amount of guarantees/ endorseme nts secured with collateral
		Company name	Relationship with the guarantor/ endorser (Note1)										
1	ShunSin (Zhongshan)	ShunYun (Zhongshan)	1	9,487,580	52,840 (RMB 12,000)	52,249 (RMB 12,000)	52,249 (RMB 12,000)	52,249 (RMB 12,000)	0.82%	9,487,580	N	N	Y
2	The Company	ShunYun (Cayman)	2	6,338,966	1,668,000 (USD 60,000)	1,660,800 (USD 60,000)	1,107,200 (USD 40,000)	-	26.20%	6,338,966	Y	N	N

Note 1: Relationship between guarantor and guarantee:
1. Business transaction
2. The Company directly or indirectly holds more than 50% of their voting shares.
3. The party directly or indirectly holds more than 50% of the Company's voting shares.

Note 2: The total guarantees and endorsements of ShunSin (Zhongshan) to others should not be in excess of ShunSin (Zhongshan)'s net value, and for a single party should not be in excess of ShunSin (Zhongshan)'s net value.

Note 3: The total guarantees and endorsements of the Company to others should not be in excess of the Company's net value, and for a single party should not be in excess of 50% of the Company's net value.

C. Marketable securities held as of December 31, 2021 (excluding investment in subsidiaries, associates and joint ventures):

Holding company	Types and names of marketable securities	Relations with securities issuers	Account subjects	Closing period				Remarks
				Number of share	Book value	Shareholdi ng ratio	Fair value	
ShunSin (Samoa)	Stocks: Dyna Image Corp	—	Financial assets measured at fair value through profit or loss-non-current	540,000	20,704	5.56%	20,704	
ShunSin (Zhongshan)	Stocks: Lansus Technologies Corporation Limited	—	〃	3,044,625	113,643	0.77%	113,643	

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ShunSin (Zhongshan)	Private Fund: Ji Nan Fu Jie industrial investing joint venture	—	〃	-	271,655	6.67%	271,655	

D. Accumulative purchase or sale of the same securities amounted to NT$300 million or more than 20% of the paid-in capital: none.

E. The amount for acquiring real estate is $300 million or more than 20% of the paid-in capital: none.

F. The amount for disposing of real estate amounted to $300 million or more than 20% of the paid-in capital: none.

G. The amount of goods purchased and sold reaches $100 million or more than 20% of the paid-in capital with the related parties:

			Transaction situation				Reason of trading terms differs from normal transaction		Notes receivable (payable), accounts receivable (payable)		
Companies purchasing and selling goods	**Counter party**	**relation**	**Purchase/ (sale)**	**Amount**	**Ratio of total purchase (sales)**	**Credit period**	**Unit price**	**Credit period**	**Balance**	**Ratio to total notes receivable, accounts receivable (payable)**	**Note**
ShunSin (Zhongshan)	The Company	Parent company	Sale	720,741	35.25%	4 months	−	−	283,760	70.08%	Note2
ShunSin (Zhongshan)	ShunYun (Zhongshan)	Affiliate	Sale	171,697	8.40%	4 months	−	−	62,570	15.45%	Note2
ShunSin (Zhongshan)	Triple Win Technology (Shenzhen) Co., Ltd	Other related party	Sale	800,747	39.16%	4 months	−		2,027	0.50%	
ShunYun (Zhongshan)	ShunYun (Cayman)	Affiliate	Sale	199,182	95.84%	4 months			45,002	85.47%	Note2
ShunYun (Cayman)	ShunYun (Ha Noi)	Parent company	Sale	383,131	19.67%	4 months			398,690	45.88%	Note2
The Company	ShunYun (Cayman)	Subsidiary company	Sale	333,564	18.10%	4 months	−	−	186,895	40.29%	Note2
The Company	Foxconn Interconnect Technology Limited	Other related party	Sale	373,072	20.25%	4 months	−		99,344	21.42%	

Note 1: The price is calculated at the agreed price.
Note 2: The above transactions with the consolidated entities have been written off at the time of preparing the consolidated financial statements.

H. Receivables of related parties amounted to $100 million or more than 20% of the capital receivable:

					Overdue receivables of Related parties			
Companies that account for receivables	**Companies that account for receivables**	**Relation**	**Related parties of receivables Balance of amounts**	**Turnover rate %**	**Amount**	**Treatment**	**Related parties of receivables Amount recovered after the period(Note 2)**	**setting aside for allowance for bad debt**
The Company	ShunYun (Cayman)	Subsidiary	Accounts receivable(Note 1): 186,895	3.57	-		-	-
ShunYun (Cayman)	ShunYun (Ha Noi)	Parent company	Accounts	1.92	-		167,553	-

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			receivable(Note 1): 398,690					
ShunSin (Zhongshan)	The Company	Parent company	Accounts receivable(Note 1): 283,760	2.46	-		-	-
ShunSin (Zhongshan)	The Company	Parent company	Other receivable (Note 1): 749,252	-	-		647,344	-
ShunSin (Zhongshan)	ShunYun (Zhongshan)	Affiliate	Other receivable (Note 1): 371,604	-	-		-	-
ShunYun (Zhongshan)	ShunSin (Samoa)	Affiliate	Other receivable (Note 1): 264,145	-	-		-	-
ShunYun (Zhongshan)	ShunYun (Cayman)	Parent company	Other receivable (Note 1): 101,187	-	-		-	-
ShunSin (Samoa)	The Company	Parent company	Other receivable (Note 1): 415,163	-	-		-	-
ShunYun (Cayman)	The Company	Parent company	Other receivable (Note 1): 212,576	-	-		-	-
ShunYun (Cayman)	ShunYun (Ha Noi)	Parent company	Other receivable (Note 1): 413,146	-	-		-	-

Note 1: The aforementioned transactions between consolidated entities have been written off in the preparation of consolidated financial statements.

Note 2: As of November 1, 2021.

I. Engaging in derivatives trading: Please refer to note 6 (2) and (13) for details.

J. Business relations and important transactions between parent and subsidiary companies:

No. (Note 1)	Trader's name	Business trading objects	Relation between trader (Note 2)	Transaction situation			
				Subject	Amount	Transaction conditions	Ratio to consolidated total operating income or total assets (Note 3)
0	The Company	ShunSin (Zhongshan)	1	Purchases	720,741	The price is based on the price agreed by both	16.82
0	〃	〃	1	Accounts payable	283,760	Within 4 months	1.90
0	〃	〃	1	Other payables	749,252	Pay/receive on behalf, no general customers for comparison	5.01
0	〃	ShunSin (Samoa)	1	Other payables	415,163	Capital Loan	2.77
0	〃	ShunYun (Cayman)	1	Other payables	212,576	Pay/receive on behalf, no general customers for comparison	1.42
1	ShunSin (Samoa)	ShunYun (Zhongshan)	3	Other payables	264,145	Pay/receive on behalf, no general customers for comparison	1.76
2	ShunYun (Cayman)	The Company	2	Purchases	333,564	The price is based on the price agreed by both	7.79
2	〃	〃	2	Accounts payable	186,895	Within 4 months	1.25
2	〃	ShunYun (Zhongshan)	3	Purchases	199,182	The price is based on the price agreed by both	4.65
3	〃	〃	3	Other payables	101,187	Pay/receive on behalf, no general customers for comparison	0.68
3	ShunYun (Zhongshan)	ShunSin (Zhongshan)	3	Purchases	171,697	The price is based on the price agreed by both	4.01
3	〃	〃	3	Other payables	371,604	Pay/receive on behalf, no general customers for comparison	2.48
4	ShunYun (Ha	ShunYun	3	Purchases	383,131	The price is based on	8.94

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	Noi)	(Cayman)				the price agreed by both	
4	〃	〃	3	Accounts payable	398,690	Within 4 months	2.66
4	〃	〃	3	Other payables	413,146	Pay/receive on behalf, no general customers for comparison	2.76

Note 1: The information of business transactions between the parent company and the subsidiary company shall be indicated in the No. column respectively. The No. shall be entered as follows:

1. Fill in 0 for parent company.

2. Subsidiaries are numbered in sequence starting with 1.

Note 2: There are three types of relationships with a trader, which can be labeled as follows:

1. Parent company to subsidiary company.

2. Subsidiary company to parent company.

3. Subsidiary company to subsidiary company.

Note 3: The calculation of the transaction amount to the consolidated total revenue or the ratio of total assets shall be carried out in the form of the closing balance to the consolidated total assets if it belongs to the subject of assets and liabilities. In the case of subject of profit and loss, the cumulative amount at closing period shall be calculated on the basis of the consolidated total revenue.

Note 4: It is hereby disclosed that the balance sheet accounts for more than 1% of the consolidated total assets and the subject of profit and loss accounts for more than 10% of the total revenue.

Note 5: The aforementioned transactions between consolidated entities have been written off in the preparation of consolidated financial statements.

(2) Information on re-investment business:

The information of the reinvested business of the Group in 2021 is as follows (excluding the invested company in mainland China) :

Name of investment company	Name of invested company	Location	Main business contents	Original investment amounts (Note3)		Shareholding at the closing period			Net income (losses) of investee (Note 1)	Share of profits/ losses of investee (Note 1 and 2)	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of ownership	Carrying value (Note 1 and 2)			
The Company	ShunSin (Hongkong)	HongKong	Holding Company	3,134,106	2,589,284	830,455,240	91.80%	9,092,524	174,588	158,595	subsidiary
The Company	ShunSin (Samoa)	Samoa	Overseas material and equipment procurement	287,928	287,928	9,510,000	100.00%	981,313	353,938	353,938	subsidiary
The Company	ShunYun (Cayman)	Cayman	Holding Company	702,682	6,580	25,279,661	100.00%	620,975	246,551	246,551	subsidiary
The Company	ShunYun (Ha Noi)	Vietnam	Produce high speed optical transceiver	(Note 4)	180,234	(Note 4)	(Note 4)	(Note 4)	(106,857)	(279,462)	subsidiary
The Company	ShunSin (Bac Giang)	Vietnam	Produce high speed optical transceiver	(Note 4)	1,188,020	(Note 4)	(Note 4)	(Note 4)	11,193	11,411	subsidiary
ShunSin (Samoa)	ShunSin (Hongkong)	HongKong	Holding Company	287,622	287,622	74,183,976	8.20%	812,186	174,588	15,993	affiliate
ShunYun (Cayman)	ShunYun (Ha Noi)	Vietnam	Produce high speed optical transceiver	180,234	(Note 4)	(Note 5)	100.00%	12,320	(106,857)	172,605	affiliate
ShunYun (Cayman)	ShunSin (Bac Giang)	Vietnam	Produce high speed optical transceiver	1,188,020	(Note 4)	(Note 5)	100.00%	1,155,782	11,193	(218)	affiliate
ShunYun (Zhongshan)	ShunYun (Hong Kong)	HongKong	Holding Company	(Note 6)	(Note 6)	(Note 6)	100.00%	(Note 6)	(Note 6)	(Note 6)	affiliate

Note 1: According to the financial statements checked by CPA of the parent company, the invested company shall be appraised and recognized at equity.

Note 2: Long-term and current investment gains and losses at the closing period have been written off in the preparation of consolidated financial statements.

Note 3: The above original investment amount is calculated at historical exchange rate.

Note 4: ShunYun (Cayman) purchased 100% equity of the Company's subsidiary, ShunYun (Ha Noi) and ShunSin (Bac Giang), on 2021/12/25. As of 2021/12/31, ShunYun (Cayman) has acquired 100% equity of ShunYun (Ha Noi) and ShunSin (Bac Giang).

Note 5: ShunYun (Ha Noi) and ShunSin (Bac Giang) does not issue shares due to it is limited corporation thus it has no shares.

Note 6: ShunYun (Zhongshan) has not invested funds as of March 22, 2022.

(3) Information on investment in Mainland China:

A. Name of mainland invested company, main business contents and other related information:

Unit: NT$ 1,000

Name of investee	Main business and products	Paid-in- capital	Method of investment	Accumulated outflow of	Investment flows		Accumulated outflow of	Net income (losses) of	Percentage of ownership	Share of profits/ losses of investee	Carrying value as of December	Accumulated inward
					Outflow	Inflow						

			(Note1)	investment from Taiwan as of January 1, 2021			investment from Taiwan as of December 31, 2021	investee		(Note 2 and 3)	31, 2021 (Note 2 and 3)	remittance of earnings as of December 31, 2021
ShunSin (Zhongshan)	Assembly, testing and sales of SiP products and other types of integrated circuits	3,030,692 (RMB 722,637)	(2)	Note 4	Note 4	Note 4	Note 4	2,629 (RMB 605)	100.00%	2,629 (RMB 605) (Note 5)	9,478,783 (RMB 2,185,323) (Note 5)	Note 4
ShunYun (Zhongshan)	Produce high speed optical transceiver	544,081 (RMB 125,085)	(2)	Note 4	Note 4	Note 4	Note 4	62,747 (RMB 14,443)	100.00%	62,747 (RMB 14,443)	605,761 (RMB 139,528)	Note 4
Talentek	Design, R&D, testing and sales of electrical equipment, communication equipment and automation equipment	171,469 (RMB 38,898)	(2)	Note 4	Note 4	Note 4	Note 4	(49,987) (RMB (11,506))	45.42%	(25,512) (RMB (5,872))	157,086 (RMB 36,182)	Note 4

Note 1: The investment modes can be divided into the following three categories, which can be labeled as categories.

(1) Direct investment in mainland China.

(2) Invest in ShunSin (Hong Kong) and then re-invest in companies in mainland China.

(3) Invest in ShunSin (Zhongshan) and then re-invest in companies in mainland China.

Note 2: According to the financial statements audited by CPA of the parent company, the invested company is evaluated and listed at equity.

Note 3: Long-term and current investment gains and losses at closing period have been written off at the time of compiling the consolidated financial statements.

Note 4: The Company is not a company in Taiwan, so there is no such amount.

Note 5: The book value of the investment at the end of the period of 9,478,783 thousand has deducted the unrealized benefits of the fixed assets sold to affiliated companies which amounting to 8,797 thousand. This unrealized benefit has been recognized in the book value of the investment at the end of the period and the investment profit or loss recognized in the current period.

Note 6: The above paid-in capital is calculated at historical exchange rate, the book value held at the closing period is calculated at the exchange rate of December 31, 2021 (exchange rate at closing period RMB: NTD = 1:4.3415), and the remainder is calculated at the average exchange rate (RMB: NTD = 1: 4.3444).

B. Investment limits in mainland China: Not applicable.

C. Major transactions with mainland invested companies:

For the major direct or indirect transactions between the Group and the mainland invested company in 2021 (which were written off at the time of compiling the consolidated financial report). Please refer to “Information on Major Transactions”.

(4) Information of major shareholders:

Unit: Share

Shares / Name of major shareholder	Number of shares held	Shareholding ratio
Foxconn (Far East) Limited	63,964,800	59.52%

(a) The main shareholder information in this table is calculated by Taiwan Depository and Clearing Company on the last business day at the end of each quarter. The total number of ordinary shares and special shares held by the shareholders who have completed the delivery of the company without physical registration (including treasury shares) is more than 5%.

(b) The information aforementioned if shareholders deliver their shares to the trust was disclosed by the individual trustee who opened the trust account. As for shareholders who handle the declaration of insider shareholdings that hold more than 10% of their shares in accordance with the Securities Exchange Act, their shareholdings include their shareholdings plus their delivery to the trust and the use of decision making shares in the trust property, please refer to the Market Observation Post System for information on insider equity declaration.

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14. Information on Departments

(1) General information

There is only one reporting department in the Group, so please refer to the consolidated balance sheet and consolidated income statement for the information on operating department.

(2) Information on product category and service

The Group operates in a single industry. Hence, the disclosure of business segement information is not required.

(3) Geographic financial information

Export sales revenue by country is based on the billing location of the customer, and non-current assets by location are based on where the assets are located. The information is as follows:

Revenues from external customers:

Region	2021	2020
Singapore	$ 1,520,499	1,576,936
Mainland China	1,300,203	1,896,633
America	700,648	499,730
Taiwan	571,095	768,916
Malaysia	117,982	98,430
Other countries	59,973	9,044
Total	$ 4,270,400	4,849,689

Non-current assets:

Region	2021.12.31	2020.12.31
Mainland China	$ 2,238,337	2,120,785
Vietnam	423,227	352,293
Taiwan	26	2,126
Total	$ 2,661,590	2,475,204

Non-current assets include property, plant and equipment, right-of-use assets, intagible assets, prepayment for equipment and non-current assets classified as held for sale, not including financial instruments, deferred tax assets and non-current assets with guarantee deposits paid.

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(4) Information on important customers

Revenue from major customers for more than 10% of the Group's total revenue are as follows:

Customer name	2021	2020
A	$ 966,558	1,390,351
B	800,747	1,653,187
C	694,932	495,272
D	513,112	89,607
Total	$ 2,975,349	3,628,417