Stock Code: 6187

All Ring Tech Co., Ltd.

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2021 Annual Report

The Annual Report is available at: http://mops.twse.com.tw/mops/web/index

: http://www.allring-tech.com.tw/

Information declaration website designated by the Securities and Futures Bureau: Same as above

Annual report disclosure website: Same as above

Published on May 17, 2022

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VI. Name and Address of Overseas Securities Trading Agencies and Inquiry Method for Overseas Securities: None.

VII. Company website: http://www.allring-tech.com.tw/

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Chapter 1 Letter to Shareholders

Business Report

Dear Shareholders,

Thank you for taking time from your busy schedule to attend All Ring Tech Co., Ltd.'s regular meeting of shareholders today so that we can report to you on the operating performance for the past fiscal year and our future outlook. I would like to sincerely welcome you on behalf of the Company.

We hereby report the operating performance for the past year and the future outlook of All Ring Tech Co., Ltd. and its subsidiaries:

I. 2021 Business Report

(I) Implementation Results of Business Plan

The consolidated net operating revenue and net profit after tax in 2021 of the Company and its subsidiaries totaled NT$2,604,316 thousand and NT$541,223 thousand respectively, representing an increase of 72.89% and 119.26% over NT$1,506,320 thousand and NT$246,844 thousand in 2020 respectively.

(II) Budget Execution: All Ring Tech Co., Ltd. and its subsidiaries did not release financial forecasts for 2021, so no budget achievement needs reporting.

(III) Financial income and expenditure and profitability analysis

Unit: NT$ thousand

Analysis Item/Fiscal Year		2021	2020
Financial revenue and expenditure	Interest income	1,422	3,108
	Interest expense	449	478
Profitability	Return on assets (%)	17.29	10.18
	Return on Equity (%)	25.74	13.74

	Operating profit to paid-in capital ratio (%)	**78.05**	**36.97**
	Net profit before tax to paid-in capital ratio (%)	**79.6**	**36.31**
	Net profit margin (%)	**20.78**	**16.39**
	Basic earnings per share (NT$) (after retrospective adjustment)	**6.64**	**3.01**

(IV) Research and Development

The R&D results in 2021 are listed below: Please see pages 89-90 details.

II. Outline of 2022 Business Report

(I) Business Policy

1. Customer-oriented approach; striving to meet the customer's needs.

2. Focus on R&D and marketing.

3. Make full use of external resources and expand the scale of operations.

4. Research, development, and innovation; aiming for excellence.

(II) Expected Sales Volume and Its Basis

All Ring Tech Co., LTD. and its subsidiaries expect the sales volume to increase over 2021 and benefit the Company, after considering changes in the overall economic environment, industrial trends, and the Company's development.

(III) Major Production and Sales Policies

In addition to maintaining current customers, with our future crucial operating strategy, we will strive to seek new customers. Other vital plans include focusing on research and development, and improving customer satisfaction, to maintain the highest market share in the industrial equipment market, and achieve better operating performance.

(IV) Future Development Strategy

As a leading supplier in the semiconductor and passive-device industries, we will keep upgrading our current products and offer better service to meet customers' needs. To supply process equipment to energy-saving related industries, we will continue to develop new machines at customers' request.

(V) Impacts of External Competition, Government Regulations, and Overall Business Environment

In such a competitive environment as we are in, there is no better way to maintain long-term competitive advantages than prioritizing customers' needs. Under its entrepreneurial belief, "Creation, Service, Speed, Saving, Harmony, Confidence" and the spirit of "focusing and outstanding", All Ring Tech Co., LTD. will continue to develop core technologies, follow the market trend, and comply with government-backed domestic equipment promotion, with a goal to boost customers' competency with inexpensive production facilities and hopefully create a mutual win-win benefit.

We wish all shareholders good health and all the best!

Chairman of the Board: Ching-Lai Lu

June 9, 2022

Chapter 2 Company Profile

I. Date of Establishment: May 24, 1996.

II. Company History:

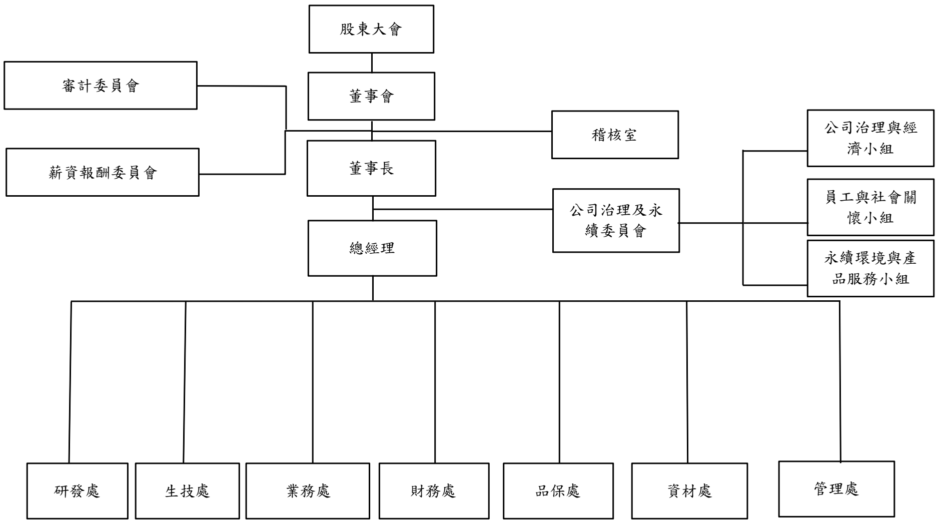
May 1996	**All Ring Tech Co., Ltd. was established with a capital of NT$10 million. Its main businesses included engineering design for automated machineries, processing and manufacturing, assembly, and computer software development and design.**
April 1997	**The Company successfully developed the automatic multilayer capacitance and inductance cutting machine (RK-C40).**
March 1998	**The Company received the Automated Engineering Services Institution Registration Certificate from the Industrial Development Bureau, Ministry of Economic Affairs.**
August 1998	**The Company successfully developed the dry cutting machine (RK-C60).**
December 1998	**The Company successfully developed the inductance tester (RK-T50).**
May 1999	**The Company purchased land, building and plants at Yenchao Township, Kaohsiung County.**
August 2000	**The Company successfully developed the swash plate inductance tester (RK-T50).**
	The Company organized a cash capital increase of NT$80 million and converted NT$11.2 million in earnings to capital and increased its capital to NT$131.2 million.
	The Company received ISO 9001 from SGS Taiwan (SGS).
October 2000	**The Company received approval from the Securities and Futures Bureau and became a public company.**
December 2000	**The Company invested in Pai Fu International Limited.**
December 2000	**The Company invested in Zhixin Information Co., Ltd.**
February 2001	**The Company successfully developed the automated assembly system for radiators (RK-H1000) and the glue dispenser (RK-DU01).**
June 2001	**The Company converted a total of NT$72,970,780 in earnings and employee bonuses to capital and increased the capital to NT$204,170,780.**
August 2001	**The Company was ranked second in the top 100 fastest-growing backbone firms by the CommonWealth magazine.**
October 2001	**The Company was awarded in the 8th Innovation and Research Award and the 4th Rising Star Award by the Small and Medium Enterprise Administration of the Ministry of Economic Affairs for the chip capacitance tester.**
November 2001	**All Ring Tech entered a technical collaboration with Zhixin Information and successfully developed a digital telescopic camera.**
December 2001	**The Company was registered as an "emerging stock" on the Gre Tai Securities Market.**
May 2002	**All Ring Tech's investment in the Luzhu Plant in Southern Taiwan Science Park was approved.**
	The Company successfully developed the chip implantation machine (RK-ICM2000).
June 2002	**The Company received approval from the Securities and Futures Bureau and was listed on the OTC market.**
July 2002	**The Company converted a total of NT$55,829,220 in earnings and employee bonuses to capital and increased the capital to NT$260 million.**
November 2002	**The Company successfully developed the ball mounter (RK-IB600R).**
July 2003	**The Company converted a total of NT$60 million in earnings and employee bonuses to capital and increased the capital to NT$260 million.**
	The Company received the 2003 Outstanding Photonics Product Award from the Photonics Industry & Technology Development Association.
January 2004	**All Ring Tech became the first company to begin operations in Luzhu Science Park.**
July 2004	**The Company invested in Egiga Source Technology Co., Ltd.**
August 2004	**The Company converted a total of NT$41,333,110 in earnings and employee bonuses to capital and increased the capital to NT$437,725,580.**
October 2004	**The Company successfully developed the PCBI IN LINE TFT manufacturing equipment.**
April 2005	**The Company successfully developed the wafer crystallite screening machine and received subsidies from Southern Taiwan Science Park.**
June 2005	**The Company successfully developed the glue spreader.**
August 2005	**The Company converted a total of NT$55 million in earnings and employee bonuses to capital and increased the capital to NT$518,879,390.**
November 2005	**The Company invested in Laser Med. Technology Co., Ltd.**
October 2006	**The Company was awarded in the 15th edition of the National Award of Outstanding Small and Medium Enterprises by the Small and Medium Enterprise Administration of the Ministry of Economic Affairs.**
October 2006	**The Company successfully developed the dual-track voltage dependent resistor testing machine.**
May 2007	**The Company successfully developed the FPD laser repair machine (including lighting functions).**
May 2007	**The Company successfully developed inductor wiring machines.**
May 2007	**The Company introduced Taiwan Intellectual Property Management System (TIPS).**
December 2007	**The Company successfully developed 12-inch wafer sorters.**
August 2008	**The Company successfully developed the LED test and packaging machine.**
August 2008	**The Company converted a total of NT$34,927,500 in earnings and employee bonuses to capital and increased the capital to NT$579,909,750.**
September 2008	**The Company successfully developed the light testing machine.**
November 2008	**The Company was awarded the Taiwan Intellectual Property Management System (TIPS) certification by the Industrial Development Bureau of the Ministry of Economic Affairs.**

November 2008	**The Company successfully developed the section examination machine.**
February 2009	**The Company was ranked 66th among companies that generated the most profits for shareholders by the Global Views magazine.**
February 2009	**The Company successfully developed the LED test and screening machine.**
February 2009	**The Company successfully developed the rotary electroplating machine.**
December 2009	**The Company established the Robotic R&D Center.**
January 2010	**The Company established the All Ring Tech Charity and Welfare Foundation.**
November 2010	**The Company invested in All Ring Tech (Kunshan) Co., Ltd. through its subsidiary company IMAGINE and purchased plants in Kunshan, China.**
June 2011	**The Company invested and established the subsidiary company Uni-Ring Tech. Co., Ltd.**
October 2011	**The Company passed onsite inspections by the Kaohsiung Customs Office.**
September 2012	**Uni-Ring Tech successfully developed and shipped the floor sweeping machine.**
December 2012	**The Company implemented CSR.**
September 2013	**The Company received two stars in the Best Companies to Work for Award.**
September 2013	**The Company was awarded the "Most Successful Machinery Equipment Technology Cooperation Award" by the ASE Group.**
March 2015	**The Company received the Best Supplier Award from ASE Group.**
July 2015	**All Ring Tech organized a cash capital increase of NT$222 million and increased the capital to NT$863,679,020.**
March 2016	**The Company received the Best Supplier Award from ASE Group.**
March 2017	**The Company received the Best Supplier Award from ASE Group.**
April 2017	**The Company was awarded the Excellent Workplace Award by the Southern Taiwan Science Park.**
May 2017	**The Company was ranked 37th for "growth", "profitability", and "highest profitability" in the Commonwealth magazine's evaluation.**
June 2017	**The Company was ranked among the top 50 OTC companies in average employee welfare funding in 2016.**
October 2017	**The Company received the Authorized Economic Operator (AEO) certificate from the Customs Administration.**
March 2018	**The Company received the Best Supplier Award from ASE Group.**
April 2018	**The Company was awarded the Excellent Workplace Award by the Southern Taiwan Science Park.**
June 2018	**The Company was ranked among the top 50 OTC companies in average employee welfare funding in 2017.**
May 2019	**The Company was ranked top 5% of the Taipei Exchange listed companies in the 5th Corporate Governance Evaluation.**
June 2019	**The Company received the Best Supplier Award from ASE Group.**
June 2019	**The Company received the Best Supplier Award from Gloria Hotel Group.**
April 2020	**The Company was ranked top 5% of the Taipei Exchange listed companies in the 5th Corporate Governance Evaluation.**
April 2020	**The Company received the Best Supplier Award from Gloria Hotel Group.**
April 2021	**The Company was ranked top 6%~20% of the Taipei Exchange listed companies in the Sixth Corporate Governance Evaluation.**

Chapter 3 Corporate Governance Report

I. Organization System

(1) Organization structure



(II) Major Corporate Functions

Department	Tasks
Auditing Office	It is responsible for internal audits and the effective operations of the internal control system as well as strict compliance with regulations and related standards and providing improvement recommendations.
Administration Division	It is responsible for general administration, human resources, and computer system software and hardware planning and management; responsible for the design and modification of software based on operation procedures and maintaining the normal functions of computers.
Finance Division	It is responsible for the Company's finances, accounting, and shareholder services.
Sales and Marketing Division	It is responsible for evaluating and expanding the semiconductor, passive components, automated LED equipment markets, formulating plans, sales, customer credit investigation, payment collection, and after-sales services.
BioTech Division, Material Division, Quality Assurance Division	It is responsible for the production of semiconductors, passive components, automated LED equipment, after-sales services, quality inspections, control and management, procurement of raw materials, and warehouse management.
R&D Division	It is responsible for the design and development of the machinery, electronic control, software and hardware of semiconductors, passive components, automated LED equipment as well as the design and development of the machinery, electronic control, software and hardware of new products.
Corporate Governance and Sustainability Committee	On February 26, 2019, the Board of Directors approved Vice President Chien-De Li as the person in charge of corporate governance. Based on the work and scope of each department, he shall ensure the advancement and implementation of overall work and report the implementation status to the Board of Directors regularly.

II. Information on the Company's Directors, President, Vice Presidents, Associate Managers, and the Supervisors of All the Company's Divisions and Branch Units

(I) Information of Directors

1. Information of Directors

Unit: thousand shares; % April 11, 2022

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected Date	Term	First-time Elected Date	Shares held		Number of Shares Held		Shareholding by Spouse and Minor Children		Shareholding by nominees		Major Education and Work Experience	Other position concurrently held at the Corporation or other companies	Executives, Directors, or Supervisors who have a spouse or second-degree relatives within the Company			Remarks (Note 2)
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Chairman	Taiwan	Ching-Lai Lu	Male 61 ~ 70 years old	2020.06.10	3 years	1996.05.27	3,757	4.51	3,757	4.51	338	0.41	7,356	8.83	EMBA, National Cheng Kung University Philips Chien Yuan Electronics	Director of PAI FU Co., Ltd. And chairman of Uni-Ring Tech Co., Ltd.	Representative Director	Yu-Ru Chong	Spouse	None
Director	Taiwan	Hsin-Yao Cheng	Male 51 ~ 60 years old	2020.06.10	3 years	2005.06.07	504	0.60	414	0.50	1	-	-	-	Graduated from Cheng Shiu Junior College of Technology E&R Engineering Corporation	(Note 1)	-	-	-	None
Director	Taiwan	Li Chiao Investment Co., Ltd.	-	2020.06.10	3 years	2010.05.12	7,356	8.83	7,356	8.83	-	-	-	-	-	-	-	-	-	None
Representative Director	Taiwan	Yu-Ru Chong	Female 51 ~ 60 years old	2020.06.10	3 years	2017.06.15	338	0.41	338	0.41	3,757	4.51	7,356	8.83	Graduated from National University of Tainan Person in charge of Li Chiao Investment Co., Ltd.	Person in charge of Li Chiao Investment Co., Ltd.	Chairman	Ching-Lai Lu	Spouse	None
Director	Taiwan	Chien-Chang Chen	Male 61 ~ 70 years old	2020.06.10	3 years	2011.06.22	2,732	3.28	2,732	3.28	-	-	-	-	Sanji High School Person in charge of Fu-Du Building & Construction Co., Ltd.	Director of Fu-Du Building & Construction Co., Ltd.	-	-	-	None
Director	Taiwan	Hanlin Construction Co., Ltd.	-	2021.07.20	2 years	2017.06.15	775	0.93	775	0.93	-	-	-	-	-	-	-	-	-	None
Representative Director	Taiwan	Ching-Han Chiu Huang	Male 61 ~ 70 years old	2021.07.20	2 years	2017.06.15	-	-	-	-	-	-	-	-	Linyuan Junior High School Person in charge of Hanlin Construction Co., Ltd.	Person in charge of Hanlin Construction Co., Ltd.	-	-	-	None

Director	Taiwan	Jin-Cheng Investment Co., Ltd.	-	2021.07.20	2 years	2021.07.20	1,625	1.95	1,630	1.96	-	-	-	-	-	-	-	-	-	None
Representative Director	Taiwan	Ching-Hsu Tsai	Male 51 ~ 60 years old	2021.07.20	2 years	2021.07.20	-	-	10	0.01	-	-	-	-	Graduated from the Department of Electrical Engineering, Cheng Shiu University	Person in charge of Jin-Cheng Investment Co., Ltd. Person in charge of Ding Ji Electromechanical Co., Ltd.	-	-	-	None
Director (Independent)	Taiwan	Ming-Hsien Li	Male 61 ~ 70 years old	2020.06.10	3 years	2020.06.10	-	-	-	-	-	-	-	-	Master Degree in Accounting, National Chengchi University Vice Chairman, PwC Taiwan	Vice Chairman, Zhi Cheng CPAs Adjunct associate professor, National Cheng Kung University Independent director of ScinoPharm Taiwan., Ltd. Independent director of Brogent Technologies., Ltd. Independent director of POYA International., Ltd.	-	-	-	None
Director (Independent)	Taiwan	Cho-Hua Kuang	Male 71 ~ 80 years old	2020.06.10	3 years	2010.06.10	-	-	-	-	-	-	-	-	University of Cincinnati Doctor of Mechanical Engineering Department Honorary retired professor, Department of Mechanical Engineering, National Sun Yat-sen University	Adjunct professor, Department of Mechanical Engineering, National Sun Yat-sen University	-	-	-	None
Director (Independent)	Taiwan	Chang-Jen Chen	Male 61 ~ 70 years old	2020.06.10	3 years	2020.06.10	-	-	-	-	-	-	-	-	University of Missouri Rolla Institute of Mechanical and Aeronautical Engineering Secretary General of Green Technology Industry Alliance	Head of Department, Department of Mechanical Engineering, Kun Shan University Director, Taiwan Green Film Technology Co., Ltd.	-	-	-	None

Note 1: President of the Company and Director of IMAGINE Group Limited and UniRing Tech Company Limited

Note 2: Where the Chairman of the Board of Directors and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer).

2. Major Shareholders of Institutional Shareholders:

April 11, 2022

Name of Institutional Shareholders	Major Shareholders of Institutional Shareholders
Li Chiao Investment Co., Ltd.	Yu-Ru Chong (48.61%) and Ching-Lai Lu (38.96%)
Hanlin Construction Co., Ltd.	Yu-Chih Chiu (8.0%), Yu-Ru Chong (8.0%), Chao-Yang We (6.8%), Huang-Yin Chiu (5.6%), Huang-Hsin Chiu (5.6%), Mao-Jung He (5.3%), Hsing-Chuan Tsai (5.2%), Shun-Fa Yang (4.1%), Kai-Ping He (4.0%), Chia-Yu He (4.0%)
Jin-Cheng Investment Co., Ltd.	Ching-Hsu Tsai (23.89%), Wen-Yen Tsai Li (23.89%), Ya-Chi Tsai (26.11%), Meng-jung Tsai (26.11%)

3. Representatives of the institutional shareholders, which are the major shareholders of the Company's institutional shareholders: Not applicable.

4. Information about Independent Directors

April 11, 2022

Condition / Name	Professional Qualification and Work Experience	Independent Status												Number of Other Public Companies in which Concurrently Holding Position as Independent Director
		1	2	3	4	5	6	7	8	9	10	11	12	
Ching-Lai Lu	Mr. Ching-Lai Lu has served in the Company for more than 30 years, specializing in the operation and strategic management of passive components and semiconductor automation equipment industries. He acts as the Chairman of the Board of Directors for strategic communication and interaction with all directors on business management, and advice on the operation and management. He has the capabilities in business, marketing and industrial technology.						✓	✓	✓	✓		✓	✓	-
Hsin-Yao Cheng	Mr. Hsin-Yao Cheng has been specializing in the operation and strategic management of passive components and semiconductor automation equipment industries for more than 30 years, with the capabilities in corporate governance, business, marketing and industrial technology. He can provide corporate governance and operational management advice and policies to the Board of Directors in a timely manner and request the management team to formulate business strategies for implementation.			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-

Condition / Name	Professional Qualification and Work Experience	Independent Status												Number of Other Public Companies in which Concurrently Holding Position as Independent Director
		1	2	3	4	5	6	7	8	9	10	11	12	
Chien-Chang Chen	**Mr. Chien-Chang Chen used to be the person in charge of Fu-Du Building & Construction Co., Ltd. and is currently a director of Fu-Du Building & Construction Co., Ltd. He has more than 30 years of expertise in corporate governance, business, marketing and industrial technology, and is able to advise the Company's Board of Directors on relevant plant and operational management in a timely manner.**	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Yu-Ru Chong (Note 1)	**Ms. Yu-Ru Chong is an important promoter of the corporate social responsibility and sustainable management concepts of All Ring Tech Co., Ltd. She has been long committed to caring for the disadvantaged. She expects the corporate social responsibility to be closely integrated with the Company's business strategy, and implements the synergy of sustainable management, and to give professional advice from different perspectives. She provides professional advice from different perspectives, which is of great benefit to improving the Company's operating performance and management efficiency.**	✓				✓	✓	✓	✓	✓		✓		-
Ching-Han Chiu Huang (Note 2)	**Mr. Ching-Han Chiu Huang is currently a director of Hanlin Construction Co., Ltd. He has more than 30 years of expertise in corporate governance, business, marketing and industrial technology, and is able to advise the Company's Board of Directors on relevant plant operation and operational management in a timely manner.**	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		-
Ching-Hsu Tsai (Note 3)	**Mr. Ching-Hsu Tsai graduated from Department of Electrical Engineering, Cheng Shiu University, and is currently the person in charge of Ding Ji Electromechanical Co., Ltd. and Jin-Cheng Investment Co., Ltd. He has more than 30 years of expertise in corporate governance, business, marketing and industrial technology, and is able to advise the Company's Board of Directors on relevant plant operation and operational management in a timely manner.**	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		-

Condition / Name	Professional Qualification and Work Experience	Independent Status												Number of Other Public Companies in which Concurrently Holding Position as Independent Director
		1	2	3	4	5	6	7	8	9	10	11	12	
Ming-Hsien Li	Graduated from Accounting, National Chengchi University. He has professional and practical experience in finance and accounting. He used to be the Vice Chairman of PwC Taiwan, and is currently the Vice Chairman of Zhi Cheng CPAs and adjunct associate professor of National Cheng Kung University. He has rich experience in management practice and leverages his expertise to improve the quality of corporate governance of the Board of Directors and the supervision function of the audit committee. He has not been in violation of any provisions of Article 30 of the Company Act.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3
Cho-Hua Kuang	He is a doctor of Mechanical Engineering Department, University of Cincinnati, specializing in the field of solid mechanics, including structural analysis, dynamics, failure mechanics, wave mechanics, metal forming experiments and analysis, computer and peripheral equipment related research. he is currently an adjunct professor in the Department of Mechanical Engineering, National Sun Yat-sen University, with both academic and practical skills. He provides a lot of valuable advice and practical experience in the operation of the Company. He has not been in violation of any provisions of Article 30 of the Company Act.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Chang-Jen Chen	He is a doctor of the Institute of Mechanical and Aeronautical Engineering, University of Missouri Rolla, specializing in the research of computational fluid dynamics, dynamic model system analysis, enterprise management, energy technology, energy saving technology, green science and technology related circular economy and innovative operation model. He is currently the head of the Head of Department, Department of Mechanical Engineering, Kun Shan University Director. He can provide the Company with a clear direction and execution mode in the research, inventions and innovative products. He has not been in violation of any provisions of Article 30 of the Company Act.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-

(Note 1): Ms. Yu-Ru Chong is the corporate representative of the Company's corporate director Li Chiao Investment Co. Ltd.
(Note 2): Mr. Ching-Han Chiu Huang is the corporate representative of the Company's corporate director Hanlin Construction Co. Ltd.
(Note 3): Mr. Ching-Hsu Tsai is the corporate representative of the Company's corporate director Jincheng Investment Co., Ltd.
(Note 4): For any director or supervisor who fulfills the relevant condition(s) 2 years before being elected or during the term of office, please provide the "✓" sign in the corresponding field

(1) Not employed by the Company or an affiliated company.

(2) Neither a Director or Supervisor of the Company or any of its affiliates (this does not apply in cases where the person is an independent director of the Company, its parent company, or subsidiary where the Company holds, directly and indirectly, more than 50% of the voting shares).
(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.
(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs.
(5) Not a director, supervisor, or employee of an institutional shareholder that directly holds more than 5% of the total number of issued shares of the Company or is ranked top 5 in terms of quantity of shares held.
(6) If a majority of the Company's Director seats or voting shares and those of any other company are not controlled by the same person: a Director, Supervisor, or employee of that other company.
(7) Not a director (or governor), supervisor (or overseer), or employee of other company or institutions who is the Chairman, President , or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses.
(8) Not a director (member of the governing board), supervisor (member of the supervising board), managerial officer, or shareholder holding more than 5% of shares of a specified company or institution that has a financial or business relationship with the Company.
(9) Not a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director (or governor), supervisor (or overseer), managerial officer or spouse thereof that provides auditing service for the Company or any of its affiliates, or provides commercial, legal, financial, or accounting service with cumulative remuneration less than NT$500,000 in the past two years. However, this excludes members of the Remuneration Committee who have been appointed to exercise duties in accordance with Article 7 of Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter.
(10) Not a spouse or a relative within the second degree of kinship with any Director.
(11) No any circumstance set out in a subparagraph of Article 30 of the Company Act.
(12) No government, legal person or its representative has been elected as provided in Article 27 of the Company Act.

5. Diversity and independence of the Board of Directors:

(1) Diversity of the Board of Directors: Please refer to page 38 of this annual report.

(2) Independence of the Board of Directors: The Company has a total of 9 directors, including 3 independent directors, accounting for 33.33% of the total seats,

who concurrently serves as an independent director in less than 3 other public companies.

The Company has set up an audit committee to replace supervisors in accordance with the law, and only 22.22% of the directors have spouses and relatives within the second degree of kinship.

(2) Information on the President, Vice President, Associate Manager, and supervisors from each branch and subsidiaries:

Unit: thousand shares; % April 11, 2022

Title	Nationality	Name	Gender	Date of Appointment	Shareholding		Shares Held by Spouse and Minor Children		Shareholding by Nominees		Major Education and Work Experience	Position(s) Held Concurrently in Any Other Company	Managerial Officer Who is a Spouse or a Relative within the Second Degree of Kinship			(Note 5)
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
President	Taiwan	Hsin-Yao Cheng	Male	2010.10.01	414	0.50	1	-	-	-	Graduated from Cheng Shiu Junior College of Technology E&R Engineering Corporation	(Note 1)	None	None	None	None
Chief Executive Officer (Note 2)	Taiwan	Cheng-En Ou	Male	2022.01.01	11	0.01	-	-	-	-	Graduated from Cheng Shiu Junior College of Technology SHT Electronics Taiwan	None	None	None	None	None
President Office Vice President	Taiwan	Chien-De Li	Male	2017.03.16	18	0.02	1	0.001	-	-	MBA, National University, USA President Securities Corp.	(Note 4)	None	None	None	None
R&D ivision Vice President	Taiwan	Ming-Tsung Kuo	Male	2020.04.28	18	0.02	-	-	-	-	Graduated from National Chiayi Institute of Agriculture Cheng Ming Machinery Co., Ltd.	None	None	None	None	None
R&D ivision Vice President	Taiwan	Kuo-Lun Wang	Male	2020.11.05	-	-	-	-	-	-	Institute of Mechanical Engineering, National Cheng Kung University Contrel Technology Co., Ltd.	None	None	None	None	None
Finance Division Associate Manager	Taiwan	Hsiao-Mei Wang	Female	2010.10.01	58	0.07	-	-	-	-	Graduated from Chung Yuan Christian University Chien Hsing Accounting Firm	None	None	None	None	None
Material Division Associate Manager	Taiwan	Shih-Long Yeh	Male	2015.05.12	15	0.02	-	-	-	-	Graduated from National Cheng Kung University PwC Taiwan	None	None	None	None	None
President Office Associate	Taiwan	Ming-Chieh Tsai	Male	2018.02.27	-	-	-	-	-	-	Graduated from United Engineering Professional School	None	None	None	None	None

Manager											Chengxin Intellectual Property Rights					
R&D Division Associate Manager	Taiwan	Heng-Hui Liu	Male	2020.04.28	1	0.001	2	0.002	-	-	Graduated from the Institute of Mechanical Engineering, National Cheng Kung University ENGBOON Co., Ltd.	None	None	None	None	None
Sales and Marketing Division Associate Manager (Note 3)	Taiwan	Cheng-Yen Chiang	Male	2022.01.01	-	-	-	-	-	-	Graduated from the Institute of Computer and Communication Engineering, National Cheng Kung University AL-Charm	None	None	None	None	None

Note 1: Director of IMAGINE Group Limited and UniRing Tech Company Limited.

Note 2: Mr. Cheng-En Ou was promoted to Executive Director on January 1, 2022.

Note 3: Mr. Cheng-Yen Chiang was promoted to Associate Manager on January 1, 2022.

Note 4. Supervisor of UniRing Tech Co., Ltd.

Note 5: Where the Chairman of the Board of Directors and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer).

(III) Remuneration to Directors and Independent Directors

Unit: thousand shares/NT$ thousand; December 31, 2021

Title	Name	Directors' Remuneration								Sum of A+B+C+D and Ratio to Net Income (%) (Note 9)		Relevant Remuneration Paid to Directors who are Concurrent Employees								Total Compensation (A+B+C+D+E+F+G) to Net Income After Tax Ratio (%) (Note 9)		Any Remuneration from Ventures that are not Subsidiaries of the Company (Note 10)
		Base Compensation (A) (Note 2)		Severance Pay and Pension (B)		Remuneration to Directors (C) (Note 3)		Business Execution Expenses (D) (Note 4)				Salary, Bonus and Allowances (E)(Note 5)		Severance Pay and Pension (F)		Employee's Remuneration (G) (Note 6)						
		The Corporation	All Companies in Consolidated Financial Statements (Note 8)	The Corporation	All Companies in Consolidated Financial Statements (Note 8)	The Corporation	All Companies in Consolidated Financial Statements (Note 8)	The Corporation	All Companies in Consolidated Financial Statements (Note 8)	The Corporation	All Companies in Consolidated Financial Statements (Note 8)	The Corporation	All Companies in Consolidated Financial Statements (Note 8)	The Corporation	All Companies in Consolidated Financial Statements (Note 8)	The Corporation		All Companies in Consolidated Financial Statements (Note 8)		The Corporation	All Companies in Consolidated Financial Statements (Note 8)	
																Cash Amount	Stock amount	Cash Amount	Stock amount			
Chairman	Ching-Lai Lu	-	-	-	-	2,806	2,806	48	48	2,854 0.53%	2,854 0.53%	3,383	3,383	-	-	-	-	-	-	6,237 1.15%	6,237 1.15%	None
Director	Hsin-Yao Cheng	-	-	-	-	1,875	1,875	48	48	1,923 0.36%	1,923 0.36%	4,383	4,383	-	-	1,017	-	1,017	-	7,323 1.35%	7,323 1.35%	None
Director	Li Chiao Investment Co., Ltd.	-	-	-	-	938	938	-	-	938 0.17%	938 0.17%	-	-	-	-	-	-	-	-	938 0.17%	938 0.17%	None
Representative Director	Yu-Ru Chong (Note 1)	-	-	-	-	-	-	48	48	48 0.009%	48 0.009%	-	-	-	-	-	-	-	-	48 0.009%	48 0.009%	None
Director	Chien-Chang Chen	-	-	-	-	938	938	40	40	978 0.18%	978 0.18%	-	-	-	-	-	-	-	-	978 0.18%	978 0.18%	None
Director	Hanlin Construction Co., Ltd.	-	-	-	-	938	938	-	-	938 0.17%	938 0.17%	-	-	-	-	-	-	-	-	938 0.17%	938 0.17%	None
Representative Director	Ching-Han Chiu Huang (Note 2)	-	-	-	-	-	-	24	24	24 0.004%	24 0.004%	-	-	-	-	-	-	-	-	24 0.004%	24 0.004%	None

Director	**Jin-Cheng Investment Co., Ltd.**	**-**	**-**	**-**	**-**	**938**	**938**	**-**	**-**	**938 0.17%**	**938 0.17%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**938 0.17%**	**938 0.17%**	**None**
Representative Director	**Ching-Hsu Tsai (Note 3)**	**-**	**-**	**-**	**-**	**-**	**-**	**24**	**24**	**24 0.004%**	**24 0.004%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**24 0.004%**	**24 0.004%**	**None**
Director (Independent)	**Ming-Hsien Li (Note 4)**	**360**	**360**	**-**	**-**	**-**	**-**	**56**	**56**	**416 0.08%**	**416 0.08%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**416 0.08%**	**416 0.08%**	**None**
Director (Independent)	**Cho-Hua Kuang (Note 4)**	**360**	**360**	**-**	**-**	**-**	**-**	**48**	**48**	**408 0.08%**	**408 0.08%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**408 0.08%**	**408 0.08%**	**None**
Director (Independent)	**Chang-Jen Chen (Note 4)**	**360**	**360**	**-**	**-**	**-**	**-**	**40**	**40**	**400 0.07%**	**400 0.07%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**400 0.07%**	**400 0.07%**	**None**

(Note 1): Ms. Yu-Ru Chong is the corporate representative of the Company's corporate director Li Chiao Investment Co. Ltd.

(Note 2): Mr. Ching-Han Chiu Huang is the corporate representative of the Company's corporate director Hanlin Construction Co., Ltd.

(Note 3): Mr. Ching-Hsu Tsai is the corporate representative of the Company's corporate director Jincheng Investment Co., Ltd.

(Note 4): Please refer to Page 23regarding remuneration policies, systems, standards, and structures for Independent Directors and linkage thereof to powers, risks, and time spent.

Table of Remuneration Range

Ranges of Remuneration Paid to Each Director of the Company	Name of Director			
	Total Remuneration for the First Four Items (A+B+C+D)		Total Remuneration for the First Seven Items (A+B+C+D+E+F+G)	
	The Company (Note 8)	All Companies in Consolidated Financial Statements (Note 8) I	The Company (Note 8)	All Companies in Consolidated Financial Statements (Note 8)I
Less than NT$ 1,000,000	Yu-Ru Chong, Chien-Chang Chen, Ming-Hsien Li, Cho-Hua Kuang, Chang-Jen Chen, Ching-Han Chiu Huang, and Ching-Hsu Tsai	Yu-Ru Chong, Chien-Chang Chen, Ming-Hsien Li, Cho-Hua Kuang, Chang-Jen Chen, Ching-Han Chiu Huang, and Ching-Hsu Tsai	Yu-Ru Chong, Chien-Chang Chen, Ming-Hsien Li, Cho-Hua Kuang, Chang-Jen Chen, Ching-Han Chiu Huang, and Ching-Hsu Tsai	Yu-Ru Chong, Chien-Chang Chen, Ming-Hsien Li, Cho-Hua Kuang, Chang-Jen Chen, Ching-Han Chiu Huang, and Ching-Hsu Tsai
NT$ 1,000,000 (inclusive) ~ NT$ 2,000,000 (exclusive)	Hsin-Yao Cheng	Hsin-Yao Cheng	-	-
NT$ 2,000,000 (inclusive) ~ NT$ 3,500,000 (exclusive)	Ching-Lai Lu	Ching-Lai Lu	-	-
NT$ 3,500,000 (inclusive) ~ NT$ 5,000,000 (exclusive)	-	-	-	-
NT$ 5,000,000 (inclusive) ~ NT$ 10,000,000 (exclusive)	-	-	Ching-Lai Lu, Hsin-Yao Cheng	Ching-Lai Lu, Hsin-Yao Cheng
NT$ 10,000,000 (inclusive) ~ NT$ 15,000,000 (exclusive)	-	-	-	-
NT$ 15,000,000 (inclusive) ~ NT$ 30,000,000 (exclusive)	-	-	-	-
NT$ 30,000,000 (inclusive) ~ NT$ 50,000,000 (exclusive)	-	-	-	-
NT$ 50,000,000 (inclusive) ~ NT$ 100,000,000 (exclusive)	-	-	-	-
More than NT$100,000,000	-	-	-	-
Total	9	9	9	9

Note 1: The names of Directors shall be listed separately (for institutional shareholders, the names and representatives of institutional shareholders shall be listed separately), and the general directors and independent directors shall be listed separately, and the payment amount of each item shall be disclosed collectively.

(Note 2): Remuneration to the Director in the most recent year (including salary, additional pay, severance pay, bonuses and rewards).

(Note 3): The amount of the remuneration paid to the Director in the most recent year as approved by the Board of Directors shall be filled out.

(Note 4): Business expenses paid out to directors in the most recent year (including transport, special expenses, various allowances, accommodation, vehicles, and provision of physical goods and services). In case of expenditure such as housing, cars, and other transportation, or dedicated personal expenses, the nature and cost of the assets, actual rental fee or assumed rental fee based on fair market rate, petrol cost, and other payout shall be disclosed. If a driver is provided, please note the remuneration paid to such driver. However, such remuneration shall not be included.

(Note 5): Remuneration for directors concurrently holding positions in the Company (for positions that include the President, Vice President, other managerial officers, or employees) shall include salaries, job remuneration, severance, bonuses, performance fees, transport fees, special expenses, various subsidies, accommodation, vehicles, and provision of physical items and services. In case of expenditure such as housing, cars, and other transportation, or dedicated personal expenses, the nature and cost of the assets, actual rental fee or assumed rental fee based on fair market rate, petrol cost, and other payout shall be disclosed. If a driver is provided, please note the remuneration paid to such driver. However, such remuneration shall not be included. Any compensations listed under IFRS 2 Share-Based Payment, including issuance of employee stock options, new restricted employee shares and cash capital increase by stock subscription shall also be included.

(Note 6): For Directors concurrently holding positions in the Company in the most recent year (including the President, Vice Presidents, other managerial officers, or employees) and receiving the remuneration (including stock and cash), the employee remuneration paid in the most recent year upon the approval of the Board of Directors before the Shareholders' Meeting shall be disclosed. If such remuneration cannot be estimated, the remuneration to be distributed in the most recent year shall be based on the proportion of the remuneration distributed last year and filled in Table 1-3.

(Note 7): For the total remuneration in various items paid out to the Company's directors, the name of each director shall be disclosed in the corresponding range of the remuneration.

(Note 8): Total remuneration paid to every director of the Company by all companies (including the Company) listed in the consolidated financial report shall be disclosed. The name of the director shall also be disclosed in the corresponding range of the remuneration.

(Note 9): The after-tax net profit refers to the after-tax net profit in the most recent fiscal year; for companies that have adopted IFRSs, the after-tax net profit refers to the after-tax net profit in the parent company only or individual financial report in the most recent year.

(Note 10): a. This field shall clearly indicate the amount of remuneration received by the Company's director from a reinvestment business other than a subsidiary or from the parent company (if not, please fill in "none").

b. If a director of the Company receives any remuneration from investment companies other than subsidiaries or from the parent company, the said remuneration shall be incorporated into column I in the Table of Remuneration Ranges, and the name of column shall be changed to "Parent Company and All Investments in Other Companies".

c. Remuneration in this case shall refer to compensation, consideration, employee benefits, and expenses of business execution and other related payments received for being a Director, Supervisor, or managerial officer of other non-subsidiary companies that the Company has invested in or of the parent company.

＊ The content of remuneration disclosed in this table is derived based on a concept different from the concept of income stipulated in the Income Tax Act. Therefore, this table is for information disclosure purposes, instead of taxation.

(IV) Remuneration to Supervisors: Not applicable.

(V) Remuneration Paid to President and Vice Presidents:

Unit: thousand shares/NT$ thousand; December 31, 2021

Title	Name	Pay (A) (Note 2)		Severance Pay and Pension (B) (Note 1)		Bonus and special allowances (C) (Note 3)		Employee Bonus (D) (Note 4)				Sum of A+B+C+D and Ratio to Net Income (%) (Note 7)		Any Remuneration from Ventures that are not Subsidiaries of the Company (Note 8)
		The Corporation (Note 5)	All Companies in Consolidated Financial Statements (Note 6)	The Corporation (Note 5)	All Companies in Consolidated Financial Statements (Note 6)	The Corporation (Note 5)	All Companies in Consolidated Financial Statements (Note 6)	The Corporation (Note 5)		All Companies in Consolidated Financial Statements (Note 6)		The Corporation (Note 5)	All Companies in Consolidated Financial Statements (Note 6)	
								Cash Bonus	Stock Bonus	Cash Bonus	Stock Bonus			
President	Hsin-Yao Cheng	9,672	9,672	462	462	9,005	9,005	5,672	-	5,672	-	24,811 4.58%	24,811 4.58%	None
Chief Executive Officer	Cheng-En Ou													
Vice President	Chien-De Li													
Vice President	Ming-Tsung Kuo													
Vice President	Kuo-Lun Wang													

Note 1: Severance pay and pension were amounts listed.

Table of Remuneration Range

Ranges of Remuneration Paid to President and Vice Presidents of the Company	Name of President and Vice Presidents	
	The Company (Note 5)	All Companies in Consolidated Financial Statements (Note 6)
Less than NT$ 1,000,000	-	-
NT$ 1,000,000 (inclusive) ~ NT$ 2,000,000 (exclusive)	-	-
NT$ 2,000,000 (inclusive) ~ NT$ 3,500,000 (exclusive)	Chien-De Li	Chien-De Li
NT$ 3,500,000 (inclusive) ~ NT$ 5,000,000 (exclusive)	Ming-Tsung Kuo and Kuo-Lun Wang	Ming-Tsung Kuo and Kuo-Lun Wang
NT$ 5,000,000 (inclusive) ~ NT$ 10,000,000 (exclusive)	Hsin-Yao Cheng and Cheng-En Ou	Hsin-Yao Cheng and Cheng-En Ou
NT$ 10,000,000 (inclusive) ~ NT$ 15,000,000 (exclusive)	-	-
NT$ 15,000,000 (inclusive) ~ NT$ 30,000,000 (exclusive)	-	-
NT$ 30,000,000 (inclusive) ~ NT$ 50,000,000 (exclusive)	-	-
NT$ 50,000,000 (inclusive) ~ NT$ 100,000,000 (exclusive)	-	-
More than NT$100,000,000	-	-
Total	5	5

Note 1: The names of the President and Vice Presidents shall be listed separately, and the payments shall be disclosed collectively.

Note 2: President and Vice President's compensations in the most recent fiscal year (including salary, professional compensation and severance).

Note 3: Various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation allowance driver allowance, material objects provided and other compensations received by President and Vice Presidents in the most recent fiscal year. In case of expenditure such as housing, cars, and other transportation, or dedicated personal expenses, the nature and cost of the assets, actual rental fee or assumed rental fee based on fair market rate, petrol cost, and other payout shall be disclosed. If a driver is provided, please note the remuneration paid to such driver. However, such remuneration shall not be included.

Note 4: The amount is the employee compensations (including stock bonus and cash bonus) to President and Vice Presidents according to the most recent earnings distribution that has been approved by the Board of Directors but has not been approved by the shareholders' meeting. If the proposed profit sharing and bonus cannot be estimated, the proposed distribution amount shall be calculated based on the actual amount distributed in the previous fiscal year. Table 1-3 attached shall also be filled out. The after-tax net profit refers to the after-tax net profit in the most recent fiscal year; for companies that have adopted IFRSs, the after-tax net profit refers to the after-tax net profit in the parent company only or individual financial report in the most recent year.

Note 5: Names of the Company's Presidents and Vice Presidents shall be disclosed in the range corresponding to the total of compensations paid to them.

Note 6: Total compensations of various items paid out to the Company's each President and Vice President by all companies (including the Company) listed in the consolidated reports shall be disclosed. The name of the President and Vice President shall also be disclosed in the proper remuneration range.

Note 7: The after-tax net profit refers to the after-tax net profit in the most recent fiscal year; for companies that have adopted IFRSs, the after-tax net profit refers to the after-tax net profit in the parent company only or individual financial report in the most recent year.

Note 8: a.The amount of remuneration received from subsidiaries other than investment companies by the Company's Presidents and Vice Presidents should be stated clearly in this column.

b. If the Company's President and Vice Presidents receive remuneration from other non-subsidiary companies in which the Company has invested, the said remuneration shall be included in Column J in the remuneration range table. The name of the column shall also be changed to "All Investee Companies."

c. The remuneration means pay, remuneration, employee bonus and business expense received by the President or Vice President serving as a Director, Supervisor or manager of an investee of the Company other than subsidiaries.

＊ The content of remuneration disclosed in this table is derived based on a concept different from the concept of income stipulated in the Income Tax Act. Therefore, this table is for information disclosure purposes, instead of taxation.

(VI) Names of Managerial Officers who Received Employees' Remuneration and Distribution Results:

Unit: thousand shares/NT$ thousand: December 31, 2021

	Title	Name	Stock Amount	Cash Amount (Note 1)	Total	Percentage of Total Compensation to Net Income after Tax (Note 4)
Manager	Chairman	Ching-Lai Lu	-	8,165	8,165	1.51
	President	Hsin-Yao Cheng				
	Chief Technology Officer	Cheng-En Ou (Note 2)				
	Vice President	Chien-De Li				
	Vice President	Ming-Tsung Kuo				
	Vice President	Kuo-Lun Wang				
	Associate Manager	Hsiao-Mei Wang				
	Associate Manager	Shih-Long Yeh				
	Associate Manager	Ming-Chieh Tsai				
	Associate Manager	Heng-Hui Liu				
	Associate Manager (Note 3)	Cheng-Yen Chiang				

Note 1: The 2021 earnings distribution table has not been approved by the general shareholders' meeting. The list of employees' compensation distribution has been approved by the Board of Directors and will be distributed upon the resolution of the general shareholders' meeting.

Note 2: Mr. Cheng-En Ou was promoted to Executive Director on January 1, 2022.

Note 3: Mr. Cheng-Yen Chiang was promoted to Associate Manager on January 1, 2022.

Note 4: Net income after tax ratio is calculated based on the Company's net income after tax of NT$541,223 thousand in 2021.

(VII) Comparison and Analysis of Total Remuneration Paid to the Company's Directors, President, and Vice Presidents in the Past Two Years by the Company and All Companies Listed in the Consolidated Financial Statements as a Percentage of Net Income after Tax in the Parent Company Only Financial Statements, and Descriptions of the Policies, Standards, and Packages for Payment of Remuneration, the Procedures for Determining Remuneration, and Its Linkage to Business Performance and Future Risk Exposure:

(1) Total remuneration paid to Directors, Supervisors, Presidents, and Vice Presidents in the past two fiscal years as a percentage of net profit after tax:

Unit: NT$ thousand; ％

Item / Title	The Company's Remuneration				All Companies Included in the Consolidated Financial Statements			
	2020		2021		2020		2021	
	Equity	Ratio of total remuneration to net income (%)	Equity	Ratio of total remuneration to net income (%)	Equity	Ratio of total remuneration to net income (%)	Equity	Ratio of total remuneration to net income (%)
Directors' Remuneration	9,729	3.94	18,672	3.45	9,729	3.94	18,672	3.45
Supervisor's Remuneration	32	0.01	Note 1	Note 1	32	0.01	Note 1	Note 1
Remuneration Paid to President and Vice Presidents	16,670	6.75	24,811	4.58	16,670	6.75	24,811	4.58
Net profit after tax (NT$ thousand)	246,844	-	541,223	-	246,844	-	541,223	-

Note 1: On June 10, 2020, the Company established the Audit Committee.

The remuneration of directors, President and Vice President in 2021 is higher than that in 2020, mainly due to the increase in profit and the increase in bonuses.

(2) Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

The Director and Supervisor remuneration consists mainly of Director and Supervisor bonuses from the distribution of earnings and it is processed in accordance with Articles 16 and 20 of the Company's Articles of Incorporation: All Directors and Supervisors shall be entitled to remuneration determined by the Board of Directors with authorization from the shareholders' meeting. The payment amount shall be based on prevailing rates of the industry regardless of operating profits or losses. The Company shall distribute no less than 3% of the profit for the fiscal year as employee remuneration and no more than 3% as Director and Supervisor remuneration based on the profitability status of the current fiscal year which refers to the profits before tax minus the distribution of employee remuneration and Director and Supervisor remuneration. The compensation of the employees, directors and supervisors shall be agreed upon by a majority in a meeting attended by over two-thirds of the Directors, and shall be reported to the shareholders' meeting.

①Directors' Remuneration

Note: The remunerations received by the directors of the Company, including the remuneration policy, the content and amount of individual remunerations, and the relationship with performance evaluation, are described as follows:

- **The salary and remuneration of the independent directors and directors of the Company shall be handled in accordance with the "Regulations on Salary and Remuneration of Directors", except that in accordance with Article 20 of the Company's Articles of Incorporation, the remuneration of directors shall not exceed 3% of the profit of the Company.**
- **The salary of independent directors is paid on a monthly basis, regardless of profit or loss, and the independent directors do not participate in the remuneration distribution of directors.**
- **The rest of the directors are paid by 0~150% of the peer salary level according to the level of participation and contribution of individual directors to the operation of the Company; for the remuneration paid separately to individual directors, the Remuneration Committee will consider the overall performance of the Board of Directors, the Company's operating performance, and the Company's future operation and risk appetite, propose the distribution proposal, and submit to the Board of Directors for discussion and approval before distribution.**

Remuneration Paid to President and Vice Presidents

The remuneration policy of the Company is based on the overall operation of the Company, with the achievement rate of performance and contribution degree of the manager department as the measurement standard. The amount of managers' remuneration is adjusted by taking into account the fluctuation of the industry prosperity, R&D engagement, product innovation, order receiving rate, etc.

Remuneration for the President and Vice Presidents include salary and bonuses is based on their title and respective responsibilities, taking into account the prevailing rates in the industry for similar positions and is subject to deliberation and adoption by the Remuneration Committee.

The performance evaluation indicators for the managers of the Company, including financial indicators (such as operating revenue of the Company, gross profit margin and realization rate of pre-tax net profit and after-tax net profit) and non-financial indicators (such as product development progress, compliance with related laws and significant absence of operational risk affair) shall be determined by the Chairman of the Board based on performance, and reviewed and adopted by the Remuneration Committee. The Company's managers' performance objectives are combined with "risk management" to ensure that the possible risks within the scope of responsibility are managed and prevented, and the results of the evaluation based on the actual performance are linked to the relevant human resources and relevant compensation policies. The important decisions of the Company's management are made considering various risk factors. The performance of relevant decisions is reflected in the Company's profitability, and the remuneration of the management is related to the performance of risk management.

III. Implementation of Corporate Governance

(I) State of Operations of the Board of Directors

A total of 6 meetings (A) have been held by the Board of Directors in 2021, with the Directors' attendance shown as follows:

Title	Name (Note 1)	Times of Actual Attendance (or of Attendance as a Non-voting Participant) (B)	Attendance by Proxy by Proxy	Actual Attendance Rate (%) (B/A) (Note 2)	Note
Chairman	Ching-Lai Lu	6	0	100.00%	None
Director	Hsin-Yao Cheng	6	0	100.00%	None
Director	Chien-Chang Chen	5	0	83.33%	None
Director	Representative of Li Chiao Investment Co., Ltd.: Yu-Ru Chong	6	0	100.00%	None
Director	Representative of Hanlin Construction Co., Ltd.: Ching-Han Chiu Huang	3	0	100.00%	Elected on July 20, 2021
Director	Representative of Jincheng Investment Co., Ltd.: Ching-Hsu Tsai	3	0	100.00%	Elected on July 20, 2021
Independent Director	Ming-Hsien Li	6	0	100.00%	None
Independent Director	Cho-Hua Kuang	6	0	100.00%	None
Independent Director	Chang-Jen Chen	5	0	83.33%	None

Other information required to be disclosed:

I. The items included in Article 14-3 of the Securities and Exchange Act and other comments objected or qualified by other Independent Directors on record or the resolutions of the Board of Directors in a written statement shall indicate the date, session, content of the motion, opinions of all Independent Directors and how the Company handles the opinions of the Independent Directors: The Company's Independent Directors did not file objections or qualified opinions. Please refer to Note 5.

II. In regards to the recusal of Directors from voting due to conflict of interests, the name of the Directors, the proposal, reasons for recusal due to conflict of interests and voting outcomes should be stated: No such occurrences.

III. Goals for enhancing the functions of the Board of Directors (such as establishing an Audit Committee or increasing information transparency) for the current fiscal year and most recent fiscal year as well as assessments of the actions implemented:

(1) The Company has established the Remuneration Committee and amended the rules of procedures for the Board of Directors meetings.

(II) On June 10, 2020, the Company established the Audit Committee to replace the supervisor's function.

(III) The Company has assigned dedicated personnel to disclose items and announce material information in accordance with regulations to ensure that prompt and accurate information is announced on the MOPS. Materials information is also disclosed on the Company's website.

IV. The cycle, period, scope, method, and criteria of self-evaluations (or peer evaluations) made by the Board of Directors, and the implementation status shall be disclosed: Please refer to Note 3.

Note 1: Where a director or supervisor is a juristic person, the name of the juristic person shareholder and the name of its representative shall be disclosed.

Note 2: (1) Where Directors or supervisors resign before the end of the year, the date of resignation shall be indicated in the Remarks column. Rate of actual attendance (or of attendance as a non-voting participant)(%) shall be calculated by the number of board meetings convened and times of actual attendance (or of attendance as a non-voting participant) during the term of service.

(2) Where any supervisor is reelected before the end of the year, the new or former supervisors shall be listed, and the Remark column shall indicate whether an independent director is "former", "new" or "re-elected", and the date of election. Actual presence rate (%) shall be calculated by the number of board meetings convened and times of actual attendance (or of attendance as a non-voting participant) during the term of service.

Note 3:

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
Once a year	January 1st, 2021 to December 31st, 2021	1. Board of Directors 2. Individual director member 3. Remuneration Committee 4. Audit Committee	1. Self-evaluation by Board of Directors 2. Self-evaluation by board members 3. Self-evaluation by functional committees	(Note 4)

Note 4: Evaluation criteria include the following:

(1) Performance evaluation of the Board of Directors: the degree of participation in the operation of the Company, the quality of decision-making of the Board of Directors, the composition and structure of the Board of Directors, the selection and continuous learning of directors, internal control, etc.

(2) Evaluation of performance for the individual board members: Including alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship operation and communication, the director's professionalism and continuing education, and internal control.

(3) Evaluation of performance for the functional committees (Remuneration Committee and Audit Committee): Including participation in the operation of the Company, awareness of the duties of the functional committee, the quality of decisions made by the functional committee, makeup of the functional committee and election of its members, and internal control.

Note 5: Major resolutions of a shareholders' meeting or Board of Directors meetings during the most recent fiscal year or during the current fiscal year up to the publication date of the Annual Report:

Date	Session	Content of Motions	Items listed in Article 14-3 of the Securities and Exchange Act	Dissenting or Qualified Opinion by Independent Directors
10th Session 4th Meeting 2021/02/24	Board of Directors	Motion 1: The Company's 2020 compensation distribution for employees, Directors and Supervisors is submitted for approval.	V	None
		Motion 2: The Company's 2020 business report, parent company only financial statements and consolidated financial statements are submitted for resolution are submitted for approval.		
		Motion 3: The Company's 2020 earnings distribution is submitted for approval.		
		Motion 4: The Company's cash distribution from capital surplus is submitted for approval.		
		Motion 5: The date, time, venue and major contents of the 2020 Annual General Meeting of the Company are submitted for resolution.	V	
		Motion 6: The reelection of the Company's 10th Directors is submitted for approval.	V	
		Motion 7: The proposal to publish a notice specifying a period for receiving nominations of Director candidates, the number of Directors to be elected, the place for receiving such nominations, and other necessary matters are submitted for approval.	V	
		Motion 8: The proposal to request the 2021 general shareholders' meeting to remove restrictions on non-competition for the Company's Directors and their representatives as provided in Article 209 of the Company Act is submitted for approval.	V	
		Motion 9: The Statement on the Internal Control System submitted by the Company based on the results of the Company's self-inspection and audit is submitted for approval.	V	
		Motion 10: The evaluation of the independence and competency of CPAs appointed in 2021 is submitted for approval.	V	
		Motion 11: The application for financing loan credit line is submitted for approval.	V	
		Motion 12: The Company's endorsement/guarantee for the subsidiary Uniring Tech Company Limited is submitted for approval. Motion 13: The amendment to the Company's "Articles of Incorporation" is submitted for approval. Motion 14: The amendment to the Company's "Rules of Procedure for Shareholders Meeting" is submitted for approval. Motion 15: The distribution of the incentives bonuses for employees is submitted for approval.	V	
		Attendance of Independent Directors: Independent Directors Ming-Hsien Li, Cho-Hua Kuang and Chairman Chang-Jen Chen all attended the meeting. Opinions of independent directors: None. The Company's actions in response to the opinions of independent directors: None. Resolution: Passed by all directors present at the meeting.		
10th Session 5th Meeting 2021/05/03	Board of Directors	Motion 1: The Company's first quarter consolidated financial reports for 2021 is submitted for approval.		None
		Motion 2: The Amendments of the Company's Board Self-Evaluation or Peer Evaluation Regulations. It is submitted for resolution.	V	
		Motion 3: Proposed amendments to the Company's Remuneration Committee Organizational Rules are submitted for approval.		
		Motion 4: The proposal to review and accept the shareholders' proposals and nominate of the director candidates and the independent director candidates for the 2021 Annual General Meeting is submitted for approval.	V	
		Motion 5: The application for financing loan credit line is submitted for approval.	V	
		Motion 6: The adjustments of employee salary and remuneration are submitted for approval.	V	

		Motion 7: The subsidiary PAI FU INTERNATIONAL LIMITED plans to increase the investment by USD50, 000 in the subsidiary IMAGINE GROUP LIMITED. It is submitted for resolution.		
		Attendance of Independent Directors: Independent Directors Ming-Hsien Li, Cho-Hua Kuang and Chairman Chang-Jen Chen all attended the meeting. Opinions of independent directors: None. The Company's actions in response to the opinions of independent directors: None. Resolution: Passed by all directors present at the meeting.		
10th Session 6th Meeting 2021/06/23	Board of Directors	Motion 1: In line with the Financial Supervisory Commission Order No.Financial-Supervisory-Securities-Corporate-11003621372 issued on May 20, 2021, the proposal to adjourn and reschedule the date, time and venue of the 2021General Shareholders' Meeting is submitted for resolution.		None
		Attendance of Independent Directors: Independent Directors Ming-Hsien Li, Cho-Hua Kuang and Chairman Chang-Jen Chen all attended the meeting. Opinions of independent directors: None. The Company's actions in response to the opinions of independent directors: None. Resolution: Passed by all directors present at the meeting.		
Date	Session	Content of Motions	Items listed in Article 14-3 of the Securities and Exchange Act	Dissenting or Qualified Opinion by Independent Directors
2021/07/20	Shareholders' Meeting	The Company's 2021 general shareholders meeting was held at No. 1, Luke 10th Rd., Luzhu Dist., Kaohsiung City 821011, Taiwan (R.O.C.) (the Company) on July 20, 2021. The resolutions passed by attending shareholders and their status of implementation are as follows: 1. 1. Ratification of the Company's 2020 financial statements. Implementation status: Resolution passed. 2. 2. Ratification of the Company's 2020 earnings distribution table. Implementation: The Board of Directors adopted a resolution on July 28, 2021 to set August 18, 2021 as the ex-dividend base date, and paid cash dividend of NT$228,070,926 on September 3, 2021, which has been fully paid. (Distributed cash dividend of NT$2.8 per share) 3. Discussion of the proposal for the cash distribution from capital surplus. Implementation: The Board of Directors adopted a resolution on July 28, 2021 to set August 18, 2021 as the ex-dividend base date, and paid a cash dividend of NT $16,290,780 in capital reserves on September 3, 2021, which has been fully paid. (Distributed cash dividend of NT$0.2 per share) 4. Discussion of the amendment of the Company's "Articles of Incorporation". Implementation status: Approved for registration and published on the company website on August 5, 2021. 5. Discussion for the amendments of the "Rules and Procedures of the Shareholders' Meeting" of the Company. Implementation status: Announced on the Company's website on Jule 20, 2021 and processed in accordance with the amended procedures. 6. By-election for the 10th term of directors. Director elected: Representative of Hanlin Construction Co., Ltd.: Ching-Han Chiu Huang Representative of Jincheng Investment Co., Ltd.: Ching-Hsu Tsai Implementation status: The Articles were approved for registration by the Southern Taiwan Science Park Bureau of the Ministry of Science and Technology on August 5, 2021 and published on the Company's website. Published on the company website. 7. Proposal to release the newly elected Directors and their representatives from non-competition restrictions as per Article 209 of the Company Act. Implementation status: Resolution passed.	None	None
10th Session 7th Meeting 2021/07/28	Board of Directors	Motion 1: The Company's 2021 Q2 consolidated financial statements is submitted for approval.		None
		Motion 2: The Company's cash dividends distribution and the establishment of the ex-dividend date and book closure date are submitted for approval.		
		Motion 3: The sub subsidiary, Kunshan All Ring Tech Co., Ltd. (hereinafter referred to as Kunshan All Ring Electronics), intends to provide financial loans for the	V	

		sub subsidiary, All Ring Tech (Kunshan) Co., Ltd. (hereinafter referred to as All Ring Tech), which is submitted for approval. Motion 4: The application for financing credit line is submitted for approval. Motion 5: The Company's 2020 compensation distribution for employees and Directors is submitted for approval.	V	
		Attendance of Independent Directors: Independent Directors Ming-Hsien Li, Cho-Hua Kuang and Chairman Chang-Jen Chen all attended the meeting. Opinions of independent directors: None. The Company's actions in response to the opinions of independent directors: None. Resolution: Passed by all directors present at the meeting.		
10th Session 8th Meeting 2021/08/23	Board of Directors	Motion 1: Proposal for the Company's intention to purchase real estate (plant) is submitted for resolution.	V	None
		Attendance of Independent Directors: Directors Ming-Hsien Li and Cho-Hua Kuang attended the meeting. Opinions of independent directors: None. The Company's actions in response to the opinions of independent directors: None. Resolution: Passed by all directors present at the meeting.		
10th Session 9th Meeting 2021/11/05	Board of Directors	Motion 1: The Company's third quarter consolidated financial statements for 2021 is submitted for approval.		None
		Motion 2: The Company's 2022 Budget Statement is submitted for approval.		
		Motion 3: The Company's 2022 Audit Plan is submitted for approval.	V	
		Motion 4: The abnormal change in the audit officer of the Company is submitted for approval.		
		Motion 5: The application for financing loan credit line is submitted for approval.		
		Motion 6: Report on the Issuance of the Fourth Domestic Unsecured Convertible Corporate Bonds by the Company.	V	
		Motion 7: The Company's donation to All Ring Charitable Trust Fund is submitted for approval.	V	
		Motion 8: The promotion of the insider Cheng-En Ou, Chief Technology Officer to CEO is submitted for resolution. Motion 9: The appointment of the Associate Manager Cheng-Yen Chiang is submitted for approval. Motion 10: The distribution of 2021 year-end bonuses for employees is submitted for approval.	V	
		Attendance of Independent Directors: Independent Directors Ming-Hsien Li, Cho-Hua Kuang and Chairman Chang-Jen Chen all attended the meeting. Opinions of independent directors: None. The Company's actions in response to the opinions of independent directors: None. Resolution: Passed by all directors present at the meeting.		
10th Session 10th Meeting 2022/01/27	Board of Directors	Motion 1: The abnormal change in the audit officer of the Company is submitted for approval.	V	None
		Motion 2: The application for financing credit line is submitted for approval.		
		Attendance of Independent Directors: Independent Directors Ming-Hsien Li, Cho-Hua Kuang and Chairman Chang-Jen Chen all attended the meeting. Opinions of independent directors: None. The Company's actions in response to the opinions of independent directors: None. Resolution: Passed by all directors present at the meeting.		
10th Session 11th Meeting 2022/02/21	Board of Directors	Motion 1: The Company's 2021 compensation distribution for Director, and employees is submitted for approval.	V	None
		Motion 2: The Company's 2021 business report, individual and consolidated financial reports are submitted for approval.		
		Motion 3: The Company's 2021 earnings distribution is submitted for approval.		
		Motion 4: The date, time, place, and main content of the Company's 2022 General Shareholders' Meeting are submitted for approval.		
		Motion 5: The Statement on the Internal Control System submitted by the Company based on the results of the Company's self-inspection and audit is submitted for approval.	V	
		Motion 6: Replacement of the Company's CPAs is submitted for resolution.	V	

		Motion 7: The evaluation of the independence and competency of CPAs appointed in 2022 is submitted for approval.	V	
		Motion 8: The application for financing loan credit line is submitted for approval.	V	
		Motion 9: The Company's endorsement guarantee for the subsidiary Uni-Ring Tech. Co., Ltd. is submitted for approval.	V	
		Motion 10: The amendment to the Company's "Articles of Incorporation" is submitted for approval.	V	
		Motion 11: The amendments to the Company's "Rules of Procedure for Shareholders Meeting" is submitted for approval.	V	
		Motion 12: The amendments of the Company's "Procedure for Acquisition and Disposal of Assets" is submitted for approval.	V	
		Motion 13: The distribution of the incentive bonuses for employees is submitted for approval.	V	
		Attendance of Independent Directors: Independent Directors Ming-Hsien Li, Cho-Hua Kuang and Chairman Chang-Jen Chen all attended the meeting. Opinions of independent directors: None. The Company's actions in response to the opinions of independent directors: None. Resolution: Passed by all directors present at the meeting.		
10th Session The 12th meeting 2022/04/27	Board of Directors	Motion 1: The Company's 2022 Q1 consolidated financial statements is submitted for approval.	V	None
		Motion 2: The amendment to the Company's "Corporate Governance Best-Practice Principles" is submitted for approval.	V	
		Motion 3: The amendment to the Company's "Rules of Procedure for Shareholders Meeting" is submitted for approval.	V	
		Motion 4: The Company's adjustment to the agenda of the 2022 Shareholders' Meeting is filed submitted for approval.	V	
		Motion 5: The application for financing loan credit line is submitted for approval.	V	
		Motion 6: The amendment to the Company's "Regulations Governing the Remuneration for Directors" is submitted for approval.	V	
		Motion 7: The Company's 2021 compensation distribution for employees and Directors is submitted for approval.	V	
		Motion 8: The adjustments of employee salary and remuneration are submitted for approval.	V	
		Motion 9 The promotion of Associate Manager Shih-Long Yeh to Vice President is submitted for approval.	V	
		Motion 10: The appointment of the Associate Manager Chun-Ting Chang is submitted for approval.	V	
		Motion 11: The appointment of the Associate Manager Hui-Chen Hung is submitted for approval.	V	
		Attendance of Independent Directors: Independent Directors Ming-Hsien Li, Cho-Hua Kuang and Chairman Chang-Jen Chen all attended the meeting. Opinions of independent directors: None. The Company's actions in response to the opinions of independent directors: None. Resolution: Passed by all directors present at the meeting.		

(II) Operations of the Audit Committee:

1. The Shareholders' Meeting of the Company has selected three Independent Directors to form the Audit Committee. It holds at least one meeting every quarter and is responsible for supervising the fair presentation of the Company's financial report; the appointment (and dismissal) of auditing CPAs and their independence and performance; effective implementation of the Company's internal control; the Company's compliance with relevant laws and regulations; and the Company's management on existing or potential risks. Its main functions and powers are as follows:

(1) Formulate or amend the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.

(2) Assess the effectiveness of the internal control system.

(3) In accordance to the provision of Article 36-1 of the Securities and Exchange Act, establish or revise the operating procedures for material financial behaviors, including acquisition or disposal of assets, trading of derivatives, corporate loans to others, and guarantees or warrants to others.
(4) The items relating to interests of directors themselves.
(5) Trading of material assets or derivative products.
(6) Material loaning of funds, and provision of endorsements/guarantees.
(7) Raising, issuing and private placement of equity-based securities.
(8) Appointment, dismissal and compensation of certified CPAs.
(9) Appointment or discharge of a finance manager, accounting manager or chief internal auditor.
(10) The annual financial report signed or stamped by the Chairman, managers and accounting directors.
(11) Other significant matters set forth by the Company or the competent authority.

2. On June 10, 2020, the Company set up the Audit Committee. In 2021, the Audit Committee held a total of 5 (A) meetings and the attendance of independent directors was as follows:

Title	Name (Note 1)	Times of Actual Attendance (or of Attendance as a Non-voting Participant) (B)	Attendance by Proxy by Proxy	Actual Attendance Rate (%) (B/A) (Note 2)	Note
Independent Director	Ming-Hsien Li	5	0	100.00%	-
Independent Director	Cho-Hua Kuang	5	0	100.00%	-
Independent Director	Chang-Jen Chen	4	0	80.00%	-

Other information required to be disclosed:
I. With regard to the implementation of the Audit Committee, if any of the following circumstances occurs, the date, session, proposal contents and resolutions of the Audit Committee, and the Company's actions in response to the opinions of the Audit Committee shall be stated:
(I) Matters referred to in Article 14-5 of the Securities and Exchange Act: See Note 3 for details.
(II) Except for the aforementioned matters, any other resolutions passed by more than two-thirds of all Directors but without approval of the Audit Committee: None.
II. Where an independent director recuses himself or herself from a proposal in which he/she has a personal interest, the name of the independent director, the content of proposal, the reason for recusal and the results of the voting should be stated: None.
III. Communication between independent directors, internal chief audit officer and CPAs (which shall include the important matters, methods, and results regarding the Company's finance and operations): See Notes 4 and 5 for details.

Note1: If an Independent Director resigns before the end of the year, the resignation date shall be specified in the "Note" column. The percentage of attendance in person (%) shall be calculated based on the number of meetings held by the Audit Committee and the number of actual attendance during the term of service.

(2) If an independent director is elected before the end of the year, incoming and outgoing independent directors shall be listed accordingly, and the Remark column shall indicate whether the status of an independent director is "outgoing", "incoming" or "re-elected", and the date of election. Actual presence rate (%) shall be calculated by the number of Audit Committee meetings convened and times of actual presence during the term of service.

Note 3: Major resolutions of Audit Committee within the current year and the period as at the publication date of the annual report (matters set forth in Article 14-5 of the Securities and Exchange Act):

Date	Session	Proposal content (matters referred to in Article 14-5 of the Securities and Exchange Act)	Objections or Reservations by Independent Directors
2021/02/24	1st Session 3rd Meeting	Motion 1: The Company's 2020 business report, consolidated financial report and separate financial statements are submitted for resolution. Motion 2: The Company's 2020 earnings distribution is submitted for approval. Motion 3: The Company's cash distribution from capital surplus is submitted for approval. Motion 4: The Statement on the Internal Control System submitted by the Company based on the results of the Company's self-inspection and audit is submitted for approval. Motion 5: The evaluation of the independence and competency of CPAs appointed in 2021 is submitted for approval. Motion 6: The Company's endorsement guarantee for the subsidiary UniRing Tech. Co., Ltd. (hereinafter referred to as UniRing Tech) is submitted for approval. Motion 7: The amendment to the Company's "Articles of Incorporation" is submitted for approval.	None
		Attendance of Independent Directors: Independent Directors Ming-Hsien Li, Cho-Hua Kuang and Chairman Chang-Jen Chen all attended the meeting. Opinions of independent directors: None. Resolution: Passed by all Independent Directors present at the meeting. The Company's response to the opinion of the Independent Directors: All Directors present voted in favor of the proposal.	
2021/05/03	1st Session 4th Meeting	Motion 1: The Company's first quarter consolidated financial report for 2021 is submitted for approval. Motion 2: The Amendments of the Company's Board Self-Evaluation or Peer Evaluation Regulations. It is submitted for resolution. Motion 3: The subsidiary PAI FU INTERNATIONAL LIMITED plans to increase the investment by USD50,000 in the subsidiary IMAGINE GROUP LIMITED. It is submitted for resolution.	None
		Attendance of Independent Directors: Independent Directors Ming-Hsien Li, Cho-Hua Kuang and Chairman Chang-Jen Chen all attended the meeting. Opinions of independent directors: None. Resolution: Passed by all Independent Directors present at the meeting. The Company's response to the opinion of the Independent Directors: All Directors present voted in favor of the proposal.	
2021/07/28	1st Session 5th Meeting	Motion 1: The Company's 2021 Q2 consolidated financial statements is submitted for approval. Motion 2: The sub subsidiary, Kunshan All Ring Tech Co., Ltd. (hereinafter referred to as Kunshan All Ring Electronics), intends to provide financial loans for the sub subsidiary, All Ring Tech (Kunshan) Co., Ltd. (hereinafter referred to as All Ring Tech), which is submitted for approval.	None
		Attendance of Independent Directors: Independent Directors Ming-Hsien Li, Cho-Hua Kuang and Chairman Chang-Jen Chen all attended the meeting. Opinions of independent directors: None. Resolution: Passed by all Independent Directors present at the meeting. The Company's response to the opinion of the Independent Directors: All Directors present voted in favor of the proposal.	
2021/08/23	1st Session 6th	Motion 1: Proposal for the Company's intention to purchase real estate (plant) is submitted for resolution.	None
		Attendance of Independent Directors: Independent Directors Ming-Hsien Li and Cho-Hua	

	Meeting	Kuang attended the meeting. Opinions of independent directors: None. Resolution: Passed by all Independent Directors present at the meeting. The Company's response to the opinion of the Independent Directors: All Directors present voted in favor of the proposal.	
2021/11/05	1st Session 7th Meeting	Motion 1: The Company's third quarter consolidated financial statements for 2021 is submitted for approval. Motion 2: The Company's 2022 Audit Plan is submitted for approval. Motion 3: The abnormal change in the audit officer of the Company is submitted for approval. Motion 4: Report on the Issuance of the Fourth Domestic Unsecured Convertible Corporate Bonds by the Company.	None
		Attendance of Independent Directors: Independent Directors Ming-Hsien Li, Cho-Hua Kuang and Chairman Chang-Jen Chen all attended the meeting. Opinions of independent directors: None. Resolution: Passed by all Independent Directors present at the meeting. The Company's response to the opinion of the Independent Directors: All Directors present voted in favor of the proposal.	

<table>
<tr><th>Date</th><th>Session</th><th>Proposal content (matters referred to in Article 14-5 of the Securities and Exchange Act)</th><th>Objections or Reservations by Independent Directors</th></tr>
<tr><td rowspan="2">2022/01/27</td><td rowspan="2">1st Session 8th Meeting</td><td>Motion 1: The abnormal change in the audit officer of the Company is submitted for approval.</td><td>None</td></tr>
<tr><td colspan="2">Attendance of Independent Directors: Independent Directors Ming-Hsien Li, Cho-Hua Kuang and Chairman Chang-Jen Chen all attended the meeting.
Opinions of independent directors: None.
Resolution: Passed by all Independent Directors present at the meeting.
The Company's response to the opinion of the Independent Directors: All Directors present voted in favor of the proposal.</td></tr>
<tr><td rowspan="2">2022/02/21</td><td rowspan="2">1st Session 9th Meeting</td><td>Motion 1: The Company's 2021 business report, consolidated financial report and parent company only financial statements are submitted for resolution.
Motion 2: The Company's 2021 earnings distribution is submitted for approval.
Motion 3: The Statement on the Internal Control System submitted by the Company based on results of the Company's self-inspection and audit is submitted for approval.
Motion 4: Replacement of the Company's CPAs is submitted for resolution.
Motion 5: The evaluation of the independence and competency of CPAs appointed in 2022 is submitted for approval.
Motion 6: The Company's endorsement guarantee for the subsidiary Uni-Ring Tech. Co., Ltd. is submitted for approval.
Motion 7: The amendment to the Company's "Articles of Incorporation" is submitted for approval.
Motion 8: The amendment of the Company's "Procedure for Acquisition and Disposal of Assets" is submitted for approval.</td><td>None</td></tr>
<tr><td colspan="2">Attendance of Independent Directors: Independent Directors Ming-Hsien Li, Cho-Hua Kuang and Chairman Chang-Jen Chen all attended the meeting.
Opinions of independent directors: None.
Resolution: Passed by all Independent Directors present at the meeting.
The Company's response to the opinion of the Independent Directors: All Directors present voted in favor of the proposal.</td></tr>
<tr><td rowspan="2">2022/04/27</td><td rowspan="2">1st Session 10th Meeting</td><td>Motion 1: The Company's 2022 Q1 consolidated financial statements is submitted for approval.
Motion 2: The amendment to the Company's "Corporate Governance Best-Practice Principles" is submitted for approval.</td><td>None</td></tr>
<tr><td colspan="2">Attendance of Independent Directors: Independent Directors Ming-Hsien Li, Cho-Hua Kuang and Chairman Chang-Jen Chen all attended the meeting.
Opinions of independent directors: None.
Resolution: Passed by all Independent Directors present at the meeting.
The Company's response to the opinion of the Independent Directors: All Directors present voted in favor of the proposal.</td></tr>
</table>

Note 4: Communication between independent directors and Internal Chief Audit Officer:

Date	Session	Theme of communication	Suggestion and Company's action
2020/08/05	1st Meeting of the 1st Session	2020 Q2 Internal Audit Implementation Report.	None
2020/11/05	2nd Meeting of the 1st Session	2020 Q3 Internal Audit Implementation Report.	None
		2021 annual audit plan.	Report to the Board of Directors after it passes review
2021/02/24	3rd Meeting of the 1st Session	2020 Q4 Internal Audit Implementation Report.	None
2021/05/03	4th Meeting of the 1st Session	2021 Q1 Internal Audit Implementation Report.	None
2021/07/28	5th Meeting of the 1st Session	2021 Q2 Internal Audit Implementation Report.	None
2021/08/23	6th Meeting of the 1st Session	The Company proposes to set up a plant in north central.	Report to the Board of Directors after it passes review
2021/11/05	7th Meeting of the 1st Session	2021 Q3 Internal Audit Implementation Report.	None
2022/01/27	8th Meeting of the 1st Session	2021 Q4 Internal Audit Implementation Report.	None
2022/02/21	9th Meeting of the 1st Session	2022 Q1 Internal Audit Implementation Report.	None
2022/04/27	10th Meeting of the 1st Session	2022 Q1 in the Internal Audit Implementation Report.	None

Note 5: Communication between independent directors and the CPAs:

Date	Session	Theme of communication	Suggestion and Company's action
2021/02/24	1st Session 3rd Meeting	Communication with governance organizations after review in 2020 Q4 and at planning stage (I) Responsibilities of CPAs and responsibilities of auditor (II) Working scope and communication schedule of CPAs (III) Matters of communication with governance organizations at stage of audit completion (IV) Other matters of communication with Audit Committee	None
2021/05/03	1st Session 4th Meeting	Communication with governance organizations after review in 2021 Q1 (I) Responsibilities of CPAs and responsibilities of auditor (II) Working scope and communication schedule of CPAs (III) Matters of communication with governance organizations at stage of review completion (IV) Other matters of communication with reviewed by Committee	None
2021/07/28	1st Session 5th Meeting	Communication with governance organizations after review in 2021 Q2 (I) Responsibilities of CPAs and responsibilities of auditor (II) Working scope and communication schedule of CPAs (III) Matters of communication with governance organizations at stage of review completion (IV) Other matters of communication with reviewed by Committee	None
2021/11/05	1st Session 6th Meeting	Communication with governance organizations after review in 2021 Q3 and at planning stage (I) Responsibilities of CPAs and responsibilities of auditor (II) Working scope and communication schedule of CPAs (III) Matters of communication with governance organizations at stage of review completion (IV) Other matters of communication with reviewed by Committee (V) Audit plan at end of 2021	None
2022/02/21	1st Session 7th Meeting	Communication with governance organizations after audit in 2021 Q4 (I) Responsibilities of CPAs and responsibilities of auditor (II) Working scope and communication schedule of CPAs (III) Matters of communication with governance organizations at stage of audit completion (IV) Other matters of communication with Audit Committee	None
2022/04/27	1st Session 8th Meeting	Communication with governance organizations after review in 2022 Q1 (I) Responsibilities of CPAs and responsibilities of auditor (II) Working scope and communication schedule of CPAs (III) Matters of communication with governance organizations at stage of review completion (IV) Other matters of communication with reviewed by Committee	None

(III) State of Corporate Governance Implementation and Differences From the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and Reasons

Assessed Items	Current Operations (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
I. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	V		The Company has adopted the Corporate Governance Best Practice Principles at the Board of Directors and uploaded it to the Market Observation Post System and the company website. On April 27, 2022, the Company amended relevant provisions in cooperation with the competent authority and in response to the prevention of insider trading, video conferencing of shareholders' meeting and the Corporate Governance -3.0 Blueprint for Sustainable Development.	No deviation
II. Shareholding structure and shareholders' equity (I) Does the Company establish and implement internal operating procedures to deal with shareholders' suggestions, doubts, disputes, and litigations?	V		The Company has established the "Rules of Procedure for Shareholders Meetings" and "Corporate Governance Best Practice Principles" and established a spokesperson system in accordance with regulations. The stock affairs unit and stock agency are responsible for processing related affairs and the contact window is disclosed on the Company's website.	No deviation
(II) Does the Company retain a register of major shareholders who have controlling power the Company, and of the persons with ultimate control over those major shareholders?	V		The Company maintain excellent relations with major shareholders and we have established a stock affairs contact window and assigned professional stock affairs agencies to process related affairs with shareholders to keep abreast of all conditions at all times. The Company also announces the shareholding status of insiders every month to maintain control over the list of main shareholders and ultimate owners.	No deviation
(III) Does the Company establish and implement risk control and a firewall system between it and its affiliated enterprises?	V		The Company and affiliates operate independently and all entities have established internal control systems and management systems for control and	No deviation

Assessed Items	Current Operations (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			management.	
(IV) Does the Company set internal standards to prohibit insiders from using the undisclosed information in the market to trade securities?	V		The Company has established "Procedures for Handling Material Inside Information and Preventing Insider Trading" to regulate all company employees, managers, and Directors, as well as those who have learned of the Company's information based on positions or controlling relations to prevent any insider trading activities. The Company also established the "Ethical Management Procedures for Grievances and Reports" to require employees to uphold the ethical confidentiality principles and established related reporting channels to prevent inappropriate actions.	No deviation
III. Composition and responsibilities of the Board of Directors (I) Does the board formulate and implement a policy on diversity based on the composition of board members?	V		The Company established the "Corporate Governance Best-Practice Principles" in the 9th meeting of the 8th-term Board of Directors on November 9, 2015. In response to the amendment to the law, the 9th-term Board of Directors revised the "Rules of Procedure for Shareholders Meetings" and "Corporate Governance Best-Practice Principles" on April 30, 2019. The "Strengthening the Functions of the Board of Directors" section in Chapter 3 of the Principles stipulated a diversity policy. The Company's Articles of Incorporation expressly stipulate a candidate nomination system for Directors and Supervisors. The Company shall evaluate theacademic and experience of each candidate and take the opinions of stakeholders into consideration. The Company also abides by the Rules Governing the Election of Directors and Supervisors and the Corporate Governance Best-	No deviation

Assessed Items	Current Operations (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			Practice Principles to ensure the diversity and independence of the Directors and Supervisors. 2. The Company's 10th term Board of Directors has met the requirements in the diversity policy. Please refer to Note 3 for details. 3. The Company's employees take up 22% of the Board of Directors. Independent Directors take up 33% of the Board, and female directors take up 11%. Three Independent Directors have been appointed for 2 year. Please Note 3 for the age distribution of all directors. 4. The diversity policy on the composition of the Board of Directors is disclosed on the company website and on the Market Observation Post System.	
(II) Does the Company voluntarily establish other functional committees in addition to the legally-required Remuneration Committee and Audit Committee?		V	The other functional committees will be set up based on actual needs of the Company.	No deviation
(III) Does the Company formulate rules and procedures and methods for performance evaluation of the Board of Directors, conduct the evaluation every year, report the results of evaluations to the Board of Directors, and use them as a reference in determining individual Directors' remuneration, their nomination and reappointment?	V		The Company conducts internal performance evaluation of the Board of Directors and members at least once a year in accordance with the Self-Evaluation and Peer Evaluation of Performance of the Board as amended by the Board of Directors on May 3, 2021. The evaluation is carried out by the head of corporate governance and carried out in the form of internal questionnaires. The Company has reported the self-evaluation results to the Board of Directors on February 21, 2022. The self-evaluation of the overall performance of the Board of Directors covers five aspects: I. Participation in the operation of the Company; II. Improvement of the quality of the Board of Directors' decision	No deviation

Assessed Items	Current Operations (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			making; III. Composition and structure of the Board of Directors; IV. The election of the Directors and their continuing professional studies. V. Internal control The criteria for evaluating the performance of board members include at least the following six aspects: I. Alignment of the goals and missions of the Company; II. Awareness of the duties of a Director; III. Participation in the operation of the Company; IV. Management of internal relationship and communication; V. The Director's professionalism and continuing education; and VI. Internal control. The Company shall base each Board member's remuneration and nomination for reelection on his/her contribution to the Company and the Company's business performance. The Company will conduct assessments according to the aforesaid criteria, report the results of assessments, and make recommendations for areas that can be improved. After collection and statistics of evaluation results, the overall board performance is confirmed to be in effective operation.	
(IV) Does the Company regularly evaluate the independence of the CPA?	V		1. The Company reviews the independence and competency of CPAs on an item-by-item basis every year, and submits the review results to the audit committee for deliberation and to the Board of Directors for resolution. 2. The Company adopted the replacement of CPAs by resolution of the Audit Committee and the Board of Directors on February 21, 2022	No deviation

Assessed Items	Current Operations (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			in cooperation of to the adjustment of the internal administrative organization and internal rotation of the accounting firm. On the same day, in addition to adopting the proposal for the rotation of CPAs, we also deliberated on the independence and competency of CPAs, which was adopted by the audit of the audit committee and the resolution of the Board of Directors. 3. Please refer to Note 2 for the independence and competency of CPAs in 2021.	
IV. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	V		1. The Board of Directors passed the resolution in the meeting on February 26, 2019, assigning Vice President Chien-De Li, the spokesperson of the Company, as head of corporate governance to protect shareholders' equity and enhance the functions of the Board of Directors. 2. Vice President Chien-De Li has accumulated more than three fiscal years of work experience in financial management in public companies. The main duties of the corporate governance are to provide the Directors with information required for performing the business, assisting the Directors in compliance with the laws, and to handle matters related to the Board and shareholders' meetings. 3. Regular training will be conducted every fiscal year, mainly for courses about corporate governance and regulations set up by the competent authorities and the CPA. The status of business operations in 2021 is described as follows: 1. Assist independent directors and general directors in performing their duties by providing the	No deviation

Assessed Items	Current Operations (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			necessary information and arranging for continuing education for directors: (1) Regularly report the latest revisions and amendments of laws and regulations related to business areas and corporate governance in the Company to the members of the Board of Directors (2) Review the confidentiality level of relevant information and provide company information required by the directors so as to maintain smooth communication and interaction between the Board of Directors and heads of divisions (3) Assist independent directors in arranging meetings with the head of internal audit or CPAs in accordance with the Corporate Governance Best Practice Principles when there is a need for independent directors to meet them in order to understand the Company's financial operations (4) Assist Independent Directors and general Directors in drawing up annual continuing education plan and making arrangements for courses in accordance with the nature of the industry to which the Company belongs and the experience and background of Directors. 2. Assist in matters related to the proceedings of Board of Directors' meetings and shareholders meetings as well as legal compliance of resolutions: (1) Report the operations of corporate governance at the Company to the Board of Directors or the independent directors, and confirm whether the convening of shareholders meetings and Board of Directors' meetings comply with	

Assessed Items	Current Operations (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			relevant laws and regulations, as well as the Corporate Governance Best-Practice Principles. (2) Assist in and remind directors of the regulations to be complied with when performing their duties or officially voting on resolutions by the Board of Directors, and offer suggestions when the Board of Directors is going to vote on an illegal resolution. (3) Responsible for examining matters related to the release of major messages about the important resolutions approved by the Board of Directors to ensure the legality and accuracy of the content of these major messages, so as to maintain information symmetry during investor trading. 3. Maintain investor relations: Arrange for Directors to interact and communicate with major shareholders, institutional investors or general shareholders so that investors can obtain sufficient information to evaluate and determine the Company's reasonable market value, and ensure that shareholders' interests are well maintained. 4. Draw up the agendas of the Board of Directors and notify directors of the agendas seven days before the meeting, convene meetings and provide meeting information, send out reminders regarding agendas that require recusal of directors and complete the minutes of the Board of Directors' meeting twenty days after the meeting. 5. Handle prior registration for Shareholders' Meetings, prepare meeting notices, agenda handbook, meeting minutes within the statutory period, as	

Assessed Items	Current Operations (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			well as handle registration of changes due to the amendment to regulations and re-election of Directors.	
V. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		**The Company has established communication channels with stakeholders and announced their contact number and emails in the "Investors" section on the company website that is accessible to anyone. The Company also reports to the Board of Directors on a yearly basis the communication with all stakeholders. The communication status in 2021 was reported on the board meeting on February 21, 2022.**	**No deviation**
VI. Does the Company engaged a professional shareholder services agent to handle shareholders meeting matters?	V		**The Company has appointed President Securities Corp. to process affairs related to shareholders meetings.**	**No deviation**
VII. Information Disclosure (I) Does the Company have a website to disclose the financial operations and corporate governance status?	V		**The Company has established a website in both Chinese and English to disclose information regarding the Company's financial, business, and corporate governance status. Information can also be found on the MOPS or the company website.**	**No deviation**
(II) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated personnel to be responsible for the collection and disclosure of information, implementing a spokesman system, and making the process of investor conferences available on the corporate website)?	V		**1. The Company has established an English language website and appointed a spokesperson. We also assigned designated personnel to take charge of the collection and disclosure of company information on websites. 2. The Company participates in investor conferences organized by international and domestic investment institutions from time to time and related briefing files in Chinese and English are disclosed on the MOPS and the "Investors" section on the company website.**	**No deviation**
(III) Does the Company announce and declare its annual financial reports within two months after the end of the fiscal year, and announce and declare the financial reports for the first,	V		**The Company has announced the annual financial reports on February 22, 2022 and February 24, 2021 and registered the**	**No deviation**

Assessed Items	Current Operations (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
second and third quarter and the operation situation of each month earlier than the prescribed period?			quarterly financial reports and the monthly operating status within the given time limits. The said material information has been disclosed in both Chinese and English.	
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V		Is there any other important information which facilitates a better understanding of the Company's corporate governance practices (such as employee rights, employee wellbeing, investor relations, supplier relations, rights of stakeholders and directors' training records, the implementation of risk management policies and risk evaluation standards, the implementation of customer policies, and purchasing of liability insurance for directors)? (1) Employee benefits: The Company values the interests and future development of employees, and it has established an employee welfare committee and implemented a pension system in accordance with regulations. We have also established management-labor communication channels and a communication mailbox dedicated to employees. The Company has established CSR Best-Practice Principles and various policies and plans for customer services, supplier management, and social participation. (2) Caring for Employees: The Company has established a welfare system that provides stability for employees' lives and a sound education and training system to build good relations with employees based on mutual trust and reliance. E.g.: The Company subsidizes employee club activities, provides cultural entertainment, free annual	No deviation

Assessed Items	Current Operations (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			employee health examinations, parking spaces, and organizes charity running events. (3) Investor relations: The Company has a spokesman and deputy spokesman who are responsible for handling shareholders' suggestions. (4) Supplier relations: The Company has established supplier management procedures to regulate business relations between suppliers and the Company. We also sign confidentiality agreements to prevent damaging the parties' business reputation and interests and to protect the rights and obligations of both parties. (5) Stakeholder relations: Stakeholders can communicate and make recommendations to All Ring Tech to safeguard their legal rights. (6) Directors' continuous training: The Company's Directors participate in continuous training programs in accordance with regulations. The training hours meet or exceed regulatory requirements, and the Company shall continue to arrange appropriate continuous training courses for Directors. The contents of the courses have been announced on the MOPS. (7) Implementation of risk management policies and risk assessment standards: The Company has established regulations on important managerial targets and implements them in accordance with regulations. (8) Customer policy implementation status: The Company and its subsidiaries	

Assessed Items	Current Operations (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			have received ISO 9001 quality assurance system certification and we have assigned dedicated customer service departments to ensure the implementation results of customer policies in overall operations. (9) The Company's purchase of liability insurance for Directors: The Company has purchased liability insurance for Directors and Supervisors. The coverage is from January 1, 2021 to January 1, 2022, and the insurance amount is NT$200 million.	
IX. Please provide an explanation on the improvement status of corporate governance evaluation in the most recent fiscal year by the corporate governance center of the Taiwan Stock Exchange Corporation, as well as the improvement measures to be implemented: The company has formulated improvement plans for areas in the corporate governance evaluation that were not awarded points. A presentation file was formulated for review to strengthen the company's corporate governance and increase information transparency. In terms of information transparency, the Company updates the Annual Reports and disclosure items on the company website and also accept invitations to investor conferences to make company information more transparent and reduce information asymmetry. With regard to the Shareholders' Meeting, the Company has adopted the electronic voting system and has fully adopted a candidate nomination system for the election of Directors and Supervisors. The Audit Committee was established in 2020 by the Shareholders' Meeting.				

Note 1: Regardless of whether or not the checked box is "Yes" or "No," it should be stated in the summary description field.

Note 2: The independence evaluation and competency of CPAs for 2021 are provided as follows:

Date: February 21, 2022
Objects to be reviewed: ■ Incumbent □ Candidate
Independent Auditors: CPAs Yong-Chih Lin and Tzu-Yu Lin

I. Review of the requirements for independence (If any of the following items is checked with "No", more specific facts should be checked)

Item No.	Contents	Please check			Note
		Yes	No	N/A	
01	The CPA, or the spouse or a minor child thereof, has not invested in the Company, or shares in financial gains therewith.	V			
02	The CPA, or the spouse or a minor child thereof, has not lent or borrowed funds to or from the Company. However, this does not apply if the client is a financial institution and the borrowing or lending is part of a normal business relationship.	V			
03	The accounting firm has not issued an assurance service report that it designed or assisted in the implementation of the effective operation of the financial information system.	V			
04	The CPAs and audit members did not held positions of Directors, managers, or posts that impose critical impact on audits currently or in last two years.	V			
05	The non-audit services provided by the Company have no significant items that directly affect the audit.	V			
06	The CPAs or audit members did not advertise or transfer any shares or other securities issued by the Company.	V			
07	The CPAs or audit members did not represent the Company in defending legal cases or other disputes with third parties, except for the business permitted by law.	V			
08	The CPAs or audit members have no relationship with the Company's directors, managers or persons who have a significant impact on the audit case such as a spouses, lineal relatives, relatives in-law or collateral relatives within the second degree of kinship.	V			
09	The former partner within one year of disassociating from the joint accounting firm to which the CPA is affiliated did not join the Company as a director, officer or is in a key position to exert material impact over the subject matter of the engagement.	V			
10	The CPAs or the audit members have not accepted gifts or preferential treatment from the Corporation, the Corporation's director, officer or major stockholder.	V			
11	The CPA is not currently employed by the client or audited entity to perform routine work for which he or she receives a fixed salary, or currently serves as a director or supervisor thereof.	V			
12	OTC listed companies: The CPA did not provide any audit service to the Company for 7 consecutive years. Non OTC listed companies: The CPA did not provide any audit service to the Company for 10 consecutive years.	V			

II. Review of independent operation (If any of the following items is checked with "No", more specific facts should be understood)

Item No.	Contents	Please check			Note
		Yes	No	N/A	
01	Have the CPAS recused themselves from the commission and failed to undertake the commission if they have a direct or significant indirect interest in the commission that would affect			V	

I. Review of the requirements for independence (If any of the following items is checked with "No", more specific facts should be checked)					
Item No.	Contents	Please check			Note
		Yes	No	N/A	
	his or her impartiality and independence?				
02	Do the CPAs maintain their independence not only in substance but also in form when providing audit, check, review or special examination for financial statements and writing opinions?	V			
03	Are the audit members, shareholders of other joint practice accountants or corporate accounting firms, accounting firms, firm affiliates and alliance firms also independent of the Company?	V			
04	Did the CPAs provide professional services with integrity and strictness?	V			
05	Have the CPAs maintained a fair and objective position in the performance of their professional services, and have they avoided prejudice, conflict of interest or interest that might affect their professional judgment?	V			
06	The CPAs did not experience a lack or loss of independence that would affect their integrity and impartiality.	V			

III. Review of competency (If any of the following items is checked with "No", more specific facts should be checked)					
Item No.	Contents	Please check			Note
		Yes	No	N/A	
01	There is no disciplinary record of the Accountants Disciplinary Committee for the CPAs in the last two years.	V			
02	Does the accounting firm have sufficient scale, resources and regional coverage to handle corporate audit services?	V			
03	Does the accounting firm have clear quality control procedures in place? Does it cover levels and highlights of audit procedures, ways of addressing audit issues and judgments, independent quality control reviews, and risk management?	V			
04	Does the accounting firm keep the Board (audit committee) informed of any significant issues and developments in risk management, corporate governance, financial accounting and related risk control?	V			

IV. Other Supplementary Items

Explanation: None

V. Review Opinions

■ **The review was approved and it is recommended to appoint/maintain the original appointment**
□ **There are doubts in the review, and it is recommended not to appoint/replace the accountant□**
Reasons:

Note 3: The Company values the Board diversity. At least one of the nine Directors is female. The Company aims to increase the number of Independent Directors and proportion of female Directors in accordance with relevant laws and regulations. Information on the Board diversity policy has been disclosed on the company website and MOPS. The status of the Company's Board diversity is as follows:

Item / Name	Nationality	Gender	As An Employee of the Company	Age			Longevity of Independent Director			Business management	Leadership and decision making	Knowledge of the industry	Finance and accounting	Crisis management	Environmental protection
				51 - 60	61 - 70	71 - 80	3 years below	3 - 9 years	9 years below						
Ching-Lai Lu	Republic of China	Male	V		V					V	V	V		V	V
Hsin-Yao Cheng	Republic of China	Male	V	V						V	V	V		V	
Chien-Chang Chen	Republic of China	Male			V					V	V			V	
Yu-Ru Chong	Republic of China	Female		V						V	V			V	V
Ching-Han Chiu Huang	Republic of China	Male			V					V	V			V	
Ching-Hsu Tsai	Republic of China	Male		V						V	V			V	
Ming-Hsien Li	Republic of China	Male			V		V			V	V	V	V	V	
Cho-Hua Kuang	Republic of China	Male				V	V				V	V		V	
Chang-Jen Chen	Republic of China	Male			V		V				V	V		V	

(V) Constitution, Duties, and Operations of the Remuneration Committee (if Any):

1. Information on Members of the Remuneration Committee

April 11, 2022

Title (Note 1)	Condition / Name	Professional Qualification and Work Experience	Compliance with independence (Note 2)										Number of Other Public Companies where the Individual Concurrently Serves as a Remuneration Committee Member	Note
			1	2	3	4	5	6	7	8	9	10		
Independent Director	Ming-Hsien Li	Graduated from Accounting, National Chengchi University. He has professional and practical experience in finance and accounting. He used to be the Vice Chairman of PwC Taiwan, and is currently the Vice Chairman of	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3	None

		Zhi Cheng CPAs and adjunct associate professor of National Cheng Kung University. He has rich experience in management practice and leverages his expertise to improve the quality of corporate governance of the Board of Directors and the supervision function of the audit committee. He has not been in violation of any provisions of Article 30 of the Company Act.											
Independent Director	**Cho-Hua Kuang**	**He is a doctor of Mechanical Engineering Department, University of Cincinnati, specializing in the field of solid mechanics, including structural analysis, dynamics, failure mechanics, wave mechanics, metal forming experiments and analysis, computer and peripheral equipment related research. he is currently an adjunct professor in the Department of Mechanical Engineering, National Sun Yat-sen University, with both academic and practical skills. He provides a lot of valuable advice and practical experience in the operation of the Company. He has not been in violation of any provisions of Article 30 of the Company Act.**	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	**-**	**None**
Independent Director	**Chang-Jen Chen**	**He is a doctor of the Institute of Mechanical and Aeronautical Engineering, University of Missouri Rolla, specializing in the research of computational fluid dynamics, dynamic model system analysis, enterprise management, energy technology, energy saving technology, green science and technology related circular economy and innovative operation model. He is currently the head of the Head of Department, Department of Mechanical Engineering, Kun Shan University□**	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	**-**	**None**

		Director. He can provide the Company with a clear direction and execution mode in the research, inventions and innovative products. He has not been in violation of any provisions of Article 30 of the Company Act.											

Note 1: Please indicate in the "Title" field Director, Independent Director or otherwise.

Note 2: For any members who fulfill the relevant condition(s) for two fiscal years before being elected to the office or during the term of office, tick [✓] the box next to the corresponding conditions.

(1) Neither an employee of the Company nor its affiliates.

(2) Neither a Director or Supervisor of the Company or any of its affiliates. Not applicable in cases where an Independent Director of the Company has served as an Independent Director of the Company or any of its affiliates, or of a specified company or institution that has a financial or business relationship with the Company.

(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.

(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a Manager under preceding subparagraph (1) or any of the persons in the subparagraph (2) and (3).

(5) Neither a Director, Supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a Director or Supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act. Not applicable in cases where an Independent Director of the Company has served as an Independent Director of the Company or any of its affiliates, or of a specified company or institution that has a financial or business relationship with the Company.

(6) If a majority of the Company's Director seats or voting shares and those of any other company are controlled by the same person, neither a Director, Supervisor, or employee of that other company. Not applicable in cases where an Independent Director of the Company has served as an Independent Director of the Company or any of its affiliates, or of a specified company or institution that has a financial or business relationship with the Company.

(7) Not a Director, Supervisor, or employee of a company where the Chairman, President or any equivalent position of the Company is held by the same person or by his/her spouse (not applicable in cases where the person is an Independent Director of the Company and its parent company or subsidiary or any subsidiary of the same parent company as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary).

(8) Not a Director, Supervisor, manager, or shareholder holding 5% or more of the shares of a specified company or institution which has a financial or business relationship with the Company (excluding specified companies or institutions holding more than 20% but less than 50% of the total issued shares of the Company and serving as the Independent Directors of the Company and its parent company or subsidiary or any subsidiary of the same parent company in accordance with the Act or with the laws of the country of the parent or subsidiary).

(9) Not a professional individual who is an owner, partner, Director, Supervisor, or manager, or a spouse thereof, of a sole proprietorship, partnership, company, or institution that provides commercial, legal, financial, accounting services or consultation, for which he/she has received the total remuneration of less than NT$500,000 over the past two years, for the Company or any of its affiliated companies. provided, this restriction does not apply to a member of the Remuneration Committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

(10) No any circumstance set out in a subparagraph of Article 30 of the Company Act.

2. Information on the operations of the Compensation Committee

(1) There are 3 members on the Remuneration Committee of the Company.

(2) Term of current Committee Members: From June 22, 2020 to June 09, 2023. In 2021, the Remuneration Committee held a total of 4 (A) meetings.

The qualifications and attendance of the members are as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Rate of Attendance in Person (%) (B/A) (Note)	Note
Convenor	Ming-Hsien Li	4	0	100.00%	None
Committee Member	Cho-Hua Kuang	4	0	100.00%	None
Committee Member	Chang-Jen Chen	4	0	100.00%	None

Other information required to be disclosed:

I. In the event the Board of Directors does not adopt or wishes to amend the proposals of the Remuneration Committee, please state the date and session of the Board meeting, agenda, resolution of the Board of Directors, and the Company's response to the opinion of the Remuneration Committee (e.g., if the salaries and compensations approved by the Board was higher than the suggested levels from the Remuneration Committee, please state the differences and reasons): None. Please refer to Note 2.

II. Where resolutions of the Remuneration Committee include dissenting or qualified opinion which is on record or stated in a written statement, the date, session, proposal contents, opinions from every member, and actions in response to the opinions of the members shall be stated: None. Please refer to Note 2.

Note 1: (1) Where members of the Remuneration Committee resign before the end of the year, the date of resignation shall be indicated in the Remarks column. Actual presence rate (%) shall be calculated by the number of Remuneration Committee meetings convened and times of actual presence during the term of service.

(2) Where any members of the Remuneration Committee have been reelected before the end of the year, both newly appointed and previously appointed members of the Remuneration Committee shall be listed, and previously appointed, newly appointed or reappointed member together with the re-election date shall be indicated in the Remarks column. Actual presence rate (%) shall be calculated by the number of Remuneration Committee meetings convened and times of actual presence during the term of service.

Note 2: The topics and resolutions of the Remuneration Committee meetings and the Company's handling of the members' opinions are as follows:

Date	Session	Content of Motions	Dissenting or Qualified Opinion by the Remuneration Committee Members
2021/02/24	4th term 2nd Meeting	Motion 1: The Company's 2020 compensation distribution for employees, Directors, and Supervisors is submitted for resolution. Motion 2: The distribution of the incentives bonuses for employees is submitted for approval.	None
		Attendance of Remuneration Committee members: Mr. Ming-Hsien Li, Mr. Cho-Hua Kuang and Mr. Chang-Jen Chen all attended the meeting. Remuneration Committee members' opinions: None. Resolution: Approved by all members present at the meeting. The Company's response to the opinion of the Remuneration Committee: All Directors present voted in favor of the proposal.	
2021/05/03	4th term 3rd Meeting	Motion 1: The adjustments of employee salary and remuneration are submitted for approval.	None
		Attendance of Remuneration Committee members: Mr. Ming-Hsien Li, Mr. Cho-Hua Kuang and Mr. Chang-Jen Chen all attended the meeting. Remuneration Committee members' opinions: None. Resolution: Approved by all members present at the meeting. The Company's response to the opinion of the Remuneration Committee: All Directors present voted in favor of the proposal.	
2021/07/28	4th term 4th Meeting	Motion 1: The Company's 2020 compensation distribution for employees and Directors is submitted for resolution.	None
		Attendance of Remuneration Committee members: Mr. Ming-Hsien Li, Mr. Cho-Hua Kuang and Mr. Chang-Jen Chen all attended the meeting. Remuneration Committee members' opinions: None. Resolution: Approved by all members present at the meeting.	

Date	Session	Content of Motions	Dissenting or Qualified Opinion by the Remuneration Committee Members
		The Company's response to the opinion of the Remuneration Committee: All Directors present voted in favor of the proposal.	
2021/11/05	4th term 5th Meeting	Motion 1: The promotion of the insider Cheng-En Ou, Chief Technology Officer to CEO is submitted for resolution. Motion 2: The appointment of the Associate Manager Cheng-Yen Chiang is submitted for approval. Motion 3: The distribution of the annual bonuses for employees for 2021 is submitted for approval.	None
		Attendance of Remuneration Committee members: Mr. Ming-Hsien Li, Mr. Cho-Hua Kuang and Mr. Chang-Jen Chen all attended the meeting. Remuneration Committee members' opinions: None. Resolution: Approved by all members present at the meeting. The Company's response to the opinion of the Remuneration Committee: All Directors present voted in favor of the proposal.	
2022/02/21	4th term 6th Meeting	Motion 1: The Company's 2021 compensation distribution for Director, and employees is submitted for approval. Motion 2: The distribution of the incentives bonuses for employees is submitted for approval.	None
		Attendance of Remuneration Committee members: Mr. Ming-Hsien Li, Mr. Cho-Hua Kuang and Mr. Chang-Jen Chen all attended the meeting. Remuneration Committee members' opinions: None. Resolution: Approved by all members present at the meeting. The Company's response to the opinion of the Remuneration Committee: All Directors present voted in favor of the proposal.	
2022/04/27	4th term 7th Meeting	Motion 1: The amendment to the Company's "Regulations Governing the Remuneration for Directors" is submitted for approval. Motion 2: The Company's 2021 compensation distribution for employees and Directors is submitted for approval. Motion 3: The adjustments of employee salary and remuneration are submitted for resolution. Motion 4: The promotion of Associate Manager Shih-Long Yeh to Vice President is submitted for approval. Motion 5: The appointment of the Associate Manager Chun-Ting Chang is submitted for approval. Motion 6: The appointment of the Associate Manager Hui-Chen Hung is submitted for approval.	None
		Attendance of Remuneration Committee members: Mr. Ming-Hsien Li, Mr. Cho-Hua Kuang and Mr. Chang-Jen Chen all attended the meeting. Remuneration Committee members' opinions: None. Resolution: Approved by all members present at the meeting. The Company's response to the opinion of the Remuneration Committee: All Directors present voted in favor of the proposal.	

3. Responsibilities of the Remuneration Committee of the Company:
   a. Periodically reviewing the remuneration policy of the Company and make recommendations for amendments.
   b. Establishing and regularly reviewing the performance evaluation of the directors and managers of the Company in conjunction with the remuneration policies, systems, standards, and structure.
   c. Regularly reviewing the remunerations and salaries of the directors and managers of the Company.

(VI. Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Thereof

Assessed Items	Current Operations (Note 1)			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description (Note 2)	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the Board of Directors authorized senior management to handle related matters under the supervision of the board?	V		1. The Company has formed the Corporate Governance and Sustainability Committee comprised of the Administration Division, Finance Division, President's Office, and procurement and sales units. Vice President Chien-De Li of the President's Office serves as the convener and is responsible for proposing and implementing CSR policies and institutions. The Committee reviews implementation items and makes improvements regularly each fiscal year. The Committee reported the one-year implementation results to the Board of Directors on February 21, 2022. 2. The Company's Corporate Governance and Sustainability Committee and the "All Ring Tech Charity and Welfare Foundation" work together to advance related CSR affairs and they report implementation results to the Board of Directors in the first quarter of each fiscal year (once a fiscal year).	No deviation
II. Does the Company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the Company's operations in accordance with the materiality principle? (Note 3)	V		The Company has established the Corporate Social Responsibility Best-Practice Principles with approval of the Board of Directors. We have also established management systems to review their implementation results periodically. In addition, the Company embraces corporate social responsibilities, gives back to society, and has appointed Hua Nan Commercial Bank as the trustee for the establishment of the "All Ring Tech Charity and Welfare Foundation". The Foundation aims to provide social charity and emergency relief activities and implements corporate social responsibilities for the society in accordance with related regulations. Please refer to Note 4 for details on the activities. Regarding risk management, the Company has developed strategies for identifying risk incidents and controlling risks to a range within the Company's risk appetite to reasonably ensure the achievement of the Company's goals. The policies and regulations regarding risk management duties, analyses, processes, and communication have been in place and announced on the company website.	No deviation

Assessed Items	Current Operations (Note 1)			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description (Note 2)	
III. Environmental Issues (I) Does the Company establish proper environment management systems based on the characteristics of the industry?	V		The Company selects substances that do not harm the environment in accordance with the characteristics of the industry and reduces the usage volume of materials to reduce pollution of the environment. We also prevent waste of resources in assembly and maintenance and focus on safe and energy-saving designs. The Company assembles machineries and does not have a production line. We do not emit air or water pollutants. We have also obtained permits from the Environmental Protection Bureau and the Southern Taiwan Science Park Bureau. In addition, the Company appoints professional institutions to measure carbon dioxide emissions and other monitored items each year to maintain environment control measures. The inspection reports and the permits from the Environmental Protection Bureau and the Southern Taiwan Science Park Bureau have been announced on the company website. Therefore, the ISO 14001 standards are not applicable to the Company.	No deviation
(II) Does the Company endeavor to utilize all resources more efficiently and uses renewable materials which have a low impact on the environment?	V		The Company is committed improve the efficiency in the use of various resources and it strengthens education on the classification of waste in hopes of reusing resources and lowering the impact on the environment. Please refer to Pages 108 to 111 for policies and goals for environmental protection and energy conservation.	No deviation
(III) Does the Company evaluate the present and future potential risks and opportunities of climate change to the Company, and taken measures to respond to climate-related issues?	V		In the face of global climate change, the Company strengthens its climate resilience to reduce the disasters' impacts on the business operations. As stated in the Corporate Social Responsibility Report, responding to climate change is the Company's responsibility for sustainable management. By continuously improving energy efficiency and using renewable energy, the Company is committed to becoming a global leader in green manufacturing. Please refer to Pages 108 to 111 for policies and goals for environmental protection and energy conservation.	No deviation
(IV) Does the Company collect data for greenhouse gas emissions, water consumption and total weight of waste over the past two years, and formulate policies for energy conservation and carbon emissions reduction, greenhouse gas emissions reduction, water consumption reduction or other	V		The Company's internal regulations require reduced usage of air-conditioning before the temperature reaches a specific level in order to reduce energy consumption, carbon emissions, and greenhouse gas emissions. We have also set up solar power panels to generate power for our own use. Please refer to Pages 108 to 111 for policies and goals for environmental protection and energy conservation.	No deviation

Assessed Items	Current Operations (Note 1)			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description (Note 2)	
waste management?				
IV. Social Issues (I) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		To improve the Company's respect and support for human rights, the Board of Directors established the "Code of Ethical Conduct" on March 18, 2005, the "Ethical Corporate Management Best Practice Principles" on November 9, 2015, the "Ethical Management Procedures for Grievances and Reports" on July 28, 2016, and the "Human Rights Policy" on May 4, 2018. They are published on the Company's website to ensure compliance with related labor regulations and international human rights.	No deviation
(II) Does the Company establish and implement reasonable employee benefits measures (including remuneration, leave and other benefits, etc.) and appropriately reflect the corporate business performance or achievements in the employee remuneration?	V		1. The Company's senior management periodically convenes meetings to discuss and understand the related implementation status of CSR activities and to review and make improvements. The Company educates employees on business ethics from time to time in monthly meetings and integrates related results to employee performance evaluation. 2. The Company has established the Remuneration Committee which comprises of Independent Directors who help review related information on salary. The Company has established different performance evaluation systems for each employee based on the nature of his/her work, and we use performance evaluation settings and interviews to uncover the talents and competence of each employee as the basis for performance evaluation. 3. The Company regards the retention of talented individuals as an important human resources strategy. In addition to a guaranteed annual pay of 14 months' salary, the Company also provides employees with performance rewards and employee bonuses based on the performance of operations and the employee's actual contribution. We also have employee incentives such as R&D bonuses and other bonuses for encouraging employees. The Company adjusts employees' salaries within a 1%~10% range each year based on personal performance and company operations. 4. The Company explains the corporate culture, ethical conduct, core values, and CSR to new recruits during onboarding. We also provide	No deviation

Assessed Items	Current Operations (Note 1)			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description (Note 2)	
			different education and training courses for all employees including education seminars on corporate governance and prevention of insider trading to strengthen employees' knowledge and awareness of such subjects. 5. In addition to bonuses, the Company also provides additional benefit policies and an excellent work environment for employees. Please refer to Pages 111-113 for details.	
(III) Does the Company provide a safe and healthy working environment for its employees and organize training on safety and health on a regular basis?	V		The Company has established the "Safety and Health Management Regulations" to maintain safety in the working environment. The Company provides employees with a safe and healthy work environment and implements the following items: a. Employee health examinations; b. Employee food safety concerns: The Company reviews the menu each week and discusses the content of menus with contractors to provide a healthy food environment; c. The Company supports a no-smoking workplace and encourages employees to quit smoking; The Company provides a gym for employees to exercise; e. We established a mobile library to cultivate reading habits of employees; f. We implement lighting and carbon dioxide concentration measurements for the workplace every six months to provide a good working environment; g. We organize fire drills each year and establish a comprehensive fire safety system and file inspection reports; h. We provide education and training programs to employees in the plant to ensure work safety.	No deviation
(IV) Does the Company establish effective career development training programs for its employees?	V		The Company has established the "Code of Ethical Conduct" and "Ethical Management Procedures for Grievances and Reports" that allow employees to report or appeal to the Company through the employee cafeteria mailbox (anonymously) or directly through the Supervisor or the management. Please see Pages 60 to67for related standard operating procedures and confidentiality mechanisms. The Company has established the "Labor Safety Consultancy and Communication Management Regulations". The Company educates employees on their rights in the monthly meeting on subjects including the 2nd-generation National Health Insurance, gender equality at the workplace, labor rights, etc. The Company also reports the Company's performance in the operations from the previous month and future plans. In addition, the Company has set up mailboxes at the Company cafeteria for	No deviation

Assessed Items	Current Operations (Note 1)			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description (Note 2)	
			proposals on improving the system. We also assigned dedicated personnel that are ready to communicate with employees face to face. Overall, the communication channels have been diverse and open. The Company has established the "Education and Training Management Regulations" to provide new and old employees with a comprehensive set of training methods for the effective development of professional capabilities. The training programs integrate company goals and personal performance development, and we provide a full range of talent development courses for different job types and positions: 1. On-Board training: We adopt a mentorship system to quickly integrate new employees into the team and our corporate culture. 2. R&D engineering: We organize theoretical and practical courses on R&D technologies. 3. Leadership: We organize a series of leadership courses for the management to let Supervisors lead the growth of employees. 4. Work skills: We organize courses on management, languages, computer, and other skills to improve work efficiency. 5. Living seminars: We organize seminars on improving life quality and encourage self-growth by employees. 6. Occupational safety and health training: We organize periodic fire safety drills, earthquake evacuation, and related courses to protect employees' safety and health.	
(V) Is the Company in compliance with relevant laws and regulations as well as international standards when it comes to customer health and safety, customer privacy, marketing and labeling of products and services, and make relevant policies and appeal procedures on the protection of consumer rights and interests?	V		The products of the Company and its subsidiaries meet ISO 9001 regulations and the Company has established a customer service unit to process quality and customer complaints. The Company's products and services are provided in accordance with international laws and regulations and the Company has established a customer service unit to process quality and customer complaints.	No deviation
(VI) Does the Company has established a supplier management policy that requires suppliers to comply with the relevant standards on issues such as environmental protection, occupational safety and health, or labor and human rights? And the implementation status.	V		The Company's products and services are provided in accordance with international laws and regulations and the Company has established a customer service unit to process quality and customer complaints. The Company sets ourselves as an example and participates in social welfare events. We will invite upstream and downstream supply chains	No deviation

Assessed Items	Current Operations (Note 1)			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description (Note 2)	
			to dedicate themselves to foster a stronger sense of corporate social responsibility. The "All Ring Tech Charity and Welfare Foundation" established by the Company continues to organize blood donation activities, events dedicated to children from low-income families, and active donation activities in the event of emergencies and disasters in society to give back to society.	
V. Does the Company adopt internationally widely recognized standards or guidelines when or the preparation of the CSR reports and other reports that disclose non-financial information of the Company? Whether assurance or verification opinions have been obtained for the aforementioned reports by a third party certification unit?	V		The Company has prepared the corporate social responsibility reports and other reports in accordance with internationally recognized guidelines or instructions to disclose non-financial information. Such reports have also been published on the MOPS and the company website. The Company expects to obtain the assurance or certification of the aforesaid reports from a third party accreditation institution in the future.	No deviation
VI. If the Company has established the corporate social responsibility principles based on "Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies," please describe any deviation between the principles and their implementation: The Company has established the "Corporate Social Responsibility Best-Practice Principles" based on the "Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and there is no deviation between the two. In addition, the Company also pursues the ideals of sustainable development, care for society, and environmentally-friendliness.				
VII. Other important information to facilitate better understanding of the Company's of sustainable development: (1) To fulfill our social obligation to protect the Earth's environment, we prohibit the use of statuary hazardous materials when producing equipment. We also deliver related information to each department to ensure that the Company's products meet customer demands. In addition, the Company continues to make improvements on environmental pollution, energy, resources conservation, and waste reduction to lower potential environmental protection risks. (2) In addition to making generous donations during emergencies and crises in the society, the Company also encourages employees to give aid when it is needed and join the donation programs to give back to society. (3) Please refer to Note 4 for information on main activities of the All Ring Tech Charity and Welfare Foundation.				

Note 1: If "Yes" under the "Status of Operations" is ticked off, please explain the key policies, strategies, and measures adopted and their implementation results; if "No" is ticked off, please give the reason and specify related policies, strategies, and measures to be adopted in the future.

Note 2: If the Company has produced corporate social responsibility reports, summary explanation may be replaced by referring produced corporate social responsibility reports and index pages.

Note 3: The principle of materiality refers to environmental, social and corporate governance issues that have significant impacts on the Company's investors and other stakeholders.

Note 4: Summary of activities supported by the All Ring Charitable Trust Fund:

Thematic activity	Targets	Activities
Charity events during festivals	Disadvantaged schoolchildren	Lunar New Year: 228 shares of seasonal dishes were given out to elementary schools, junior high schools, and senior high schools, totaling NT$296,400. Mid-autumn Festival: 426 pieces of moon cakes were given out to elementary schools, junior high schools, and senior high schools, totaling NT$160,730.
Foundation donations	Social organizations (see the right column for details)	Disaster Relief Account of the Ministry of Health and Welfare: NT$1,000,000 (0402 Taroko Accident) Social assistance account of Kaohsiung City Government Social Bureau: NT$500,000 (1014 City Fire Accident Case) Fire Prevention Division of Fire Bureau, Kaohsiung City Government : Donated 1,500 police equipment, at the amount of NT$495,000 Kiwanis International: NT$100,000 (Sponsored by Kaohsiung Diving Team) National Cheng Kung Commercial Aquatic Vocational School: NT$120,000 Department of Industrial Design, National Cheng Kung University: NT$500,000 Chinese Society of Mechanical Engineers: NT$60,000 World Peace Foundation: NT$20,000 Boyo Social Welfare Foundation: NT$250,000
Emergency relief	Disadvantaged schoolchildren	Students: NT$48,000, 3 persons Breakfast for the disadvantaged students of Kaohsiung Municipal Yanchao Junior High School: NT$25,000, 38 persons
Scholarship	Disadvantaged schoolchildren	NT$270,000, 60 persons (20 stubents from National Tainan First Senior High School , 10 stubents from Kaohsiung Municipal Lujhu Senior High School, 20 stubents from National Kangshan Senior High School, and 10 stubents from Guanmiao Junior High School)
Promotion of creativity	Kunshan Creativity Competition	Competition Prize of Kunshan University of Technology: NT$1,446,000
Dream Come True Programs	Disadvantaged schoolchildren	Book donation: NT$37,540 Reading: NT$13,800 Book voucher: NT$42,400 Dream gift for caring for the disadvantaged: NT$31,205 (23 persons)

(VII) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Thereof:

Evaluation items	State of Operations (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
I. Establishment of ethical corporate management policies and programs (I) Does the Company establish its ethical management policy approved by the Board of Directors, clarifies it in its regulations and external documents and the commitment of Board of Directors and senior management to active implementation?	V		I. Establishment of ethical corporate management policies and programs The Company has established and passed the "Ethical Corporate Management Best-Practice Principles" in the Board meeting on November 9, 2015. The Principles have been amended twice (and passed in the Board meetings on June 13, 2019 and February 26, 2020). The latest version of the Principles has been disclosed on the MOPS. The Company promotes the ideals of honesty and integrity, and we use our motto of "pay attention to the people, be considerate and forgiving, place ourselves in others' shoes, act in good faith and honesty, do business with openness and	No deviation

			candor, and abide by our promises"」 to require employees to compete within the legal scope in their work and lives and work with suppliers in a fair, objective, and ethical manner. The Company emphasizes employees' personal ethics and does not permit fraudulent activities for personal profits.	
(II) Does the Company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include preventive measures against the behaviors as stipulated in paragraph 2, Article 7 of Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	V		The Company has established the "Ethical Corporate Management Best-Practice Principles" and the "Ethical Management Procedures for Grievances and Reports," and employees shall not receive anyinappropriate interests in their business activities. We also implement control points in the accounting system, internal control system, and ISO management regulations to prevent unethical conduct. We have also established the Procedures for Acquisition and Disposal of Assets, Procedures for Endorsements and Guarantees, Procedures for Loaning of Funds to Others, and Procedures for Related Party Transactions.	
(III) Does the Company specify in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implement them and review the prevention programs on a regular basis?	V		The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Ethical Management Procedures for Grievances and Reports" for education and training programs for employees to ensure that they understand the Company's resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct. The regulations are reiterated regularly in monthly meetings.	

Evaluation items	State of Operations (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
II. Ethical Management Practice (I) Does the Company evaluate the ethical record of its business partners and set ethical conduct policies in the terms and conditions of its contracts with the clients?	V		II. Ethical Management Practice The Company evaluated the legality and credit of clients before doing business with them in order to avoid unethical transactions and conduct.	No deviation
(II) Does the Company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?	V		1. Vice President Chien-De Li of the President's Office is the convener (approved by the Board on February 26, 2019, as the person in charge of corporate governance) who has established the Company's Corporate Governance and Sustainability Committee that ensures ethical corporate management based on the work of each unit, and reports in the first quarter of each year to the Board of Directors (once a year). The implementation results were reported to the Board of Directors on February 21, 2022. 2. To prevent conflict of interests and provide communication channels, the Company has established the "Ethical Corporate Management Best Practice Principles" and the "Ethical Management Procedures for Grievances and Reports" to provide mechanisms for submitting complaints. 3. On top of the formulation of policies, for the Company's implementation of the ethical corporate management policy in 111, please refer to note 2.	
(III) Does the Company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	V		The Company's Rules of Procedures for Board of Directors Meetings includes a director interest recusal clause which requires directors to recuse themselves from votes on resolutions when there is a conflict of interest. In addition, all Directors, Supervisors, and managers have signed Statements on Honesty and Integrity. The Company maintains smooth complaint channels with employees who are able to report to the Company through the employee cafeteria mailbox or directly through the supervisor or the supervisor of the Administration Division. We have also established a designated section for stakeholders on the Company's website.	

Evaluation items	State of Operations (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
(IV) Does the Company establish effective accounting systems and internal control systems to implement ethical corporate management, with the internal audit unit being responsible for drawing up relevant audit plans based on the results of assessment of any unethical conduct risk, examining accordingly the compliance with the prevention programs for unethical conduct, or engaging a certified public accountant to carry out the audit?	V		The Company has established an effective accounting system, internal control system, and ISO management regulations which are regularly reviewed and revised to maintain the continuous effectiveness of the system design and implementation. Auditors periodically provide improvement recommendations for the accounting system, internal control system, and ISO management regulations.	No deviation
(V) Does the Company organize internal or external trainings on the ethical corporate management regularly?	V		The Company organizes education and training programs for employees to ensure that they understand the Company's resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.	No deviation
III. Operations of the Corporate Whistleblowing System (I) Does the Company establish both a reward/whistle-blowing system and convenient whistle-blowing channels? Are appropriate personnel assigned to the accused party?	V		III. Operations of the Corporate Whistleblowing System The Company has established the "Ethical Corporate Management Operating Procedures" and "Code of Conduct and Grievance and Complaint System" which are announced on the company website. If the Company's Director, manager, or employee discovers any violation of the operational integrity of the Company, it should be reported immediately to the Board of Directors or the audit unit. The identity of the whistle-blower and the content of the report shall be kept confidential. The audit unit should conduct thorough investigations on all reported cases to determine the facts. If the violation is confirmed, the audit unit should coordinate with the Administration Division and take disciplinary actions according to relevant company policies. It shall also disclose the name and job position of the violator, the date and contents of the violation and the actions taken, etc. at an appropriate time. In addition, an employee shall be rewarded if he/she discovers and prevents forgery or identity fraud and minimizes loss for the Company or its clients; an employee shall be rewarded if he/she exposes or prevents fraud or any harmful incident and minimizes loss or	No deviation

Evaluation items	State of Operations (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
			damage to the Company; an employee shall be rewarded if he/she reports or assists in investigations on misconduct at work and prevents significant loss to the Company. The Company has established a mailbox on the external website to provide good communication channels to the Company's employees, shareholders, and stakeholders to facilitate corporate governance. The Company details specific rules for the processing unit, report channels, processing procedures, and punishment systems and that require the Company to provide the reported individual with opportunities for expressing opinions or complaints to prevent wrongful accusations.	

Evaluation items	State of Operations (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
(II) Does the Company formulate the standard operating procedures for accepting the investigation, follow-up measures to be taken and the relevant confidentiality mechanism upon completion of the investigation?	**V**		**Standard operating procedures for investigations are as follows: 1. Quick response: After the Company accepts a complaint or report, the audit manager shall assign appropriate personnel to conduct investigations. 2. Reporting procedures: a. Any report involving general employees shall be reported to the department head. Any report involving a Director or senior manager shall be reported to the Board of Directors. b. The department of the Company, which received the report, and the department head or the person in charge shall immediately ascertain the facts. Assistance shall be provided by the relevant department when necessary, and the opportunity for explanations should be given to the individual being accused. c. If it is confirmed that there is a violation of relevant laws or the Company's ethical management policies and rules, the individual being accused shall be immediately required to stop the behavior, and appropriate measures shall be taken, and if necessary, the Company shall seek compensation through legal channels to protect the Company's rights and interests. d. The acceptance of the report, the investigation process, and the results shall be kept in writing or electronic file, and the relevant information shall be kept for at least seven fiscal years. If a lawsuit related to the content of the report occurs before the expiration period, the information shall be kept until the end of the lawsuit. e. If the investigation is verified, the relevant internal control system and operating procedures shall be reviewed, and improvement measures shall be proposed to prevent the same situation from happening again. f. If the case is verified and the circumstances are severe, it shall be dealt with by law or company regulations, and the appropriate reward for the informant shall be provided. g. The Company will notify the complainant or the informant by telephone, letter, or**	**No deviation**

Evaluation items	State of Operations (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
			other means within one month after the completion of the investigation. 3. Reported cases not to be accepted Reported cases with any of the following circumstances shall not be accepted: a. Anonymously or with a false name, and no contact information is provided. b. No evidence is available for investigation. 4. Recusal rules a. The person in charge of the case and the informant and the person being accused are within a two-degree relative relationship or have related interests, which may affect the impartial investigation. The person in charge shall be self-recused. 5. The confidentiality mechanism is as follows: a. The safety of the informant shall be protected. If it is an employee of the Company, protection shall be guaranteed from improper counteractions. b. The person in charge shall strictly safeguard the informant's identity and the content of the matter.	
(III) Does the Company provide protection for whistle-blowers against receiving improper	V		The Company takes full responsibility of keeping the confidentiality of the whistle-blowers, to prevent them from	No deviation

Evaluation items	State of Operations (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
treatment?			inappropriate treatment for whistle-blowing cases.	
IV. Strengthening information disclosure (I) Does the Company disclose the information of implementation and results of ethical management on its website and the MOPS?	V		The Company has established a website to disclose company status, basic information, financial, and the Corporate Social Responsibility Report. The Company regularly discloses related information on ethical corporate management on the MOPS with promptness, openness, and transparency.	No deviation
V. Where the Company has stipulated its own ethical corporate management best practices according to the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any differences between the prescribed best practices and the actual activities taken by the Company: The Company has established "Ethical Corporate Management Principles" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies". Related implementation does not deviate from principles established in the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies".				
VI. Other important information for better understanding of the ethical corporate management: (such as review and amendment of the principles of ethical corporate management): 1. Natural persons assigned by the Company to perform duties in accordance with the Company Act or other individuals who obtain the Company's internal material information through identity, profession, or control relationships shall exercise the due care and diligence of a good administrator and perform duties in accordance with the principles of good faith. Insiders who are aware of internal material information may not disclose such information to others. 2. The Company's certified public accountant is PwC Taiwan (PwC), who does not serve as the Company's Director. PwC conducts periodic reviews of the Company and reports to the Board of Directors each fiscal year. PwC is both professional and independent. In addition, our CPAs regularly assess major cycles and internal controls and provide recommendations on the Company's internal controls and accounting.				

Note 1: Regardless of whether or not the checked box is "Yes" or "No," it should be stated in the summary description field.

Note 2: The implementation of the ethical corporate management policy in 2021 is described as follows:

Events	Targets	Contents
Promoting Rules and Regulations	All Staff	Rules and regulations regarding Ethical Corporate Management Best Practice Principles and internal materials information were promoted in regular monthly meetings and weekly executive meetings. Real examples were provided to the colleagues as a reminder in work to prevent the occurrence of unethical conduct.
Reporting mechanism	All Staff	Employees can feedback to the management through multiple channels. The Company has disclosed the communication channels for the stakeholders and Ethical Management Procedures for Grievances and Reports on the company website, annual reports, and CSR reports, which provides employees with a reporting pipeline related to ethical management.
Regular evaluation	All Staff	Apply the policies of ethical corporate management in employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.
Reporting system and informant protection	All Staff	The Company has set up a reporting system and informant protection mechanism. Please refer to #page35-37#.

(VIII) If the Company has adopted corporate governance best-practice principles or related bylaws, disclose how these are to be searched:

The Company has established and passed the "Corporate Governance Practice Principles" in the meeting of the Board of Directors and disclosed them on MOPS.

(IX) Other Important Information to Facilitate Better Understanding of the Company's Corporate Governance shall be all Disclosed.:

The Company has established the Regulations on Prevention of Insider Trading as the basis of the Company's processing of material information and disclosure mechanisms. We also review the Regulations from time to time to comply with regulatory requirements and actual management.

(X) Implementation of the Internal Control System:

1. Statement of Internal Control: Please refer to Page 69.

2. Where CPAs are commissioned to audit the Company's internal control systems, the audit report prepared by the CPAs shall be disclosed: Not applicable.

(X) Any legal penalty against the Company or its internal personnel, or any disciplinary penalty by the Company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, the main shortcomings, and condition of improvement: None.

(XII) Critical resolutions made during shareholders and Board of Directors' meetings in recent years and up to the publication date of this annual report: Please refer to page 26-29.

(XIII) Major content of any dissenting opinions on entry or stated in a written statement made by directors or Supervisors regarding key resolutions of board meetings during the past fiscal year up to the publication date of this report: No such occurrences.

(XIV) Any Resignation or Dismissal of the Company's Chairman, President, Accounting Manager, Financial Executive, Internal Audit Manager, and Research and Development Executive during the Most Recent Year up to the Publication Date of the Annual Report: Please refer to the table below.

Title	Name	Date of Appointment	Date of Dismissal	Reasons for Resignation or Dismissal
Audit Supervisor	Pai-Jung Tseng	November 2020	September 2021	Resigned ; Career Planning
Audit Supervisor	Wei-Chiang Tseng	November 2021	January 2022	Resigned ; Career Planning

All Ring Tech Co., Ltd.

Statement of Internal Control System

Date: February 21, 2022

Based on the self-evaluation of internal control system of the Company in 2021, we hereby state that:

I. The Company's Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system, and such a system has been established. The purpose of establishing the internal control system is to reasonably ensure the achievement of the following aims: (a) The effectiveness and efficiency of business operation (including the aims of profit, achievement and protection of asset security); (b) The reliability of financial reports; and (c) The compliance of the relevant laws/regulations.

II. Due to the innate limitation in designing a faultless internal control system, this system can only assure the reasonableness of the above three objectives have been fairly achieved. In addition, the effectiveness of internal control system could alter over time due to the change of business environment or situation. Since the Company's internal control system is provided with a self-monitoring mechanism, the Company will take corrective actions in response to any identified deficiencies.

III. The evaluation of effectiveness of the internal control system design and implementation is made in accordance with the Guidelines for the Establishment of Internal Control Systems by Public Companies (the Guidelines). Internal control systems adopted in these Regulations shall comprise the following five constituent elements according to the management and control process: (1) Control environment, (2) Risk assessment, (3) Control activities, (4) Information and communication, and (5) Monitoring activities. Each factor also includes several items. Please refer to the Guidelines for the preceding items.

IV. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.

V. The examination result indicated that the Company's internal control system (including subsidiary governance) dated December 31, 2021 has effectively assured that the following objectives have been reasonably achieved during the assessing period: (a) The degree that effectiveness and efficiency of business operation; (b) The reliability of financial reports; (c) The compliance of the relevant laws/regulations.

VI. This Statement is a significant part of the Company's annual report and prospectus available to the general public. If it contains false information or omits any material content, the Company is in violation of Article 20, Article 32, Article 171 and Article 174 set forth in the Security and Exchange Act.

VII. This Statement was passed by the Board of Directors in their meeting held on February 21, 2022, with none of the night attending Directors(including one proxy) expressing dissenting opinions, and the rest all agreed the content of this Statement.

All Ring Tech Co., Ltd.

Chairman of the Board: Ching-Lai Lu 

President: Hsin-Yao Cheng 

IV. Information on CPA Professional Fees

Range of CPA professional fees

Name of Accounting Firm	Name of CPAs		Audit Period	Note
PwC Taiwan	Yong-Chih Lin	Tsi-Meng Liu	January 1, 2021 to December 31, 2021	None

Monetary unit: NT$ thousand

Range of the Amount \ Professional Fees		Audit Fee	Non-audit fees	Total
1	Less than NT$2,000,000	-	V	-
2	NT$2,000,000 (inclusive) ~ NT$4,000,000	V	-	-
3	NT$4,000,000 (inclusive) ~ NT$6,000,000	-	-	-
4	NT$6,000,000 (inclusive) ~ NT$8,000,000	-	-	-
5	NT$8,000,000 (inclusive) ~ NT$10,000,000	-	-	-
6	NT$10,000,000 above (inclusive)	-	-	-

CPAs' fees shall be disclosed if one of the following takes place:
The amounts of the audit fees and non-audit fees paid to the attesting certified public accountants and to the accounting firm to which they belong and to any affiliated enterprises as well as the details of non-audit services
In case on any matters below, it shall be disclosed:

(I) If the non-audit fees paid to the CPAs, their accounting firm and affiliated companies of their accounting firm exceed one-fourth of the audit fees paid to them, the amount of audit and non-audit fees, and the content of non-audit services shall be disclosed:

Information on CPA Professional Fees

Monetary unit: NT$ thousand

Name of Accounting Firm	Name of CPAs	Audit Fees	Non-audit fees					Audit Period	Note
			System design	Business Registration	Human Resources	Others	SUB-TOTAL		
PwC Taiwan	Yong-Chih Lin Tsi-Meng Liu	2,865	0	16	0	404	420	January 1 to December 31, 2021	Other fees included tax attestation amounting to NT$250 thousand, typing, printing, binding, and postage amounting to NT$90 thousand and travel expenses of NT$64 thousand, totaling NT$440 thousand.

(II) When the Company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the reduction in the amount of audit fees, reduction percentage, and reasons therefore shall be disclosed: None.

(III) Amount, percentage and reasons of decrease where the audit fees are lower than the previous fiscal year by 10% or more: None.

V. Information on Replacement of CPAs: None

VI. The Company's Chairman, President or any Managerial Officer in Charge of Finance or Accounting Matters Has in the Most Recent Year Held a Position at the Accounting Firm of Its Certified Public Accountant or at an Affiliated Enterprise of Such Accounting Firm: None.

VII. The State of Any Transfer of Equity Interests And/or Pledge of or Change in Equity Interests by a Director, Managerial Officer, or Shareholder with a Stake of More than 10 Percent During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report

(I) Changes in equity of Directors, managerial officers and substantial shareholders

Unit: shares

Title (Note 1)	Name	2021		Current Fiscal Year up to May 17, 2022	
		Change in Shares Held	Increase/Decrease of Pledged Shares	Change in Shares Held	Increase/Decrease of Pledged Shares
Chairman	Ching-Lai Lu	-	-	-	-
Director & President	Hsin-Yao Cheng	(90,000)	-	-	-
Director	Li Chiao Investment Co., Ltd.	-	-	-	-
Representative Director	Yu-Ru Chong	-	-	-	-
Director	Hanlin Construction Co., Ltd.	-	-	-	-
Representative Director	Ching-Han Chiu Huang	-	-	-	-
Director	Jin-Cheng Investment Co., Ltd.	5,000	-	5,000	-
Representative Director	Ching-Hsu Tsai	-	-	-	-
Director	Chien-Chang Chen	-	-	-	-
Director	Ming-Hsien Li	-	-	-	-
Director	Cho-Hua Kuang	-	-	-	-
Director	Chang-Jen Chen	-	-	-	-

Title (Note 1)	Name	2021		Current Fiscal Year up to May 17, 2022	
		Change in Shares Held	Increase/Decrease of Pledged Shares	Change in Shares Held	Increase/Decrease of Pledged Shares
Chief Executive Officer	Cheng-En Ou (Note 2)	2,000	-	-	-
Vice President	Chien-De Li	(4,000)	-	(12,000)	-
Vice President	Ming-Tsung Kuo	-	-	-	-
Vice President	Kuo-Lun Wang	-	-	-	-
Vice President	Shih-Long Yeh				
Associate Manager	Hsiao-Mei Wang	-	-	-	-
Associate Manager	Shih-Long Yeh	-	-	-	-
Associate Manager	Ming-Chieh Tsai	-	-	-	-
Associate Manager	Heng-Hui Liu	(9,000)	-	-	-
Associate Manager	Cheng-Yen Chiang (Note 3)	-	-	-	-
Associate Manager	Chun-Ting Chang (Note 5)	-	-	-	-

Associate Manager	Hui-Chen Hung (Note 6)	-	-	-	-

(Note 1): The Company does not have shareholders who hold more than 10% of the Company's total shares.
(Note 2): Mr. Cheng-En Ou was promoted to Chief Technology Officer on January 1, 2022.
(Note 3): Mr. Cheng-Yen Chiang was promoted to Associate Manager on January 1, 2022.
(Note 4): Mr. Shih-Long Yeh was promoted to Vice President on May 1, 2022.
Note 5: Mr. Chun-Ting Chang was promoted to Associate Manager on May 1, 2022.
Note 6: Ms. Hui-Chen Hung was promoted to Associate Manager on May 1, 2022.

(II) Information regarding the transfer of shares with the counterparty being the related party: There were no such occurrences and it is therefore not applicable.

(III) Information on the counterparty which is a related party in the pledge of equity interests: No such occurrences and not applicable.

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

Unit: Share; % April 11, 2022

Name	Shares held by shareholders		Shares Held by Spouse and Minor Children		Total Shareholding through Nominees		Name and Relationships of the Top 10 Shareholders Where They are Related Parties, Spouses, or Relatives within the Second Degree of Kinship to Another		Note
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Name (or Name)	Relationship	-
Li Chiao Investment Co., Ltd.	7,355,625	8.83%	-	-	-	-	-	-	Director of the company-
Representative of Li Chiao Investment Co., Ltd.: Yu-Ru Chong	338,348	0.41%	3,757,283	4.51%	-	-	Ching-Lai Lu	Ching-Lai Lu is the spouse of the representative of the said company	-
							Sheng-Guan Investment Co., Ltd.	The representative of Sheng-Guan Investment Co., Ltd. is the daughter of the representative of said company	-
Marathon Fund Account of Capital Securities Corp.	3,950,000	4.74%	-	-	-	-	-	-	-
Ching-Lai Lu	3,757,283	4.51%	338,438	0.41%	7,355,625	8.83%	Li Chiao Investment Co., Ltd.	The representative of Li Chiao Investment Co., Ltd. is the spouse of Ching-Lai Lu.	-
							Sheng-	The	

							Guan Investment Co., Ltd.	representative of Sheng-Guan Investment Co., Ltd. is the daughter of Ching-Lai Lu.	
Chien-Chang Chen	**2,732,431**	**3.28%**	-	-	-	-	-	-	-
Ming-Chien Wu	**2,200,000**	**2.64%**	-	-	-	-	-	-	-
Shengguan Investment Co., Ltd.	**2,090,789**	**2.51%**	-	-	-	-	-	-	**Director of the company-**
Representative of Shengguan Investment Co., Ltd.: Hui-Hsuan Lu	**219,322**	**0.26%**	-	-	-	-	**Li Chiao Investment Co., Ltd.**	**The representative of Li Chiao Investment Co., Ltd. is the mother of the representative of the said company.**	-
							Ching-Lai Lu	**Ching-Lai Lu is the father of the representative of the said company.**	-
Treasury Stock Account of the Company	**1,870,000**	**2.24%**	-	-	-	-	-	-	-
Jincheng Investment Co., Ltd.	**1,630,000**	**1.96%**	-	-	-	-	-	-	**Director of the company-**
Representative of Jincheng Investment Co., Ltd.: Ching-Hsu Tsai	**10,000**	**0.01%**	**2,000**	**0.002%**	-	-	-	-	-
Taiwan Business Bank insured Capital OTC Fund	**1,600,000**	**1.92%**	-	-	-	-	-	-	-
Cathay Pacific Xiaolong Fund Account	**1,600,000**	**1.92%**	-	-	-	-	-	-	-

IX. Number of Shares Held by the Company, Directors, Managers and Entities Directly or Indirectly Controlled by the Company in the Same Reinvestment Entity as well as Consolidated Shareholding Ratio:

December 31, 2021; Units: thousand share; %

Investee	Investment by the Company		Investment by Directors, Managerial Officers, and Entities either Directly or Indirectly Controlled by the Company		Total Investment	
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio
PAI FU INTERNATIONAL LIMITED	1,930	100%	-	-	1,930	100%
IMAGINE GROUP LIMITED(註 1)	5,220	71.60%	2,070	28.40%	7,290	100%
Uniring Tech Co., Ltd.	10,856	100%	-	-	10,856	100%
Kunshan All Ring Tech Co., Ltd. (Note 2)	-	-	-	100%	-	100%
All Ring Tech (Kunshan) Co., Ltd. (Note 3)	-	-	-	100%	-	100%

(Note 1): The 28.40% shares in Imagine Group Limited is held by the Company through the subsidiary Pai Fu International Limited in an indirect investment.

(Note 2): The shares in Kunshan All Ring Tech Co., Ltd. is held by the Company through the subsidiary PAI FU International Limited in an indirect investment.

(Note 3): The shares in All Ring Tech (Kunshan) Co., Ltd. is held by the Company through the subsidiary Imagine Group Limited in an indirect investment.

Chapter 4 Funding Status

I. Capital and Shares

(I) Capital and Shares

Unit: Share; April 11, 2022

Type of Shares	Authorized Capital			Note
	Outstanding Shares	Unissued Shares	Total	
Registered Ordinary Shares (TPEx Listed Shares)	83,323,902	66,676,098	150,000,000	Quota for employee stock option: 8,000,000 shares

(II) Sources of Capital

April 11, 2022 Unit: Share; NT$

Month/Year	Issue Price	Authorized capital		Paid-in Capital		Note		
		Number of Shares	Amount	Number of Shares	Amount	Capital Source	Capital increased by assets other than cash	Others
May 1996 (note 1)	1,000	1,000,000	10,000,000	1,000,000	10,000,000	Capital stock at founding	None	None
July 1999 (Note 2)	10	4,000,000	40,000,000	4,000,000	40,000,000	Capital increase by cash	None	None
July 2000 (Note 3)	10	36,000,000	360,000,000	13,120,000	131,200,000	Capital increase by earnings and cash	None	None
June 2001 (Note 4)	10	36,000,000	360,000,000	20,417,078	204,170,780	Capital increase by earnings and employee bonus	None	None
July 2002 (Note 5)	10	36,000,000	360,000,000	26,000,000	260,000,000	Capital increase by earnings and employee bonus	None	None
July 2003 (Note 6)	10	56,000,000	560,000,000	32,000,000	320,000,000	Capital increase by earnings and employee bonus	None	None
October 2003 (Note 7)	10	56,000,000	560,000,000	32,073,768	320,737,680	Conversion of corporate bonds	None	None
February 2004 (Note 8)	10	56,000,000	560,000,000	35,032,717	350,327,170	Conversion of corporate bonds	None	None
April 2004 (Note 9)	10	56,000,000	560,000,000	37,036,791	370,367,910	Conversion of corporate bonds	None	None
July 2004 (Note 10)	10	68,000,000	680,000,000	39,639,247	396,392,470	Conversion of corporate bonds	None	None
August 2004 (Note 11)	10	68,000,000	680,000,000	43,772,558	437,725,580	Capital increase by earnings and employee bonus	None	None
October 2004 (Note 12)	10	68,000,000	680,000,000	46,010,415	460,104,150	Corporate bond conversion and employee stock options	None	None
January 2005 (Note 13)	10	68,000,000	680,000,000	46,014,939	460,149,390	Conversion of corporate bonds	None	None
April 2005 (Note 14)	10	68,000,000	680,000,000	46,387,939	463,879,390	Employee stock options	None	None
August 2005 (Note 15)	10	68,000,000	680,000,000	51,887,939	518,879,390	Capital increase by earnings and employee bonus	None	None
December 2005 (Note 16)	10	68,000,000	680,000,000	51,111,939	511,119,390	Cancellation of treasury shares	None	None
March 2006 (Note 17)	10	68,000,000	680,000,000	52,723,299	527,232,990	Corporate bond conversion and employee stock options	None	None
June 2006 (Note 18)	10	68,000,000	680,000,000	52,827,648	528,276,480	Corporate bond conversion and employee stock options	None	None
December 2006 (Note 19)	10	68,000,000	680,000,000	52,947,648	529,476,480	Employee stock options	None	None
August 2007	10	68,000,000	680,000,000	52,405,648	524,056,480	Canceled	None	None

Month/Year	Issue Price	Authorized capital		Paid-in Capital		Note		
		Number of Shares	Amount	Number of Shares	Amount	Capital Source	Capital increased by assets other than cash	Others
(Note 20)						treasury shares and exercised employee stock options		
October 2007 (Note 21)	10	68,000,000	680,000,000	52,755,648	527,556,480	Employee stock options	None	None
March 2008 (Note 22)	10	68,000,000	680,000,000	52,920,648	529,206,480	Employee stock options	None	None
June 2008 (Note 23)	10	68,000,000	680,000,000	54,298,225	542,982,250	Corporate bond conversion and employee stock options	None	None
August 2008 (Note 24)	10	68,000,000	680,000,000	57,790,975	577,909,750	Capital increase by earnings and employee bonus	None	None
October 2008 (Note 25)	10	68,000,000	680,000,000	58,060,475	580,604,750	Employee stock options	None	None
December 2008 (Note 26)	10	68,000,000	680,000,000	57,074,475	570,744,750	Cancellation of treasury shares	None	None
March 2009 (Note 27)	10	68,000,000	680,000,000	60,064,402	600,644,020	Capital increase by earnings and employee bonuses, and employee stock options	None	None
October 2009 (Note 28)	10	68,000,000	680,000,000	60,946,402	609,464,020	Employee stock options	None	None
December 2009 (Note 29)	10	68,000,000	680,000,000	61,581,402	615,814,020	Employee stock options	None	None
March 2010 (Note 30)	10	68,000,000	680,000,000	61,876,402	618,764,020	Employee stock options	None	None
June 2010 (Note 31)	10	68,000,000	680,000,000	62,203,902	622,039,020	Employee stock options	None	None
September 2010 (Note 32)	10	68,000,000	680,000,000	62,871,902	628,719,020	Employee stock options	None	None
December 2010 (Note 33)	10	68,000,000	680,000,000	63,623,902	636,239,020	Employee stock options	None	None
March 2011 (Note 34)	10	68,000,000	680,000,000	64,102,902	641,029,020	Employee stock options	None	None
June 2011 (Note 35)	10	68,000,000	680,000,000	64,202,902	642,029,020	Employee stock options	None	None
July 2012 (Note 36)	10	110,000,000	1,100,000,000	80,202,902	802,029,020	Capital increase by private placement	None	None
October 2013 (Note 37)	10	110,000,000	1,100,000,000	80,723,902	807,239,020	Employee stock options	None	None
April 2015 (Note 38)	10	110,000,000	1,100,000,000	80,367,902	803,679,020	Cancellation of treasury shares	None	None
August 2015 (Note 39)	10	110,000,000	1,100,000,000	86,367,902	863,679,020	Capital increase by cash	None	None
December 2015 (Note 40)	10	110,000,000	1,100,000,000	85,335,902	853,359,020	Cancellation of treasury shares	None	None
August 2016	10	110,000,000	1,100,000,000	84,238,902	842,389,020	Cancellation of	None	None

Month/Year	Issue Price	Authorized capital		Paid-in Capital		Note		
		Number of Shares	Amount	Number of Shares	Amount	Capital Source	Capital increased by assets other than cash	Others
(Note 41)						treasury shares		
March 2019 (Note 42)	10	110,000,000	1,100,000,000	83,323,902	833,239,020	Cancellation of treasury shares	None	None

(Note 1): In 1998, the denomination of each share is changed to NT$10 as approved by the Ministry of Economic Affairs.
(Note 2): Approved by the Ministry of Economic Affairs, July 21, 1999 MOE (088) No. 650738.
(Note 3): Approved by the Ministry of Economic Affairs, August 21, 2000 MOE (089) No. 089130640.
(Note 4): Approved by the Ministry of Finance and Financial Supervisory Commission MOF (90) I No. 133646.
Approved by the Ministry of Economic Affairs, August 27, 2001 MOE (090) No. 09001225660.
(Note 5): Approved by the Ministry of Finance and Financial Supervisory Commission MOF (91) I No. 131489.
Approved by the Ministry of Economic Affairs, July 24, 2002 MOE (090) No. 09101290460.
(Note 6): Approved by the Ministry of Finance and Financial Supervisory Commission MOF (92) I No. 127403.
Approved by the Ministry of Economic Affairs, July 31, 2003 MOE (092) No. 09232441840.
(Note 7): Approved by the Ministry of Economic Affairs, Oct. 30, 2003 MOE No. 09232880610.
(Note 8): Approved by the Ministry of Economic Affairs, Feb. 06, 2004 MOE No. 09331635630.
(Note 9): Approved by the Ministry of Economic Affairs, Apr. 12, 2004 MOE No. 09331960710.
Note 10: Approved by the Ministry of Economic Affairs, July. 27, 2004 MOE No. 09332480260.
(Note 11): Approved by the Securities and Futures Bureau, Financial Supervisory Commission, SFB FSC (93) No. 0930129953.
Approved by the Ministry of Economic Affairs, Aug. 20, 2004 MOE No. 09332598060.
(Note 12): Approved by the Ministry of Economic Affairs, Oct. 19, 2004 MOE No. 09332867260.
(Note 13): Approved by the Ministry of Economic Affairs, Jan. 17, 2005 MOE No. 09431567540.
(Note 14): Approved by the Ministry of Economic Affairs, Apr. 18, 2006 MOE No. 09431982830.
(Note 15): Approved by the Ministry of Economic Affairs, Aug. 29, 2005 MOE No. 09401168630.
(Note 16): Approved by the Ministry of Economic Affairs, Jan. 20, 2006 MOE No. 09501010470.
(Note 17): Approved by the Ministry of Economic Affairs, Apr. 18, 2006 MOE No. 09501069810.
Note 18: Approved by the Southern Taiwan Science Park Bureau, Jul. 28, 2006, STSPB No. 0950015926.
(Note 19): Approved by Southern Taiwan Science Park Bureau, Jan. 29, 2007, STSPB No. 0960001151.
(Note 20): Approved by the Southern Taiwan Science Park Bureau, Aug. 7, 2007, STSPB No. 0960018286.
(Note 21): Approved by Southern Taiwan Science Park Bureau, Oct. 30, 2007, STSPB No. 0960023580.
(Note 22): Approved by Southern Taiwan Science Park Bureau, Apr. 25, 2008, STSPB No. 0970009001.
(Note 23): Approved by Southern Taiwan Science Park Bureau, Jul. 31, 2008, STSPB No. 0970018441.
(Note 24): Approved by Southern Taiwan Science Park Bureau, Aug. 07, 2008, STSPB No. 0970018332.
(Note 25): Approved by the Southern Taiwan Science Park Bureau, Oct. 22, 2008, STSPB No. 0970024976.
(Note 26): Approved by the Southern Taiwan Science Park Bureau, Dec. 31, 2008, STSPB No. 0970031043.
(Note 27): Approved by the Southern Taiwan Science Park Bureau, Aug. 17, 2009, STSPB No. 0980018683.
(Note 28): Approved by Southern Taiwan Science Park Bureau, Oct. 23, 2009, STSPB No. 0980023532.
(Note 29): Approved by Southern Taiwan Science Park Bureau, Jan. 20, 2009, STSPB No. 0990001076.
(Note 30): Approved by the Southern Taiwan Science Park Bureau, Apr. 26, 2010, STSPB No. 0990008342.
(Note 31): Approved by Southern Taiwan Science Park Bureau, Jul. 21, 2010, STSPB No. 0990015405.
(Note 32): Approved by Southern Taiwan Science Park Bureau, Oct. 18, 2010, STSPB No. 0990022963.
(Note 33): Approved by the Southern Taiwan Science Park Bureau, Jan. 21, 2011, STSPB No. 1000001416.
(Note 34): Approved by the Southern Taiwan Science Park Bureau, Apr. 19, 2011, STSPB No. 1000009317.
(Note 35): Approved by Southern Taiwan Science Park Bureau, Jul. 20, 2006, STSPB No. 1000017682.
(Note 36): Approved by Southern Taiwan Science Park Bureau, Jul. 31, 2012, STSPB No. 1010018465.
(Note 37): Approved by the Southern Taiwan Science Park Bureau, Oct. 16, 2013, STSPB No. 1020025715.
(Note 38): Approved by the Southern Taiwan Science Park Bureau, Apr. 14, 2015, STSPB No. 1040008703.
(Note 39): Approved by the Southern Taiwan Science Park Bureau, Aug. 03, 2015, STSPB No. 1040019179.
(Note 40): Approved by the Southern Taiwan Science Park Bureau, Dec. 14, 2015, STSPB No. 1040031579.
(Note 41): Approved by the Southern Taiwan Science Park Bureau, Aug. 12, 2015, STSPB No. 1050020562.
(Note 42): Approved by the Southern Taiwan Science Park Bureau, Mar. 11, 2019, STSPB No. 1080006419.

II. Shareholder Structure

Unit: Person; share; April 11, 2022

Shareholder Composition / Quantity	Government Institutions	Banking Agencies	Other Legal Entities	Individuals	Foreign Institutions and Foreign Individuals	Total
Number of Persons	-	-	290	19,450	47	19,787
Number of Shares Held	-	-	33,892,784	47,322,197	2,108,921	83,323,902
Shareholding Ratio	-	-	40.68%	56.79%	2.53%	100.00%

Note: The TWSE/TPEx primary listed companies and companies registered on the TPEx Emerging Stock Board shall disclose the percentage of shares held by investors from China: None.

III. Dispersion of Equity Ownership

1. Ownership dispersion of common stock:

Unit: Person; share; par value of each share at NT$10, April 11, 2022

Shareholder Ownership	Number of shareholders	Number of Shares Held	Shareholding Ratio (%)
1 to 999	11,390	342,081	0.41
1,000 to 5,000	7,245	12,270,033	14.7
5,001 to 10,000	570	4,546,014	5.46
10,001 to 15,000	163	2,121,671	2.55
15,001 to 20,000	111	2,063,995	2.48
20,001 to 30,000	97	2,502,336	3.00
30,001 to 40,000	51	1,829,519	2.20
40,001 to 50,000	25	1,188,179	1.43
50,001 to 100,000	60	4,326,673	5.20
100,001 to 200,000	26	3,363,071	4.04
200,001 to 400,000	16	4,457,767	5.35
400,001 to 600,000	13	6,522,369	7.83
600,001 to 800,000	5	3,628,000	4.35
800,001 to 1,000,000	1	872,066	1.05
1,000,001 or more	14	33,290,128	39.95
Total	19,787	83,323,902	100.00

2. Dispersion of preferred stock ownership: No preferred stock has been issued.

IV. List of Major Shareholders (Shareholding Ratio 5% or More or Top Ten Shareholders)

Unit: Share; April 11, 2022

Shareholding / Name of Major Shareholders	Number of Shares Held	Shareholding Ratio
Li Chiao Investment Co., Ltd.	7,355,625	8.83%
Marathon Fund Account of Capital Securities Corp.	3,950,000	4.74%
Ching-Lai Lu	3,757,283	4.51%
Chien-Chang Chen	2,732,431	3.28%
Ming-Chien Wu	2,200,000	2.64%
Sheng-Guan Investment Co., Ltd.	2,090,789	2.51%
Treasury Stock Account of the Company	1,870,000	2.24%
Jin-Cheng Investment Co., Ltd.	1,630,000	1.96%
Taiwan Business Bank insured Capital OTC Fund	1,600,000	1.92%
Cathay Pacific Xiaolong Fund Account	1,600,000	1.92%

V. Market Prices, Net Worth Per Share, Earnings Per Share, Dividends Per Share and Related Information in the Most Recent Two Fiscal Years

Unit: NT$ thousand; thousand share

Item			2020	2021	Current Fiscal Year up to March 31, 2022
Market Price Per Share Market Price (Note 1)	Maximum		98.70	169.00	156.50
	Minimum		26.25	91.00	115.00
	Average		69.18	122.9	133.22
Market Price Per Share Net value (Note 2)	Before Distribution		22.85	27.63	31.58
	After Distribution		19.91	(Note 8)	N/A
Market Price Per Share earnings	Weighted average shares		81,977	81,454	81,454
	Earnings Per Share (Note 9)		3.01	6.64	1.83
Market Price Per Share per Share	Cash dividends (Note 3)		3.0	(Note 8)	N/A
	Stock Grants	Dividends from Retained Earnings	-	(Note 8)	N/A
		Dividends from capital reserve	-	(Note 8)	N/A
	Accumulated unpaid dividend (Note 4)		-	-	N/A
Return on investment (ROI) analysis	Price-to-earnings ratio (Note 5)		22.98	18.51	N/A
	Price-to-dividends ratio (Note 6)		23.06	(Note 8)	N/A
	Yield on cash dividend (Note 7)		4.34	(Note 8)	N/A

＊ If there are earnings or capital surplus transferred to stock dividends, the retrospective adjustments of the market prices and cash dividends based on the number of issued shares shall be disclosed.

Note 1: List the highest and lowest market price of common shares for each fiscal year and calculate the average market price for each fiscal year based on trading value and volume in each fiscal year.

Note 2: Please fill these rows based on the number of shares that have been issued at the end of the fiscal year and the distribution plan approved at the Shareholders' Meeting in the subsequent fiscal year.

Note 3: Cash dividend includes cash allotment by capital reserve of $0.2 per share.

Note 4: If the terms of issuance of the equity securities provide that any dividends declared but not paid may be carried forward until the year when the Company makes profit, the amount of accrued unpaid dividends as at the end of such fiscal year shall be disclosed.

Note 5: Price/earnings ratio = Average closing price per share for the current fiscal year/earnings per share.

Note 6: Price/dividend ratio = Average closing price per share for the current fiscal year/cash dividend per share.

Note 7: Cash dividend yield = Cash dividend per share/average closing price per share for the current fiscal year.

Note 8: The earnings distribution proposal has not been approved by the shareholders' meeting.

Note 9: For net asset value per share and earnings per share, data from the most recent quarter that has been audited (reviewed) by CPAs as of the publication date of this annual report should be filled. For other fields in this column, data from the current fiscal year as of the publication date of this annual report should be filled.

VI. Company's Dividend Policy and Implementation Thereof

(I) Dividend policy:

As the Company faces an ever changing industrial environment and the business is at a steady growth stage, the Board of Director shall take into consideration the budget for future capital expenditure and funds needed and weigh the necessity of allocating earnings to support capital needs when deciding on the amount of surplus to be retained or distributed and the amount of dividend to be paid in cash. Each fiscal year, the Company shall, after paying taxes and making up for losses, set aside 10 percent of its earnings if any for a legal reserve in accordance with relevant laws or regulations. A special reserve shall also be set aside. The rest of

the earnings, plus the accumulated undistributed earnings of the previous fiscal year, shall make for the distributable earnings. At least 30 percent of the distributable earnings shall be allocated to shareholders as bonuses. Among which, cash dividends shall not be less than 10 percent of the total dividends allocated. The Board of Directors shall, based on relevant factors such as future business or re-investment, propose the distribution of earnings, and submit the proposal to the shareholders' meeting for approval.

(II) Dividend distribution to be proposed to the Shareholders' Meeting:

(1) The Board of Directors of the Company made a resolution on earnings distribution for the fiscal year of 2021 on February 21, 2022, with cash dividends of NT$366,542,559.

(2) The Board of Directors shall set the ex-dividend date upon authorization by the Shareholders' Meeting. The cash dividend is distributed to the amount rounded off to the nearest NT Dollar, with the decimal places removed. The total rounded off amounts are accounted as other income in the Company's other incomes.

VII. Effect upon Business Performance and Earnings per Share of Any Stock Dividend Distribution Proposed or Adopted at This Shareholders' Meeting: Not applicable as the Board of Directors proposed to allocate cash dividends in full.

VIII. Remuneration to the Employee, Directors and Supervisors

(I) The percentages or ranges with respect to employee, director and supervisor compensations, as set forth in the Company's Articles of Incorporation:

The Company's Article 20-1 of Incorporation stipulates that the Company shall allocate no more than 3 percent of its annual profits for compensations to the directors and no less than 3 percent for compensations to the employees.

In addition to referencing the Company's overall performance, future business risks of the industry, and development trends, the Company also considers personal performance achievement rates and the level of contribution to the Company's performance to provide a reasonable amount of remuneration. The Company also reviews the remuneration system based on actual business operations and related laws to maintain a balance between sustainable management and risk management.

Please refer to the description on pages 22-23 for the remuneration of directors.

(II) The basis for estimating the amount of employee, Director, and Supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

When there is a discrepancy between the actual amount to be distributed as determined at the shareholders' meeting and the estimated amount, the difference shall be treated as a change in accounting estimate and shall be listed as a profit or loss in the following fiscal year.

(III) Information on Allocation of Compensation Approved by the Board of Directors:

(1). The amount of any employee compensation distributed in cash or stocks and Director/Supervisor compensation. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed: On February 21, 2022, the Board of Directors made a resolution to distribute NT$46,381,706 for employee compensation and NT$8,433,038 for compensations

of Directors and Supervisors in cash. There was no difference between this and the amount estimated for 2021.

(2) The amount of any employee compensation distributed in stocks as a percentage of the sum of the current after-tax net income and total employee compensation: The employees' compensation for the year 2021 was determined by the Board of Directors to be fully allocated in cash and therefore this does not apply.

(IV) The actual distribution of employee, Director, and Supervisor compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, Director, or Supervisor compensation, additionally the discrepancy, cause, and how it is treated:

On February 24, 2021, the Company's Board of Directors resolved on the distribution of 2020 compensation for employees and Directors/Supervisors in the amount of NT$18,344,594 and NT$2,476,689 respectively in cash. There was no difference between these amounts and the amounts estimated for 2020.

IX. Share Repurchase:

April 11, 2022

Term of repurchase	9th repurchase
Purpose of repurchase	Shares Transferred to Employees
Repurchase period	March 19, 2020 - May 15, 2020
Repurchase price range	NT$21~60
Types and numbers of shares bought back	1,870,000 ordinary shares
Amount of shares bought back	NT$66,448,500
The average buyback price per share	NT$35.5340
Number of Shares Transferred to Employees	0 share
Accumulated number of the Company's shares held by the Company	1,870,000 shares
Accumulated number of shares held to the total number of shares issued (%)	2.24%

Notes: The shares purchased by the Company for the purpose of transferring shares to employees shall be transferred in full within five years from the date of repurchase. If the shares are not transferred within the time limit, they shall be deemed as unissued shares of the Company, and the registration for change of eliminating shares shall be handled in accordance with the law.

X. Issuance of Corporate Bonds:

(I) Outstanding corporate bonds

Type of corporate bonds	The Fourth Domestic Unsecured Convertible Corporate Bonds
Issue date	February 22, 2022
Face value	NT$100,000
Place of issue and trading	Issue in Taiwan; Listed on TPEx
Issue price (Price of NT$100)	The issue price is NT$112.78 (Issue premium, auction)
Total amount	Total issue amount: NT$1,127,835

Type of corporate bonds		The Fourth Domestic Unsecured Convertible Corporate Bonds
Coupon rate		The coupon rate is 0%
Term		3 years Maturity date: February 22, 2025
Guarantor		N/A
Trustee		Taishin International Bank Co., Ltd.
Underwriter		Taishin Securities Co., Ltd.
Attesting lawyer		Lawyer Li-Fei Chiu
Attesting CPA		PwC Taiwan CPAs Yong-Chih Lin and Tsi-Meng Liu
Redemption method		Except where the holder of the convertible corporate bonds is converted into the common stock of the Company in accordance with Article 10 of the Measures for the Fourth Domestic Unsecured Convertible Corporate Bonds (hereinafter referred to as the Measures), or the Company redeems in advance in accordance with Article 18 of the Measures, or the Company buys back and cancels through a securities firm, the Company shall repay the convertible bonds in a lump sum in cash at theface value of the bonds within five business days from the date of maturity of the convertible bonds, which shall be deferred to the next business day in the event of the closure of the Taipei Stock Exchange
Outstanding principle		NT$1 billion
Clause for redemption or early pay-off		Please refer to the Measures for issuance and conversion
Name of rating agency, date and result of rating		N/A
Other rights	Amount of ordinary shares converted up to the publication date of the Annual Report (May 17, 2022)	The amount of ordinary shares converted is NT$0
	Issuance and conversion (exchange or subscription) measures	Please refer to the Measures for issuance and conversion

Type of corporate bonds	The Fourth Domestic Unsecured Convertible Corporate Bonds
The possible dilution of shareholding and influence on shareholder equity caused by the issuance and conversion, exchange, or subscription rules and the terms of issuance	If the Company issues domestic convertible bonds for NT$1 billion, no call back option for the issuance, so there would be no interest expense. In the case of all bond holders have not converted, there will be no capital cost incurred during the issuance in 2022 and subsequent years. If the Company's creditors convert all of its bonds and do not sell them back to the Company, 7,874 thousand shares of common stock will be added as a result of the full conversion of the Company's bonds at the conversion price at the end of the year. The weighted average number of shares outstanding at the end of the period was 87,917 thousand shares, diluting earnings per share by approximately 5.22%. The issuance of the convertible Bonds will not result in immediate dilution of earnings per share, and the Company will not be required to pay interest and may retain funds for flexible use in the event of subsequent conversions by investors of the convertible bonds. In addition, the conversion of corporate bonds into ordinary shares can reduce the Company's due repayment pressure. Therefore, the issuance and conversion of corporate bonds is more conducive to the Company's medium and long-term development, bringing a relative limited financial burden on the Company. If the issued convertible bonds are successfully converted into ordinary shares in the future, the proportion of private funds can be increased, and the dilution of earnings per share is only 5.22%, which has little impact on shareholders' equity.
Name of the custodian institution of the exchangeable underlyings	N/A

Note: It was planned to start the conversion on May 23, 2022, the day following three months after the issuance expiration date, but the conversion was stopped during the period from April 11 to June 9, 2022 in order to cooperate on the operation of the Annual General Meeting.

(II) Corporate bonds due within one year: not applicable.

(III) Convertible bonds issued that can be converted into ordinary shares, global depositary receipts or other securities: Information on domestic and fourth unsecured convertible bonds issued by the Company as of March 31, 2022 is as follows:

Unit: NT$

Type of corporate bonds		The Fourth Domestic Unsecured Convertible Corporate Bonds
Item / Year		Current Fiscal Year up to March 31, 2022
Market price of convertible bonds	Highest	130
	Lowest	119.7
	Average	124.1
Place of issue and trading		Issue in Taiwan; Listed on TPEx
Conversion price		It was planned to start the conversion on May 23, 2022, the day following three months after the issuance expiration date, but the conversion was stopped during the period from April 11 to June 9, 2022 in order to cooperate on the operation of the Annual General Meeting
Issue (transaction) date and conversion price at the issue date (NT$)		Conversion price on February 22, 2022: NT$127
Ways of fulfilling conversion obligations		Issue of New Shares

(IV) Information on Issued Convertible Bonds: None.

(V) Where the Company Adopts the Shelf Registration Method for the Raising and Issue of Common Corporate Bonds: None.

(VI) Information on Issued Corporate Bonds with Warrants: None.

(VII) Private Placement of Corporate Bonds during the Most Recent Rhree Fiscal Years: None.

XI. Issuance of Preferred Shares: None.

XII. Issuance of Global Depository Receipts: None.

XIII. Issuance of Employee Stock Options: None.

XIV. Issuance of Restricted Employee Shares: None.

XV. Issuance of New Shares in Connection with the Merger or Acquisition of Other Companies:

(I) Issue of new shares in connection with any acquisition of shares of another company in the most recent fiscal year up to the publication date of the Annual Report:

1. **The stock agent's opinion on the issue of new shares for acquisition of shares of another company in the most recent quarter: None.**
2. **The status of implementation in the most recent quarter. If the implementation has not achieved the expected target, a statement on the impact on**

shareholders' equity and improvement plan shall be provided: Not applicable.

(II) Any Issuance of New Shares in Connection with the Acquisition of Shares of Another Company Approved by the Board of Directors in the Most Recent Fiscal Year up to the Publication Date of the Annual Report: None.

XVI. Implementation of Capital Allocation Plans:

Overview of the plan to issue unsecured convertible bonds and its expected benefits:

1. Raising plan:

The Company issued the Fourth Domestic Unsecured Convertible Corporate Bonds of 10,000 bonds, each with a face value of NT$100 thousand and a coupon rate of 0%, at 112.78% of face value. The actual amount raised was NT$1,127,835 thousand. The issuance and conversion method of the convertible bonds issued by the Company is determined based on the price and acceptance of the Company's industry and capital market, which not only guarantees the value of the bonds, but also provides the bondholders with the opportunity to convert into ordinary shares in the future for capital gains. And the convertible bonds were sold externally through underwriting syndicate in full in the form of auction to ensure the completion of fund raising.

2. The necessity of this capital increase plan:

Increase the flexibility of capital utilization in response to the growth of operating scale

Unit: NT$ thousand

Fiscal Year / Item	2019	2020	2021
Operating revenue	935,563	1,404,066	2,464,209
Growth rate (%)	-	50.08	75.51

Benefiting from the growth of market demand for advanced packaging, the operating revenue in 2021 increased by 75.51% compared with the same period of 2020. It is expected that the operation scale of the Company will continue to expand in the future, and the capital needs for daily operation and material purchase will also increase accordingly. Therefore, it is necessary for this fund-raising plan to enrich working capital.

3. The fund utilization plan and the estimated fund utilization progress

(1) The fund utilization plan and estimated progress

The Company issued the fourth domestic unsecured convertible bonds to raise funds of NT$1,127,835 thousand, which could be utilized for operation needs upon receipt in full in February 2022. According to the Company's current estimated order and raw material payment schedule, if the Company did not carry out fund raising, it is estimated that the available cash before financing would run short in 2022 in considering the non-financing income and non-financing expenditure, and the minimum cash balance required. Therefore, the funds raised by the Company are proposed to be used to enrich working capital from the first quarter to the third quarter of 2022, and the fund utilization plan and estimated progress should be reasonable.

(2) Progress of fund utilization:

Unit: NT$ thousand

Plan	Estimated Completion Date	Total Funds Raised	Estimated Progress of Fund Utilization		
			2022 Q1	2022 Q4	2022 Q3
Enrich working capital	2022 Q3	1,127,835	120,000	400,000	607,835
Total		1,127,835	120,000	400,000	607,835

Unit: NT$ thousand; %

Execution status		As of Q1, 2022
Amount drawn	Reserved	120,000
	Actual	409,680
Execution progress	Reserved	10.64%
	Actual	36.32%

In the first quarter of 2022, the Company is expected to utilize NT$120,000 thousand for daily operation. Due to the advance of purchase payment, the actual accumulative amount used in the first quarter of 2022 was NT$409,680 thousand, and the actual accumulative progress is 36.32%. The remaining amount of the convertible bonds issued will be used continuously based on the actual operational needs and will not be subject to the scheduled utilization progress.

Chapter 5 Operations Overview

I. Business Activities

(I) Scope of Business

1. The main business of the Company:

(1) Design, manufacturing and assembly of and software development for automated machinery.

(2) Manufacturing, processing and trading of mechanical equipment and parts.

(3) Distribution, import and export of electronics, machinery equipment and components.

(4) Assembly of computers and electronic equipment and assembly and trade of computer peripherals.

(5) Trading of chemical raw materials (except controlled substances).

(6) CE01030 Optical Instrument Manufacturing Industry.

(7) CC01050 data storage and processing equipment manufacturing.

(8) I301010 data software services.

(9) CB01990 Other machinery manufacturing.

(10) CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing.

(11) F401010 International Trade.

(12) JE01010 leasing industry (limited to proprietary IC BGC and automated machinery).

(13) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Ratio of main products to total revenue in 2021

Main products	Ratio to total revenue
Semiconductor equipment	36.85%
Passive component equipment	54.89%
LED equipment	4.37%
Others	3.89%
Total	100.00%

3. Current product lines

Type of Shares	Commodity	functions
Passive component Equipment	Winding machine	An equipment used to wind enameled wire on ferrite or ceramic hollow core products to create an inductor effect.
	NR four-axial wiring and soldering machine	The machine is a power inductor winding device, which is divided into two turntable stations, a winding station and a soldering station, and a turntable divider completes a six-step process – winding, crimping, reloading, fluxing, soldering and retrieving.
	Soldering machine	This equipment is a soldering machine. Products are sent out in rows by the vibration plate to the receiving mechanism and then sucked in by the feeding mechanism. After fluxing, preheating and soldering, the products are then placed into the storage box.
	Assembly machine	This equipment is a double winding induction assembly machine. Products are sent to a certain position by the vibration plate and then sucked onto the turret holding fixture. The turret is divided into eight parts with four workstations to complete the tasks of feeding, coating, calibration and receiving. After the process is completed, the retrieving module puts the products onto the conveyor belt for delivery into the oven.
	Laminating machine	This machine performs adhesive dispensing operation on chip inductors after winding is completed. First, adhesive is dispensed on the chamber of the tape, the chip inductor is fed into the track through the vibration plate, coiled products are put into the backing tape by the suction nozzle, and then products are rolled out after the adhesive is cured by UV light. The entire dispensing and coating process is completed.
	Table-top double-head spot welding machine	Place the coiled FPC product fixture plate on the device, let the spot welding head press precisely on the spot to be welded by sliding the welding head along the fixture platform, and weld the enameled wire on the tin plate by temperature-controlled heating.
Passive component Equipment	Cutting Machine	New type automatic capacitor & inductor cutting machine. This machine is designed with automatic feeding, retrieving, preheating, freezing, X-axis CCD alignment, and X-axis servomechanism.
	Electroplating machine	This machine is used for electroplating of wafers. Wafers are placed in a rotating cylinder manually, and then the anode robot arm exchanges and cleans the wafers to achieve the purpose of electroplating.
	Inductive testing and packaging machine	This will be a key equipment for passive component manufacturing.
Semiconductor equipment	SUBSTRATE LOADER	The Substrate in the cartridge is delivered one by one to the next workstation. Empty cartridge is automatically unmounted, and new cartridge mounted again.
	SUBSTRATE UNLOADER	The substrate (PC board) is taken into the grid from the oven surface and then automatically pushed into the cartridge through connecting the distributor. The cartridge is automatically replaced and mounted.
	LANE CHANGER	After receiving the substrate from the preceding workstation, the substrate is automatically sent to the oven for drying.
	Boat to Tray/Tray to Boat	This carrier exchange equipment mount the products to different carriers for different manufacturing processes. The main function is to shuffle the substrate back and forth between boat and tray.
	Single/double track ball mounter	BGA automatic ball mounter comes with single/double runners, single/double ball mounting heads. Coupled with CCD visual inspection, a precision up to 0.2 mm in tin-ball diameter can be achieved. This mounter can be used for IC deep submicron process and development of 12-inch or larger wafers.

Type of Shares	Commodity	functions
	UNDER FILL	This PC-controlled machine calibrates the amount of glue in the micro-precision crane and, aided with the CCD vision, searches and positions the location to fill all gaps between the IC and the PC boards without leaving any holes. This action completes the binding of the IC and PC boards, replacing the fill chip package process done by the wire bonding machine.
	Testing Equipment	This device quickly and automatically determines the geometrical dimensions, such as points, lines, frames, circles, arcs and angles, of molds and other products.
	Silver paste under filler	This PC-controlled machine calibrates the amount of paste in the micro-precision crane and, aided with the CCD vision, searches and positions the location to spread paste between the die and cooling fin.
	BGA Inspection Machine	This equipment uses a JEDEC Tray as the standard carrier to carry the products through a series of inspection stations. After inspections are completed, the products are automatically sorted into conforming and nonconforming products and sent to the corresponding piles. The Tray can be flipped to achieve inspection on both sides.
	AOI inspection machine	This machine detects missing dies and die color markings through image recognition. It records the overall substrate die markings, creates a substrate map and then uploadeds the map for determination of subsequent process.
	SIP Surface Mounting Machine	This equipment is used for surface mounting of SIP products. It is a key equipment for the SIP process.
	Wafer Form AOI Inspection equipment	The device inspects defects during the manufacturing process. It is a key equipment for high-level packaging process.
	Wafer Form Dispensing Equipment	This device is used for high-level packaging processes. It is a key equipment for high-level packaging processes.
	Automatic radiator transplant press	It integrates core technologies and equipment of the Company, and is used to paste new radiating materials in the semiconductor process, coat the external frame rubber, transplant radiating fins and thermal pressing stations. Moreover, it is supported by the AIO eqipment inspection and BLT equipment measurement after various process stations.
	Disk converter	It is used for the reballing process. It provides such functions as coating the welding agent before the substrate is cleaned, checking the stain after cleaning, checking after reballing and receiving materials by type. It saves the working time of the reballing machine.
	Piezoelectric dispensing machine	It locates the product through the CCD, uses radar to measure the thickness and potential difference of the product and conducts real-time correction to assure the measurement is reliable.

4. New products under development

The Company plans to develop the following new products:

Type of Shares	Commodity	functions
Passive component Equipment	Inductive testing and packaging machine	It is the key process equipment developed to satisfy the high speed and high frequency need of passive components.

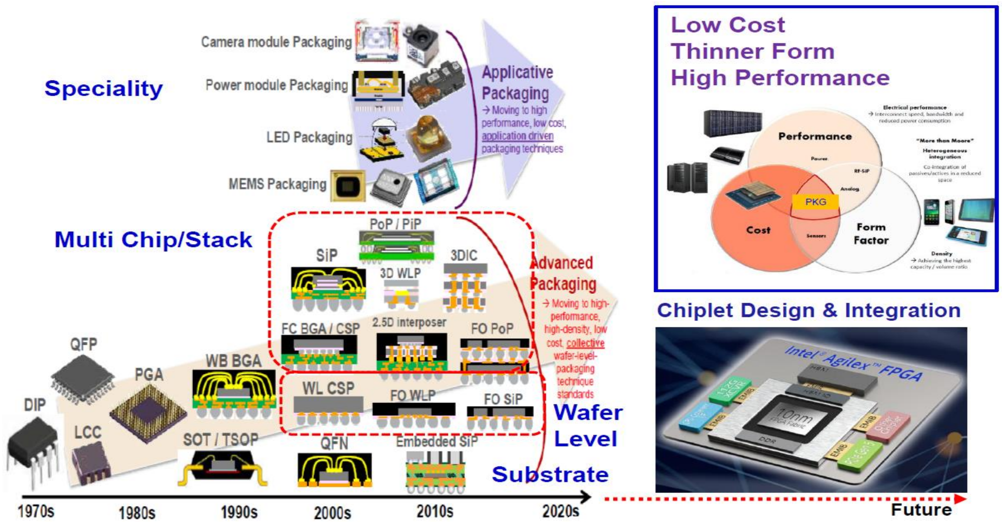
(II) Market, Production, and Sales

1. The Current Status and Development of the Industry

The Company was founded in 1996 as a professional automated machinery equipment manufacturer, specializing in research, development, manufacture and selling of automated machinery equipment for semiconductors, passive components, LEDs and inspections. The Company has long maintained a close relationship with the major electronics manufacturers. With extensive professional knowledge and technical experience, we have provided the downstream industries machinery and technical consultation services for automated processes. Over the years, we have established a good reputation in the semiconductor, passive components, and LED industries. An overview of the industries we operate in is provided in the section below:

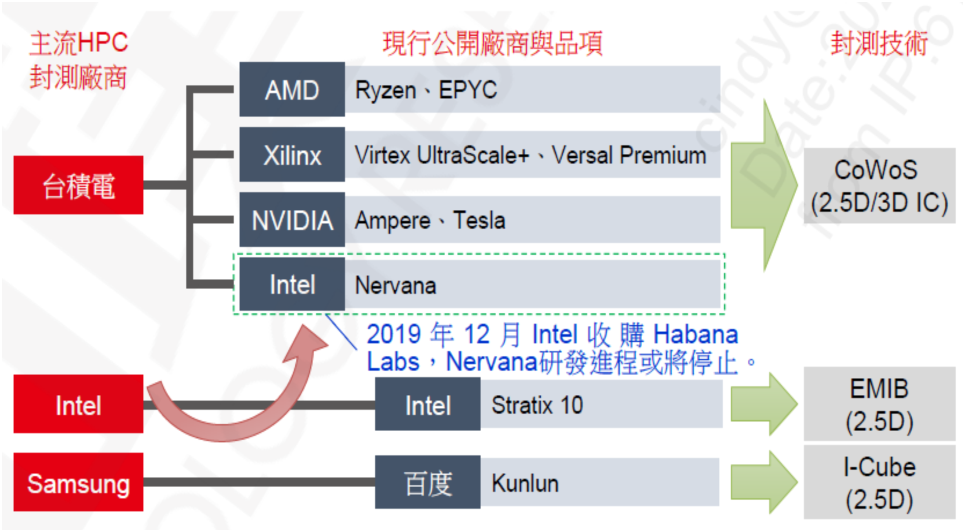
(1) Advanced Semiconductor packaging industry

Over the past few decades, semiconductor manufacturing processes have gradually reduced the line width of transistors in chips from tens of microns to nanometer, and the transistor density inside an IC doubles every 18 months or so, in what is known as Moore's Law. At the same time, however, rising design and manufacturing costs, shrinking critical margins, and a number of other challenges hinder further advances in semiconductor manufacturing process technology. In addition, with the increasing density of transistors in a single chip, there are also some problems rising for wafer bonding, such as limitations on the number of I/O pins and the speed of interconnection between chips. Therefore, the process shrink alone can no longer meet the performance improvement requirements expected by the traditional Moore's Law. Instead, it is more than Moore. For a chip, what we need to consider is no longer limited to the critical size and quantity of transistors, but also includes four items: Performance, Power, Area and Cost. In order to double the number of transistors per unit IC chip area, the designed standard unit height of transistor has been changed from traditional packaging process to advanced packaging process that integrates many heterogeneous chips such as 2.5D and 3D heterogeneous into the same package, including logic circuits, radio frequency (RF) circuits, micro-electromechanical (MEMS), sensors, etc. With technologies such as AI, the Internet of things (IoT) or 5G, Moore's Law economics can be extended to keep the semiconductor industry moving forward. In the trend of continuous pursuit of small, short, light and thin consumer electronic products, heterogeneous integration will become the norm. Take a handheld 360-degree camera as an example, which is only bigger than our palm, but has the features of real-time streaming of high-resolution images and power saving.



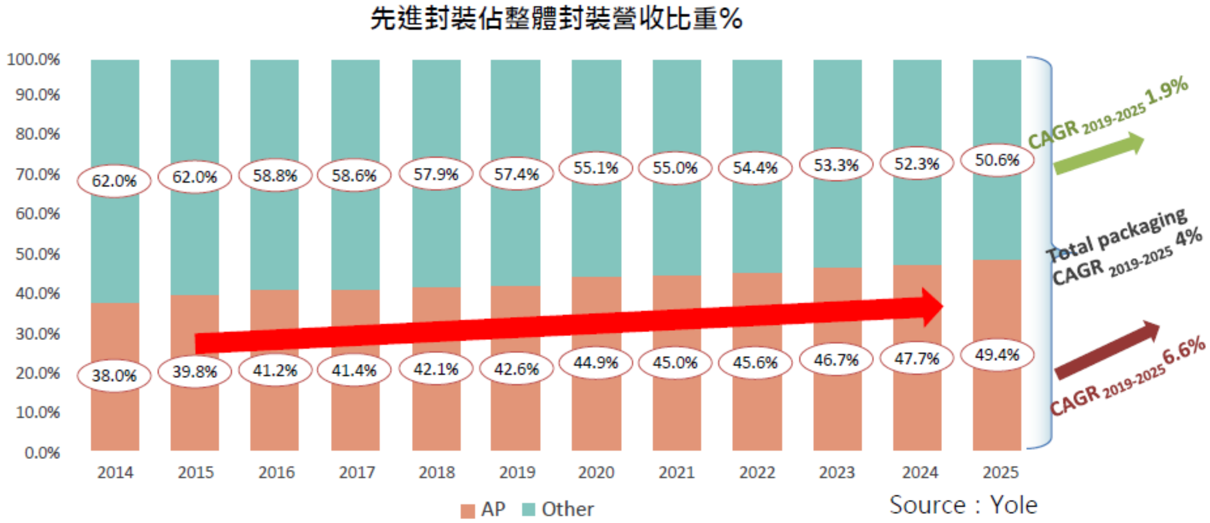
Source: Yole Developpement; Collation by the Industrial Technology Research Institute in 2021

As "fabs" technologyies are mainly adopted in the advanced packaging processes, directly on the wafer, which is more suitable to be performed by fabs, and with the coming smart era of 5G, IoT and AI, high-performance chip become an important key factor for data centers and deep learning. At present, TSMC, Intel and Samsung each have corresponding packaging technologies such as CoWos, EMIB and I-Cube. However,, due to the limited development of single-chip system SoC in recent years, the current small Chiplet has also become a good solution. Therefore, the above-mentioned manufacturers have introduced related packaging technology extensions in an attempt to enhance the transmission efficiency and computing performance between chips.



Source: Topology Research Institute, 2021/09

According to a research report by Yole Developement, an international market research agency, the advanced packaging market is estimated to be worth NT$30 billion in 2020. With the development of electronic terminal products towards low price, multi-function, high performance and high integration, it will drive the development of advanced packaging technology towards 3D high connection density, which will increase the proportion of advanced packaging year by year. It is expected to account for 49.4% of the total packaging revenue in 2025.



Source: Yole Developpement; Collation by the Industrial Technology Research Institute in 2021

(2) Passive component industry

Passive components are divided into four categories: resistors, capacitors, inductors and filters. Although the role of passive components is not as important as active components in electronic products, they are still indispensable, as they are used across the fields of IT, telecommunication and consumer electronics for applications, such as voltage regulation, energy storage and protection of other electronic components.

Benefited from upgrades in smartphone specifications and the improved performance of Intel and Nvidia graphics chips, as passive components manufacturers in Japan gradually broke away from the mainstream passive component standard MLCCs, the trend has driven the market demand for passive components, including capacitors, 0201 high-frequency inductors, and integrated molding choke, to grow. Furthermore, slow down of the demands for personal computers and smartphones drove the domestic passive component manufacturers to actively upgrade their product mix and accelerate product diversification by expanding into the markets of network equipment, automotive electronics, industrial equipment and power supply, seeking to create a new momentum for growth.

Passive components are indispensable in electronic products. Therefore, the demand for passive components increases drastically when the downstream consumer electronics market is heating up. In recent years, passive components have benefited from the growth of electronic products, such as smartphones and tablet PCs. And coupled with the increased number of components used in each smartphone, the demand for passive components has been growing. In addition, new applications for netcom products and automotive electronics have also driven the demand for passive components.

The global output value of passive components reached US$48.7 billion in 2020, 2.7% up from 2019. In 2021, with the completion of the development of COVID-19 vaccine and the increase of global vaccination rate, the epidemic's impact on market economic activities in medium-sized European and American countries is gradually decreasing, and the global shipment of 5G smart phones will show a multiple growth. Countries are also accelerating the deployment of 5G infrastructure, and the shipment of electric vehicles continues to grow. It is estimated that the output value of the global passive component industry in 2021 will be US$53.4 billion, with an annual growth rate of 9.5%.

The output value of passive component manufacturing industry in Taiwan reached NT$200.3 billion in 2020, with an annual growth rate of 22.8%. Since 2021, benefiting from the growing demand for home economy applications and the successive launch of new 5G mobile phones, electric vehicles, etc. by major brand manufacturers, the demand from end customers is becoming stronger, driving the demand for passive components to increase significantly. With relatively limited new capacity, the market supply and demand is tightening. In response to the continuous extension of product delivery lead time and the rising cost of upstream materials, manufacturers have successively increased product prices. Affected by the continuous growth of terminal application demand, the effect of product price increases is gradually fermenting, which effectively promotes the operating performance of manufacturers. And under the influence of a relatively low base period, according to the ITRI Industrial Economics and Knowledge Center, ITIS research team, it is estimated that the output value of Taiwan's passive component manufacturing industry in 2021 will reach 243.6 billion NT dollars, with an annual growth rate as high as 21.6%, showing a s growth trend.

2. The relevance between the upstream, midstream and downstream of the industry

The Company's main products are passive component devices, such as cutting and wiring machines, semiconductor equipment, such as dual-track ball mounters, automatic dispensers, and AOI inspection and testing equipment, LED and testing equipment, such test sorters and test packaging machines. Most of the components required for production are purchased from third-party suppliers. After obtaining the above components, the Company carries out R&D, design, assembly, and testing and sells the products to manufacturers in downstream industries, including semiconductors, passive components, LED and mobile phone

manufacturers for production and testing.

3. Trends of Products:

(1) Product miniaturization

In recent years, consumers' demands for information, communication and household electronic products continue to rise, and such demand has gone from the basic functions to compact size and portability. Therefore, the density of circuit design becomes higher and higher. more complex and future products are developing towards space saving, miniaturization and complex functions, the sizes of components will also shrink. This means that the manufacturing equipment for surface mounting, packaging, cutting and packing will also move into the next generation. Semiconductors and passive component equipment manufacturers will also develop into miniaturization, waferization and high integration manufacturing processes, taking into account the performance and efficiency of machinery and equipment.

(2) Customized equipment for small-quantity and high-variety

Automated equipment has a close connection with the manufacturing processes of downstream customers. Once the customer's process changes, the products must change along to accommodate the customer's new method. Since the speed of process upgrade and the equipment costs have a significant impact on the profitability of the manufacturers, how to collaborate with the manufacturers during the product development process and provide stable products, have become a vital subject to manufacturers of automated equipment.

(3) Developing into the global market

In recent years, consumers' demands for information, communication and household electronic products continue to rise, and such demand has gone from the basic functions to compact size and portability. Therefore, the density of circuit design becomes higher and higher. Therefore, manufacturers automated equipment must also expand into the neighboring regions, such as Hong Kong, Southeast Asia and mainland China, in order to serve customers and adapt to the changes in the overall market. In addition, since the domestic automated equipment is more cost competitive, compared with imported products, and the stable product quality that has received excellent reputation among the domestic manufacturers, in recent years, domestic manufacturers of automated equipment began to actively seek orders from overseas markets and expand the market scale.

4. Competition:

The Company is a manufacturer of automated equipment for semiconductor,

passive components, LED and testing. Up to now, no equipment manufacturers in Taiwan offers completely identical products and services. We are competing with foreign manufacturers. Currently, the Company's primary goal is to reinforce R&D of equipment to meet customers' manufacturing needs. We strive to enhance competitiveness and gain market leadership.

(III) Overview of Technology and Research and Development

(1) Technology level

The Company mainly supplies high-speed precision automated equipment to high-tech industries for manufacturing of semiconductors, passive components and LEDs, as well as inspection, not automated equipment for general manufacturing. The highly complex automated processes require many high-precision components, such as photoelectric sensors and special screws, and are controlled by a computer or microprocessor. The equipment operation requires speed, stability, and precision. At the same time, to achieve the required quality for electrical measurement, the Company must develop proprietary circuit control cards with special functions. Therefore, compared with the domestic equipment manufacturers, the Company's R&D capabilities are already leading the industry.

2. Research and development

The Company's future development is planned in the following direction:

Research and Development	Expected Benefits
1. Develop high-precision component testing application technology	Capability upgrade for testing of special specification components, which is expected to boost product competitiveness.
2. Develop new generation image recognition processing system application technology	The image recognition system has a wide range of applications, such as alignment, calibration and appearance inspection of mechanical moving parts. Wide application to automated equipment will improve the accuracy and reliability of the products.
3. Develop or improve the special equipment needed for customers' manufacturing processes	Expand and extend the product lines to other manufacturing processes based on the information of customers' manufacturing processes currently available to us. This will reduce uncertainties and improve the timeliness and success rate of product development.
4. Develop equipment for special processes of the key components of 3C products.	The entry threshold for special process equipment is higher and therefore there are few competitors and high profits.

(3) Education and experiences of research and development personnel

Year		As of December 31, 2021	
		Number of Employees	%
Level of education	Master degree or above	103	66
	College	47	30
	Associate degree or less	7	4
	Total	157	100

4. R&D expenses invested for the most recent five years

Unit: NT$ thousand

	2017	2018	2019	2020	2021
R&D Expenses	263,895	285,166	234,040	265,201	343,764
Net revenue	1,866,853	1,925,869	1,032,376	1,506,320	2,604,316
Ratio	14.14%	14.81%	22.67%	17.61%	13.20%

5. Successfully developed technologies or products

The domestic equipment industry relies heavily on foreign imports, which not only hinders development of industrial technology, but also increases production costs. In result, the international competitiveness of the industry is weakened. In view of which, the Company commits itself to research and development, expecting to provide customers good machinery and equipment or services with complete function at reasonable prices. Technologies or products successfully developed by the Company's R&D team in most recent year are as follows:

Date	Technologies or products developed successfully:
95.07	Laminator
95.10	Dual-track varistor testing machine
96.05	Laser repair machine (including lighting function)
96.05	Inductor wiring machine
96.12	12-inch wafer sorter
96.12	Laser marking machine
97.08	LED testing and taping machine
97.11	Slice inspection machine
98.02	LED testing and sorting machine
98.02	Rotary electroplating machine
99.10	Single-head laser platemaker
99.12	Power inductor wiring machine
100.04	Power inductor dispenser
100.09	Testing Equipment
100.12	Soldering machine
101.05	Silver paste dispenser
101.09	Sweeper
101.10	Turret double wiring machine
102.07	NR four-axial wiring and soldering machine
103.05	AOI inspection machine
104.01	SIP Surface Mounting Machine
105.01	Wafer form AOI inspection equipment
106.01	Wafer Form Dispensing Equipment
107.01	Inductive testing and packaging machine
108.01	Plate heat sink mounting system
109.07	Piezoelectric dispensing machine
110.06	Capacitance testing machine, four light-inspection machine, glue coating inspection machine

(IV) Long-term and Short-term Business Development Plans

1. Short-term development plan

(1) Marketing

We provide our customers with comprehensive after-sale services, maximizing customer satisfaction with full professional technical consultation.

In response to customers' shifting overseas, we will set up factories overseas to service our customers at proximity, aiming to enhance competitiveness and increase market share.

(2) Production

The main focus will be placed on order-based flexible production, supplemented by planned production, to meet customers' demand for each product in the shortest time possible.
We will implement the ISO 9001 Quality System and continue to pursue quality improvement and excellence through scientific methods.
We will increase the speed and efficiency of production and reinforce the accuracy and quality of delivery.

(3) Product development

Product development Continue to invest in R&D and recruiting R&D talents, actively develop new niche products and diversify products to create market opportunities.
Continuously reinforce professional training of R&D personnel, develop top-notch talents, and closely collaborate with research or academic institutions to actively develop high-end products.

(4) Operating scale

Develop various products and expand into the various industry-based the Company's existing scale.
Work with MIS to achieve full computerization, speed up streamlining of work processes, and improve management performance.
Effectively implement the Company's operating policies and guidelines through annual budget preparation and implementation.

2. Long-term development plan

(1) Marketing Strategy

Continuously provide high-end products and promote the Company's high-tech image through corporate identity system to increase brand awareness and create higher added value.
Maintain the cooperative relationship with existing customers and build a community of permanent business partnership with customers through strategic alliances with upstream and downstream industries.

(2) Production Strategy

Develop towards international division of labor by setting up appropriate scale of production and service bases, aiming to increase production capacity, reduce production costs and service customers on-location.
Actively seek for excellent suppliers for long-term cooperation, help them improve their production technology and increase production volume and reduce costs through modularization.

(3) Product development

Position the Company as a customers' equipment development center to meet the industry's needs for high-level automation and help customers implement unmanned production.
In addition, to further develop our leading core products and drive the development of the same series, the Company has also geared towards diversification and expanded into other high-tech industries, such as semiconductors.

(4) Operating scale

Increase the Company's production capacity and operation scale through international division of labor or strategic alliances, aiming to become one of the leading

manufacturers of passive components, semiconductors, LED and testing equipment in the world.

We uphold the philosophy of sustainable development, establish an excellent corporate culture, and recognize the importance of corporate social responsibility.

II. Market, Production, and Sales

(I) Market Analysis

(1) Main product sales area

The Company's sales in the most recent two years by area

Unit: NT$ thousand

Fiscal Year / Region	2020		2021	
	Amount	Proportion (%)	Amount	Proportion (%)
Taiwan	1,382,531	91.78	2,448,304	94.01
Mainland China	123,789	8.22	156,012	5.99
Total	1,506,320	100.00	2,604,316	100.00

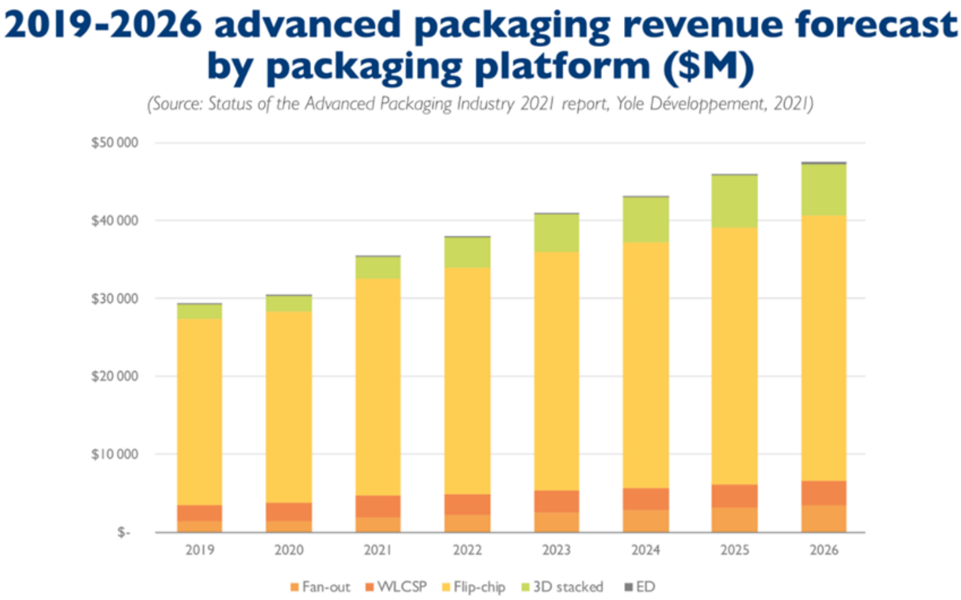
2. Market Share

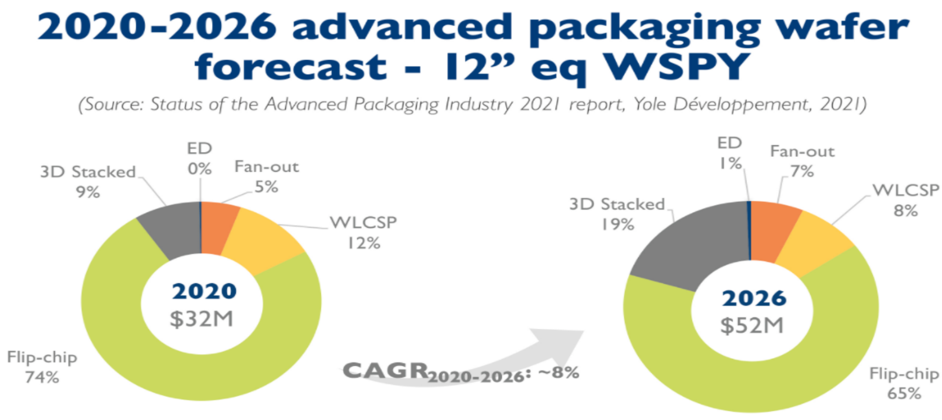
The Company's products are applied in semiconductor, passive components and LED industries. According to the definition of products provided by the Department of Statistics, Ministry of Economic Affairs, they are mainly divided into two categories: semiconductor production equipment and their components, and other electronic production equipment and their products. Taking the ratio of sales value of semiconductor equipment and other equipment to sales value of semiconductor production equipment and other electronic production equipment in Taiwan as the basis for market share estimation, according to the product statistics from the Ministry of Economic Affairs of the dynamic survey of industrial production, sales and storage, the sales value of semiconductor production equipment and other electronic production equipment in Taiwan was about NT$52.5 billion and NT$30 billion in 2020 respectively, the turnover of the Company was NT$928 million and NT$578 million respectively, with a market share of approximately 1.77% and 1.93% respectively.

3. Future Supply and Demand and Growth of the Market

(1) Semiconductor industry

According to the advanced packaging market report published by the market research institute Yole, the advanced packaging market size in 2020 was about US$30 billion, and it is expected to grow substantially at a compound annual growth rate of 8.0% from 2020 to 2026. The market is expected to reach US$47.5 billion in 2026, about three times the expected growth rate of the traditional packaging market. Among them, 2.5D/3D stacked IC, Embedded Die packaging and Fan-Out packaging was the top three fastest-growing technology platforms with a compound annual growth rate of 23%, 23% and 12%, respectively.





Flip-chip	$CAGR_{2020-2026}$ ~ 6%
Fan-out	$CAGR_{2020-2026}$ ~ 12%
Fan-in WLP	$CAGR_{2020-2026}$ ~ 3%
3D stacking	$CAGR_{2020-2026}$ ~ 23%
Embedded die	$CAGR_{2020-2026}$ ~ 23%

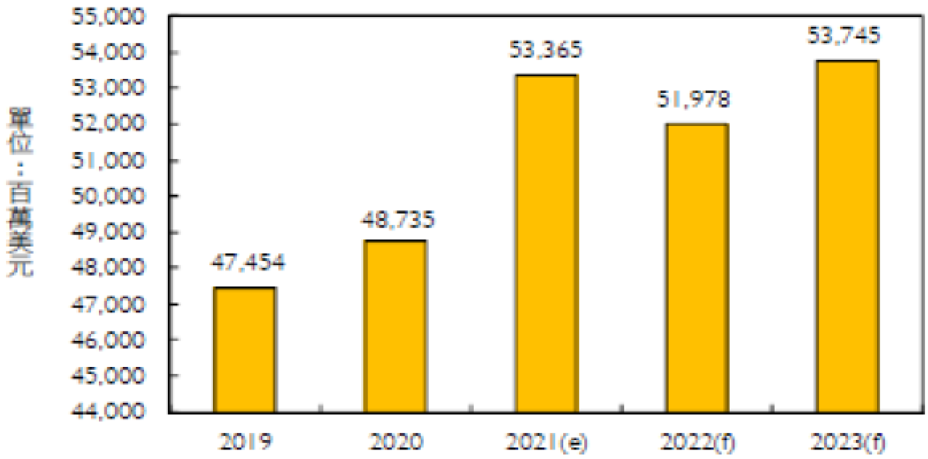
Source: Yole Developpement; 2021/06

As the major international manufactures quickly dived into the development of driver assistance systems, it is expected to be the critical period for the semiconductor packaging industry to position themselves in the automotive market. Many companies with niche technology and patents are expected to benefit from the new generation smart cars. As for the competition caused by the evolution of packaging technology, TSMC will extend its reach into the packaging field through the integration capabilities of wafer fabrication plant, looking to build a complete 3D IC process solution and further tap into the demand for mobile devices and cloud equipment.

(2) Passive component industry

ITRI estimates that the output value of global passive component industry in 2021 will be US$53.4 billion. In the future, thanks to the expected doubling of the global 5G mobile phone shipments, major automakers will accelerate their investment in electric vehicles, self-driving cars and other fields, which will drive the market demand for passive components to grow significantly. Product specifications will also be upgraded accordingly to optimize the product mix, and new capacity will be introduced one after another. The global passive component industry is expected to produce US$53.7 billion in 2023.

2019~2023 Market Scale Trend Chart for Global Passive Components



Source: Industrial Technology Research Institute; 2021/05

4. Competitive Niche

(1). An R&D team with extensive experience and professional competency.

The automated equipment manufacturing industry must be able to continuously advance in technology and development of new products along with customers' advancement in product quality in order to maintain the competitiveness. The Company sees product research and development as a significant part of the operations. Therefore, in addition to evaluating the existing market for new product development, we maintain active interaction with the academic and research institutions in related fields. With extensive production technologies, the Company has successfully developed many products and received patents for numerous technical developments over the years. Compared with other domestic equipment manufacturers, the Company has better capabilities to compete with foreign equipment manufacturers.

(2). Rapid and high-quality after-sale services

The Company's customers belong to the high-tech precision industry. Their demand for product yield and precision is very high. Their production processes are highly complex and operate with various equipment, so the level of equipment integration has a significant impact on product quality. The Company's after-sales service personnel have extensive experience and carry out in-depth research on the production processes of customers' products to assist customers solve problems on the manufacturing process and equipment and improve the precision and product yield.

(3). Emphasis on R&D and production quality brings recognition of the brand

The Company is committed to the advancement of product quality and technology and has been certified for ISO-9001 quality standards in 2000. We have strictly implemented internal management for product precision and stability and the ISO-9001 quality system, continuously, as we pursue continuous quality improvement and excellence. Our products have been widely recognized by customers for high quality with a good brand reputation in the industry.

(4). Diversified product development

The Company began to extend its reach into semiconductor equipment in 1999 and successfully developed the automated ball mounter, cooling fin automated assembly system and automated dispenser in 2001. In 2002, we successfully developed the wafer mounter and, In 2003, the dual-track dispensing machine. Successively, our products were recognized by semiconductor manufacturers, taking a successful step into the field of semiconductor equipment manufacturing. In addition, the Company successfully launched the production of LED equipment in 2008; successfully developed piezoelectric dispensing machine in 2014; entered the supply chain of major mobile phone manufacturers in the United States in 2015; successfully developed six-side appearance inspection machine for the inspection from IQC, IPQC to FQC for semiconductor packaging process in 2016; successfully developed high-frequency inductance measuring machine for testing and packaging of square chip passive components in 2017; provided semiconductor customers with automation production solutions on radiator automatic planter pressing machine, load plate conversion machine and piezoelectric dispensing machine in 2020. We will continue to move towards the business goal of automation and diversified product development afterward.

5. Positive and Negative Factors for Future Development, and the Company's Response to Such Factors:

(1) Positive Factors

A. The Company has many years of experience in automated equipment production and a stable team of R&D personnel. We have our own research and development of key technologies and developed high-end niche products with high diversity. We also provide customized products

with the capabilities for fast product development.

B. The Company's product sales have achieved ISO-9001 international quality certification. With an emphasis on quality assurance and ethical brand and product image, our product quality is recognized by well-known domestic and foreign manufacturers, which fortifies the competitive advantage of products for export.

C. We have a complete system structure of pats and components and work well with suppliers. Except for a few critical components from foreign manufacturers, most of the components are supplied by domestic manufacturers. The processing components for assembly are also produced and provided by local manufacturers. The manufacturing system is complete, and the production cost can be easily driven down.

(2) Negative Factors and the Company's Response to Such Factors

A. Peer competition in price

Response Strategies:

Continue to maintain research and development advantages by bringing in new talents and increasing the investment. Maintain continuous innovation and improvement and develop towards high added-values, winning good product image with leading strategies and quality assurance and raising the technical threshold for other competitors in the industry.

B. Shortage of technical talents

Response Strategies:

In addition to improving the work environment and establishing a good salary structure, bonus system and employee benefits, we will continue to implement education and training to enhance the quality of our employees, or collaborate with renowned research institutes or engage in transfer of technology to attract top-notch technical talents.

C. Rapid changes in technology industry

Response Strategies:

In addition to continued strengthening our research and development capabilities, we will actively develop new equipment and products. Beyond reinforcing our business health and competitiveness, we will request the relevant departments to collect information on the customers industries on regular basis to understand the development of the industries, so that we have better knowledge on how to tailor equipment to meet customers' needs, solve problems for customers and establish long-term relationships with our customers by providing better services.

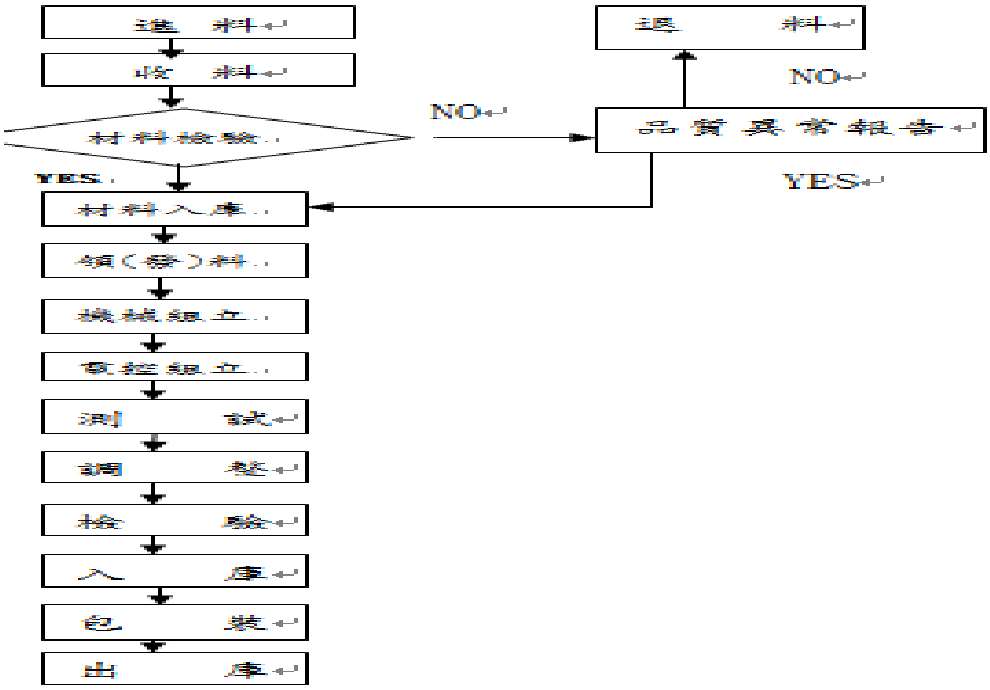
(II) Major Applications and Manufacturing Processes of Main Products

1. Main Products:

Major products:	Important Applications of Functions
Semiconductor equipment	Air-tight sealing equipment applies adhesive at the junctions of die and the substrate and then heat up the unit to harden. The wafer sorter carries out visual inspection to pick out nonconforming products, acting

Major products:	Important Applications of Functions
	as a pre-inspection function before die bonding. The carrier switching equipment switches the substrate between the Boat and Tray since different processes require different carriers.
Passive component equipment	Used for the latter part of the manufacturing process, including passive component cutting, electroplating, testing and packaging. Used in the full manufacturing process along the actions of wiring, assembly, testing and packaging of passive components.
Testing Equipment	Quickly and automatically determine the geometrical dimensions such as points, lines, frames, circles, arcs and angles of molds, PC boards, and other products.

2. Manufacturing processes



3. Supply Situation for the Company's Major Raw Materials:

Primary product	Main Raw Materials	Main Suppliers
Automated semiconductor , passive component, LED and testing equipment.	Processed parts	Qi Rui, Yuan Zhou, Feng Yun, Song Li and Yu Feng
	Industrial computer	ADLINK, Advantech
	Pneumatic cylinder	SMC, NOK, Festool, Mindman and CKD
	Electric motor	ASKe, Oriental Motor, Shihlin Electric, Yaskawa and Delta
	Testing equipment	Agilent and Keithley

4. Significant Changes in the Company's Gross Margin in the Most Recent Two Years by Product or Department

Changes in the Company's Gross Margin in the Most Recent Two Years

Item	2020	2021	Change	Proportion of Change (%)
Sales revenue	1,506,320	2,604,316	1,097,996	72.89
Sales Margin	738,774	1,217,183	478,409	64.76
Gross margin (%)	49.04	46.74	(2.3)	(4.69)

Change in gross margin by 20 percent: None.

(III) List of Major Suppliers/Customers

1. Information of Major Suppliers in the Most Recent Two Years

The changes in the major suppliers of the Company in the most recent two years were mainly due to changes in the product structure. The product structure is altered due to the orders placed by different industrial customers, resulting in the changes of major suppliers in the two years. Other than the above phenomenon, no one-single supplier supplies more than 10 percent of the Company's total procurement.

2. List of customers in the most recent two years

Unit: NT$1,000; %

Item	2020				2021				Current Fiscal Year up to March 31, 2022			
	Name	Amount	Percentage of Annual Net Sales (%)	Relationship with the Issuer	Name	Amount	Percentage of Annual Net Sales (%)	Relationship with the Issuer	Name	Amount	Percentage of Annual Net Sales (%)	Relationship with the Issuer
1	Customer A	412,276	27.37	None	D customer	825,714	31.71	None	Customer A	323,530	51.39	None
2	Customer B	272,537	18.09	None	Customer A	462,882	17.77	None	Customer B	99,056	15.73	None
3	D customer	101,352	6.73	None	Customer B	213,816	8.21	None	Customer C	38,542	6.12	None
4	Others	720,155	47.81	-	Others	1,101,904	42.31	-	Others	168,463	26.76	-
	Net Sales	1,506,320	100.00	-	Net Sales	2,604,316	100.00	-	Net Sales	629,591	100.00	-

Reasons for changes:

Customer A, Customer D: Mainly due to an increased need of automation equipment and an increase in capital expenditure.

Customer B: Mainly due to an decrease need of automation equipment and an decrease in capital expenditure.

(IV) Table of Production Volume in the Most Recent Two Years

Unit: Unit/NT$ thousand

Fiscal Year / Output / Major products (Note 1)	2020			2021		
	Production capacity (Note 3)	Production volume	Output Value	Production capacity (Note 3)	Production volume	Output Value
Automated semiconductor equipment	-	701	434,757	-	2,699	421,467
Automated passive component equipment	-	520	239,842	-	1,277	820,980
LED equipment	-	88	29,226		199	50,361
Others	-	44,044	63,721	-	177,974	94,325
Total (Note 2)	-	45,353	767,546	-	182,149	1,387,133

Note 1: Only major machines are listed in this table; other components and products are not listed here due to inconsistent measurement units.

Note 2: Due to the differences in the quantity units used to calculate the major products, the totals are not consistent and the numbers cannot be compared.

Note 3: No production capacity analysis is performed since the Company's production is order-based.

(V) Sales volume in the two most recent years

Unit: Unit/NT$ thousand

Fiscal Year / Sales Volume / Major products (Note 1)	2020				2021			
	Domestic Sales		Export Sales		Domestic Sales		Export Sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Automated semiconductor equipment	463	731,611	238	196,742	562	824,451	511	142,142
Automated passive component equipment	302	240,738	218	178,720	930	1,048,499	350	367,721
LED equipment	73	41,093	15	10,445	160	91,825	39	22,066
Others (Note 2)	25,161	101,450	18,883	5,521	23,285	62,276	156,312	45,336
Total (Note 2)	25,999	1,114,892	19,354	391,428	24,937	2,027,051	157,212	577,265

Note 1: Only major machines are listed in this table; other components and products are not listed here due to inconsistent measurement units.

Note 2: Due to the differences in the quantity units used to calculate the major products, the totals are not consistent and the numbers cannot be compared.

III. Number of Employees, Average Years of Services, Average Age and Education in the Most Recent Two Years up to the Publication Date of the Annual Report

Fiscal Year		2020	2021	Current Fiscal Year up to March 31, 2022
Numbers of employees	Direct	26	27	25
	Indirect	251	290	291
	Total	277	317	316
Average age		37.33	37.34	37.46
Average length of service (years)		7.71	6.80	6.89
Education Distribution (%)	PhD	2.40	2.19	2.36
	Master	33.06	32.48	33.25
	Bachelor Degree	56.36	55.58	54.84
	Senior High School	7.02	7.55	7.59
	Less thanHigh School	1.16	2.2	1.96

IV. Disbursements for Environmental Protection

(I) According to regulations, the Company has to apply and receive permits for the establishment of anti-pollution facilities and pollution effluent, pay pollution prevention fees, or designate environmental personnel. The status of the above-mentioned measures is as follows:

1. The company actively invests in the prevention of environmental pollution, sets up solar energy facilities, actively promotes recycle and reuse of resources, and actively implements environmental safety management measures. Full-plant inspection is also performed regularly as required by law, along with reinforcement in hazard identification, safety education, hazard prevention, emergency response, and employees health checkup, aiming to achieve the goal of zero pollution and zero workplace accident. For the impact of climate change, we make efforts to cut down greenhouse gas emissions and improve energy efficiency. We strive to meet compliance with domestic laws and regulations, as well as international standards. Beyond our pursuit of business growth, we are committed to environmental protection and work safety. The following are our energy saving plans:

(1) Carbon reduction and energy saving goals:

Climate change has caused drastic changes in the global environment. Therefore,

the Company take on the responsibility to mitigate the greenhouse effect. Our continuous actions include reducing greenhouse gas emission and linking our annual target to the Company's revenue with a goal of reducing carbon emissions by 5%. The source of greenhouse gas emissions is use of electricity. Therefore, we continue to promote energy management based energy-saving practices, aiming to achieve the target set along the increase and decrease of revenue and the goal of reducing electricity consumption by 5%.

(2) Waste reduction and water saving goals:

To ensure effective use of resources, we continue to implement waste reduction management practices. The Company's operation is mainly equipment assembly, so we have no production lines and consequently no emissions of air pollution and wastewater. As approved by Kaohsiung City Bureau of Environmental Protection No. 10540721200, the Company does not produce wastewater and is not a business designated by the EPA for air pollution control. The Company agrees to properly dispose of wastes in accordance with the provisions of Article 36 of the Waste Disposal Act. And approved by Tainan City Bureau of Environmental Protection No. 1050002048, the Company's maximum effluent volume is 45 CMD (including 3 CMD for process wastewater and 42 CMD for domestic wastewater) and maximum sludge production volume is 0. Although the Company has no air pollution and wastewater discharge issues, we still set an annual target for waste reduction, which varies along the increase and decrease of revenue and the goal of reducing everyday garbage, waste and water consumption by 5 percent.

2. Energy-saving practices:

(1) Organize employee training courses to promote energy saving and carbon reduction in the company.

The company holds a monthly meeting to promote the lights-off project and the concept and awareness of environmental protection and energy conservation to employees. The following are specific practices enforced:

①Set air conditioning to 26 to 27 degrees.

②Implement the lights-off project.

③To save water, install an economizer valve on the faucet.

④ Bring your own chopsticks, cups and handkerchiefs.

⑤Turn off computer and pull the plug after work, walk for exercise, and reduce use of the elevator.

(2) Energy saving practices are enforced at the plant and offices.

①Replaced all lights with LED fluorescent lamps at the plant.

②Zone the plant and office into areas for varied air conditioning control.

③Change the air-conditioning facility from water-cooling to storage-type.

④ Replace energy-saving bulbs with LED lamp after the product life ends.

⑤ Use e-invoicing and online signing to promote environmental sustainability.

3. Adopt electronic invoices and online e-authorization to implement environmental sustainability:

The Company is committed to promoting sustainability of the environment and the earth, taking actions in response to the global energy-saving and carbon reduction initiative. The Company also adopted the electronic invoicing system promoted by the Ministry of Finance and set up an electronic system for inquiries. Also, submission of requisition, procurement, and expense reimbursement forms has been updated from manual sign-offs to electronic sign-offs, and efforts have been made to promote e-documents to reduce the use of paper.

4. Use solar panels to generate electricity:

Every six months, the Company appoints an operating environment audit agency approved by the Ministry of Labor to audit the Company's work environment. Relevant reports are available on the Company's website. List the company’s investment in environmental pollution prevention equipment, use, and expected benefits:

The solar panels set up by the Company is guaranteed to generate 207 KW of parallel electricity wattage per month for Taiwan Power. The table below shows the guaranteed power volume.

Year	Guaranteed solar power generation (KW)
1	338,878
2	335,400
3	332,022
4	328,655
5	325,298
6	321,951
7	318,614
8	315,288
9	311,970
10	308,663
11	305,365
12	302,076
13	298,797
14	295,527

15	292,266
16	289,015
17	285,772
18	282,538
19	279,314
20	276,098

(II) The process of pollution-related environment improvement over the two most recent years until the date of publication of this report. Please describe the process of handling pollution-related disputes, if any: None

(III) The total losses (including indemnity paid) and penalties paid by the Company for environmental pollution, as well as future response measures (including improvement measures) and possible expenditure (including losses incurred by not implementing response measures, penalties, and an estimated amount of indemnity; if a reasonable estimation cannot be made, explain why): None

(IV). Current pollution and improvement status, and its effects on the company's competitive position and capital spending, as well as estimated major capital expenditures for environmental protection in the next two years: None.

V. Labor Relations

(I) List the company's employee benefits, continuing education, training, retirement system, and implementation status, as well as agreements between the employer and employees and measures for protecting employees' rights and interests:

1. Employee welfare policy

(1) Insurance: In addition to the statutory labor and health insurance, the Company insures all employees with group insurance (accident and medical).

(2) The Company takes our employees' health checkups very seriously. With consent of our employees, the Company actively follows up on employees who are found to have health issues and special conditions. Every year, our employees are given one free health checkup, which covers the basic labor health checks, as well as the more advanced items, including rheumatoid, Thyroid function, digestive function and arteriosclerosis.

(3) The company provides employees beyond statutory protection. We offered comprehensive and additional protection and embarked on the mission to build a complete welfare system, covering food, clothing, housing, transportation, education, and recreation:

Welfare Category	Welfare Program	Content
Food	A fine and healthy diet	The Company provides lunch, afternoon tea and dinner to our employees for free.
	Department dinner	A department dinner is held once every three months.
Clothing	Work attire	Employee's uniform, jacket and casual wear day
Housing	Temporary dormitory	The Company offers dormitory rooms to employees from other areas, commuting employees and those who cannot return home due to work assignments.
Transportation	Subsidies for using private	The Company provides company cars for receiving guests and those who drive private cars for company business are eligible

Welfare Category	Welfare Program	Content
	vehicles to conduct company business	to apply for expense reimbursement.
Education	Library	The company set up a library on-the-go and magazine lounge, providing employees various books and magazines for a loan, aiming to help employees develop reading habits.
Entertainment	Workout Room	We remind our employees to care for their health while keeping themselves busy at work. We set up an employee workout room, which is open to all employees for free use.
	Sports courts	We have also set up courts for table tennis, basketball and billiards, which are open to all employees.
	Recreational facilities	The break room provides coffee, beverages, hot food and more to refresh our employees anytime.
	Company parties	The Company hosts parties on the major holidays and the year-end dinner. The parties are filled with fun games to draw the employees closer to each other.
	Recreational activities	Subsidies for domestic and overseas trips.

(4) It is our responsibility to take good care of our employees' lives and settle their families. Therefore, in addition to funding the employee welfare committee, the company offers birthday gift-money, bonuses on the three major festivals and gift-money for childbirth and wedding.

(5)The company implements a flexible working hours system. In considering the family life, after discussion with the Supervisor, each colleague can apply for flexible working hours.

2. Retirement system:

(1) Old System:

Since May 20, 2000, the Company formally established the Labor Pension Reserve Supervisory Committee in accordance with the Rules Governing Organization of Supervisory Committee of Business Entities' Labor Retirement Reserve. The Company contributes 4 percent of each employee's total monthly salary to the retirement reserve into the special account of the Labor Pension Reserve Supervisory Committee. Pension payments are made in compliance with the Labor Standards Act.

(2) New System:

Since July 1, 2005, the Company has established a retirement plan based on the Labor Pension Act, which applies all employees who are citizens of R.O.C. For employees who chose to adopt the retirement system provided by the Labor Pension Act, the Company contributes an amount no less than six percent of the worker's monthly wage to the personal retirement pension account set up by the Bureau of Labor Insurance. The retirement pension shall be calculated based on the principal and accrued dividends from an employee's individual account of labor pension and paid on a monthly or lump-sum basis. The subsidiary in China contributes 18% of each employee's total monthly salary for retirement insurance in accordance with the pension insurance system set forth by the government of the People's Republic of China. The pension fund is collectively managed by the government. The company has no further obligation other than making a monthly contribution.

3. Employer/employee agreements

Achievement of the Company's goals depends on the commitment and dedication of employees, while employees also need employers' support for them

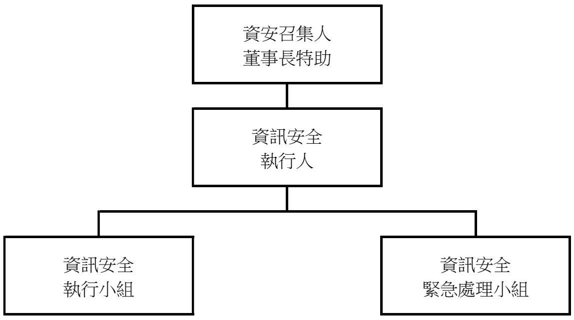
to be able to extend their talent. Therefore, the relationship between employers and employees has always been the focus the Company and its subsidiaries. Since the founding of the Company and its subsidiaries, the relationship between employees and employers has been harmonious.

4. Losses arising as a result of labor disputes in the most recent year up to the publication date of the Annual Report and disclosure of potential losses in the current and future terms and countermeasures: None

VI. Cyber Security Management

(1) In order to strengthen the Cyber Security Management, establish a safe and reliable electronic enterprise, and ensure the security of data, systems, equipment and network, the Company has set up a dedicated information department to conduct information security risk assessment in accordance with relevant laws and regulations, determine the security requirements of various information operations, adopt appropriate and sufficient information security measures, and ensure the security of the collection, processing, transmission, storage and circulation of internal and external information of the company. Its information security policies and management methods are as follows:

1. Organizational Structure



2. Management Scheme

(1) The information safety unit shall formulate and implement the information security plan on the following matters, and regularly evaluate the implementation effect:

①Formulation of measures for the administration of capital safety.

②Division of responsibilities for information security

③Personnel management and information security education and training

④Computer system security management

⑤Network security management

⑥System access control management

⑦System development and maintenance safety management

⑧Information asset security management

⑨Physical and environmental safety management

⑩Business continuity plan management

⑪Other information security management matters

(2) The information safety unit shall formulate and implement the information security plan on the following matters, and regularly evaluate the implementation effect:

Responsibilities	Description of Responsibilities	Duties	Information Security Frequency
MAIL	Sending and Receiving Control, Exception Handling	1. Sending and Receiving Control	Irregular
		2. Spam mail filtering	Everyday
		3. Detection and elimination of account intrusion and embezzlement	Irregular
		4. Abnormal mail handling	Irregular
Anti-hacker and anti-virus	Prevent computer invasion & information leakage and prevent system abnormal and not working	1. Installation and update of antivirus software	Irregular
		2. Information security notification and publicity	Irregular
		3. User computer exception elimination	Irregular
		4. Operating system patch update processing	Irregular

Responsibilities	Description of Responsibilities	Duties	Information Security Frequency
Account Management	New hires, resignations, and application changes of system permissions	1. MAIL Account Management	Irregular
		2. AD Account Management	Irregular
		3. Employee Account Management	Irregular
		4. Webpage Account Management	Irregular
		5. Bar-code System Account Management	Irregular
Network Management	Information sharing, Internet access control and abnormal traffic management	1. Resource sharing management	Irregular
		2. Internet access control	Irregular
		3. Intrusion prevention detection and abnormal traffic handling	Irregular
		4. Firewall settings	Irregular

(3) **Information security measures when attacked by ransomware**

WannaCry ransomware/ransom worms continue to spread all over the world, and worms will actively attack computer security vulnerabilities. As long as they are connected to the Internet, they will be infected. The Information Department immediately performs and suggests the following actions to avoid virus attacks:

①Use USB flash drive, external hard disk or cloud space to back up important data.

②Close the network shared folder.

③Don't click on unknown websites and archives.

④Patch computer operating system related vulnerabilities Operate Microsoft security patches (ransomware/ransom worms WannaCry/Wcry (want to cry)) from time to time, and download and install the patches.

⑤Open Windows Update of the computer operating system to upgrade the system and fix vulnerabilities at any time.

3. List the losses, possible impacts and countermeasures suffered due to major information and communication security incidents in the last two years and up to the date of publication of books and periodicals. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: none.

VII. Important Contracts:

Nature of Contract	Parties	Contract Beginning and Ending Dates	Major contents	Restrictive Provision
Land Lease	Southern Taiwan Science Park Administration	Jan 1, 2009 to Dec. 31, 2023 and Nov, 1, 2014 to Oct. 31, 2034	Land lease for the Southern Taiwan Science Park in Luchu	None
Land Lease	Administration Bureau of Hsinchu Science Park	May 1, 2022~Oct. 31, 2023	Land lease for the Hsinchu Science Park	None

Chapter 6 Financial Summary

I. Condensed Balance Sheet and Composite Income Sheet of Recent Five Years

(I) Condensed balance sheet and income statements

1. Consolidated condensed balance sheets and comprehensive income statements - IFRS

Unit: NT$ Thousands

Item \ Fiscal year		Financial information for the most recent five years (Note 1)					Current Year Financial information as of March 31, 2022 (Note 3)
		2017	2018	2019	2020	2021	
Current assets		1,888,126	1,871,275	1,489,535	1,773,350	2,407,433	3,319,478
Property, plant and equipment		422,161	403,255	402,069	485,344	523,982	526,100
Intangible assets		4,541	6,187	4,743	3,962	5,034	10,466
Other assets		220,508	239,089	272,722	423,492	641,909	782,855
Total assets		2,535,336	2,519,806	2,169,069	2,686,148	3,578,358	4,638,899
Current liabilities	Before Distribution	632,455	598,595	395,822	696,476	1,191,797	949,629
	After distribution	893,586	856,899	520,808	940,838	Note 2	N/A
Non-current liabilities		41,072	52,063	84,777	85,933	84,261	1,058,105
Total liabilities	Before Distribution	673,517	650,658	480,599	782,409	1,276,058	2,007,734
	After distribution	934,658	908,962	605,585	1,026,771	Note 2	N/A
Equity attributable to owners of parent company		1,861,819	1,869,148	1,688,470	1,903,739	2,302,300	2,631,165
Share Capital		842,389	842,389	833,239	833,239	833,239	833,239
Capital surplus	Before Distribution	378,920	378,920	377,196	327,202	310,911	473,211
	After distribution	378,920	378,920	327,202	310,911	Note 2	N/A
Retained earnings	Before Distribution	657,930	712,420	500,772	673,729	986,617	1,156,224
	After distribution	396,789	454,116	425,780	445,658	Note 2	N/A
Other equity		(17,420)	(18,649)	(22,737)	136,018	237,982	234,940
Treasury Stocks		-	(45,932)	-	(66,449)	(66,449)	(66,449)
Total equity	Before Distribution	1,861,819	1,869,148	1,688,470	1,903,739	2,302,300	2,631,165
	After distribution	1,600,678	1,610,844	1,563,484	1,659,377	Note 2	N/A

Note 1: The financial information from 2017 to 2021 has been audited by CPAs.

Note 2: Distribution of earnings for 2021 is subject to the approval of the shareholders.

Note 3: Financial information has been audited and attested or reviewed by a CPA.

Unit: NT$ Thousands of (except earnings per share)

Item \ Fiscal year	Financial information for the most recent five years (Note 1)					Current Year Financial information as of March 31, 2022 (Note 2)
	2017	2018	2019	2020	2021	
Operating revenue	1,866,853	1,925,869	1,032,376	1,506,320	2,604,316	629,591
Gross profit	846,758	799,933	466,038	738,774	1,217,183	292,418
Operating Income	404,694	328,132	83,504	301,125	635,778	143,712
Non-operating income and expense	(44,332)	41,686	10,475	(5,347)	12,561	35,431
Net income before tax	360,362	369,818	93,979	295,778	648,339	179,143

Income from continuing operations	**303,196**	**314,416**	**83,441**	**246,844**	**541,223**	**149,118**
Net income (loss)	**303,196**	**314,416**	**83,441**	**246,844**	**541,223**	**17,447**
Other comprehensive income (after tax)	**(10,743)**	**(14)**	**(5,815)**	**159,860**	**101,700**	**149,118**
Total comprehensive income	**292,453**	**314,402**	**77,626**	**406,704**	**642,923**	**17,447**
Net income attributable to owners of parent company	**303,196**	**314,416**	**83,441**	**246,844**	**541,223**	**149,118**
Comprehensive income attributable to owners of parent company	**292,453**	**314,402**	**77,626**	**406,704**	**642,923**	**166,565**
Earnings Per Share	**3.60**	**3.74**	**1.00**	**3.01**	**6.64**	**1.83**

*** If a company has prepared a financial report, it shall also prepare a condensed balance sheet and a statement of comprehensive income for the most recent five years.**

Note 1: The financial information from 2017 to 2021 has been audited by CPAs.

Note 2: Financial information has been audited and attested or reviewed by a CPA.

2. Condensed balance sheet and statement of comprehensive income - International Financial Reporting Standards

Unit: NT$ Thousands

Item / Fiscal year		Financial information for the most recent five years (Note 1)					Current Year Financial information as of March 31, 2022 (Note 3)
		2017	2018	2019	2020	2021	
Current assets		1,616,683	1,615,432	1,230,142	1,528,624	2,136,301	N/A
Property, plant and equipment		326,784	314,244	297,441	367,939	393,652	
Intangible assets		4,541	4,961	3,036	2,760	3,931	
Other assets		530,637	535,326	601,246	747,466	1,002,800	
Total assets		2,478,645	2,469,963	2,131,865	2,646,789	3,536,684	
Current liabilities	Before Distribution	575,760	548,752	358,618	657,117	1,152,535	
	After distribution	836,901	807,056	483,604	901,479	Note 2	
Non-current liabilities		41,066	52,063	84,777	85,933	81,849	
Total liabilities	Before Distribution	616,826	600,815	443,395	743,050	1,234,384	
	After distribution	877,967	859,119	568,381	987,412	Note 2	
Share Capital		842,389	842,389	833,239	833,239	833,239	
Capital surplus	Before Distribution	378,920	378,920	377,196	327,202	310,911	
	After distribution	378,920	378,920	327,202	310,911	Note 2	
Retained earnings	Before Distribution	657,930	712,420	500,772	673,729	986,617	
	After distribution	396,789	454,116	425,780	445,658	Note 2	
Other equity		(17,420)	(18,649)	(22,737)	136,018	237,982	
Treasury Stocks		-	(45,932)	-	(66,449)	(66,449)	
Total equity	Before Distribution	1,861,819	1,869,148	1,688,470	1,903,739	2,302,300	
	After distribution	1,600,678	1,610,844	1,563,484	1,659,377	Note 2	

*** If a company has prepared a financial report, it shall also prepare a condensed balance sheet and a statement of comprehensive income for the most recent five years.**

Note 1: The financial information from 2017 to 2021 has been audited by CPAs.

Note 2: Distribution of earnings for 2021 is subject to the approval of the shareholders.

Note 3: There is no financial report for the first quarter of 2022. So this does not apply.

Unit : NT$ Thousands (except earnings per share)

Item \ Fiscal year	Financial information for the most recent five years (Note 1)					Current Year Financial information as of March 31, 2022 (Note 2)
	2017	2018	2019	2020	2021	
Operating revenue	1,614,505	1,684,162	935,563	1,404,066	2,464,209	N/A
Gross profit	792,721	733,938	438,918	699,082	1,152,938	
Operating Income	425,993	339,871	123,678	318,017	632,877	
Non-operating income and expense	(67,075)	29,010	(27,307)	(26,961)	17,008	
Net income before tax	358,918	368,881	96,371	291,056	649,885	
Income from continuing operations	303,196	314,416	83,441	246,844	541,223	
Net income (loss)	303,196	314,416	83,441	246,844	541,223	
Other comprehensive income for the year (Net Income after Tax)	(10,743)	(14)	(5,815)	159,860	101,700	
Total comprehensive income	292,453	314,402	77,626	406,704	642,923	
Earnings Per Share	3.60	3.74	1.00	3.01	6.64	

* If a company has prepared a financial report, it shall also prepare a condensed balance sheet and a statement of comprehensive income for the most recent five years.

Note 1: The financial information from 2017 to 2021 has been audited by CPAs.

Note 2: There is no financial report for the first quarter of 2022. So this does not apply.

(II) Names and Auditing Opinions of CPAs in the Most Recent Five Years

1. The CPAs' names and auditing opinions for the most recent five years. Except for the unqualified opinion auditing report, the auditing opinions shall be described in details.

Fiscal year	Accounting firm	CPA	Auditor's opinions
2017	PricewaterhouseCoopers	Tzu-Yu Lin, Tsi-Meng Liu	Unqualified auditor's report, but with annotations concerning other matters audited by other accountants (Note)
2018	PricewaterhouseCoopers	Tsi-Meng Liu, Yong-Chih Lin	An audit report of unqualified opinion
2019	PricewaterhouseCoopers	Tsi-Meng Liu, Yong-Chih Lin	An audit report of unqualified opinion
2020	PricewaterhouseCoopers	Tsi-Meng Liu, Yong-Chih Lin	An audit report of unqualified opinion
2021	PricewaterhouseCoopers	Yong-Chih Lin, Tsi-Meng Liu	An audit report of unqualified opinion

Note: The investment of the Company in Uni-Ring Tech Co.,Ltd. under equity method has been evaluated and disclosed in the financial report audited by the CPAs appointed by the latter company.

2. Former CPAs and their successors shall state the reasons for the replacement of CPAs in the most recent five years if there is any:

Internal job adjustment has been conducted in accordance with the "Procedures for Reviewing Financial Reports of Listed Companies."

II. Financial Analysis of Most Recent Five Years:

1. Consolidated financial analysis - International Financial Reporting Standards

Item (Note 4) \ Year		Financial analysis of most recent five years					Current Year Financial information as of March 31, 2022 (Note 3) (Note 3)
		2017	2018	2019	2020	2021	
Financial structure (%)	Debt-asset ratio	26.57	25.82	22.16	29.13	35.66	43.28
	Long-term capital to property, plant, and equipment ratio	441.02	463.52	419.95	392.25	439.39	683.43
Liquidity analysis (%)	Current Ratio	298.54	312.61	376.31	254.62	202.00	349.56
	Quick Ratio	243.97	268.93	323.38	199.66	140.04	269.15
	Interest coverage ratio	359.21	3,523.08	161.37	619.78	1,444.96	118.32
Operating ability	Receivables turnover ratio (times)	3.23	2.78	1.78	3.17	3.39	2.60
	Average receivable turnover days	113.00	131.29	205.05	115.14	107.66	140.38
	Inventory turnover ratio (times)	2.80	3.45	2.05	2.15	2.22	1.64
	Payables turnover ratio (times)	3.08	3.45	2.21	2.29	2.39	2.12
	Average inventory turnover days	130.36	105.80	178.04	169.76	164.41	222.56

Item (Note 4) / Year		Financial analysis of most recent five years					Current Year Financial information as of March 31, 2022 (Note 3) (Note 3)
		2017	2018	2019	2020	2021	
	Property, plant and equipment turnover ratio (times)	4.29	4.67	2.56	3.39	5.16	4.80
	Total asset turnover ratio (times)	0.74	0.76	0.44	0.62	0.83	0.60
Profit ability	Return on assets (%)	12.03	12.44	3.58	10.18	17.29	14.64
	Return on equity (%)	16.46	16.85	4.69	13.74	25.74	24.20
	Net profit before tax to paid-in capital ratio (%) (Note 2)	42.78	44.38	11.28	36.31	79.60	87.96
	Net income ratio (%)	16.24	16.33	8.08	16.39	20.78	23.68
	Earnings per share (NT$) (Note 5)	3.60	3.74	1.00	3.01	6.64	1.83

Item (Note 4) \ Year		Financial analysis of most recent five years					Current Year Financial information as of March 31, 2022 (Note 3) (Note 3)
		2017	2018	2019	2020	2021	
Cash Flow	Cash flow ratio (%)	27.38	55.18	71.20	46.57	12.77	6.68
	Cash flow adequacy ratio (%)	119.11	146.46	135.34	131.69	77.46	N/A
	Cash reinvestment ratio (%)	Note 1	3.48	1.25	11.66	Note 1	1.64
Leverage	Operating Leverage	2.09	2.44	5.58	2.45	1.05	1.07
	Financial Leverage	1.00	1.00	1.01	1.00	1.00	1.01

Reasons for changes in various financial ratios for the most recent two years (Analysis is not be required if such changes are within 20%.)

1. The ratio of liabilities to assets increased: the continuous expansion of the main business scale caused the cash level to drop slightly.

2. Decrease of current ratio and quick ratio: As mentioned in the preceding paragraph, the current ratio and quick ratio have declined due to the drop of cash level.

3. The increase in interest coverage ratio: Mainly due to the increase in pre-tax net revenue of current period.

4. Increase of receivable turnover rate and decrease of average collection days: The year-end sales have increased, which makes the receivable balance at the end of the year increase,
but the receivable turnover rate still decreases, and the average collection days also decrease due to the smooth acceptance dunning.

5. The turnover rate of real estate, plant and equipment and the turnover rate of total assets increased: This is due to the increase of sales in the current period.

6. Return on assets, return on equity, ratio of pre-tax net profit to paid-in capital, net profit rate and increase in earnings per share: this is due to the profit growth in the current period.

7. Decrease in cash flow ratio: it is mainly due to the large number of orders at the end of the year, which resulted in a large balance of accounts receivable and stocking amount at the end of this year, resulting in a net operating cash inflow reduce compared with that of last year
.

8. Decrease in operating leverage: it is caused by the decrease in gross profit caused by the adjustment of production and sales allocation.

*If the company has a parent-company-only financial report, it should prepare a parent-company-only financial ratio analysis.

Note 1: Negative numbers are not shown.
Note 2: Calculated by share capital at the end of this period.
Note 3: Financial information has been audited and attested or reviewed by a CPA.
Note 4: At the end of the Annual Report, the following formula shall be listed:

1. Financial structure
   (1) Debt-asset Ratio = Total Liabilities / Total Assets.
   (2) Long-term capital to property, plant, and equipment ratio = (Equity + non-current liabilities) / Net property, plant and equipment
2. Liquidity analysis
   (1) Current Ratio = Current Assets / Current Liabilities.
   (2) Quick Ratio = (Current Assets - Inventories - Prepaid expenses) / Current Liabilities.
   (3) Interest coverage ratio = Net profit before income tax and interest expenses / Interest expenses.
3. Operating ability
   (1) Receivables (including accounts receivable and notes receivable) turnover ratio = Net sales / Average receivables (including accounts receivable and notes receivable)
   (2) Average collection days = 365 / Receivables turnover rate.
   (3) Inventory turnover rate = Cost of sales / Average inventory.
   (4) Payables (including accounts payables and notes payables) turnover ratio = Costs of goods sold / Average payables (including accounts payables and notes payables).
   (5) Average days for sale = 365 / Inventory turnover rate.
   (6) Property, plant and equipment turnover rate = Net sales / Average net property, plant and equipment.
   (7) Total asset turnover ratio = net sales / average total assets.
4. Profitability
   (1) Return on assets = [Net income + Interest expenses (1- Tax rate)] / Average total assets.
   (2) Return on equity = Net income / Average total equity.
   (3) Net profit margin = Net income / Net sales.
   (4) Earnings per share = (Net income attributable to owners of the parent company - Preferred stock dividend) / Weighted average number of issued shares. (Note 6)
5. Cash flow
   (1) Cash flow ratio = Cash flows from operating activities / Current Liabilities.
   (2) Net cash flow adequacy ratio = Net cash flow from operating activities for most recent five years / (Capital expenditures + Inventory additions + Cash dividends) of most recent five years.
   (3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends) / (Gross value of property, plant and

equipment + Long-term Investment + Other non-current assets + Working capital) (Note 7)

6. Leverage
   (1) Operating leverage = (Net revenue - Variable operating costs and expenses) / Operating income (Note 8).
   (2) Financial leverage = Operating income / (Operating income - Interest expenses).

Note 5: In calculating earnings per share with the formula mentioned above, special attention shall be paid to the following matters:
1. It is based on the weighted average common shares, rather than the issued shares at the end of the year.
2. In the event of cash capital increase or treasury stock, the weighted average number of shares shall be calculated with an outstanding period.
3. In the case of capital increase out of earnings or capital surplus, the annual and semi-annual earnings per share shall be adjusted retrospectively to the ratio of capital increase, without considering its issuance duration.
4. If the cumulative preferred shares are non-convertible, then the dividend of the year (whether paid or not) shall be deducted from net income after tax, or included in the net loss after tax. If the preferred shares are non-cumulative, the preferred share dividends should be deducted from the net income after tax. No adjustment is required if the company has loss after tax.

Note 6: In calculating cash flow, special attention should be paid to the following matters:
1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure refers to the annual cash outflows from capital investments.
3. The increase in inventory is taken into account when the balance at the end of period is higher than the balance at the beginning of period. Otherwise, it is taken as zero.
4. Cash dividends include cash dividends for common shares and preferred shares.
5. Gross PP&E refers to the total value of PP&E before the deduction of accumulated depreciation.

Note 7: The issuer shall classify various operating costs and operating expenses into fixed and variable properties. If there is an estimate or subjective judgment, attention should be paid to its rationality and consistency.

Note 8: If the company's stock is not denominated or the denomination is not NT$10, the calculation of the paid-in capital ratios shall be based on the equity attributable to owners of the parent company in the balance sheet.

2. Financial analysis of parent company only financial statements - International Financial Reporting Standards

Item (Note 4) / Year		Financial analysis of most recent five years					Current Year Financial information as of March 31, 2022 (Note 3) (Note 2)
		2017	2018	2019	2020	2021	
Financial structure (%)	Debt-asset ratio	24.89	24.32	20.80	28.07	34.90	N/A
	Long-term capital to property, plant, and equipment ratio	569.74	594.81	567.67	517.41	584.86	
Liquidity analysis (%)	Current Ratio	280.79	294.38	343.02	232.63	185.36	
	Quick Ratio	231.28	256.46	298.25	183.88	126.24	
	Interest coverage ratio	414.02	3,514.15	168.02	609.90	1522.98	
Operating ability	Receivables turnover ratio (times)	3.42	2.96	1.97	3.66	3.68	
	Average receivable turnover days	106.73	123.31	185.28	99.73	99.18	
	Inventory turnover ratio (times)	2.71	3.53	2.27	2.44	2.40	
	Payables turnover ratio (times)	2.89	3.19	2.09	2.23	2.34	
	Average inventory turnover days	134.69	103.40	160.79	149.59	152.08	
	Property, plant and equipment turnover ratio (times)	4.81	5.25	3.06	4.22	6.47	
	Total asset turnover ratio (times)	0.66	0.68	0.41	0.59	0.80	
Profit ability	Return on assets (%)	12.42	12.71	3.65	10.35	17.52	
	Return on equity (%)	16.46	16.85	4.69	13.74	25.74	

Item (Note 4) \ Year		Financial analysis of most recent five years					Current Year Financial information as of March 31, 2022 (Note 3) (Note 2)
		2017	2018	2019	2020	2021	
	Net profit before tax to paid-in capital ratio (%) (Note 3)	42.61	43.79	11.57	35.73	79.79	
	Net income ratio (%)	18.78	18.67	8.92	17.58	21.96	
	Earnings per share (NT$)	3.60	3.74	1.00	3.01	6.64	
Cash Flow	Cash flow ratio (%)	42.79	60.60	80.44	52.15	3.84	
	Cash flow adequacy ratio (%)	128.96	141.56	127.71	134.56	77.75	
	Cash reinvestment ratio (%)	Note 1	3.68	1.65	12.90	Note 1	
Leverage	Operating Leverage	1.86	2.16	3.55	2.20	1.82	
	Financial Leverage	1.00	1.00	1.00	1.00	1.00	

Reasons for changes in various financial ratios for the most recent two years (Analysis is not be required if such changes are within 20%.)

1. The ratio of liabilities to assets increased: the continuous expansion of the main business scale caused the cash level to drop slightly.

2. Decrease of current ratio and quick ratio: As mentioned in the preceding paragraph, the current ratio and quick ratio have declined due to the drop of cash level.

3. The increase in interest coverage ratio: Mainly due to the increase in pre-tax net revenue of current period.

4. Increase of receivable turnover rate and decrease of average collection days: The year-end sales have increased, which makes the receivable balance at the end of the year increase, but the receivable turnover rate still decreases, and the average collection days also decrease due to the smooth acceptance dunning.

5. The turnover rate of real estate, plant and equipment and the turnover rate of total assets increased: This is due to the increase of sales in the current period.

6. Return on assets, return on equity, ratio of pre-tax net profit to paid-in capital, net profit rate and increase in earnings per share: this is due to the profit growth in the current period.

7. Decrease in cash flow ratio: it is mainly due to the large number of orders at the end of the year, which resulted in a large balance of accounts receivable and stocking amount at the end of this year, resulting in a net operating cash inflow reduce compared with that of last year

.

8. Decrease in operating leverage: it is caused by the decrease in gross profit caused by the adjustment of production and sales allocation.

*If the company has a parent-company-only financial report, it should prepare a parent-company-only financial ratio analysis.

Note 1: Negative numbers are not shown.

Note 2: Not applicable as parent company only financial statements for the first quarter of 2022 are not available.

Note 3: Calculated by share capital at the end of this period.

Note 4: At the end of the Annual Report, the following formula shall be listed:

1. Financial structure
   - (1) Debt-asset Ratio = Total Liabilities / Total Assets.
   - (2) Long-term capital to property, plant, and equipment ratio = (Equity + non-current liabilities) / Net property, plant and equipment
2. Liquidity analysis
   - (1) Current Ratio = Current Assets / Current Liabilities.
   - (2) Quick Ratio = (Current Assets - Inventories - Prepaid expenses) / Current Liabilities.
   - (3) Interest coverage ratio = Net profit before income tax and interest expenses / Interest expenses.

3. Operating ability
   (1) Receivables (including accounts receivable and notes receivable) turnover ratio = Net sales / Average receivables (including accounts receivable and notes receivable)
   (2) Average collection days = 365 / Receivables turnover rate.
   (3) Inventory turnover rate = Cost of sales / Average inventory.
   (4) Payables (including accounts payables and notes payables) turnover ratio = Costs of goods sold / Average payables (including accounts payables and notes payables).
   (5) Average days for sale = 365 / Inventory turnover rate.
   (6) Property, plant and equipment turnover rate = Net sales / Average net property, plant and equipment.
   (7) Total asset turnover ratio = net sales / average total assets.
4. Profitability
   (1) Return on assets = [Net income + Interest expenses (1- Tax rate)] / Average total assets.
   (2) Return on equity = Net income / Average total equity.
   (3) Net profit margin = Net income / Net sales.
   (4) Earnings per share = (Net income attributable to owners of the parent company - Preferred stock dividend) / Weighted average number of issued shares. (Note 6)
5. Cash flow
   (1) Cash flow ratio = Cash flows from operating activities / Current Liabilities.
   (2) Net cash flow adequacy ratio = Net cash flow from operating activities for most recent five years / (Capital expenditures + Inventory additions + Cash dividends) of most recent five years.
   (3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends) / (Gross value of property, plant and equipment + Long-term Investment + Other non-current assets + Working capital) (Note 7)
6. Leverage
   (1) Operating leverage = (Net revenue - Variable operating costs and expenses) / Operating income (Note 8).
   (2) Financial leverage = Operating income / (Operating income - Interest expenses).

Note 5: In calculating earnings per share with the formula mentioned above, special attention shall be paid to the following matters:
1. It is based on the weighted average common shares, rather than the issued shares at the end of the year.
2. In the event of cash capital increase or treasury stock, the weighted average number of shares shall be calculated with an outstanding period.
3. In the case of capital increase out of earnings or capital surplus, the annual and semi-annual earnings per share shall be adjusted retrospectively to the ratio of capital increase, without considering its issuance duration.
4. If the cumulative preferred shares are non-convertible, then the dividend of the year (whether paid or not) shall be deducted from net income after tax, or included in the net loss after tax. If the preferred shares are non-cumulative, the preferred share dividends should be deducted from the net income after tax. No adjustment is required if the company has loss after tax.

Note 6: In calculating cash flow, special attention should be paid to the following matters:
1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure refers to the annual cash outflows from capital investments.
3. The increase in inventory is taken into account when the balance at the end of period is higher than the balance at the beginning of period. Otherwise, it is taken as zero.
4. Cash dividends include cash dividends for common shares and preferred shares.
5. Gross PP&E refers to the total value of PP&E before the deduction of accumulated depreciation.

Note 7: The issuer shall classify various operating costs and operating expenses into fixed and variable properties. If there is an estimate or subjective judgment, attention should be paid to its rationality and consistency.

Note 8: If the company's stock is not denominated or the denomination is not NT$10, the calculation of the paid-in capital ratios shall be based on the equity attributable to owners of the parent company in the balance sheet.

III For Audit Committee's report on financial statements for the most recent fiscal year: please refer to Page 126.

IV As for the annual financial report of the most recent year: please refer to pages 141~213.

V Parent Company Only Financial Statements for the Most Recent Fiscal Year, Certified by CPAs: Please refer to pages 214~312.

VI. Impact of financial difficulties of the company and affiliated companies on the financial status of the company in the most recent year, up to the publication date the Annual Report: None.

III. Audit Committee's Report on Financial Statements for the Most Recent Fiscal Year

All Ring Tech Co., Ltd.
Audit Committee's Review Report

The Board of Directors has prepared the Company's 2021 Business Report, Financial Statements and the proposal for distribution of earnings. Yong-Chih Lin and Tsi-Meng Liu the CPAs from PricewaterhouseCoopers Taiwan (PwC Taiwan) was retained to audit the Company's Financial Statements and have issued an audit report relating to the Financial Statements. We have examined the Company's 2021 Business Report, Financial Statements, and the proposal for distribution of earnings that have been approved by the Board of Directors. We hereby respectfully prepare and present this Report in accordance with Article 14-4 of Security Exchange Act and Article 219 of Company Act for your review.

To

2022 Shareholders' Meeting of All Ring Tech Co., Ltd.

All Ring Tech Co., Ltd.

Convener of the Audit Committee: Ming-Hsien Li

February 21, 2022

Chapter 7 Review and Analysis of Financial Position and Financial Performance, and Listing of Risks

I. Financial Position

Unit: NT$ Thousands

Fiscal year / Item	2021	2020	Difference: Increase (decrease) amount	Difference: %
Current assets	2,407,433	1,773,350	634,083	35.76
Property, plant and equipment	523,982	485,344	38,638	7.96
Intangible assets	5,034	3,962	1,072	27.06
Other assets	641,909	423,492	218,417	51.58
Total assets	3,578,358	2,686,148	892,210	33.22
Current liabilities	1,191,797	696,476	495,321	71.12
Non-current liabilities	84,261	85,933	(1,672)	(1.95)
Total liabilities	1,276,058	782,409	493,649	63.09
Share Capital	833,239	833,239	0	0.00
Capital surplus	310,911	327,202	(16,291)	(4.98)
Retained earnings	986,617	673,729	312,888	46.44
Other equity	237,982	136,018	101,964	74.96
Treasury Stocks	(66,449)	(66,449)	0	0.00
Total Shareholders' Equity	2,302,300	1,903,739	398,561	20.94

Explanation of increased or decreased percentage (except for difference less than 20%):

1. Increase in current assets: The main reason was that the accounts receivable doubled compared with the end of last year due to more orders at the end of the year, and more machines were stocked.

2. Increase of intangible assets: it was mainly due to the purchase of multiple sets of computer software needed for development.

3. Increase of other assets: it was mainly due to the successive purchase of strategic investment financial assets and the appreciation of financial assets.

4. Total increase in assets: The above three changes were the main reasons for the increase in the balance of assets at the end of this year compared with the end of last year.

5. Increase in current liabilities: The main reason was that the demand for stocking was increased in response to the growth of orders, which leaded to an increase in payables at the end of the year. The secondary reason was the jump in business performance this year, which leaded to the increase of income tax payable and estimated payable reward. The next reason was the new short-term loans.

6. Total increase in liabilities: The changes in the above three current liabilities were the main reasons for the total increase in liabilities at the end of this year.

6. Increase in retained earnings: it was due to the operating profit of the current year.

7. Increase in other equity: it was due to the appreciation of the financial assets included in other comprehensive profit or loss due to the evaluation adjustment of the purchase.

II. Financial Performance

Unit: NT$ Thousands

(I) Comparison and Analysis of Financial Performance

Item / year	2021	2020	Increase (decrease) amount	Percentage of the changes (%)
Operating revenue	**2,604,316**	**1,506,320**	**1,097,996**	**72.89**
Operating cost	**1,387,133**	**767,546**	**619,587**	**80.72**
Gross profit	**1,217,183**	**738,774**	**478,409**	**64.76**
Operating expense	**581,405**	**437,649**	**143,756**	**32.85**
operating profit	**635,778**	**301,125**	**334,653**	**111.13**
Non-operating income and expense	**12,561**	**(5,347)**	**17,908**	**334.92**
Pre-tax profit from continuing operation	**648,339**	**295,778**	**352,561**	**119.20**
Income tax expense	**107,116**	**48,934**	**(58,182)**	**118.90**
Net income	**541,223**	**246,844**	**294,379**	**119.26**
Other comprehensive income of this period	**101,700**	**159,860**	**(58,160)**	**(36.38)**
Total comprehensive income of this period	**642,923**	**406,704**	**236,219**	**58.08**

Explanation of increased or decreased percentage (except for difference less than 20%):

1. The increases in operating revenue, operating cost, gross operating profit, operating profit, pre-tax net profit of continued division, income tax expense, net profit in current period, other comprehensive incomes and the total comprehensive profit for the period was mainly because the customers increased capital expenditures to satisfy the expansion need and significantly increased orders as opposed to the previous period, which increased the operating revenue and profit of the Company.

2. The decrease in non-operating income and expense was mainly due to the impact from the exchange rate fluctuation.

(II) Expected sales in the upcoming year and its basis, its potential Impact on the Company's future financial business, and the countermeasures thereof: The Company expects the sale to increase over 2021 and benefit the Company, after considering changes in the overall economic environment, industrial trends, and the Company's development.

III. Review and Analysis of Cash Flow

(I) Analysis of cash flow changes of the most recent year:

Unit: NT$ Thousands

Item \ Year	2021	2020	Change Amount	Change %
Net cash inflows (outflows) from operating activities	152,214	324,337	(172,123)	(53.07)
Net cash inflows (outflows) from investing activities	(183,579)	(112,220)	(71,359)	63.59
Net cash inflows (outflows) from financing activities	(166,861)	(196,293)	29,432	(14.99)

Main reasons for cash flow changes for the most recent year:

(1) The net cash inflow from business activities in 2021 decreased compared with that in 2020: the main department shipped more goods at the end of the year, and this part of the receivables has not been recovered. And there are more stocks in response to the demand of the order, this part of cash flow will be recovered after shipment.

(2) The net cash outflow from investment activities in 2021 increased compared with that in 2020: it was mainly due to the successive purchase of strategic investment financial assets and the purchase of additional real estate, plant and equipment.

(3) The net cash outflow of fund-raising activities in 2021 decreased compared with that in 2020: although the amount of dividends distributed in this year increased, the net cash outflow decreased due to the addition of short-term loans in this year.

(II) Corrective Measures for Insufficient Liquidity: Not applicable.

(III) Analysis on cash flow liquidity in upcoming Year (2022)

Unit: NT$ Thousands

Beginning Cash Balance	Net cash flow from operations of the whole year	Net cash flow from investment and financing activities of the whole year	Cash balance (Deficiency) Amount	Countermeasures for cash deficiency	
				Investing plan	Financial plan
637,280	(975,706)	(488,970)	(827,396)	-	-

(1) Analysis of cash flow in 2022

①Business activities: It is expected that the company's operating scale will continue to grow, and its net cash will flow out due to the continuous consumption of operating funds.

②Investment activities: The Company expects to continue to grow in business and expand its business scale, creating a net cash outflow from investment activities.

③Financing activities: Cash outflow from the dividend distribution in cash.

(2) Remedy measures and liquidity analysis of estimated cash shortage: by issuing corporate bonds for operating turnover and speeding up the process of customer acceptance and collection, the company's capital level can be raised.

IV. Effect upon Financial Operations of Major Capital Expenditures in the Most Recent Fiscal Year:

1. The use of major expenditures and funding sources: None.

2. Expected benefits: None.

V. Reinvestment Policy and the Main Reasons for Profits/ Losses thereof, Improvement Plan, and One-Year Investing Plan:

Unit: NT$ thousand

Explanation	Investment amount	Policy	Main reasons for profit or loss	Improvement plan	Other future investment plans
Uniring Tech Co., Ltd.	NT$ 230,000,000	To disperse business risks and expand business over consumer electronics	Recognized as investment loss because the invested company has largely invested in R&D, and the product gross was still low.	To improve product development.	In consideration of the operation scale to evaluate the need for increasing investment.
PAI FU INTERNATIONAL LIMITED	NT$ 65,263,000	Invested in Kunshan All Ring Tech Co., Ltd., and All Ring Tech (Kunshan) Co., Ltd.	Recognized as reinvestment loss because the reinvestee company suffered from reduced orders in 2020 due to a poor business environment in passive components.	N/A	N/A
IMAGINE GROUP LIMITED	NT$ 240,768,000	Invested in All Ring Tech (Kunshan) Co., Ltd.	Recognized as reinvestment loss because the reinvestee company suffered from reduced orders in 2021 due to a poor business environment in passive components.	N/A	N/A

VI. Risk Factors:

(I) Risk factors

1. Impacts of fluctuations in interest rates, foreign exchange rates and inflation on the company's profitability and future countermeasures

(1) Impact from Interest Rate Changes

Item	2021 (NT$1000; %)
Net interest gain/loss	973
Net currency exchange gain/loss	(13,431)
Ratio of net interest income/expense to net revenue	0.04%
Ratio of net interest income/expense to net income before tax	0.15%
Ratio of currency exchange gain/loss to	(0.52%)

net revenue	
Ratio of currency exchange gain/loss to net income before tax	(2.07%)

The small ratios listed in the table above show that interest rate fluctuations have a minor impact on the overall profitability. Based on sound and conservative financial management principles, the company will keep in close touch with the banks to keep up to date the relevant information on interest rate changes, to lessen the impact of interest rate fluctuations.

(2) Impact from Exchange Rate Changes

The exported sales quotation and oversea raw materials purchases of the Company are both traded in U.S. dollars. Because the recurring offset of sales and purchases has the effect of a hedge against exchange rate changes, the revenue and profit should not be greatly affected. In order to strengthen the risk management of exchange rate fluctuations, the following countermeasures have been taken:

A. By the nature hedging, the foreign currency receivables from the sales are used to pay for the foreign currency payables for the purchases. Accordingly, the assessment shall focus only on foreign currency. The forecast of the exchange rate trend shall allow settling or paying off foreign currency purchases and operating financial instruments promptly, reducing exchange rate risks.

B. The financial staffs shall keep tack of exchange rate fluctuations by monitoring international financial situations, maintaining close contact with bank exchange personnels, and collecting financial information provided by banks and investment institutions.

C. When the business staff offers price and bargains, he shall also weigh the exchange rate fluctuations and adjust the product price accordingly.

(3) Impact from Inflation

The prices of raw materials required by the Company are stable. The easing inflation nowadays shall not affect much the future profit and loss of the Company.

2. The policies, main reasons for profits/losses, and future countermeasures for high-risk, high-leverage investments, lending funds to other parties, endorsements/guarantees, and derivatives trading

(1) Engagement in any high risk and high-leverage investments: None.

(2) Policies, main reasons and future countermeasures for capital lending to others

A. Policy

Lending capital to others shall be handled in accordance with the company's “Procedures for Lending of Capital to Others.”

B. Main reasons

To keep in operation the company's sub-subsidiary, All Ring Tech (Kunshan) Co., Ltd. (hereinafter referred to as All Ring Tech (Kunshan)), the company's sub-subsidiary, Kunshan All Ring Tech Co., Ltd. (hereinafter referred to as Kunshan All Ring Tech) shall, under the approval of the Board of Directors, lend a capital of RMB8 million or less to All Ring Tech (Kunshan) with a one-year period. As of the publication date the Annual Report, the loan balance was RMB0.

C. Future countermeasures: None.

(3) Policies, main reasons and future countermeasures for endorsements:

A. Policy

Endorsements/guarantees shall be handled in accordance with the company's "Procedures for Endorsements and Guarantees.”

B. Main reasons

The subsidiary, Uniring Tech Co., Ltd., intended to apply to a financial institution for a loan required for its working capital turnover. The Company has offered an endorsement of NT$30,000 thousand with an one-year period, in accordance with the Board's resolution on February 21, 2022.

C. Future countermeasures: None.

3. Future R&D plans and estimated R&D expenses

(1) Future R&D plans

To maintain the long-term advantages in R&D capabilities, the Company has filed the patents for key core technologies to the Intellectual Property Bureau. In addition, the Company has continued to invest largely in R&D, recruit outstanding R&D engineers, and make sure that training programs have been implemented as planed. These policies shall advance the R&D capabilities of the Company to a technical advantage over industrial competitors. To this end, the Company has set up the goal to develop five new types of automatic machines every year. The R&D strategies are listed as follows:

A. To grasp fully the market and the needs of customers. With the satisfaction of customers in mind, the R&D professionals that the Company has trained shall continue to cultivate mainstream technologies.

B. The development of successful R&D technical processes is regulated by the standard of the quality assurance system, to ensure that the technology-developing experience is being passed on.

C. To cultivate ample interaction with research institutes and academic units. With the aid and guide by the leading experts and scholars, the R&D capabilities can be strengthened step by step.

D. To build a strategic alliance with technical developers, in order to guide the

R&D direction or develop new technologies, and reduce R&D costs and risks.

E. To collaborate with foreign professional equipment manufacturers on developing new products. The gradual transfer of technologies shall make possible the independence of the Company in the long term.

(2) The Company has upheld the belief that core technologies must be developed by its R&D personnels. To this end, NT$495,690,000 has been allocated for R&D development in 2022.

4. Effect on the company's financial operations of relevant policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response

The company has paid great attention to changes in major domestic/overseas policies and regulations and has taken necessary actions in response to these changes. Present changes in major domestic/overseas policies and regulations have no significant impact on the company's financial business.

5. Impact of changes in technologies and industries on the company's finance and business, and the countermeasures thereof

The R&D and manufacturing of semiconductor packaging and testing equipment is the main development goal of the company in the near future. Continuous R&D and innovation are the main competitive niches for the company to become a first-tier packaging and testing equipment factory. R&D funds and active cultivation of R&D personnel enable the company to stably occupy a leading position in the industry. The company's operating performance also maintains a stable growth trend. Therefore, technological changes have a positive effect on the company's financial business.

Therefore, technological changes have a positive effect on the company's financial business. In response to the risks brought by changes in the industry, the company constantly communicates with customers and customizes and improves according to customer needs. Reduce the uncertainty of product development, improve the timeliness and success rate of product development, and have been recognized by international semiconductor manufacturers. On the basis of product understanding, we continue to optimize to increase machine efficiency and reduce production costs. With the advantages of excellent independent process research and development technology and stable mass production experience, we can respond to changes in industry trends.

Due to the increasing development of the Internet, the threats to network and information security are also increasing day by day. The company has set up an

information security executive who manages the information security executive team and the information security emergency handling team to formulate a number of information security-related matters. Information security plan and regularly evaluate the effectiveness of implementation. Through irregular information security education training and publicity, prevent external malicious intrusions to steal sensitive information and ransomware from kidnapping the company's database, and check whether there is abnormal information flow through system inspection to prevent the company's R&D results from leaking out, to ensure The important systems related to company operation, accounting and so on can operate effectively. **Please refer to pages 73~74 for details of the implementation and countermeasures.**

6. Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response

The company commits to maintaining a high degree of professional ethics and management operations. No unethical behavior will be allowed under the established integrity standards. In the event of a crisis, the relevant analysis shall be conducted, and countermeasures shall be taken to minimize the impact and smooth the operation.

7. Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken

In the most recent year up to the date this report is published, the Company has had no plans for mergers and acquisitions. The benefits of any future merger and acquisition plans will be evaluated carefully to ensure the shareholders' interests.

8. Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken

The construction of the second-phase new plant has been completed. This new plant is set to meet the growth of downstream industries and demands on new products. The company's revenue and customer satisfaction are expected to increase, while its competitiveness in the market is strengthened. No relevant risks are to be concerned with.

9. Risks on concentrated sources of sales/purchases, and the countermeasures thereof

(1) Purchase:

The Company maintains a steady long-term collaboration with suppliers. Once a certain supplier fails to be a stable suppler or fails to deliver on time, the Company will first seek other suppliers or suitable alternative materials. All suppliers have no market monopoly over the main raw materials provided to the Company. Instead, a long-term, stable partnership of good quality has been established

between the Company and the suppliers. Meanwhile, the Company also reviews the quality of supplied raw materials from time to time, and inquires about other good suppliers in order to disperse the risk of concentrated purchase.

(2) Sales:

To avoid the impact from the environmental fluctuations in specific industries, the company has, in addition to developing manufacturing equipment for passive components (resistance, capacitance, and inductance) and semiconductor equipment, succeeded to expand its business on LEDs and testing equipment. Furthermore, judging from the fact that the top ten sale customers of the company for the past three years are mostly well-known manufacturers, and from the fact that the capital expenses of large semiconductor package companies have gone up to meet the current trend toward thin and light electronic products, there is no risk of concentrated sales at the present moment.

10. The impact, risks and countermeasures of a large number of transfer or replacement of shares of directors or major shareholders holding more than 10% shares on the company.

There is no described circumstance in the most recent year up to the publication date of this report.

11. Impact and risk of change in management right, and the countermeasures thereof:

There is no such concern in the most recent fiscal year up to the date this report is published.

12. Other significant risks, and mitigation measures being or to be taken

There is no such concern in the most recent fiscal year up to the date this report is published.

(II) Litigations and Non-Litigations

1. For litigations that have been settled or are still ongoing, and non-litigations or administrative disputes, which occurred during the most recent two years up to the date this report is published, the Company shall disclose the disputed facts, monetary amount involved, proceeding starting date, main involved parties, and the current handling status if these matters have a significant impact on the shareholders' interests or securities prices: None.
2. For the Company's Directors, Supervisors, President, person in charge, and shareholders who own 10% or more of the company's stock having, in the most recent two years up to the publication date of the Annual Report, been involved in litigation cases that have been settled or are still ongoing, and non-litigation cases or

administrative disputes, the company shall disclose their possible impacts on the shareholders' equity or securities prices: None.

3. For the company's Directors, managerial officers, and shareholders who own 10% or more of the company's stock having, in the most recent two years up to the publication date of the Annual Report, been involved in the affairs specified in Article 157 of the Securities Exchange Act, the company shall disclose how it handles the matter at the present moment: None.

(III) Facts regarding the hard-up financial standing and loss of credit standing suffered by the directors, managers and shareholders taking 10% or more of the company's shares in recent year and the period as of the publication date of the Annual Report: If any, please specify the impact on the financial standing of the Company: None.

VII. Other Important Matters:

(I) Succession Planning and Operation of Board Members

1. The Articles of Association of the Company stipulates that the candidate nomination system shall be adopted for the election of directors, and the Code of Practice for Corporate Governance and the Measures for the Election of Directors stipulate that the composition of the board of directors shall consider diversification, and the diversification policy shall be formulated according to the company's own operation, operation type and development needs, including but not limited to two major standards, namely, basic conditions and values, professional knowledge and skills.
2. The Company's succession plan for directors establishes a database of directors candidates according to the following criteria:
   (1) Honesty, responsibility, innovation and decision-making, consistent with the core values of the company, and professional knowledge and skills helpful to the company's operation and management.
   (2) Having industrial experience related to the business of the Company.
   (3) Continuously providing an effective, coordinated, diversified board of directors that meets the needs of the Company.
3. The Company's performance evaluation measures by the "Board Self-Evaluation or Peer Evaluation Method" include the control of the company's objectives and tasks, the recognition of responsibilities, the participation in operation, the internal relationship management and communication, professional functions and further study, internal control and specific opinions, etc., so as to confirm the effective operation of the board of directors and evaluate the performance of directors, which can be used as a reference for selecting directors in the future.

(II) Succession Planning and Operation of Important Management

The Company is led by the Chairman, President and senior executives, and

continues to achieve success in R&D, business, management, manufacturing, and finance. As for the successor to the chairman and president, it is necessary to have a deeper understanding of the personality traits, professional learning ability, and the degree of fit with the company. It is also essential to evaluate the willingness of the successor to take over the company, and then decide the appropriate successor. Also, according to their professional ability and qualifications, appropriate experience and cultivation will be given, and proper guidance will be provided in the process. In this process, the target successor will be given greater operational flexibility and latitude to improve its performance and credibility inside and outside the organization, helped to establish a team that can cooperate and proposes future development directions for the company, for a successful transition.

In the planning succession plan, in addition to the excellent workability, successors must conform to the company's values. Personality traits must include integrity, commitment, innovation, and customer trust. The Company's demand for its all-level personnel has been increasing, and the Company has paid more and more attention to management and interpersonal skills. The Company has the following priorities in planning the entire successor team:

1. **Determine the continuation of leadership style and understand the wishes, motivations, ideas, and values of successors through careful observation and performance appraisal reports daily, hoping that when taking over a plan in the future, the entire successor team can have a consistent view on the tasks to be implemented.**
2. **Confirm whether the ability and skills of the successor candidates are sufficient, give appropriate training, arrange appropriate training courses according to their personal characteristics, and review their learning progress. Through professional ability training, they can be integrated and applied to cultivate their judgment ability in decision-making. In addition, once or twice a year, education and training courses on new management knowledge are held for supervisors from time to time, so as to enhance their management thinking and learn new management tools with the times. For example, in October, 2021, "KPI Indicator Setting and Management Practice Training" was held. Through this seminar, the supervisor can use the new tools to set departmental KPI.**
3. **Maximize the talent database. In choosing successor candidates, efforts shall be made to expand the source of candidates as much as possible. Do not simply pick people who are in the same field, personality, or thinking mode.**
4. **Different departments are responsible for related business and development inside the organization, responsible for deepening the perception of the operating concept and developing their skills through relevant R&D, production, marketing, business or financial meetings in the hope of screening important members of the**

successor team. The Company expect that the successor plan will realize a seamless connection in the following 3-5 years.

5. Business group meetings shall be held twice a month, attended by the company's senior executives. Participants exchange views on the company's major operational issues and share new knowledge of external industries. The company also conducts meetings to observe whether any of the executives' personality traits, values and work ability meet the company's successor characteristics.

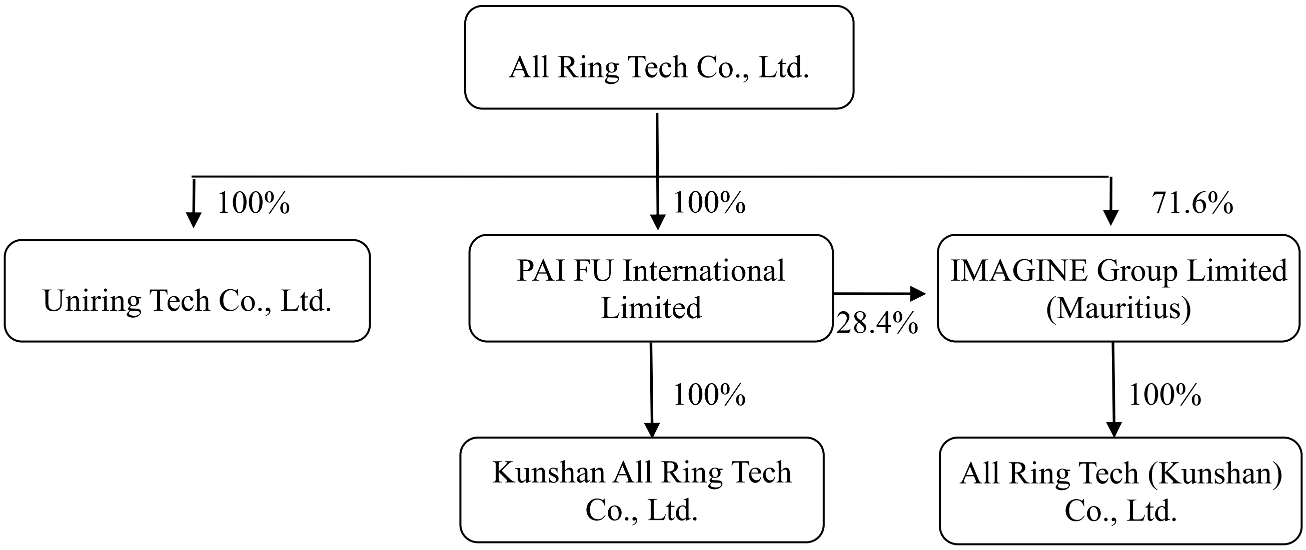
Chapter 8 Special Notes

I. Information on Affiliated Companies

(I) Consolidated Operation Report of Affiliates

1. Organizational Chart of Affiliated Companies

The Company affiliates up to Dec 31, 2021 are as follows:



2. Information of Subsidiaries and Affiliates

December 31, 2021

Affiliated Company	Relations with the Company	Reciprocal shareholding ratio	Actual investment amount of the Company
PAI FU International Limited (BVI)	A 100% subsidiary of the Company	Does not hold any shares of the Company	NT$ 65,263,000
IMAGINE Group Limited (Mauritius) (Note 1)	A 100% subsidiary of the Company	Does not hold any shares of the Company	NT$182,840,000
Uniring Tech Co., Ltd.	A 100% subsidiary of the Company	Does not hold any shares of the Company	NT$ 230,000,000
Kunshan All Ring Tech Co., Ltd.	A 100% sub subsidiary	Does not hold any shares of the Company	US$1,500,000
All Ring Tech (Kunshan) Co., Ltd.	A 100% sub subsidiary	Does not hold any shares of the Company	US$7,200,000

Note 1: The company also reinvested in IMAGINE Group Limited US$2,070 thousand via its subsidiary PAI FU International Limited, holding 28.4% of the shares.

3. Shareholders presumed to have a relationship of control and subordination: None.

4. Overall business scope of affiliated companies: The business of the company and its affiliated companies includes design, manufacturing, and sale of machinery and equipment, optical equipment manufacturing, data storage media units manufacturing, and software design services, etc.

5. Information on affiliated companies

Company Name	Title	Name or Representative	Number of Shares Held	
			Number of Shares	Shareholding Ratio
PAI FU INTERNATIONAL LIMITED	Director	Ching-Lai Lu	-	-
Kunshan All Ring Tech Co., Ltd.	Director	Ching-Lai Lu	-	-
IMAGINE GROUP LIMITED	Director	Hsin-Yao Cheng	-	-
All Ring Tech (Kunshan) Co., Ltd.	Director	Ching-Lai Lu	-	-
Uniring Tech Co., Ltd.	Director	Ching-Lai Lu	-	-

6. Overview of the operations of affiliated companies:

2021

Company Name	Capital on Stock	Total Assets	Total liabilities	Net Value	Operating Revenue	Operating Gain (Loss)	Profit after tax	Earnings per share (NT$) (after tax)
PAI FU INTERNATIONAL LIMITED (Note 1)	1,930	4,498	0	4,498	0	(4)	103	N/A
IMAGINE GROUP LIMITED(註 1)	7,290	10,465	1	10,464	0	(6)	328	N/A
All Ring Tech (Kunshan) Co., Ltd. (Note 2)	51,078	80,448	14,075	66,373	46,625	999	2,156	N/A
Kunshan All Ring Tech Co., Ltd. (Note 2)	12,406	9,755	296	9,459	0	(154)	(100)	N/A
Uniring Tech Co., Ltd. (Note 3)	108,559	60,223	6,256	53,967	22,036	2,138	2,139	0.26

Note 1: Units in thousand USD
Note 2: Units in thousand CNY.
Note 3: Units in thousand NTD.

(II) Consolidated Financial Statements of Affiliated Companies: Please refer to Pages 141~213.

(III) Declaration of Consolidated Financial Statements of Affiliated Companies: Please refer to Page 140.

II. Private Securities of Most Recent Year, up to the Date this Report is Published: None.

III. Holding or Disposition of the Shares by the Company Subsidiaries in the Most Recent Year, up to the Date this Report is Published: None.

IV. Essential Supplements: None.

V. Any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities during the most recent fiscal year or the current fiscal year up to the publication date of the Annual Report: None.

All Ring Tech Co., Ltd.

Declaration of Consolidated Financial Statements of Affiliates

In 2021 (from January 1 to December 31, 2021), the affiliated companies required to be included in the consolidated financial statement of affiliated companies under the 'Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises' are the same as those included in the consolidated financial statement of the parent company and subsidiaries prescribed by the International Financial Reporting Standards No. 10 (IFRS 10) , which is recognized by Financial Supervisory Commission ROC. All the relevant information to be disclosed in the consolidated financial statements of affiliated companies has already been disclosed in the consolidated financial statement of the parent company and the subsidiaries. Thus, the consolidated financial statements of affiliated companies are not reported separately.

As hereby declared

Company Name: All Ring Tech Co., LTD.

Person in charge: Jing-lai

February 21, 2022

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of All Ring Tech Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of All Ring Tech Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 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.

Basis for opinion

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

Key audit matters

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

Key audit matters for the Group's consolidated financial statements of the current period are stated as follows:

Revenue recognition

Description

Refer to Note 4(27) for accounting policies on revenue recognition.

The sales revenue of the Group is primarily from the assembly and sale of equipment. Based on the terms of the sale agreement, sales revenue is recognised when the control of the goods sold is transferred to the customer after the installation of the goods or the acceptance of the goods by the customer, being when the goods are delivered to the customer, the customer has full discretion over the channel and price to sell the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. As the transfer of control of the goods to the customer in a sale transaction involves manual process and judgement, there exists a risk of material misstatement that may arise from improper revenue recognition for transactions that occur near the balance sheet date and the transaction amounts are usually material. Thus, we considered the cutoff of revenue a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained an understanding and assessed the accounting policy on revenue recognition.
2. Understood and assessed internal control over revenue recognition, tested the effectiveness of internal controls over the shipment of goods and verified the timing of revenue recognition.
3. Tested the cutoff of transactions that occurred a certain time before or after the balance sheet date in order to verify whether the control of the goods for which revenue has been recognised was transferred, and whether the revenue was recorded in the appropriate period.

Evaluation of inventories

Description

Refer to Note 4(10) to the consolidated financial statements for the accounting policy on inventory valuation, Note 5(2) for information on the uncertainty of accounting estimates and assumptions on inventory valuation, and Note 6(5) for information on allowance for inventory valuation losses. As of December 31, 2021, inventory and allowance for inventory valuation losses were NT$803,658 thousand and NT$81,557 thousand, respectively.

The Group develops, manufactures, and assembles production equipment for semiconductors and passive components. Due to rapid changes in technology, the risk of the materials inventory of related equipment incurring valuation losses or becoming obsolete is high. Inventories are stated at the lower of cost and net realizable value. The net realizable value of inventory that is over a certain age or individually identified as obsolete is determined based on the historical information on inventory obtained by management from periodic inspections.

The technology related to the Group's products is rapidly changing, and the determination of the net realizable value of inventory identified as obsolete involves subjective judgement. Thus, we considered the evaluation of inventories a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Ensured consistent application and assessed the reasonableness of the Group's policies and procedures on setting allowance for inventory valuation losses according to applicable accounting principles and the auditors' understanding of the nature of the Group's industry. This included assessing the reasonableness of the source of the historical information on inventory used in determining net realizable value and assessing the reasonableness of judgments of obsolete inventory items.

2. Obtained an understanding of the Group's warehousing control procedures. Reviewed annual physical inventory count plan and participated in the annual inventory count in order to assess the classification of obsolete inventory and effectiveness of internal control over obsolete inventory.

3. Tested the appropriateness of the logic used in evaluating the net realizable value of inventory and inventory aging report, selected samples from inventory items by each sequence number to verify its net realizable value and to verify the reasonableness of the allowance for inventory valuation losses.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of All Ring Tech Co., Ltd. as at and for the years ended December 31, 2021 and 2020.

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 Audit Committees, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of

not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

6. Obtain sufficient 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 that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lin Yung-Chih

Independent Accountants

Liu Tzu-Meng

PricewaterhouseCoopers, Taiwan

Republic of China

February 21, 2022

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ALL RING TECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2021 AMOUNT	%	December 31, 2020 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 637,280	18	$ 839,507	31
1136	Financial assets at amortised cost - current	6(3)	29,043	1	29,065	1
1150	Notes receivable, net	6(4)	178,797	5	76,449	3
1170	Accounts receivable, net	6(4) and 12	815,925	23	429,586	16
1200	Other receivables		7,998	-	7,089	-
1220	Current income tax assets	6(23)	-	-	8,908	-
130X	Inventories	5(2), 6(5)(7)	722,101	20	370,771	14
1410	Prepayments		16,289	-	11,975	1
11XX	**Tottal current assets**		2,407,433	67	1,773,350	66
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)	490,573	14	255,355	9
1535	Financial assets at amortised cost - non-current	6(3) and 8	15,403	1	15,403	1
1600	Property, plant and equipment	6(7) and 8	523,982	15	485,344	18
1755	Right-of-use assets	6(8)	62,703	2	68,691	3
1780	Intangible assets		5,034	-	3,962	-
1840	Deferred income tax assets	6(23)	46,934	1	53,870	2
1915	Prepayments for business facilities		10,881	-	-	-
1920	Guarantee deposits paid		4,650	-	6,476	-
1960	Prepayments for investments - non-current		-	-	10,000	-
1990	Other non-current assets		10,765	-	13,697	1
15XX	**Total non-current assets**		1,170,925	33	912,798	34
1XXX	**Total assets**		$ 3,578,358	100	$ 2,686,148	100

(Continued)

ALL RING TECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2021 AMOUNT	%	December 31, 2020 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(9) and 8	$ 80,000	2	$ -	-
2130	Current contract liabilities	6(16)	27,263	1	26,414	1
2150	Notes payable		8,646	-	791	-
2170	Accounts payable	7	704,082	20	448,781	17
2200	Other payables	6(10)	268,513	7	176,380	6
2230	Current income tax liabilities	6(23)	75,227	2	23,121	1
2250	Provisions for liabilities - current	6(11)	23,101	1	16,078	1
2280	Lease liabilities - current		4,965	-	4,911	-
21XX	**Total current liabilities**		1,191,797	33	696,476	26
	Non-current liabilities					
2570	Deferred income tax liabilities	6(23)	25,707	1	25,707	1
2580	Lease liabilities - non-current		28,385	1	33,350	1
2640	Net defined benefit liabilities - non-current	6(12)	27,757	1	26,876	1
2645	Guarantee deposits received		2,412	-	-	-
25XX	**Total non-current liabilities**		84,261	3	85,933	3
2XXX	**Total liabilities**		1,276,058	36	782,409	29
	Equity					
	Share capital					
3110	Common stock	6(13)	833,239	23	833,239	31
3200	Capital surplus	6(14)	310,911	9	327,202	12
	Retained earnings	6(15)				
3310	Legal reserve		281,334	8	256,539	10
3320	Special reserve		22,737	-	22,737	1
3350	Unappropriated retained earnings		682,546	19	394,453	15
3400	Other equity interest	6(6)	237,982	7	136,018	5
3500	Treasury stocks	6(13)	(66,449)	(2)	(66,449)	(3)
3XXX	**Total equity**		2,302,300	64	1,903,739	71
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	**Total liabilities and equity**		$ 3,578,358	100	$ 2,686,148	100

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

ALL RING TECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

	Items	Notes	For the years ended December 31, 2021 AMOUNT	2021 %	2020 AMOUNT	2020 %
4000	Operating revenue	6(16)	$ 2,604,316	100	$ 1,506,320	100
5000	Operating costs	6(5)(8)(12)(21)(22) and 7	(1,387,133)	(53)	(767,546)	(51)
5900	Net operating margin		1,217,183	47	738,774	49
	Operating expenses	6(8)(12)(21)(22), 7 and 12				
6100	Selling expenses		(88,227)	(4)	(63,812)	(4)
6200	General and administrative expenses		(143,079)	(6)	(105,766)	(7)
6300	Research and development expenses		(343,764)	(13)	(265,201)	(18)
6450	Expected credit losses		(6,335)	-	(2,870)	-
6000	Total operating expenses		(581,405)	(23)	(437,649)	(29)
6900	Operating profit		635,778	24	301,125	20
	Non-operating income and expenses					
7100	Interest income	6(17)	1,422	-	3,108	-
7010	Other income	6(6)(18)	29,734	1	12,643	1
7020	Other gains and losses	6(19) and 12	(18,146)	-	(20,620)	(2)
7050	Finance costs	6(8)(9)(20)	(449)	-	(478)	-
7000	Total non-operating income and expenses		12,561	1	(5,347)	(1)
7900	**Profit before income tax**		648,339	25	295,778	19
7950	Income tax expense	6(23)	(107,116)	(4)	(48,934)	(3)
8200	**Profit for the year**		$ 541,223	21	$ 246,844	16
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Remeasurement of defined benefit obligations	6(12)	($ 330)	-	($ 3,607)	-
8316	Unrealised gains on valuation of financial assets at fair value through other comprehensive income	6(6)	106,872	4	161,852	11
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(23)	66	-	721	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(4,908)	-	894	-
8300	**Total other comprehensive income for the year**		$ 101,700	4	$ 159,860	11
8500	**Total comprehensive income for the year**		$ 642,923	25	$ 406,704	27
	Profit attributable to:					
8610	Owners of the parent		$ 541,223	21	$ 246,844	16
	Comprehensive income attributable to:					
8710	Owners of the parent		$ 642,923	25	$ 406,704	27
	Earnings per share (in dollars)	6(24)				
9750	Basic		$	6.64	$	3.01
9850	Diluted		$	6.61	$	3.00

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

ALL RING TECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital - common stock	Capital Surplus: Additional paid-in capital	Capital Surplus: Stock options	Retained Earnings: Legal reserve	Retained Earnings: Special reserve	Retained Earnings: Unappropriated retained earnings	Other Equity Interest: Financial statements translation differences of foreign operations	Other Equity Interest: Unrealised gains (losses) on valuation of financial assets at fair value through other comprehensive income	Treasury stocks	Total equity
For the year ended December 31, 2020											
Balance at January 1, 2020		$ 833,239	$ 377,088	$ 108	$ 248,195	$ 22,672	$ 229,905	($ 33,118)	$ 10,381	$ -	$ 1,688,470
Net income for the year ended December 31, 2020		-	-	-	-	-	246,844	-	-	-	246,844
Other comprehensive income (loss) for the year ended December 31, 2020	6(6)	-	-	-	-	-	(2,886)	894	161,852	-	159,860
Total comprehensive income for the year ended December 31, 2020		-	-	-	-	-	243,958	894	161,852	-	406,704
Disposal of financial assets at fair value through other comprehensive income	6(6)	-	-	-	-	-	3,991	-	(3,991)	-	-
Distribution of 2019 net income:											
Legal reserve		-	-	-	8,344	-	(8,344)	-	-	-	-
Special reserve	6(15)	-	-	-	-	65	(65)	-	-	-	-
Cash dividends	6(15)	-	-	-	-	-	(74,992)	-	-	-	(74,992)
Distribution of cash dividends from the capital surplus	6(14)	-	(49,994)	-	-	-	-	-	-	-	(49,994)
Treasury stocks reacquired	6(13)	-	-	-	-	-	-	-	-	(66,449)	(66,449)
Balance at December 31, 2020		$ 833,239	$ 327,094	$ 108	$ 256,539	$ 22,737	$ 394,453	($ 32,224)	$ 168,242	($ 66,449)	$ 1,903,739
For the year ended December 31, 2021											
Balance at January 1, 2021		$ 833,239	$ 327,094	$ 108	$ 256,539	$ 22,737	$ 394,453	($ 32,224)	$ 168,242	($ 66,449)	$ 1,903,739
Net income for the year ended December 31, 2021		-	-	-	-	-	541,223	-	-	-	541,223
Other comprehensive income (loss) for the year ended December 31, 2021	6(6)	-	-	-	-	-	(264)	(4,908)	106,872	-	101,700
Total comprehensive income (loss) for the year ended December 31, 2021		-	-	-	-	-	540,959	(4,908)	106,872	-	642,923
Distribution of 2020 net income:											
Legal reserve		-	-	-	24,795	-	(24,795)	-	-	-	-
Cash dividends	6(15)	-	-	-	-	-	(228,071)	-	-	-	(228,071)
Distribution of cash dividends from the capital surplus	6(14)	-	(16,291)	-	-	-	-	-	-	-	(16,291)
Balance at December 31, 2021		$ 833,239	$ 310,803	$ 108	$ 281,334	$ 22,737	$ 682,546	($ 37,132)	$ 275,114	($ 66,449)	$ 2,302,300

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

ALL RING TECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31, 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 648,339	$ 295,778
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit losses	12	6,335	2,870
Provision for inventory market price decline	6(5)	5,442	11,641
Depreciation	6(7)(8)(21)	35,922	31,136
Loss (gain) on disposal of property, plant and equipment	6(19)	390	(477)
Amortisation	6(21)	3,080	2,914
Interest income	6(17)	(1,422)	(3,108)
Dividend income	6(6)(18)	(11,627)	(6,892)
Interest expense	6(20)	449	478
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(102,348)	38,886
Accounts receivable		(392,663)	(131,529)
Other receivables		(909)	(6,221)
Inventories		(361,940)	(184,121)
Prepayments		(4,314)	(3,542)
Changes in operating liabilities			
Current contract liabilities		849	4,094
Notes payable		255	(360)
Accounts payable		255,301	230,294
Other payables		90,034	39,907
Provisions for liabilities - current		7,023	3,289
Net defined benefit liabilities - non-current		551	759
Cash inflow generated from operations		178,747	325,796
Dividends received		11,627	6,892
Interest received		1,422	3,108
Interest paid		(449)	(478)
Income tax received		10,050	-
Income tax paid		(49,183)	(10,981)
Net cash flows from operating activities		152,214	324,337

(Continued)

ALL RING TECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31, 2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Disposal of financial assets at amortised cost - current		$ 22	$ 3,359
Acquisition of financial assets at fair value through other comprehensive income		(118,346)	(301)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(6)	-	5,610
Acquisition of financial assets at amortised cost - non-current		-	(13,583)
Cash paid for acquisition of property, plant and equipment	6(25)	(65,009)	(104,727)
Proceeds from disposal of property, plant and equipment		578	806
Acquisition of intangible assets		(4,158)	(2,124)
Cash paid for increasing prepayments for business facilities	6(25)	(1,424)	-
Decrease in guarantee deposits paid		1,826	133
Increase in prepayments for investments		-	(10,000)
Decrease in other non-current assets		2,932	8,607
Net cash flows used in investing activities		(183,579)	(112,220)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(26)	80,000	-
Repayment of lease principal	6(26)	(4,911)	(4,858)
Increase in guarantee deposits received	6(26)	2,412	-
Distribution of cash dividends from capital surplus	6(14)	(16,291)	(49,994)
Cash dividends paid	6(15)	(228,071)	(74,992)
Acquisition of treasury stocks	6(13)	-	(66,449)
Net cash flows used in financing activities		(166,861)	(196,293)
Effect of foreign exchange rate changes on cash and cash equivalents		(4,001)	(653)
Net (decrease) increase in cash and cash equivalents		(202,227)	15,171
Cash and cash equivalents at beginning of year	6(1)	839,507	824,336
Cash and cash equivalents at end of year	6(1)	$ 637,280	$ 839,507

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

ALL RING TECH CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

(1) All Ring Tech Co., Ltd. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on May 24, 1996. Its primary business includes the design, manufacture, and assembly of automation machines, the research, development, and design of computer software, and the manufacture of optical instruments.

(2) The common shares of the Company have been listed on the Taipei Exchange since September 2002.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on February 21, 2022.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board ("IASB")
Amendments to IFRS 4, 'Extension of the temporary exemption from applying IFRS 9'	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, 'Interest Rate Benchmark Reform－ Phase 2'	January 1, 2021
Amendment to IFRS 16, 'Covid-19-related rent concessions beyond 30 June 2021'	April 1, 2021 (Note)

Note: Earlier application from January 1, 2021 is allowed by the FSC.

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts—cost of fulfilling a contract’	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by IASB
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2023
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC

Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of the subsidiary begins from the date the Group obtains control of the subsidiary and ceases when the Group loses control of the subsidiary.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group measures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

A. The consolidated subsidiaries and changes of the current period are as follows:

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2021	Ownership (%) December 31, 2020	Description
All Ring Tech Co., Ltd.	PAI FU INTERNATIONAL LIMITED	Mechanical engineering automation, and research, development and design of software	100.00	100.00	—
All Ring Tech Co., Ltd.	Uni-Ring Tech Co., Ltd.	Other machine manufacture industry, electrical appliances, audio visual electronics and international trading industry	100.00	100.00	—
All Ring Tech Co., Ltd.	IMAGINE GROUP LIMITED	Investment business	71.60	72.10	Note 1 Note 2
PAI FU INTERNATIONAL LIMITED	Kunshan All Ring Tech Co., Ltd.	Research, development, and manufacture of specialized electronic equipment used for cutting capacitance and inductance; sales of self-manufactured products and provision of corresponding technology testing services	100.00	100.00	—

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2021	Ownership (%) December 31, 2020	Description
PAI FU INTERNATIONAL LIMITED	IMAGINE GROUP LIMITED	Investment business	28.40	27.90	Note 1 Note 2
IMAGINE GROUP LIMITED	All Ring Tech (Kunshan) Co., Ltd.	Research, development, and manufacture of specialized electronic equipment, testing of instruments and accessories; sales of self-manufactured products and provision of corresponding technology testing services	100.00	100.00	—

Note 1: The Company and its subsidiaries own, directly or indirectly, more than 50% of the shares of these companies.

Note 2: On December 23, 2021, IMAGINE GROUP LIMITED increased its capital by cash. The Company and PAI FU INTERNATIONAL LIMITED adjusted the allocation of shareholding within the Group, thus the percentage of shareholding changed.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional and presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The financial performance and financial position of all the group entities, and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be paid off within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be paid off within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

A. Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

B. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

B. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

(9) Accounts and notes receivable

Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses. When the cost of inventories exceeds the net realizable value, the amount of any write-down of inventories recognised as cost of sales during the period; and the amount of any reversal of inventory write-down is recognised as a reduction in cost of sales during the period.

(11) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

(a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(12) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost, at each reporting date, the

Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(13) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(14) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Property, plant and equipment apply the cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant and equipment is significant, it is depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Asset	Estimated useful lives
Buildings and structures	15～35 years
Machinery and equipment	3～10 years
Transportation equipment	3～ 5 years
Office equipment	2～10 years
Assets leased to others	1～ 3 years
Other facilities	1～10 years

(15) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 5 years.

(16) Leasing arrangements (lessee) — right-of-use assets/lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

(a) Fixed payments, less any lease incentives receivable; and

(b) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date;

(c) Any initial direct costs incurred by the lessee; and

(d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall remeasure 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 recognise the difference in profit or loss.

(17) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(18) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(19) Accounts and notes payable

Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(21) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realised the asset and settle the liability simultaneously.

(22) Provisions

Provisions (including warranties) are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(23) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plan

For the defined contribution plan, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plan

I. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

II. Remeasurement arising on defined benefit plan is recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employees' compensation is distributed by shares, the Group calculated the number of shares based on the closing market price at the previous day of the board meeting resolution.

(24) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operate and generate taxable income Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings of the company and domestic subsidiary and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(25) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(26) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(27) Revenue recognition

Sales of goods

(a) Sales are recognised when control of the products has transferred, being when the products are delivered to the client, the client has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the client's acceptance of the products.

(b) Revenue from these sales is recognised based on the price specified in the contract, net of the estimated output tax, sales returns, and sales discounts and allowances. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. Collection terms of sale are as follows: the first payment is collected 30 to 130 days after delivering machineries, and the second payment is collected 30 to 190 days after acceptance of machineries.

(c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(28) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

(29) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgments in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, and the related information is addressed below:

(1) Critical judgments in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

A. As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

B. As at December 31, 2021, the carrying amount of inventories was $722,101.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash:		
Cash on hand	$ 2,672	$ 2,763
Checking accounts and demand deposits	459,086	501,461
	461,758	504,224
Cash equivalents:		
Time deposits	175,522	335,283
	$ 637,280	$ 839,507

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Please refer to Note 8 'Pledged Assets' for information on the Group's cash and cash equivalents that were pledged as collateral (shown as in 'Financial assets at amortised cost - non-current') as at December 31, 2021 and 2020.

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

	December 31, 2021	December 31, 2020
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted stocks	$ 21,184	$ 21,184
Valuation adjustment	(21,184)	(21,184)
	$ -	$ -

A. The Group did not recognise any net gain on financial assets at fair value through profit or loss for the years ended December 31, 2021 and 2020, respectively.

B. The Group has no financial assets at fair value through profit or loss pledged to others as collateral as at December 31, 2021 and 2020.

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at amortised cost

	December 31, 2021	December 31, 2020
Current items:		
Time deposits maturing over three months	$ 29,043	$ 29,065
Non-current items:		
Pledged time deposits	$ 15,403	$ 15,403

A. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was the book value.

B. Please refer to Note 8 'Pledged Assets' for information on the Group's financial assets at amortised cost that were pledged as collateral as at December 31, 2021 and 2020.

C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(4) Notes and accounts receivable

	December 31, 2021	December 31, 2020
Notes receivable	$ 178,797	$ 76,449
Accounts receivable	$ 837,052	$ 444,389
Less: Allowance for uncollectible accounts	(21,127)	(14,803)
	$ 815,925	$ 429,586

A. The ageing analysis of accounts and notes receivable that were past due is as follows:

	December 31, 2021		December 31, 2020	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Less than 30 days	$ 121,885	$ 2,124	$ 71,319	$ 12,748
31～90 days	151,553	5,760	109,919	28,906
91～180 days	318,814	49,722	142,695	34,795
181～360 days	113,557	121,191	67,191	–
Over 360 days	131,243	–	53,265	–
	$ 837,052	$ 178,797	$ 444,389	$ 76,449

The above ageing analysis was based on invoice date.

B. As at December 31, 2021 and 2020, accounts and notes receivable were all from contracts with customers. As at January 1, 2020, the balance of receivables from contracts with customers amounted to $428,195.

C. The Group has no notes and accounts receivable pledged to others as collateral as at December 31, 2021 and 2020.

D. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was the book value.

E. Information relating to credit risk of notes and accounts receivable is provided in Note 12(2).

(5) Inventories

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 117, 615	($ 8, 910)	$ 108, 705
Work in process	598, 078	(40, 165)	557, 913
Finished goods	87, 965	(32, 482)	55, 483
	$ 803, 658	($ 81, 557)	$ 722, 101

	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 53, 003	($ 12, 869)	$ 40, 134
Work in process	303, 199	(46, 418)	256, 781
Finished goods	90, 809	(16, 953)	73, 856
	$ 447, 011	($ 76, 240)	$ 370, 771

The cost of inventories recognised as expense for the year:

	For the years ended December 31,	
	2021	2020
Cost of goods sold	$ 1, 381, 691	$ 755, 909
Gain on physical inventory	–	(4)
Provision for inventory market price decline	5, 442	11, 641
	$ 1, 387, 133	$ 767, 546

(6) Financial assets at fair value through other comprehensive income - non-current

Items	December 31, 2021	December 31, 2020
Equity instruments		
Listed stocks	$ 183, 019	$ –
Emerging stocks	3, 440	77, 113
Unlisted stocks	29, 000	10, 000
	215, 459	87, 113
Valuation adjustment	275, 114	168, 242
	$ 490, 573	$ 255, 355

A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments was the book value as at December 31, 2021 and 2020.

B. Aiming to satisfy the capital expenditure needs, the Group sold $5,610 of equity instruments investments at fair value which resulted in cumulative gain on disposal of $3,991 during the year ended December 31, 2020, which was reclassified to retained earnings.

C. Amounts recognised in profit or loss and other comprehensive income in relation to financial assets at fair value through other comprehensive income are listed below:

	For the years ended December 31,	
	2021	2020
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 106,872	$ 161,852
Cumulative gains reclassified to retained earnings due to derecognition	$ -	$ 3,991
Dividend income recognised in profit or loss	$ 11,627	$ 6,892

D. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was the book value.

E. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

F. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(7) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Assets leased to others	Other facilities	Construction in progress and equipment under acceptance	Total
January 1, 2021									
Cost	$ 61,611	$ 488,822	$ 26,703	$ 15,612	$ 19,245	$ 3,043	$ 43,543	$ 35,893	$ 694,472
Accumulated depreciation	-	(137,572)	(13,784)	(12,399)	(15,246)	(531)	(29,596)	-	(209,128)
	$ 61,611	$ 351,250	$ 12,919	$ 3,213	$ 3,999	$ 2,512	$ 13,947	$ 35,893	$ 485,344
For the year ended December 31, 2021									
At January 1	$ 61,611	$ 351,250	$ 12,919	$ 3,213	$ 3,999	$ 2,512	$ 13,947	$ 35,893	$ 485,344
Additions	28,194	6,843	2,383	35	4,002	-	4,109	19,685	65,251
Transferred from construction in progress and equipment under acceptance	-	55,296	-	-	-	-	-	(55,296)	-
Transferred from inventories	-	-	-	-	-	4,930	363	-	5,293
Depreciation	-	(17,963)	(2,472)	(835)	(1,719)	(3,157)	(3,883)	-	(30,029)
Disposals－Cost	-	-	(3,327)	(524)	(748)	-	(947)	-	(5,546)
－Accumulated depreciation	-	-	2,537	471	717	-	853	-	4,578
Net currency exchange differences	-	(504)	(87)	(11)	(17)	-	(8)	(282)	(909)
At December 31	$ 89,805	$ 394,922	$ 11,953	$ 2,349	$ 6,234	$ 4,285	$ 14,434	$ -	$ 523,982
December 31, 2021									
Cost	$ 89,805	$ 550,094	$ 25,586	$ 15,065	$ 22,448	$ 7,974	$ 47,043	$ -	$ 758,015
Accumulated depreciation	-	(155,172)	(13,633)	(12,716)	(16,214)	(3,689)	(32,609)	-	(234,033)
	$ 89,805	$ 394,922	$ 11,953	$ 2,349	$ 6,234	$ 4,285	$ 14,434	$ -	$ 523,982

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Assets leased to others	Other facilities	Construction in progress and equipment under acceptance	Total
January 1, 2020									
Cost	$ -	$ 462,201	$ 21,449	$ 16,259	$ 18,955	$ 643	$ 42,829	$ 23,851	$ 586,187
Accumulated depreciation	-	(121,757)	(11,390)	(11,465)	(13,627)	(43)	(25,836)	-	(184,118)
	$ -	$ 340,444	$ 10,059	$ 4,794	$ 5,328	$ 600	$ 16,993	$ 23,851	$ 402,069
For the year ended December 31, 2020									
At January 1	$ -	$ 340,444	$ 10,059	$ 4,794	$ 5,328	$ 600	$ 16,993	$ 23,851	$ 402,069
Additions	61,611	24,797	4,989	122	604	215	780	11,642	104,760
Transferred from inventories	-	-	-	-	-	2,510	-	-	2,510
Depreciation	-	(15,020)	(2,213)	(1,661)	(1,914)	(604)	(3,835)	-	(25,247)
Disposals－Cost	-	-	(17)	(890)	(424)	(325)	(112)	-	(1,768)
－Accumulated depreciation	-	-	10	829	372	116	112	-	1,439
Net currency exchange differences	-	1,029	91	19	33	1	9	400	1,581
At December 31	$ 61,611	$ 351,250	$ 12,919	$ 3,213	$ 3,999	$ 2,512	$ 13,947	$ 35,893	$ 485,344
December 31, 2020									
Cost	$ 61,611	$ 488,822	$ 26,703	$ 15,612	$ 19,245	$ 3,043	$ 43,543	$ 35,893	$ 694,472
Accumulated depreciation	-	(137,572)	(13,784)	(12,399)	(15,246)	(531)	(29,596)	-	(209,128)
	$ 61,611	$ 351,250	$ 12,919	$ 3,213	$ 3,999	$ 2,512	$ 13,947	$ 35,893	$ 485,344

A. Except for the assets classified as ‘Assets leased to others’, the Group’s property, plant and equipment are all occupied by the owner for operating purpose as at December 31, 2021 and 2020..

B. The Group has not capitalised any interest for the years ended December 31, 2021 and 2020.

C. Please refer to Note 8, ‘Pledged assets’ for information on the Group’s property, plant and equipment that were pledged as collateral as at December 31, 2021 and 2020.

(8) Leasing arrangements — lessee

A. The Group leased parcels of land located in the Luzhu Science Park from the Southern Taiwan Science Park Bureau and signed a contract with the government of the People's Republic of China to lease a designated parcel of land in Kunshan City of Jiangsu Province. Rental contracts are typically made for periods of 15 to 45 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2021	December 31, 2020
	Carrying amount	Carrying amount
Land	$ 62,703	$ 68,691

	For the years ended December 31,	
	2021	2020
	Depreciation charge	Depreciation charge
Land	$ 5,893	$ 5,889

C. For the years ended December 31, 2021 and 2020, the Group has no additions to right-of-use assets; remeasurements of right-of-use assets were $— and $1,924, respectively.

D. The information on income and expense accounts relating to lease contracts is as follows:

	For the years ended December 31,	
	2021	2020
Items affecting profit or loss		
Interest expense on lease liabilities	$ 396	$ 450
Expense on short-term lease contracts	5,307	4,871
Expense on leases of low-value assets	167	133

E. For the years ended December 31, 2021 and 2020, the Group's total cash outflow for leases was $10,781 and $10,312, respectively.

(9) Short-term borrowings

Type of borrowings	December 31, 2021	Interest rate	Collateral
Bank unsecured borrowings	$ 80,000	0.90%	Please refer to Note 8, 'Pledged assets'.

The Group has no short-term borrowings at December 31, 2020.

Please refer to Note 6(20), 'Finance costs' for information on the Group's interest expense recognised in profit or loss for the years ended December 31, 2021.

(10) Other payables

	December 31, 2021	December 31, 2020
Accrued salaries and bonuses	$ 145,249	$ 105,418
Compensation payable to employees, directors and supervisors	54,815	20,856
Provision for employee benefits	12,913	10,055
Others	55,536	40,051
	$ 268,513	$ 176,380

(11) Provisions for liabilities

	For the years ended December 31,	
	2021	2020
Balance at beginning of year	$ 16,078	$ 12,789
Additional provisions	16,293	9,162
Used during the year	(9,270)	(5,873)
Balance at end of year	$ 23,101	$ 16,078

The Group's warranty provision is primarily related to the sales of semiconductor equipment, passive component equipment, and light-emitting diode equipment. The amount of the provision is estimated according to historical warranty data. The Group expects the costs related to the provision to be realised in the next two years.

(12) Pensions

A. The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 4% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March. Related information on the defined benefit pension plan disclosed above is as follows:

(a) The amounts recognised in the balance sheet are as follows:

	December 31, 2021	December 31, 2020
Present value of defined benefit obligations	($ 36,908)	($ 36,950)
Fair value of plan assets	9,151	10,074
Net defined benefit liability	($ 27,757)	($ 26,876)

(b) Movements in net defined benefit liabilities are as follows:

	For the year ended December 31, 2021		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	($ 36,950)	$ 10,074	($ 26,876)
Current service cost	(494)	-	(494)
Interest (expense) income	(111)	30	(81)
	(37,555)	10,104	(27,451)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	153	153
Change in financial assumptions	1,083	-	1,083
Experience adjustments	(1,543)	-	(1,543)
Change in demographic assumptions	(23)	-	(23)
	(483)	153	(330)
Paid pension	1,130	(1,130)	-
Pension fund contribution	-	24	24
Balance at December 31	($ 36,908)	$ 9,151	($ 27,757)

	For the year ended December 31, 2020		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	($ 32,150)	$ 9,640	($ 22,510)
Current service cost	(625)	-	(625)
Interest (expense) income	(225)	67	(158)
	(33,000)	9,707	(23,293)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	343	343
Change in financial assumptions	(1,123)	-	(1,123)
Experience adjustments	(2,827)	-	(2,827)
	(3,950)	343	(3,607)
Pension fund contribution	-	24	24
Balance at December 31	($ 36,950)	$ 10,074	($ 26,876)

(c) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as at December 31, 2021 and 2020 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(d) The principal actuarial assumptions used were as follows:

	For the years ended December 31,	
	2021	2020
Discount rate	0.70%	0.30%
Future salary increases	3.50%	3.50%

For the years ended December 31, 2021 and 2020, assumptions regarding future mortality experience are set based on actuarial advice in accordance with Taiwan Life Insurance Industry 6th Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2021				
Effect on present value of defined benefit obligation	($ 635)	$ 656	$ 546	($ 532)
December 31, 2020				
Effect on present value of defined benefit obligation	($ 709)	$ 732	$ 617	($ 601)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

(e) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2022 amount to $24.

(f) As of December 31, 2021, the weighted average duration of the retirement plan is 7 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$ 4,872
2-5 years	14,828
5 years and above	19,100
	$ 38,800

B. Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan of the Company and its domestic subsidiaries for the years ended December 31, 2021 and 2020 were $10,680 and $10,533, respectively.

C. In accordance with the pension and insurance laws of the People’s Republic of China, Kunshan All Ring Tech Co., Ltd. and All Ring Tech (Kunshan) Co., Ltd. contribute 19% of each employee’s salary every month to a pension account managed by the government. Aside from the monthly contributions, the companies have no further obligations. The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2021 and 2020 were $1,651 and $128, respectively.

(13) Share capital

A. Movements in the number of the Company’s ordinary shares outstanding are as follows (in thousands of shares):

	For the years ended December 31,	
	2021	2020
At January 1	81,454	83,324
Treasury stock reacquired	-	(1,870)
At December 31	81,454	81,454

B. Treasury shares

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows (in thousands of shares):

	For the year ended December 31, 2021		
Reason for reacquisition	Opening Balance	Additions	Ending Balance
To be reissued to employees	1,870	-	1,870

	For the year ended December 31, 2020		
Reason for reacquisition	Opening Balance	Additions	Ending Balance
To be reissued to employees	-	1,870	1,870

(b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

(c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(e) For the year ended December 31, 2020, treasury shares in the amount of $66,449 (1,870 thousand shares) was acquired by the Company. As of December 31, 2021 and 2020, the balance of the Company's treasury shares was $66,449 for both years.

C. As at December 31, 2021, the Company's authorised capital was $1,500,000 (including $80,000 reserved for employee stock options), and the paid-in capital was $833,239 with a par value of $10 per share. The 83,324 thousand shares were issued over several installments. All proceeds from shares issued have been collected.

(14) Capital surplus

A. Pursuant to the R.O.C Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. However, capital reserves should not be used to cover accumulated deficit unless the legal reserve is insufficient.

B. On July 20, 2021 and June 10, 2020, the Company's stockholders resolved the distribution of dividends from the capital reserve in the amount of $16,291 ($0.2 (in dollars) per share) and $49,994 ($0.6 (in dollars) per share), respectively.

(15) Retained earnings

A. Pursuant to the R.O.C. Company Act, the Company shall set aside 10% of its after-tax profits as legal reserve until the balance is equal to the paid-in capital. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

B. Under the Company's Articles of Incorporation, considering the Company is operating in a volatile environment and in the stable growth stage of its life cycle, the Board of Directors shall determine earnings appropriation based on the Company's future capital expenditures and demand for capital, as well as the necessity of using retained earnings to meet capital needs, and set the amount of dividends to be distributed to stockholders and the portion of dividends to be paid in cash. The Company's current year's earnings shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. Then, either a portion of the remaining amount is set aside as special reserve or an amount is reversed from the special reserve account and added to the remaining amount in accordance with applicable laws and regulations. The final remaining amount of current year earnings is added to the unappropriated earnings from the prior year and the total is the accumulated distributable earnings. At least 30% of the accumulated distributable earnings shall be appropriated as dividends, and cash dividends shall account for at least 10% of total dividends distributed. The Board of Directors shall propose the earnings appropriation according to future operational and investment needs which shall be submitted to the stockholders during their meeting for approval.

C. Special reserve

(a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings. For the years ended December 31, 2021 and 2020, the Company set aside special reserve of $ — and $65, respectively in accordance with the Company Act, and no dividends shall be distributed.

(b) The amounts previously set aside by the Company as special reserve in the amount of $22,672 on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter

No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

D. The Company recognised dividends distributed to owners amounting to $228,071 ($2.8 (in dollars) per share) and $74,992 ($0.9 (in dollars) per share) for the years ended December 31, 2021 and 2020, respectively. On February 21, 2022, the Board of Directors proposed for the distribution of dividends from 2021 earnings in the amount of $366,543 ($4.5 (in dollars) per share).

(16) Operating revenue

	For the years ended December 31,	
	2021	2020
Revenue from contracts with customers	$ 2, 604, 316	$ 1, 506, 320

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time. Revenue is primarily from sales of automation machinery and equipment. Related disclosures on operating revenue are provided in Note 14.

B. Contract liabilities

(a) The Group has recognised revenue-related contract liabilities amounting to $27,263 and $26,414 as of December 31, 2021 and 2020, respectively.

(b) As of January 1, 2021 and 2020, the Group's contract liabilities were $26,414 and $22,320, respectively. Revenue recognised that were included in the contract liability balance for the years ended December 31, 2021 and 2020 were $19,552 and $10,881, respectively.

(17) Interest income

	For the years ended December 31,	
	2021	2020
Interest income from bank deposits	$ 1, 422	$ 3, 108

(18) Other income

	For the years ended December 31,	
	2021	2020
Dividend income	$ 11, 627	$ 6, 892
Rent income	7, 816	1, 228
Other income	10, 291	4, 523
	$ 29, 734	$ 12, 643

(19) Other gains and losses

	For the years ended December 31,	
	2021	2020
Net foreign exchange losses	($ 13,431)	($ 20,505)
Net (losses) gains on disposal of property, plant and equipment	(390)	477
Miscellaneous disbursements	(4,325)	(592)
	($ 18,146)	($ 20,620)

(20) Finance costs

	For the years ended December 31,	
	2021	2020
Interest expense:		
Bank borrowings	$ 44	$ 4
Interest expense on lease liabilities	396	450
Other interest expense	9	24
	$ 449	$ 478

(21) Expenses by nature

	For the year ended December 31, 2021		
	Operating cost	Operating expense	Total
Employee benefit expenses	$ 54,593	$ 409,864	$ 464,457
Depreciation	11,702	22,321	34,023
Amortisation	486	2,594	3,080
	$ 66,781	$ 434,779	$ 501,560

	For the year ended December 31, 2020		
	Operating cost	Operating expense	Total
Employee benefit expenses	$ 43,157	$ 311,311	$ 354,468
Depreciation	13,666	17,470	31,136
Amortisation	397	2,517	2,914
	$ 57,220	$ 331,298	$ 388,518

(22) Employee benefit expense

	For the year ended December 31, 2021		
	Operating cost	Operating expense	Total
Wages and salaries	$ 45,842	$ 363,909	$ 409,751
Labour and health insurance expenses	3,184	20,314	23,498
Pension costs	1,930	10,976	12,906
Other personnel expenses	3,637	14,665	18,302
	$ 54,593	$ 409,864	$ 464,457

	For the year ended December 31, 2020		
	Operating cost	Operating expense	Total
Wages and salaries	$ 36,036	$ 273,256	$ 309,292
Labour and health insurance expenses	2,656	17,624	20,280
Pension costs	1,343	10,101	11,444
Other personnel expenses	3,122	10,330	13,452
	$ 43,157	$ 311,311	$ 354,468

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 3% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration.

B. For the years ended December 31, 2021 and 2020, employees' compensation was accrued at $46,382 and $18,345, respectively; while directors' and supervisors' remuneration was accrued at $8,433 and $2,477, respectively. The aforementioned amounts were recognised in salary expenses and estimated and accrued based on the distributable net profit of current year calculated by the percentage prescribed under the Company's Articles of Incorporation. The Board of Directors resolved to distribute employees' compensation and director's remuneration of $46,382 and $8,433 for the year ended December 31, 2021, respectively, and the employee s' compensation will be distributed in the form of cash. Employees' compensation and directors' and supervisors' remuneration for 2020 amounting to $20,822, as resolved by the Board of Directors was in agreement with the amount recognised in the 2020 financial statements. The employees' compensation will be distributed in the form of cash. Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(23) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the years ended December 31, 2021	For the years ended December 31, 2020
Current tax:		
Current tax on profits for the year	$ 100,393	$ 34,175
Prior year income tax overestimation	(279)	(2,811)
Total current tax	100,114	31,364
Deferred tax:		
Origination and reversal of temporary differences	7,002	17,570
Income tax expense	$ 107,116	$ 48,934

(b) The income tax charge relating to components of other comprehensive income is as follows:

	For the years ended December 31, 2021	For the years ended December 31, 2020
Remeasurements of defined benefit obligations	($ 66)	($ 721)

B. Reconciliation between income tax expense and accounting profit

	For the years ended December 31, 2021	For the years ended December 31, 2020
Tax calculated based on profit before tax and statutory tax rate	$ 131,141	$ 55,094
Effect from items adjusted in accordance with tax regulation	(4,987)	3,014
Prior year income tax overestimation	(279)	(2,811)
Taxable loss not recognised as deferred tax assets	436	8,064
Effect from loss carryforward	(2,736)	188
Realisable changes in assessment of deferred tax assets	(428)	-
Effect from investment tax credits	(16,031)	(14,615)
Income tax expense	$ 107,116	$ 48,934

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and loss carryforward are as follows:

	For the year ended December 31, 2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred income tax assets				
Temporary differences:				
Allowance for doubtful accounts	$ 3,053	$ 324	$ -	$ 3,377
Loss on decline in market value of inventories	13,986	820	-	14,806
Unrealised cost to provide after-sale service	3,216	1,405	-	4,621
Unrealised compensated absences	2,011	572	-	2,583
Pension costs	5,375	110	66	5,551
Unrealised sales discounts and allowances	1,047	(458)	-	589
Unrealised expenses and losses	450	1,850	-	2,300
Investment losses	971	-	-	971
Foreign currency exchange difference	2,053	(650)	-	1,403
Government grants revenue	-	1,042	-	1,042
Loss carryforward	21,708	(12,017)	-	9,691
	$ 53,870	($ 7,002)	$ 66	$ 46,934
Deferred income tax liabilities				
Temporary differences:				
Investment income	($ 25,707)	$ -	$ -	($ 25,707)
	$ 28,163	($ 7,002)	$ 66	$ 21,227

	For the year ended December 31, 2020			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred income tax assets				
Temporary differences:				
Allowance for doubtful accounts	$ 2,803	$ 250	$ -	$ 3,053
Loss on decline in market value of inventories	11,781	2,205	-	13,986
Unrealised cost to provide after-sale service	2,558	658	-	3,216
Unrealised compensated absences	1,561	450	-	2,011
Pension costs	4,502	152	721	5,375
Unrealised sales discounts and allowances	4,979	(3,932)	-	1,047
Unrealised expenses and losses	460	(10)	-	450
Investment losses	1,249	(278)	-	971
Foreign currency exchange difference	1,450	603	-	2,053
Lease expense	46	(46)	-	-
Loss carryforward	39,330	(17,622)	-	21,708
	$ 70,719	($ 17,570)	$ 721	$ 53,870
Deferred income tax liabilities				
Temporary differences:				
Investment income	($ 25,707)	$ -	$ -	($ 25,707)
	$ 45,012	($ 17,570)	$ 721	$ 28,163

D. Expiration dates of unused loss carryforward and amounts of unrecognised deferred tax assets are as follows:

December 31, 2021				
Year incurred	Amount filed/assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2012	$ 438,100	$ 35,816	$ 19,134	2022
2013	21,180	21,180	21,180	2023
2014	42,523	42,523	32,896	2024
2015	53,725	53,725	53,725	2025
2016	24,427	24,427	24,427	2026
2017	28,645	28,645	28,645	2027
2018	23,997	23,997	21,835	2028
2019	50,054	50,054	39,184	2029
2020	12,228	12,228	3,761	2030
		$ 292,595	$ 244,787	

December 31, 2020				
Year incurred	Amount filed/assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2012	$ 438,100	$ 109,572	$ 32,890	2022
2013	21,180	21,180	21,180	2023
2014	42,523	42,523	32,896	2024
2015	53,725	53,725	53,725	2025
2016	24,427	24,427	24,427	2026
2017	28,645	28,645	28,645	2027
2018	23,997	23,997	21,835	2028
2019	50,054	48,500	37,630	2029
2020	9,228	9,228	1,260	2030
		$ 361,797	$ 254,488	

E. The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority. As at February 21, 2022, no administrative relief has occurred.

(24) Earnings per share

	For the year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 541,223	81,454	$ 6.64
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 541,223	81,454	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	410	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 541,223	81,864	$ 6.61

	For the year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 246,844	81,977	$ 3.01
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 246,844	81,977	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	233	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 246,844	82,210	$ 3.00

(25) Supplemental cash flow information

A. Investing activities with partial cash payments

	For the years ended December 31,	
	2021	2020
(a) Purchase of property, plant and equipment	$ 65,251	$ 104,760
Add: Opening balance of payable on equipment (shown as 'other payables')	141	108
Less: Ending balance of payable on equipment (shown as 'other payables')	(383)	(141)
Cash paid for acquisition of property, plant and equipment	$ 65,009	$ 104,727

	For the years ended December 31,	
	2021	2020
(b) Increase in prepayments for business facilities	$ 10,881	$ -
Less: Ending balance of notes payable	(7,600)	-
Ending balance of payable on equipment (shown as 'other payables')	(1,857)	-
Cash paid for increasing prepayments for business facilities	$ 1,424	$ -

B. Investing activities with no cash flow effects

	For the years ended December 31,	
	2021	2020
(a) Prepayments for investments transferred to financial assets at fair value through other comprehensive income	$ 10,000	$ 10,000
(b) Inventories transferred to property, plant and equipment	$ 5,293	$ 2,510

(26) Changes in liabilities from financing activities

	For the year ended December 31, 2021			
	Short-term borrowings	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1, 2021	$ -	$ 38,261	$ -	$ 38,261
Changes in cash flow from financing activities	80,000	(4,911)	2,412	77,501
At December 31, 2021	$ 80,000	$ 33,350	$ 2,412	$ 115,762

	For the year ended December 31, 2020			
	Short-term borrowings	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1, 2020	$ -	$ 41,195	$ -	$ 41,195
Changes in cash flow from financing activities	-	(4,858)	-	(4,858)
Changes in other non-cash items	-	1,924	-	1,924
At December 31, 2020	$ -	$ 38,261	$ -	$ 38,261

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Jie Kuen Enterprise Inc.	Other related party (Note 1)
Ding Ji Electrical Engineering Co., Ltd.	Other related party (Note 2)
Nan Feng Mechanical Electrical Co., Ltd.	Other related party (Note 1)

(Note 1)The company became a non-related party due to the resignation of its responsible person as a supervisor of the Company in June 2020. The information disclosed pertains to transactions prior to resignation.

(Note 2)The company became a related party due to the election of its responsible person as a representative of corporate director of the Company on July 20, 2021.The information disclosed pertains to transactions from the day of election.

(2) Significant transactions and balances with related parties

A. Purchases of goods

	For the years ended December 31,	
	2021	2020
Other related parties	$ 21,691	$ 10,795

Payment terms of purchases from other related parties are 120 days after receipt. Payment terms of purchases from normal vendors are 60 to 180 days. Except for the payment terms mentioned above, other terms of purchases are the same with third parties.

B. Payables to related parties

	December 31, 2021	December 31, 2020
Accounts payable:		
Other related parties	$ 19,938	$ 158

The payables to related parties arise mainly from purchase transactions. The payables bear no interest.

(3) Key management compensation

	For the years ended December 31,	
	2021	2020
Salaries and other short-term employee benefits	$ 32,349	$ 30,048
Post-employment benefits	943	819
	$ 33,292	$ 30,867

8. PLEDGED ASSETS

The Group's assets pledged as collateral were as follows:

Pledged asset	December 31, 2021	December 31, 2020	Purpose
Pledged time deposits (Note 1)	$ 15,403	$ 15,403	Guarantee for land leases and performance bond
Buildings and structures (Note 2)	252,740	262,649	Guarantee for short-term borrowings
	$ 268,143	$ 278,052	

Note 1: Shown as 'financial assets at amortised cost - non-current'.

Note 2: Shown as 'property, plant and equipment, net'.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

As of December 31, 2021 and 2020, the Group's guarantees and endorsements were as follows:

Endorser	Endorsee	December 31, 2021	December 31, 2020	Purpose
All Ring Tech Co.. Ltd.	Uni-Ring Tech Co.. Ltd.	$ 30,000	$ 50,000	Pledged for borrowing facilities

As of December 31, 2021 and 2020, the actual amount of the endorsement used by the subsidiary, Uni-Ring Tech Co., Ltd., was $－.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(一)Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, and 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 amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(二)Financial instruments

A. Financial instruments by category

Details of financial instruments by category of the Group are described in Note 6.

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

I. Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities and net investments in foreign operations.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through liabilities denominated in the relevant foreign currencies.

iv. The Group's businesses involve some non-functional currency operations (The functional currency of the Company and several subsidiaries is the NTD; the functional currency of several subsidiaries is the USD and RMB). Information on assets and liabilities subject to significant foreign exchange risk is as follows:

	December 31, 2021		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 26,650	27.86	$ 737,672
USD:RMB	328	6.37	9,081
Financial liabilities			
Monetary items			
USD:NTD	763	27.68	21,120

	December 31, 2020		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 14,674	28.48	$ 417,916
USD:RMB	216	6.51	6,155
Financial liabilities			
Monetary items			
USD:NTD	818	28.48	23,297

v. The sensitivity analysis of foreign exchange risk mainly focuses on the foreign currency monetary items at the end of the financial reporting period. If the exchange rate of NTD to all foreign currencies had appreciated/depreciated by 1%, the Group's net income for the years ended December 31, 2021 and 2020 would have decreased/increased by $5,805 and $3,206, respectively.

vi. The total exchange loss, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2021 and 2020, amounted to $13,431 and $20,505, respectively.

II. Price risk

i. The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group has set various stop loss points, to ensure not to be exposed to significant risk. Accordingly, no material market risk was expected.

ii. The Group's investments in equity securities comprise domestic stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other components of equity for the years ended December 31, 2021 and 2020 would have increased/decreased by $4,906 and $2,429, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

III. Cash flow and fair value interest rate risk

If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, there is no significant effect on after-tax profit for the years ended December 31, 2021 and 2020.

(b) Credit risk

I. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

II. The Group manages its credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

III. The Group adopts the historical experience of collection and the level of customers' risk to assess whether there has been a significant increase in credit risk on that instrument since initial recognition. If the payments were past invoice date over 180 days, there has been a significant increase in credit risk on that instrument since initial recognition.

IV. According to the historical experience of collection by the Group and the level of customers' risk, the default occurs when the payments are past invoice date over 270 days.

V. The Group considers the characteristics of credit risk on trade, and applies the modified approach using loss rate methodology to estimate expected credit loss under the loss rate basis. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable.

As at December 31, 2021 and 2020, details of expected credit loss using the loss rate methodology are as follows:

	Expected loss rate	Book value	Allowance for uncollectible accounts
December 31, 2021			
Taiwan			
Less than 90 days	0.03%	$ 224,998	$ -
91～180 days	0.03%～0.06%	272,682	-
181～360 days	0.05%~1%	97,917	1,117
Over 360 days	0.63%～100%	123,941	19,064
		719,538	20,181
Mainland China			
Less than 90 days	—	48,440	-
91～180 days	—	46,132	-
181～360 days	1%	15,640	160
Over 360 days	2%～100%	7,302	786
		117,514	946
		$ 837,052	$ 21,127

	Expected loss rate	Book value	Allowance for uncollectible accounts
December 31, 2020			
Taiwan			
Less than 90 days	0.05%	$ 128,888	$ -
91～180 days	0.05%～0.09%	109,249	-
181～360 days	1%	60,860	689
Over 360 days	1.78%～100%	46,740	12,752
		345,737	13,441
Mainland China			
Less than 90 days	—	52,350	-
91～180 days	—	33,446	-
181～360 days	1%	6,331	66
Over 360 days	2%～100%	6,525	1,296
		98,652	1,362
		$ 444,389	$ 14,803

VI. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	For the years ended December 31,	
	2021	2020
	Accounts receivable	Accounts receivable
At January 1	$ 14,803	$ 11,906
Provision for impairment	6,335	2,870
Net exchange differences	(11)	27
At December 31	$ 21,127	$ 14,803

(c) Liquidity risk

I. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times to ensure the sufficient financial flexibility of the Group.

II. Group treasury invests surplus cash in interest bearing current accounts, time deposits and beneficiary certificates, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts, and readily generate cash flows to manage liquidity risk.

III. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the following table are undiscounted contractual cash flows.

December 31, 2021	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 80,686	$ -	$ -	$ -
Notes payable	8,646	-	-	-
Accounts payable	704,082	-	-	-
Other payables	268,513	-	-	-
Lease liabilities	5,307	5,307	6,866	17,929
Guarantee deposits received	391	-	501	1,520

December 31, 2020	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Notes payable	$ 791	$ -	$ -	$ -
Accounts payable	448,781	-	-	-
Other payables	176,380	-	-	-
Lease liabilities	5,307	5,307	9,885	20,217

IV. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(三)Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in emerging stocks and listed stocks are included in Level 1.

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

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

The carrying amounts of the Group's financial instruments not measured at fair value including cash and cash equivalents, financial assets at amortised cost - current and non-current, notes receivable, accounts receivable, other receivables, guarantee deposits paid, notes payable, accounts payable, other payables and lease liabilities - current and non-current are approximate to their fair values.

C. The related information on financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities	$ 458, 472	$ –	$ 32, 101	$ 490, 573

December 31, 2020	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities	$ 242, 866	$ –	$ 12, 489	$ 255, 355

D. The methods and assumptions the Group used to measure fair value are as follows:

(a) The following financial assets use quoted market prices as inputs for fair value measurement (level 1): for emerging stocks, the average trading price at the balance sheet date is used.

(b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.

E. For the years ended December 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2021 and 2020:

	Equity instrument
At January 1, 2021	$ 12, 489
Additions during this period	9, 000
Prepayments for investments transferred	10, 000
Profit recognised in other comprehensive income	612
At December 31, 2021	$ 32, 101

	Equity instrument
At January 1, 2020	$ –
Prepayments for investments transferred	10, 000
Profit recognised in other comprehensive income	2, 489
At December 31, 2020	$ 12, 489

G. Financial segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

H. The following is the qualitative information on significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	$ 6,027	Discounted cash flow	Weighted average cost of capital	10.23%	The higher the weighted average cost of capital, the lower the fair value.
			Discount for lack of marketability	30.00%	The higher the discount for lack of marketability, the lower the fair value.
Venture capital stocks	26,074	Net asset value	Not applicable	—	Not applicable

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Venture capital stocks	$ 12,489	Net asset value	Not applicable	—	Not applicable

I. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets categorised within Level 3 if the inputs used to valuation models have changed:

	Input	Change	December 31, 2021 Recognised in profit or loss Favourable change	Unfavourable change	Recognised in other comprehensive income Favourable change	Unfavourable change
Financial assets						
Equity instrument	Weighted average cost of capital	± 10%	$ -	$ -	$ 1,080	($ 842)
	Discount for lack of marketability	± 10%	-	-	1,385	(1,065)
			$ -	$ -	$ 2,465	($ 1,907)

There was no such situation as of December 31, 2020.

(四)Other events

In response to the COVID-19 pandemic, the Group complied with the "Guidelines for Enterprise Planning of Business Continuity in Response to the Coronavirus Disease 2019 (COVID-19)" issued by the government and has adopted related measures for hygiene and health management in the workplace. The Group's factory is operating in its usual capacity and the pandemic has no significant impact on the Group's operations.

13. SUPPLEMENTARY DISCLOSURES

(According to the current regulatory requirements, the Group is only required to disclose the information for the year ended December 31, 2021.)

(1) Significant transactions information

A. Loans to others: Please refer to Table 1.

B. Provision of endorsements and guarantees to others: Please refer to Table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to Table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting period: None.

J. Significant inter-company transactions during the reporting period: Please refer to Table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to Table 5.

(3) Information on investments in Mainland China

A. Basic information: Please refer to Table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to Table 7.

(4) Major shareholders information

Major shareholders information: Please refer to Table 8.

14. SEGMENT INFORMATION

(一) General information

Management has determined the reportable operating segments based on the reports reviewed by the Group's chief operating decision-maker that are used to make strategic decisions. The Group's chief operating decision-maker manages each entity in the organisation according to its role. There is no material change in the basis for information of entities and division of segments in the Group or in the measurement basis for segment information during this period.

(二) Measurement of segment information

The Group's operational decision-maker evaluates the performance of each department based on its pre-tax income. This metric excludes nonrecurring expenses of the department and unrealised gains or losses from financial products. Interest income and expense are not allocated to operating segments, as this type of activity is driven by the Group's central treasury function, which manages the cash position of the Group.

（三）Segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the year ended December 31, 2021				
	All Ring Tech Co., Ltd.	Kunshan All Ring Tech Co., Ltd.	All Ring Tech (Kunshan) Co., Ltd.	Others	Total
Total segment revenue	$ 2, 464, 209	$ -	$ 202, 173	$ 22, 290	$ 2, 688, 672
Inter-segment revenue	22, 399	-	46, 161	15, 796	84, 356
Revenue from external customers	2, 441, 810	-	156, 012	6, 494	2, 604, 316
Interest income	789	529	102	2	1, 422
Depreciation and amortisation	24, 241	82	10, 679	4, 000	39, 002
Interest expense	427	-	-	22	449
Segment income before tax	649, 885	436	7, 815	1, 847	659, 983
Segment assets	3, 536, 684	42, 366	349, 388	65, 814	3, 994, 252
Segment liabilities	1, 234, 384	1, 285	61, 129	6, 629	1, 303, 427

	For the year ended December 31, 2020				
	All Ring Tech Co., Ltd.	Kunshan All Ring Tech Co., Ltd.	All Ring Tech (Kunshan) Co., Ltd.	Others	Total
Total segment revenue	$ 1,404,066	$ –	$ 131,789	$ 7,019	$ 1,542,874
Inter-segment revenue	23,667	–	8,000	4,887	36,554
Revenue from external customers	1,380,399	–	123,789	2,132	1,506,320
Interest income	2,334	587	181	6	3,108
Depreciation and amortisation	24,235	118	8,141	1,556	34,050
Interest expense	478	–	–	–	478
Segment income (loss) before tax	291,055	(1,232)	(1,904)	(8,134)	279,785
Segment assets	2,646,789	42,637	334,356	42,032	3,065,814
Segment liabilities	743,051	1,671	53,253	14,538	812,513

(四)Reconciliation about segment profit or loss, assets and liabilities

A. Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the consolidated statement of comprehensive income. A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations is provided as follows:

	For the years ended December 31,	
	2021	2020
Reportable segments income before tax	$ 658,136	$ 287,919
Other segments income (loss) before tax	1,847	(8,134)
Less: Inter-segment (loss) income	(11,644)	15,993
Profit from continuing operations before tax	$ 648,339	$ 295,778

B. The amounts provided to the chief operating decision-maker with respect to total assets are measured in a manner consistent with that of the financial statements. A reconciliation of assets of reportable segment and total assets is as follows:

	December 31, 2021	December 31, 2020
Assets of reportable segments	$ 3,928,438	$ 3,023,782
Assets of other operating segments	65,814	42,032
Less: Inter-segment transaction	(415,894)	(379,666)
Total assets	$ 3,578,358	$ 2,686,148

C. The amounts provided to the chief operating decision-maker with respect to total liabilities are measured in a manner consistent with that of the financial statements. A reconciliation of liabilities of reportable segment and total liabilities is as follows:

	December 31, 2021	December 31, 2020
Liabilities of reportable segments	$ 1,296,798	$ 797,975
Liabilities of other operating segments	6,629	14,538
Less: Inter-segment transaction	(27,369)	(30,104)
Total liabilities	$ 1,276,058	$ 782,409

(五)Information on products and services

Income from external customers is primarily from sales of automation machinery and equipment, therefore it is not necessary to disclose the details of this amount.

(六)Geographical information

Geographical information for the years ended December 31, 2021 and 2020 are as follows:

	For the years ended December 31,			
	2021		2020	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 2,448,304	$ 452,158	$ 1,382,531	$ 418,555
China	156,012	165,857	123,789	159,615
	$ 2,604,316	$ 618,015	$ 1,506,320	$ 578,170

(七)Major customer information

Major customer information of the Group for the years ended December

31, 2021 and 2020 are as follows:

	Year ended December 31, 2021		Year ended December 31, 2020	
	Revenue	Segment	Revenue	Segment
Company A	$ 825,714	All Ring Tech Co., Ltd	$ 101,352	All Ring Tech Co., Ltd
Company B	462,882	All Ring Tech Co., Ltd	412,276	All Ring Tech Co., Ltd
Company C	213,816	All Ring Tech Co., Ltd	272,537	All Ring Tech Co., Ltd

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合併附表一

合併附表二

合併附表三

合併附表四

合併附表五

合併附表六

合併附表七

合併附表八

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of All Ring Tech Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of All Ring Tech Co., Ltd. (the "Company") as at December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matters

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

Key audit matters for the Company's parent company only financial statements of the current period are stated as follows:

Revenue recognition

Description

Refer to Note 4(27) for accounting policies on revenue recognition.

The sales revenue of the Company is primarily from the assembly and sales of equipment. Based on the terms of the sale agreement, sales revenue is recognised when the control of the goods sold is transferred to the customer after the installation of the goods or the acceptance of the goods by the customer, being when the goods are delivered to the customer, the customer has full discretion over the channel and price to sell the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. As the transfer of control of the goods to the customer in a sale transaction involves manual process and judgement, there exists a risk of material misstatement that may arise from improper revenue recognition for transactions that occur near the balance sheet date and the transaction amounts are usually material. Thus, we considered the cutoff of revenue a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained an understanding and assessed the accounting policy on revenue recognition.
2. Understood and assessed internal control over revenue recognition, tested the effectiveness of internal controls over the shipment of goods and verified the timing of revenue recognition.
3. Tested the cutoff of transactions that occurred a certain time before or after the balance sheet date in order to verify whether the control of the goods for which revenue has been recognised was transferred, and whether revenue was recorded in the appropriate period.

Evaluation of inventories

Description

Refer to Note 4(8) to the parent company only financial statements for the accounting policy on inventory valuation, Note 5(2) for information on the uncertainty of accounting estimates and assumptions on inventory valuation, and Note 6(4) for information on allowance for inventory valuation losses. As of December 31, 2021, inventory and allowance for inventory valuation losses were NT$724,449 thousand and NT$55,781 thousand, respectively.

The Company develops, manufactures, and assembles production equipment for semiconductors and passive components. Due to rapid changes in technology, the risk of the materials inventory of related equipment incurring valuation losses or becoming obsolete is high. Inventories are stated at the lower of cost and net realizable value. The net realizable value of inventory that is over a certain age or individually identified as obsolete is determined based on the historical information on inventory obtained by management from periodic inspections.

The technology related to the Company's products is rapidly changing, and the determination of the net realizable value of inventory identified as obsolete involves subjective judgement. Thus, we considered the evaluation of inventories a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Ensured consistent application and assessed the reasonableness of the Company's policies and procedures on setting allowance for inventory valuation losses according to applicable accounting principles and the auditors' understanding of the nature of the Company's industry. This included assessing the reasonableness of the source of the historical information on inventory used in determining net realizable value and assessing the reasonableness of judgments of obsolete inventory items.
2. Obtained an understanding of the Company's warehousing control procedures. Reviewed annual physical inventory count plan and participated in the annual inventory count in order to assess the classification of obsolete inventory and effectiveness of internal control over obsolete inventory.
3. Tested the appropriateness of the logic used in evaluating the net realizable value of inventory and inventory aging report, selected samples from inventory items by each sequence number to verify its net realizable value and to verify the reasonableness of the allowance for inventory valuation losses.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial

Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including Audit Committees, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lin Yung-Chih

Independent Accountants

Liu Tzu-Meng

PricewaterhouseCoopers, Taiwan
Republic of China
February 21, 2022

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ALL RING TECH CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Assets	Notes	December 31, 2021 AMOUNT	%	December 31, 2020 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 556,487	16	$ 776,721	29
1150	Notes receivable, net	6(3)	177,571	5	70,830	3
1170	Accounts receivable, net	6(3), 7 and 12	713,359	20	345,612	13
1200	Other receivables		7,538	-	6,223	-
1220	Current income tax assets	6(24)	-	-	8,908	-
130X	Inventories	5(2) and 6(4)	668,668	19	309,931	12
1410	Prepayments	7	12,678	-	10,399	1
11XX	**Total current assets**		2,136,301	60	1,528,624	58
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6(5)	490,573	14	255,355	10
1535	Financial assets at amortised cost - non-current	6(6) and 8	15,403	1	15,403	1
1550	Investments accounted for under equity method	6(7) and 7	410,261	12	377,198	14
1600	Property, plant and equipment	6(8) and 8	393,652	11	367,939	14
1755	Right-of-use assets	6(9)	32,816	1	37,851	1
1780	Intangible assets		3,931	-	2,760	-
1840	Deferred income tax assets	6(24)	36,884	1	45,333	2
1915	Prepayments for business facilities		10,881	-	-	-
1920	Guarantee deposits paid		4,645	-	4,829	-
1960	Prepayments for investments - non-current		-	-	10,000	-
1990	Other non-current assets		1,337	-	1,497	-
15XX	**Total non-current assets**		1,400,383	40	1,118,165	42
1XXX	**Total assets**		$ 3,536,684	100	$ 2,646,789	100

(Continued)

ALL RING TECH CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Liabilities and Equity	Notes	December 31, 2021 AMOUNT	%	December 31, 2020 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(10) and 8	$ 80,000	2	$ -	-
2130	Current contract liabilities	6(17)	26,164	1	22,889	1
2150	Notes payable		8,646	-	791	-
2170	Accounts payable	7	685,019	20	427,438	16
2200	Other payables	6(11)	249,413	7	161,889	6
2230	Current income tax liabilities	6(24)	75,227	2	23,121	1
2250	Provisions for liabilities - current	6(12)	23,101	1	16,078	1
2280	Lease liabilities - current		4,965	-	4,911	-
21XX	**Total current liabilities**		1,152,535	33	657,117	25
	Non-current liabilities					
2570	Deferred income tax liabilities	6(24)	25,707	-	25,707	1
2580	Lease liabilities - non-current		28,385	1	33,350	1
2640	Net defined benefit liabilities - non-current	6(13)	27,757	1	26,876	1
25XX	**Total non-current liabilities**		81,849	2	85,933	3
2XXX	**Total liabilities**		1,234,384	35	743,050	28
	Equity					
	Share capital					
3110	Common stock	6(14)	833,239	23	833,239	31
3200	Capital surplus	6(15)	310,911	9	327,202	12
	Retained earnings	6(5)(16)				
3310	Legal reserve		281,334	8	256,539	10
3320	Special reserve		22,737	1	22,737	1
3350	Unappropriated retained earnings		682,546	19	394,453	15
3400	Other equity interest	6(5)(7)	237,982	7	136,018	5
3500	Treasury stocks	6(14)	(66,449)	(2)	(66,449)	(2)
3XXX	**Total equity**		2,302,300	65	1,903,739	72
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	**Total liabilities and equity**		$ 3,536,684	100	$ 2,646,789	100

The accompanying notes are an integral part of these parent company only financial statements.

ALL RING TECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Items	Notes	2021 AMOUNT	2021 %	2020 AMOUNT	2020 %
4000	Operating revenue	6(17) and 7	$ 2,464,209	100	$ 1,404,066	100
5000	Operating costs	6(4)(9)(13)(22)(23) and 7	(1,311,271)	(54)	(704,984)	(50)
5900	Net operating margin		1,152,938	46	699,082	50
	Operating expenses	6(9)(13)(22)(23), 7 and 12				
6100	Selling expenses		(69,125)	(3)	(46,329)	(3)
6200	General and administrative expenses		(117,620)	(5)	(84,177)	(6)
6300	Research and development expenses		(326,576)	(13)	(248,575)	(18)
6450	Expected credit losses		(6,740)	-	(1,984)	-
6000	Total operating expenses		(520,061)	(21)	(381,065)	(27)
6900	Operating profit		632,877	25	318,017	23
	Non-operating income and expenses					
7100	Interest income	6(18)	789	-	2,334	-
7010	Other income	6(5)(19) and 7	21,846	1	11,324	1
7020	Other gains and losses	6(20) and 12	(13,171)	-	(20,628)	(2)
7050	Finance costs	6(9)(21)	(427)	-	(478)	-
7070	Share of profit (loss) of subsidiaries associates and joint ventures accounted for under equity method, net	6(7)	7,971	-	(19,513)	(1)
7000	Total non-operating income and expenses		17,008	1	(26,961)	(2)
7900	**Profit before income tax**		649,885	26	291,056	21
7950	Income tax expense	6(24)	(108,662)	(4)	(44,212)	(3)
8200	**Profit for the year**		$ 541,223	22	$ 246,844	18
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Remeasurement of defined benefit obligations	6(13)	($ 330)	-	($ 3,607)	-
8316	Unrealised gains on valuation of financial assets at fair value through other comprehensive income	6(5)	106,872	4	161,852	11
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(24)	66	-	721	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(7)	(4,908)	-	894	-
8300	**Total other comprehensive income for the year**		$ 101,700	4	$ 159,860	11
8500	**Total comprehensive income for the year**		$ 642,923	26	$ 406,704	29
	Earnings per share (in dollars)	6(25)				
9750	Basic		$	6.64	$	3.01
9850	Diluted		$	6.61	$	3.00

The accompanying notes are an integral part of these parent company only financial statements.

ALL RING TECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

			Capital Reserves		Retained Earnings			Other equity interest			
	Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	Stock warrants	Legal reserve	Special reserve	Total unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stocks	Total
For the year ended December 31, 2020											
Balance at January 1, 2020		$ 833,239	$ 377,088	$ 108	$ 248,195	$ 22,672	$ 229,905	($ 33,118)	$ 10,381	$ -	$ 1,688,470
Net income for the year ended December 31, 2020		-	-	-	-	-	246,844	-	-	-	246,844
Other comprehensive income (loss) for the year ended December 31, 2020	6(5)(7)	-	-	-	-	-	(2,886)	894	161,852	-	159,860
Total comprehensive income for the year ended December 31, 2020		-	-	-	-	-	243,958	894	161,852	-	406,704
Disposal of financial assets at fair value through other comprehensive income	6(5)	-	-	-	-	-	3,991	-	(3,991)	-	-
Distribution of 2019 net income											
Legal reserve		-	-	-	8,344	-	(8,344)	-	-	-	-
Special reserve	6(16)	-	-	-	-	65	(65)	-	-	-	-
Cash dividends	6(16)	-	-	-	-	-	(74,992)	-	-	-	(74,992)
Distribution of cash dividends from the capital surplus	6(15)	-	(49,994)	-	-	-	-	-	-	-	(49,994)
Treasury stocks reacquired	6(14)	-	-	-	-	-	-	-	-	(66,449)	(66,449)
Balamce at December 31,2020		$ 833,239	$ 327,094	$ 108	$ 256,539	$ 22,737	$ 394,453	($ 32,224)	$ 168,242	($ 66,449)	$ 1,903,739
For the year ended December 31, 2021											
Balance at December 31, 2021		$ 833,239	$ 327,094	$ 108	$ 256,539	$ 22,737	$ 394,453	($ 32,224)	$ 168,242	($ 66,449)	$ 1,903,739
Net income for the year ended December 31, 2021		-	-	-	-	-	541,223	-	-	-	541,223
Other comprehensive income (loss) for the year ended December 31, 2021	6(5)(7)	-	-	-	-	-	(264)	(4,908)	106,872	-	101,700
Total comprehensive income for the year ended December 31, 2021		-	-	-	-	-	540,959	(4,908)	106,872	-	642,923
Distribution of 2020 net income											
Legal reserve		-	-	-	24,795	-	(24,795)	-	-	-	-
Cash dividends	6(16)	-	-	-	-	-	(228,071)	-	-	-	(228,071)
Distribution of cash dividends from the capital surplus	6(15)	-	(16,291)	-	-	-	-	-	-	-	(16,291)
Balance at December 31, 2021		$ 833,239	$ 310,803	$ 108	$ 281,334	$ 22,737	$ 682,546	($ 37,132)	$ 275,114	($ 66,449)	$ 2,302,300

The accompanying notes are an integral part of these parent company only financial statements.

ALL RING TECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 649,885	$ 291,056
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit losses	12	6,740	1,984
(Reversal of allowance) provision for inventory market price decline	6(4)	(3,857)	8,458
Share of (profit) loss of subsidiaries, associates and joint ventures accounted for under equity method	6(7)	(7,971)	19,513
Depreciation	6(8)(9)(22)	21,823	21,976
Gain on disposal of property, plant and equipment	6(20)	-	(208)
Amortisation	6(22)	2,418	2,259
Interest income	6(18)	(789)	(2,334)
Dividend income	6(5)(19)	(11,627)	(6,892)
Interest expense	6(21)	427	478
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(106,741)	43,198
Accounts receivable		(374,487)	(136,488)
Other receivables		(1,315)	(5,724)
Inventories		(354,880)	(161,391)
Prepayments		(2,279)	(6,817)
Changes in operating liabilities			
Current contract liabilities		3,275	7,056
Notes payable		255	(360)
Accounts payable		257,581	223,401
Other payables		85,425	41,683
Provisions for liabilities - current		7,023	3,289
Net defined benefit liabilities - non-current		551	759
Cash inflow generated from operations		171,457	344,896
Dividends received		11,627	6,892
Interest received		789	2,334
Interest paid		(427)	(478)
Income tax refund		10,050	-
Income tax paid		(49,183)	(10,981)
Net cash flows from operating activities		144,313	342,663

(Continued)

ALL RING TECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31 2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income		($ 118,346)	($ 301)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(5)	-	5,610
Acquisition of financial assets at amortised cost - non-current		-	(13,583)
Acquisition of investment accounted for under equity method - subsidiary	6(7)	(30,000)	-
Cash paid for acquisition of property, plant and equipment	6(26)	(42,259)	(87,504)
Proceeds from disposal of property, plant and equipment		-	306
Acquisition of intangible assets		(3,589)	(1,983)
Cash paid for increasing prepayments for business facilities	6(26)	(1,424)	-
Decrease (increase) in guarantee deposits paid		184	(183)
Increase in prepayments for investments		-	(10,000)
Decrease in other non-current assets		160	160
Net cash flows used in investing activities		(195,274)	(107,478)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(27)	80,000	-
Repayment of lease principal	6(27)	(4,911)	(4,858)
Distribution of cash dividends from capital surplus	6(15)	(16,291)	(49,994)
Cash dividends paid	6(16)	(228,071)	(74,992)
Acquisition of treasury stocks	6(14)	-	(66,449)
Net cash flows used in financing activities		(169,273)	(196,293)
Net (decrease) increase in cash and cash equivalents		(220,234)	38,892
Cash and cash equivalents at beginning of year	6(1)	776,721	737,829
Cash and cash equivalents at end of year	6(1)	$ 556,487	$ 776,721

The accompanying notes are an integral part of these parent company only financial statements.

ALL RING TECH CO., LTD.

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

15. HISTORY AND ORGANISATION

(1) All Ring Tech Co., Ltd. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on May 24, 1996. Its primary business includes the design, manufacturing, and assembly of automation machines, the research, development, and design of computer software, and the manufacturing of optical instruments.

(2) The common shares of the Company have been listed on the Taipei Exchange since September 2002.

16. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were authorised for issuance by the Board of Directors on February 21, 2022.

17. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(3) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments as endorsed by the FSC effective from 2021 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board ("IASB")
Amendments to IFRS 4, 'Extension of the temporary exemption from applying IFRS 9'	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, 'Interest Rate Benchmark Reform— Phase 2'	January 1, 2021
Amendment to IFRS 16, 'Covid-19-related rent concessions beyond 30 June 2021'	April 1, 2021 (Note)

Note: Earlier application from January 1, 2021 is allowed by the FSC.

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(4) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts— cost of fulfilling a contract’	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(5) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by IASB
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2023
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

18. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

A. Except for the following items, these parent company only financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the " IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the parent company only financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company's functional and presentation currency.

A. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

B. Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

C. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

D. All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

(4) Classification of current and non-current items

C. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(e) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(f) Assets held mainly for trading purposes;

(g) Assets that are expected to be realised within twelve months from the balance sheet date;

(h) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

D. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(e) Liabilities that are expected to be paid off within the normal operating cycle;

(f) Liabilities arising mainly from trading activities;

(g) Liabilities that are to be paid off within twelve months from the balance sheet date;

(h) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

A. Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

B. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Accounts and notes receivable

Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(8) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses. When the cost of inventories exceeds the net realizable value, the amount of any write-down of inventories is recognised as cost of sales during the period; and the amount of any reversal of inventory write-down is recognised as a reduction in cost of sales during the period.

(9) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(c) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(d) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

(a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(10) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Company's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Investments accounted for using equity method/subsidiaries and associates

A. A subsidiary is an entity where the Company has the right to dominate its finance and operating policies (including special purpose entities), normally the Company owns more than 50% of the voting rights directly or indirectly in that entity. Subsidiaries are accounted for under the equity method in the Company's parent company only financial statements.

B. Unrealised gains or losses resulting from inter-company transactions with subsidiaries are eliminated. Necessary adjustments are made to the accounting policies of subsidiaries, to be consistent with the accounting policies of the Company.

C. After acquisition of subsidiaries, the Company recognises proportionately the share of profit and loss and other comprehensive income in the income statement as part of the Company's profit and loss and other comprehensive income, respectively. When the share of loss from a subsidiary exceeds the carrying amount of Company’s interest in that subsidiary, the Company continues to recognise its share in the subsidiary's loss proportionately.

D. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

E. The Company’s share of its associates’ post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

F. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

G. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

H. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then "Capital surplus" and "Investments accounted for under the equity method" shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

I . Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.

J . When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

K. According to "Regulations Governing the Preparation of Financial Statements by Securities Issuers", "Profit for the year" and "Other comprehensive income for the year" reported in an entity's parent company only statement of comprehensive income, shall equal to "profit for the year" and "Other comprehensive income" attributable to owners of the parent reported in that entity's consolidated statement of comprehensive income. Total equity reported in an entity's parent company only financial statements, shall equal to equity attributable to owners of parent reported in that entity's consolidated financial statements.

(14) Property, plant and equipment

E. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

F. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

G. Property, plant and equipment apply the cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant and equipment is significant, it is depreciated separately.

H. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Asset	Estimated useful lives
Buildings and structures	15～35 years
Machinery and equipment	3～10 years
Transportation equipment	3～ 5 years
Office equipment	2～ 7 years
Other facilities	3～10 years

(15) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 5 years.

(16) Leasing arrangements (lessee)－right-of-use assets/lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

(a) Fixed payments, less any lease incentives receivable; and

(b) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date;

(c) Any initial direct costs incurred by the lessee; and

(d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(17) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(18) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(19) Accounts and notes payable

Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(21) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realised the asset and settle the liability simultaneously.

(22) Provisions

Provisions (including warranties) are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(23) Employee benefits

D. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expenses in that period when the employees render service.

E. Pensions

(c) Defined contribution plan

For the defined contribution plan, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(d) Defined benefit plan

I. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

II. Remeasurement arising on defined benefit plan is recognised in other comprehensive income in the period in which they arise and is recorded is retained earnings.

F. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employees' compensation is distributed by shares, the Company calculated the number of shares based on the closing market price at the previous day of the board meeting resolution.

(24) Income tax

G. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

H. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operate and generate taxable income Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings of the company and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

I. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

J. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.

K. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

L. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(25) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(26) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(27) Revenue recognition

Sales of goods

A. Sales are recognised when control of the products has transferred, being when the products are delivered to the client, the client has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the client's acceptance of the products.

B. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated output tax, sales returns, and sales discounts and allowances. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. Collection terms of sales are as follows: the first payment is collected 30 to 130 days after delivery of the machines, and the second payment is collected 30 to 190 days after acceptance of the machines.

C. Receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(28) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises expenses for the related costs for which the grants are intended to compensate.

19. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these parent company only financial statements requires management to make critical judgments in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, and the related information is addressed below:

(1) Critical judgments in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

C. As inventories are stated at the lower of cost and net realizable value, the Company must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

D. As of December 31, 2021, the carrying amount of inventories was $668,668.

20. DETAILS OF SIGNIFICANT ACCOUNTS

(27) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash:		
Cash on hand	$ 2,207	$ 2,205
Checking accounts and demand deposits	388,500	449,016
	390,707	451,221
Cash equivalents:		
Time deposits	165,780	325,500
	$ 556,487	$ 776,721

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Please refer to Note 8 'Pledged Assets' for information on the Company's cash and cash equivalents that were pledged as collateral (shown as 'Financial assets at amortised cost - non-current') as of December 31, 2021 and 2020.

(28) Financial assets at fair value through profit or loss

	December 31, 2021	December 31, 2020
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted stocks	$ 21,184	$ 21,184
Valuation adjustment	(21,184)	(21,184)
	$ -	$ -

D. The Company did not recognise any net gain on financial assets at fair value through profit or loss for the years ended December 31, 2021 and 2020.

E. The Company has no financial assets at fair value through profit or loss pledged to others as collateral as of December 31, 2021 and 2020.

F. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(29) Notes and accounts receivable

	December 31, 2021	December 31, 2020
Notes receivable	$ 177,571	$ 70,830
Accounts receivable	$ 733,540	$ 359,053
Less: Allowance for uncollectible accounts	(20,181)	(13,441)
	$ 713,359	$ 345,612

F. The ageing analysis of accounts and notes receivable that were past due is as follows:

	December 31, 2021		December 31, 2020	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Less than 30 days	$ 93,995	$ 1,476	$ 49,759	$ 8,984
31～90 days	132,923	5,182	82,374	27,051
91～180 days	273,645	49,722	113,449	34,795
181～360 days	106,451	121,191	66,142	-
Over 360 days	126,526	-	47,329	-
	$ 733,540	$ 177,571	$ 359,053	$ 70,830

The above ageing analysis was based on invoice date.

G. As of December 31, 2021 and 2020, accounts and notes receivable were all from contracts with customers. As of January 1, 2020, the balance of receivables from contracts with customers amounted to $336,593.

H. The Company has no notes and accounts receivable pledged to others as collateral as of December 31, 2021 and 2020.

I. As of December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company’s notes and accounts receivable was the book value.

J. Information relating to credit risk of accounts and notes receivable is provided in Note 12(2).

(30) Inventories

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 102,599	($ 5,477)	$ 97,122
Work in process	558,593	(31,774)	526,819
Finished goods	63,257	(18,530)	44,727
	$ 724,449	($ 55,781)	$ 668,668

	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 28,200	($ 7,363)	$ 20,837
Work in process	263,565	(40,636)	222,929
Finished goods	77,804	(11,639)	66,165
	$ 369,569	($ 59,638)	$ 309,931

The cost of inventories recognised as expense for the year:

	For the years ended December 31,	
	2021	2020
Cost of goods sold	$ 1, 315, 128	$ 696, 526
Provision (reversal of allowance) for inventory market price decline (Note)	(3, 857)	8, 458
	$ 1, 311, 271	$ 704, 984

Note: For the year ended December 31,2021, the Company sold inventories for which a valuation loss was recognised in the prior year, resulting in a gain on the reversal of the loss, which was recorded as a reduction in cost of goods sold.

(31) Financial assets at fair value through other comprehensive income - non-current

Items	December 31, 2021	December 31, 2020
Equity instruments		
Listed stocks	$ 183, 019	$ -
Emerging stocks	3, 440	77, 113
Unlisted stocks	29, 000	10, 000
	215, 459	87, 113
Valuation adjustment	275, 114	168, 242
	$ 490, 573	$ 255, 355

G. The Company has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments was their book value as at December 31, 2021 and 2020.

H. Aiming to satisfy the capital expenditure needs, the Company sold $5,610 of equity instruments investments at fair value which resulted in cumulative gain on disposal of $3,991 during the year ended December 31, 2020, and was reclassified to retained earnings.

I. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	For the years ended December 31,	
	2021	2020
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 106, 872	$ 161, 852
Cumulative gains reclassified to retained earnings due to derecognition	$ -	$ 3, 991
Dividend income recognised in profit or loss	$ 11, 627	$ 6, 892

J. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Company was the book value.

K. The Company has no financial assets at fair value through other comprehensive income pledged to others as collateral.

L. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(32) Financial assets at amortised cost - non-current

	December 31, 2021	December 31, 2020
Non-current items:		
Pledged time deposits	$ 15,403	$ 15,403

A. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was $15,403.

B. Please refer to Note 8 ‘Pledged Assets’ for information on the Company’s financial assets at amortised cost that were pledged as collateral as at December 31, 2021 and 2020.

C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(33) Investments accounted for under equity method

A. Movements of investments accounted for under equity method:

	For the years ended December 31,	
	2021	2020
At January 1	$ 377,198	$ 395,817
Acquisition of investments accounted for under equity method	30,000	-
Share of profit or loss of investments accounted for under equity method	7,971	(19,513)
Other equity－financial statements translation differences of foreign operations	(4,908)	894
At December 31	$ 410,261	$ 377,198

B. Details of investments accounted for under equity method are as follows:

	December 31, 2021	December 31, 2020
PAI FU INTERNATIONAL LIMITED	$ 124,514	$ 124,318
Uni-Ring Tech Co., Ltd.	53,553	21,260
IMAGINE GROUP LIMITED	232,194	231,620
	$ 410,261	$ 377,198

C. Information on the Company's subsidiaries is provided in Note 4(3) of the Company's 2021 consolidated financial report.

D. As of December 31, 2021 and 2020, no investment accounted for under equity method was pledged as collateral.

(34) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other facilities	Total
January 1, 2021							
Cost	$ 61,611	$ 378,317	$ 5,104	$ 8,173	$ 12,169	$ 38,339	$ 503,713
Accumulated depreciation	-	(91,054)	(2,782)	(6,323)	(10,297)	(25,318)	(135,774)
	$ 61,611	$ 287,263	$ 2,322	$ 1,850	$ 1,872	$ 13,021	$ 367,939
For the year ended December 31, 2021							
At January 1	$ 61,611	$ 287,263	$ 2,322	$ 1,850	$ 1,872	$ 13,021	$ 367,939
Additions	28,194	6,843	-	-	3,885	3,579	42,501
Depreciation	-	(10,656)	(617)	(540)	(1,345)	(3,630)	(16,788)
Disposals－Cost	-	-	-	-	(423)	-	(423)
－Accumulated depreciation	-	-	-	-	423	-	423
At December 31	$ 89,805	$ 283,450	$ 1,705	$ 1,310	$ 4,412	$ 12,970	$ 393,652
December 31, 2021							
Cost	$ 89,805	$ 385,160	$ 5,104	$ 8,173	$ 15,631	$ 41,918	$ 545,791
Accumulated depreciation	-	(101,710)	(3,399)	(6,863)	(11,219)	(28,948)	(152,139)
	$ 89,805	$ 283,450	$ 1,705	$ 1,310	$ 4,412	$ 12,970	$ 393,652

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other facilities	Total
January 1, 2020							
Cost	$ –	$ 353,520	$ 5,104	$ 8,941	$ 11,929	$ 37,888	$ 417,382
Accumulated depreciation	–	(80,963)	(2,164)	(5,783)	(9,270)	(21,761)	(119,941)
	$ –	$ 272,557	$ 2,940	$ 3,158	$ 2,659	$ 16,127	$ 297,441
For the year ended December 31, 2020							
At January 1	$ –	$ 272,557	$ 2,940	$ 3,158	$ 2,659	$ 16,127	$ 297,441
Additions	61,611	24,797	–	122	522	485	87,537
Depreciation	–	(10,091)	(618)	(1,369)	(1,272)	(3,591)	(16,941)
Disposals－Cost	–	–	–	(890)	(282)	(34)	(1,206)
－Accumulated depreciation	–	–	–	829	245	34	1,108
At December 31	$ 61,611	$ 287,263	$ 2,322	$ 1,850	$ 1,872	$ 13,021	$ 367,939
December 31, 2020							
Cost	$ 61,611	$ 378,317	$ 5,104	$ 8,173	$ 12,169	$ 38,339	$ 503,713
Accumulated depreciation	–	(91,054)	(2,782)	(6,323)	(10,297)	(25,318)	(135,774)
	$ 61,611	$ 287,263	$ 2,322	$ 1,850	$ 1,872	$ 13,021	$ 367,939

A. The Company's property, plant and equipment are all occupied by the owner for operating purpose as at December 31, 2021 and 2020.

B. The Company has not capitalised any interest for the years ended December 31, 2021 and 2020.

C. Please refer to Note 8, 'Pledged assets' for information on the Company's property, plant and equipment that were pledged as collateral as at December 31, 2021 and 2020.

(35) Leasing arrangements－lessee

A. The Company leases parcels of land located in the Luzhu Science Park from the Southern Taiwan Science Park Bureau.Rental contracts are typically made for periods of 15 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2021	December 31, 2020
	Carrying amount	Carrying amount
Land	$ 32,816	$ 37,851

	For the years ended December 31,	
	2021	2020
	Depreciation charge	Depreciation charge
Land	$ 5,035	$ 5,035

C. For the years ended December 31, 2021 and 2020, the Company has no additions to right-of-use assets; remeasurements of right-of-use assets were $－ and $1,924, respectively.

D. The information on income and expense accounts relating to lease contracts is as follows:

	For the years ended December 31,	
	2021	2020
Items affecting profit or loss		
Interest expense on lease liabilities	$ 396	$ 450
Expense on short-term lease contracts	4,845	4,391
Expense on leases of low-value assets	143	106

E. For the years ended December 31, 2021 and 2020, the Company's total cash outflow for leases was $10,295 and $9,805, respectively.

(36) Short-term borrowings

Type of borrowings	December 31, 2021	Interest rate	Collateral
Bank secured borrowings	$ 80,000	0.90%	Please refer to Note 8, 'pledged assets'.

The Company has no short-term borrowings as of December 31, 2020.

Please refer to Note 6(21), 'Finance costs' for information on the Company's interest expense recognised in profit or loss for the year ended December 31, 2021.

(37) Other payables

	December 31, 2021	December 31, 2020
Accrued salaries and bonuses	$ 135,997	$ 96,401
Compensation payable to employees, directors and supervisors	54,815	20,856
Provision for employee benefits	12,913	10,055
Others	45,688	34,577
	$ 249,413	$ 161,889

(38) Provisions for liabilities

	For the years ended December 31,	
	2021	2020
Balance at beginning of year	$ 16,078	$ 12,789
Additional provisions	16,293	9,162
Used during the year	(9,270)	(5,873)
Balance at end of year	$ 23,101	$ 16,078

The Company's warranty provision is primarily related to the sale of semiconductor equipment, passive component equipment, and light-emitting diode equipment. The amount of the provision is estimated according to historical warranty data. The Company expects the costs related to the provision to be realised in the next two years.

(39) Pensions

D. The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 4% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March. Related information on the defined benefit pension plan disclosed above is as follows:

(a) The amounts recognised in the balance sheet are as follows:

	December 31, 2021	December 31, 2020
Present value of defined benefit obligations	($ 36,908)	($ 36,950)
Fair value of plan assets	9,151	10,074
Net defined benefit liability	($ 27,757)	($ 26,876)

(b) Movements in net defined benefit liabilities are as follows:

	For the year ended December 31, 2021		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	($ 36,950)	$ 10,074	($ 26,876)
Current service cost	(494)	-	(494)
Interest (expense) income	(111)	30	(81)
	(37,555)	10,104	(27,451)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	153	153
Change in financial assumptions	1,083	-	1,083
Experience adjustments	(1,543)	-	(1,543)
Change in demographic assumptions	(23)	-	(23)
	(483)	153	(330)
Paid pension	1,130	(1,130)	-
Pension fund contribution	-	24	24
Balance at December 31	($ 36,908)	$ 9,151	($ 27,757)

	For the year ended December 31, 2020		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	($ 32,150)	$ 9,640	($ 22,510)
Current service cost	(625)	-	(625)
Interest (expense) income	(225)	67	(158)
	(33,000)	9,707	(23,293)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	343	343
Change in financial assumptions	(1,123)	-	(1,123)
Experience adjustments	(2,827)	-	(2,827)
	(3,950)	343	(3,607)
Pension fund contribution	-	24	24
Balance at December 31	($ 36,950)	$ 10,074	($ 26,876)

(c) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2021 and 2020 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(d) The principal actuarial assumptions used were as follows:

	For the years ended December 31,	
	2021	2020
Discount rate	0.70%	0.30%
Future salary increases	3.50%	3.50%

For the years ended December 31, 2021 and 2020, assumptions regarding future mortality experience are set based on actuarial advice in accordance with Taiwan Life Insurance Industry 6th Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2021				
Effect on present value of defined benefit obligation	($ 635)	$ 656	$ 546	($ 532)
December 31, 2020				
Effect on present value of defined benefit obligation	($ 709)	$ 732	$ 617	($ 601)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

(e) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2022 amount to $24.

(f) As of December 31, 2021, the weighted average duration of the retirement plan is 7 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$ 4,872
2 ～ 5 years	14,828
5 years and above	19,100
	$ 38,800

B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2021 and 2020 were $10,488 and $10,254, respectively.

(40) Share capital

A. Movements in the number of the Company's ordinary shares outstanding are as follows (in thousands of shares):

	For the years ended December 31,	
	2021	2020
At January 1	81, 454	83, 324
Treasury stock reacquired	-	(1, 870)
At December 31	81, 454	81, 454

B. Treasury shares

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows (in thousands of shares):

	For the year ended December 31, 2021		
Reason for reacquisition	Opening Balance	Additions	Ending Balance
To be reissued to employees	1, 870	-	1, 870

	For the year ended December 31, 2020		
Reason for reacquisition	Opening Balance	Decrease	Ending Balance
To be reissued to employees	-	1, 870	1, 870

(b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

(c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(e) For the year ended December 31, 2020, treasury shares in the amount of $66,449 (1,870 thousand shares) was acquired by the Company. As of December 31, 2021 and 2020, both the balance of the Company's treasury shares was $66,449 for both years.

C. As of December 31, 2021, the Company's authorised capital was $1,500,000 (including $80,000 reserved for employee stock options), and the paid-in capital was $833,239 with a par value of $10 per share. The 83,324 thousand shares were issued over several installments. All proceeds from shares issued have been collected.

(41) Capital surplus

A. Pursuant to the R.O.C Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

B. On July 20, 2021 and June 10, 2020, the Company's stockholders resolved the distribution of dividends from the capital reserve in the amount of $16,291 ($0.2 (in dollars) per share) and $49,994 ($0.6 (in dollars) per share), respectively.

(42) Retained earnings

E. Pursuant to the R.O.C. Company Act, the Company shall set aside 10% of its after-tax profits as legal reserve until the balance is equal to the paid-in capital. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

F. Under the Company's Articles of Incorporation, considering the Company is operating in a volatile environment and in the stable growth stage of its life cycle, the Board of Directors shall determine earnings appropriation based on the Company's future capital expenditures and demand for capital, as well as the necessity of using retained earnings to meet capital needs, and set the amount of dividends to be distributed to stockholders and the portion of dividends to be paid in cash. The Company's current year earnings shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. Then, either a portion of the remaining amount is set aside as special reserve or an amount is reversed from the special reserve account and added to the remaining amount in accordance with applicable laws and regulations. The final remaining balance of current year earnings is added to the unappropriated earnings from the prior year and the total is the accumulated distributable earnings. At least 30% of the accumulated distributable earnings shall be appropriated as dividends, and cash dividends shall account for at least 10% of total dividends distributed. The Board of Directors shall propose the earnings appropriation according to future operational and investment needs which shall be submitted to the stockholders during their meeting for approval.

G. Special reserve

(a)In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings. For the years ended December 31, 2021 and 2020, the Company set aside special reserve of $－ and $65, respectively in accordance with the Company Act, and no dividends shall be distributed.

(b)The amounts previously set aside by the Company as special reserve in the amount of $22,672 on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

D. The Company recognised dividends distributed to owners amounting to $228,071 ($2.8 (in dollars) per share) and $74,992 ($0.9 (in dollars) per share) for the years ended December 31, 2021 and 2020, respectively. On February 21, 2022, the Board of Directors proposed for the distribution of dividends from 2021 earnings in the amount of $366,543 ($4.5 (in dollars) per share).

(43) Operating revenue

	For the years ended December 31,	
	2021	2020
Revenue from contracts with customers	$ 2,464,209	$ 1,404,066

C. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods at a point in time. Revenue is primarily from sales of automation machinery and equipment.

D. Contract liabilities

(a) The Company has recognised revenue-related contract liabilities amounting to $26,164 and $22,889 as of December 31, 2021 and 2020, respectively.

(b) As of January 1, 2021 and 2020, the Company's contract liabilities were $22,889 and $15,833, respectively. Revenue recognised that were included in the contract liability balance for the years ended December 31, 2021 and 2020 were $17,276 and $10,881, respectively.

(44) Interest income

	For the years ended December 31,	
	2021	2020
Interest income from bank deposits	$ 789	$ 2,334

(45) Other income

	For the years ended December 31,	
	2021	2020
Dividend income	$ 11,627	$ 6,892
Rent income	1,011	1,011
Other income	9,208	3,421
	$ 21,846	$ 11,324

(46) Other gains and losses

	For the years ended December 31, 2021	2020
Net foreign exchange losses	($ 13,171)	($ 20,836)
Net gains on disposal of property, plant and equipment	-	208
	($ 13,171)	($ 20,628)

(47) Finance costs

	For the years ended December 31, 2021	2020
Interest expense:		
Bank borrowings	$ 23	$ 4
Interest expense on lease liabilities	396	450
Other interest expense	8	24
	$ 427	$ 478

(48) Expenses by nature

	For the year ended December 31, 2021		
	Operating cost	Operating expense	Total
Employee benefit expenses	$ 41,718	$ 376,997	$ 418,715
Depreciation	4,900	16,923	21,823
Amortisation	396	2,022	2,418
	$ 47,014	$ 395,942	$ 442,956

	For the year ended December 31, 2020		
	Operating cost	Operating expense	Total
Employee benefit expenses	$ 34,054	$ 281,105	$ 315,159
Depreciation	8,655	13,321	21,976
Amortisation	311	1,948	2,259
	$ 43,020	$ 296,374	$ 339,394

(49) Employee benefit expense

	For the year ended December 31, 2021		
	Operating cost	Operating expense	Total
Wages and salaries	$ 35,042	$ 325,541	$ 360,583
Labour and health insurance expenses	2,812	19,369	22,181
Pension costs	1,278	9,785	11,063
Directors' remuneration	–	9,889	9,889
Other personnel expenses	2,586	12,413	14,999
	$ 41,718	$ 376,997	$ 418,715

	For the year ended December 31, 2020		
	Operating cost	Operating expense	Total
Wages and salaries	$ 27,914	$ 242,059	$ 269,973
Labour and health insurance expenses	2,445	16,748	19,193
Pension costs	1,298	9,739	11,037
Directors' remuneration	–	3,469	3,469
Other personnel expenses	2,397	9,090	11,487
	$ 34,054	$ 281,105	$ 315,159

A. For the years ended December 31, 2021 and 2020, the average number of employees of the Company were 244 and 233 employees, including 7 and 5 non-employee directors, respectively.

B. The employee benefit expenses were $1,725 and $1,367, while the average employee wages and salaries were $1,521 and $1,184 for the years ended December 31, 2021 and 2020, respectively. The average employee wages and salaries for the year ended December 31, 2021 increased by approximately 28.46% compared to the year ended December 31, 2020.

C. For the years ended December 31, 2021 and 2020, supervisors' remuneration were accrued at $— and $32, respectively. Since the Company set up an audit committee in June 2020, there was no supervisors' remuneration after June 2020.

D. In accordance with the Articles of Incorporation of the Company and relevant internal management regulations, the Remuneration Committee may appoint directors with a remuneration within the range of 0% to 150% of the industry's salary level based on the level of participation and contribution of individual directors to the Company's operations. Manager's remuneration is discussed by the Remuneration Committee and determined by the Board of Directors. The standard of remuneration depends on the individual's performance and contribution to the Company's overall operations, and it is determined with reference to the market's payment level. Employee's remuneration policy is based on individual's ability, the degree of participation in the Company's operations and the value of their contribution, and it is positively related to the relevance of operating performance. The overall remuneration composition mainly includes basic salary, food allowances and bonuses.

E. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 3% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration.

F. For the years ended December 31, 2021 and 2020, employees' compensation were accrued at $46,382 and $18,345, respectively; while directors' and supervisor's remuneration were accrued at $8,433 and $2,477, respectively. The aforementioned amounts were recognised in salary expenses and estimated and accrued based on the distributable net profit of current year calculated by the percentage prescribed under the Company's Articles of Incorporation. The Board of Directors resolved to distribute employees' compensation and director's remuneration of $46,382 and $8,433 respectively, and the employees' compensation will be distributed in the form of cash. Employees' compensation and directors' and supervisors' remuneration for 2020 amounting to $20,822, as resolved by the Board of Directors was in agreement with the amount recognised in the 2020 financial statements. The employees' compensation will be distributed in the form of cash. Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(50) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the years ended December 31,	
	2021	2020
Current tax:		
Current tax on profits for the year	$ 100,426	$ 34,103
Prior year income tax overestimation	(279)	(2,811)
Total current tax	100,147	31,292
Deferred tax:		
Origination and reversal of temporary differences	8,515	12,920
Income tax expense	$ 108,662	$ 44,212

(b) The income tax charge relating to components of other comprehensive income is as follows:

	For the years ended December 31,	
	2021	2020
Remeasurements of defined benefit obligations	($ 66)	($ 721)

B. Reconciliation between income tax expense and accounting profit

	For the years ended December 31,	
	2021	2020
Tax calculated based on profit before tax and statutory tax rate	$ 129,977	$ 58,211
Effects from items adjusted in accordance with tax regulation	(5,005)	3,006
Prior year income tax overestimation	(279)	(2,811)
Effects from loss carryforward	-	420
Effect from investment tax credits	(16,031)	(14,614)
Income tax expense	$ 108,662	$ 44,212

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and loss carryforward are as follows:

	For the year ended December 31, 2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred income tax assets				
Temporary differences:				
Allowance for doubtful accounts	$ 2,946	$ 385	$ -	$ 3,331
Loss on decline in market value of inventories	11,928	(771)	-	11,157
Unrealised cost to provide after-sale service	3,216	1,405	-	4,621
Unrealised compensated absences	2,011	572	-	2,583
Pension costs	5,375	110	66	5,551
Unrealised sales discounts and allowances	1,047	(458)	-	589
Unrealised expenses and losses	450	1,850	-	2,300
Investment losses	971	-	-	971
Foreign currency exchange difference	2,053	(650)	-	1,403
Government grants revenue	-	1,042		1,042
Loss carryforward	15,336	(12,000)	-	3,336
	$ 45,333	($ 8,515)	$ 66	$ 36,884
Deferred income tax liabilities				
Temporary differences:				
Investment income	($ 25,707)	$ -	$ -	($ 25,707)
	$ 19,626	($ 8,515)	$ 66	$ 11,177

	For the year ended December 31, 2020			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred income tax assets				
Temporary differences:				
Allowance for doubtful accounts	$ 2,735	$ 211	$ -	$ 2,946
Loss on decline in market value of inventories	10,236	1,692	-	11,928
Unrealised cost to provide after-sale service	2,558	658	-	3,216
Unrealised compensated absences	1,561	450	-	2,011
Pension costs	4,502	152	721	5,375
Unrealised sales discounts and allowances	4,979	(3,932)	-	1,047
Unrealised expenses and losses	460	(10)	-	450
Investment losses	1,249	(278)	-	971
Foreign currency exchange difference	1,450	603	-	2,053
Lease expense	46	(46)	-	-
Loss carryforward	27,756	(12,420)	-	15,336
	$ 57,532	($ 12,920)	$ 721	$ 45,333
Deferred income tax liabilities				
Temporary differences:				
Investment income	($ 25,707)	$ -	$ -	($ 25,707)
	$ 31,825	($ 12,920)	$ 721	$ 19,626

D. Expiration dates of unused loss carryforward and amounts of unrecognised deferred tax assets are as follows:

December 31, 2021				
Year incurred	Amount assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2012	$ 405,210	$ 16,683	$ -	2022

December 31, 2020				
Year incurred	Amount assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2012	$ 405,210	$ 76,683	$ -	2022

E. The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority. As of February 21, 2022, no administrative relief has occurred.

(51) Earnings per share

	For the year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 541,223	81,454	$ 6.64
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 541,223	81,454	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	410	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 541,223	81,864	$ 6.61

	For the year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 246,844	81,977	$ 3.01
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 246,844	81,977	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	233	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 246,844	82,210	$ 3.00

(52) Supplemental cash flow information

A. Investing activities with partial cash payments

	For the years ended December 31,	
	2021	2020
(a) Purchase of property, plant and equipment	$ 42,501	$ 87,537
Add: Opening balance of payable on equipment (shown as 'other payables')	141	108
Less: Ending balance of payable on equipment (shown as 'other payables')	(383)	(141)
Cash paid for acquisition of property, plant and equipment	$ 42,259	$ 87,504

	For the years ended December 31,	
	2021	2020
(b)Increase in prepayments for business facilities	$ 10,881	$ -
Less: Ending balance of notes payable	(7,600)	-
Ending balance of payable on equipment (shown as 'other payables')	(1,857)	-
Cash paid for increase in prepayments for business facilities	$ 1,424	$ -

B. Investing activities with no cash flow effects

	For the years ended December 31, 2021	2020
Prepayments for investments transferred to financial assets at fair value through other comprehensive income	$ 10,000	$ 10,000

(53) Changes in liabilities from financing activities

	For the year ended December 31, 2021		
	Short-term borrowings	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2021	$ -	$ 38,261	$ 38,261
Changes in cash flow from financing activities	80,000	(4,911)	75,089
At December 31, 2021	$ 80,000	$ 33,350	$ 113,350

	For the year ended December 31, 2020		
	Short-term borrowings	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2020	$ -	$ 41,195	$ 41,195
Changes in cash flow from financing activities	-	(4,858)	(4,858)
Changes in other non-cash items	-	1,924	1,924
At December 31, 2020	$ -	$ 38,261	$ 38,261

21. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Uni-Ring Tech Co., Ltd.	Subsidiary
Kunshan All Ring Tech Co., Ltd.	Subsidiary
All Ring Tech (Kunshan) Co., Ltd.	Subsidiary
Jie Kuen Enterprise Inc.	Other related party (Note 1)
Ding Ji Electrical Engineering Co., Ltd.	Other related party (Note 2)
Nan Feng Mechanical Electrical Co., Ltd.	Other related party (Note 1)

(Note 1) The company became a non-related party due to the resignation of its responsible person as a supervisor of the Company in June 2020. The information disclosed pertain to transactions prior to resignation.

(Note 2) The company became a related party due to the election of its responsible person as a representative of corporate director of the Company on July 20, 2021.The information disclosed pertains to transactions from the day of election.

(2) Significant transactions and balances with related parties

A. Sales of goods

	For the years ended December 31,	
	2021	2020
Subsidiaries	$ 22,399	$ 23,667

The collection period for subsidiaries was 120 days after sales of goods. The collection periods for third parties were as follows: the first payment is collected 30 to 130 days after delivery of the machines, and the second payment is collected 30 to 190 days after acceptance of the machines. Except for the collection periods mentioned above, other terms of sales were the same with third parties.

B. Purchases of goods

	For the years ended December 31,	
	2021	2020
Subsidiaries	$ 60,979	$ 12,828
Other related parties	21,691	10,795
	$ 82,670	$ 23,623

The payment terms of purchases were 45 to 90 days after receipt to subsidiaries and 120 days to other related parties. Payment terms from purchases from normal vendors were 60 to 180 days. Except for the payment terms mentioned above, other terms of purchases were the same with third parties.

C. Rental income

	Location of the premises	Determination of rental	Collection frequency	For the year ended December 31, 2021
Uni-Ring Tech Co., Ltd.	Office in Luzhu, Kaohsiung	Negotiation	Monthly	$ 1,011

	Location of the premises	Determination of rental	Collection frequency	For the year ended December 31, 2020
Uni-Ring Tech Co., Ltd.	Office in Luzhu, Kaohsiung	Negotiation	Monthly	$ 1,011

D. Equity transactions

The Company participated in cash capital increase of the subsidiary, Uni-Ring Tech Co., Ltd., by investing $30,000 in November 2021. There was no such situation during 2020.

E. Receivables from related parties

(a)Accounts receivable	December 31, 2021	December 31, 2020
Subsidiaries	$ 16,348	$ 13,773

The receivables from related parties arise mainly from sales transactions. The receivables are unsecured in nature and bear no interest. There are no provisions held against receivables from related parties.

(b)Prepayments	December 31, 2021		December 31, 2020	
Subsidiaries	$	-	$	5,670

F. Payables to related parties

	December 31, 2021		December 31, 2020	
Accounts payable				
Subsidiaries	$	4,169	$	4,902
Other related parties		19,938		158
	$	24,107	$	5,060

The payables to related parties arise mainly from purchase transactions and the payables bear no interest.

G. Endorsements and guarantees provided to related parties

Endorser/guarantor	Endorsee/guarantee	December 31, 2021		December 31, 2020		Purpose
All Ring Tech Co., Ltd.	Uni-Ring Tech Co., Ltd.	$	30,000	$	50,000	Guarantee for borrowing facilities

As of December 31, 2021 and 2020, the actual amount of the endorsement used by the subsidiary, Uni-Ring Tech Co., Ltd., was $－.

(3) Key management compensation

	For the years ended December 31,			
	2021		2020	
Salaries and other short-term employee benefits	$	32,349	$	30,048
Post-employment benefits		943		819
	$	33,292	$	30,867

22. PLEDGED ASSETS

The Company's assets pledged as collateral were as follows:

Pledged asset	December 31, 2021		December 31, 2020		Purpose
Pledged time deposits (Note 1)	$	15,403	$	15,403	Guarantee for land leases and performance bond
Buildings and structures (Note 2)		252,740		262,649	Guarantee for short-term borrowings
	$	268,143	$	278,052	

Note 1: Shown as 'financial assets at amortised cost - non-current'.

Note 2: Shown as 'property, plant and equipment, net'.

23. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

For the details of significant contingent liabilities and unrecognised contract with related parties, please refer to Note 7 'Related party transactions.'

24. SIGNIFICANT DISASTER LOSS

None.

25. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

26. OTHERS

(八)Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(九)Financial instruments

D. Financial instruments by category

Details of financial instruments by category of the Company are described in Note 6.

E. Financial risk management policies

(c) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial position and financial performance.

(d) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

F. Significant financial risks and degrees of financial risks

(d) Market risk

I. Foreign exchange risk

i. The Company operates internationally and is exposed to foreign exchange rate risk arising from the transactions of the Company in various functional currency, primarily with respect to the USD. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities and net investments in foreign operations.

ii. Management has set up a policy to require the Company to manage its foreign exchange risk against the functional currency. The Company is required to hedge its entire foreign exchange risk exposure with the Company treasury. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

iii. The Company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Company's foreign operations is managed primarily through liabilities denominated in the relevant foreign currencies.

iv. The Company's businesses involve some non-functional currency operations (The functional currency of the Company is the NTD). Information on assets and liabilities subject to significant foreign exchange risk is as follows:

	December 31, 2021		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 27,232	27.68	$ 753,782
Investment accounted for under equity method			
USD:NTD	14,962	27.68	414,148
Financial liabilities			
Monetary items			
USD:NTD	911	27.68	25,216

	December 31, 2020		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 15,141	28.48	$ 431,216
Investment accounted for under equity method			
USD:NTD	14,242	28.48	405,612
Financial liabilities			
Monetary items			
USD:NTD	987	28.48	28,110

v. The sensitivity analysis of foreign exchange risk mainly focuses on the foreign currency monetary items at the end of the financial reporting period. If the exchange rate of NTD to all foreign currencies had appreciated/depreciated by 1%, the Company's net income for the years ended December 31, 2021 and 2020 would have decreased/increased by $5,828 and $3,225, respectively.

vi. The total exchange loss, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2021 and 2020 amounted to $13,171 and $20,836, respectively.

II. Price risk

i. The Company is exposed to equity securities price risk because of investments held by the Company and classified on the parent company only balance sheet as financial asset at fair value through profit or loss and financial assets at fair value through other comprehensive income. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company has set various stop loss points to ensure not to be exposed to significant risks. Accordingly, no material market risk is expected.

ii. The Company's investments in equity securities comprise domestic stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other components of equity for the years ended December 31, 2021 and 2020 would have increased/decreased by $4,906 and $2,429, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

III. Cash flow and fair value interest rate risk

If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, there is no significant effect on after-tax profit for the years ended December 31, 2021 and 2020.

(b) Credit risk

I. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

II. The Company manages its credit risk taking into consideration the entire Company's concern. According to the Company's credit policy, the Company is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is reqularly monitored.

III. The Company adopts the historical experience of collection and the level of customers' risk to assess whether there has been a significant increase in credit risk on that instrument since initial recognition. If the payments were past invoice date over 180 days, there has been a significant increase in credit risk on that instrument since initial recognition.

IV. According to the historical experience of collection by the Company and the level of customers' risk, the default occurs when the payments are past invoice date over 270 days.

V. The Company considers the characteristics of credit risk on trade, and applies the modified approach using the loss rate methodology to estimate expected credit loss. The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. As at December 31, 2021 and 2020, the details of expected credit loss using the loss rate methodology is as follows:

	Expected loss rate	Book value	Allowance for uncollectible accounts
December 31, 2021			
Less than 90 days	0.03%	$ 226,918	$ -
91～180 days	0.03%～0.06%	273,645	-
181～360 days	0.05%～1%	106,451	1,117
Over 360 days	0.63%～100%	126,526	19,064
		$ 733,540	$ 20,181

	Expected loss rate	Book value	Allowance for uncollectible accounts
December 31, 2020			
Less than 90 days	0.05%	$ 132,133	$ -
91～180 days	0.05%～0.09%	113,449	-
181～360 days	1%	66,142	689
Over 360 days	1.78%～100%	47,329	12,752
		$ 359,053	$ 13,441

VI. Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	For the years ended December 31,	
	2021	2020
	Accounts receivable	Accounts receivable
At January 1	$ 13,441	$ 11,457
Provision for impairment	6,740	1,984
At December 31	$ 20,181	$ 13,441

(c) Liquidity risk

I. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times to ensure the sufficient financial flexibility of the Company.

II. Company treasury invests surplus cash in interest bearing current accounts, time deposits and beneficiary certificates, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts, and readily generate cash flows to manage liquidity risk.

III. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the following table are undiscounted contractual cash flows.

December 31, 2021	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 80,686	$ -	$ -	$ -
Notes payable	8,646	-	-	-
Accounts payable	685,019	-	-	-
Other payables	249,413	-	-	-
Lease liabilities	5,307	5,307	6,866	17,929

December 31, 2020	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Notes payable	$ 791	$ -	$ -	$ -
Accounts payable	427,438	-	-	-
Other payables	161,889	-	-	-
Lease liabilities	5,307	5,307	9,885	20,217

IV. The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(十)Fair value information

J. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in emerging stocks and listed stocks are included in Level 1.

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

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in equity investment without active market is included in Level 3.

K. Financial instruments not measured at fair value

The Company's financial instruments not measured at fair value which includes the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, financial assets at amortised cost, guarantee deposits paid, notes payable, accounts payable, other payables and lease liabilities (including current and non-current) are approximate to their fair values.

L. The related information on financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities	$ 458,472	$ -	$ 32,101	$ 490,573

December 31, 2020	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities	$ 242,866	$ -	$ 12,489	$ 255,355

M. The methods and assumptions the Company used to measure fair value are as follows:

(a) The following financial assets use quoted market prices as inputs for fair value measurement (level 1): for emerging stocks, the average trading price at the balance sheet date is used.

(b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.

N. For the years ended December 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.

O. For the years ended December 31, 2021 and 2020, refer to below chart for the movement of Level 3:

	Equity instrument
At January 1, 2021	$ 12,489
Additions during this period	9,000
Prepayments for investments transferred	10,000
Profit recognised in other comprehensive income	612
At December 31, 2021	$ 32,101

	Equity instrument
At January 1, 2020	$ -
Prepayments for investments transferred	10,000
Profit recognised in other comprehensive income	2,489
At December 31, 2020	$ 12,489

P. Financial segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

Q. The following is the qualitative information on significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	$ 6,027	Discounted cash flow	Weighted average cost of capital	10.23%	The higher the weighted average cost of capital, the lower the fair value.
			Discount for lack of marketability	30.00%	The higher the discount for lack of marketability, the lower the fair value.
Venture capital stocks	26,074	Net assest value	Not applicable	—	Not applicable

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Venture capital stocks	$ 12,489	Net assest value	Not applicable	—	Not applicable

R. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

	Input	Change	December 31, 2021 Recognised in profit or loss Favourable change	Unfavourable change	Recognised in other comprehensive income Favourable change	Unfavourable change
Financial assets						
Equity instrument	Weighted average cost of capital	±10%	$ －	$ －	$ 1,080	($ 842)
	Discount for lack of marketability	±10%	－	－	1,385	($ 1,065)
			$ －	$ －	$ 2,465	($ 1,907)

There was no such situation as of December 31, 2020.

(十一)Other events

In response to the COVID-19 pandemic, the Company complied with the "Guidelines for Enterprise Planning of Business Continuity in Response to the Coronavirus Disease 2019 (COVID-19)" issued by the government and has adopted related measures for hygiene and health management in the workplace. The Company's factory is operating in its usual capacity and the pandemic has no significant impact on the Company's operations.

27. SUPPLEMENTARY DISCLOSURES

(According to the current regulatory requirements, the Company is only required to disclose the information for the year ended December 31, 2021.)

(1) Significant transactions information

A. Loans to others: Please refer to Table 1.

B. Provision of endorsements and guarantees to others: Please refer to Table 2.

C. Holding of marketable securities at the end of the period (not including subsidiary, associates and joint ventures): Please refer to Table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to Table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to Table 5.

(3) Information on investments in Mainland China

A. Basic information: Please refer to Table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to Table 7.

(4) Major shareholders information

Major shareholders information: Please refer to Table 8.

28. SEGMENT INFORMATION

Not applicable.

個體附表一

個體附表二

個體附表三

個體附表四

個體附表五

個體附表六

個體附表七

個體附表八

ALL RING TECH CO., LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS, NET
DECEMBER 31, 2021

Expressed in thousands of NTD

Item	Descriptions	Amount
Cash:		
Cash on hand		$ 2,207
Checking accounts deposits		49
Demand deposits		
-New Taiwan Dollars		186,218
-Foreign currency	USD 7,305 (in thousands), exchange rate: 27.63	
	SGD 19 (in thousands), exchange rate: 20.37	202,233
Cash equivalents:		390,707
Time deposit-Foreign currency	USD 6,000 (in thousands), exchange rate: 27.63	
	Maturity by 2021.12.31～2022.1.20,	
	interest rate at 0.11%～0.20%	165,780
		$ 556,487

ALL RING TECH CO., LTD.
STATEMENT OF NOTES RECEIVABLE, NET
DECEMBER 31, 2021

Expressed in thousands of NTD

Client Name	Description	Amount
Tai-Tech Advanced Electronics Co., Ltd.	Notes receivable	$ 175,408
Others (less than 5 %)	Notes receivable	2,163
		$ 177,571

ALL RING TECH CO., LTD.
STATEMENT OF ACCOUNTS RECEIVABLE, NET
DECEMBER 31, 2021

Expressed in thousands of NTD

Client Name	Description	Amount	Remark
Non-related parties:			
TAIPAQ Electronics(Si-hong) Co., Ltd.	Accounts receivable	$ 191,529	—
Advanced Semiconductor Engineering, Inc.	Accounts receivable	86,697	—
Taiwan Semiconductor Manufacturing Company Limited	Accounts receivable	48,660	—
Orient Semiconductor Electronics Ltd.	Accounts receivable	39,413	—
Kunshan Lanto Electronics Co., Ltd.	Accounts receivable	37,555	—
Others (less than 5 %)	Accounts receivable	313,338	—
		717,192	
Less: Allowance for doubtful accounts		(20,181)	
		697,011	
Related parties:			
All Ring Tech (Kunshan) Co., Ltd.	Accounts receivable	16,348	—
		$ 713,359	

ALL RING TECH CO., LTD.
STATEMENT OF INVENTORIES
DECEMBER 31, 2021

Expressed in thousands of NTD

Item	Description	Amount		Remark
		Cost	Net Realisable Value	
Raw materials	—	$ 102,599	$ 98,505	(Note)
Work in process	—	558,593	759,885	(Note)
Finished goods	—	63,257	69,049	(Note)
		724,449	$ 927,439	
Less: Allowance for valuation loss		(55,781)		
		$ 668,668		

Note: Please refer to Note 4(8) for the method to determine the net realisable value.

ALL RING TECH CO., LTD.
STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2021

Expressed in thousands of NTD

	Beginning balance		Addition		Decrease		Ending balance			
Company	Shares (in thousands)	Fair value	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Fair value	Collateral or Pledge	Remark
Listed stocks:										
Tai-Tech Advanced Electronics Co., Ltd.	2,502	$241,986	143	$ 103,244	–	$ –	2,645	$ 345,230	None	—
Utechzone Co., Ltd.	–	–	800	70,400	–	–	800	70,400	None	—
Favite Inc.	–	–	2,252	41,437	–	–	2,252	41,437	None	—
Unlisted stock:						–	–	–		
Tecstar Technology Co., Ltd.	165	880	–	525	–	–	165	1,405	None	—
Phoenix Innovation Investment Co., Ltd.	1,000	12,489	–	1,460	–	–	1,000	13,949	None	—
Phoenix II Innovation Investment Co., Ltd.	–	–	1,000	12,125	–	–	1,000	12,125	None	—
Hallmark Technology Co., Ltd.	–	–	450	9,000	–	(2,973)	450	6,027	None	—
	3,667	$ 255,355	4,645	$ 238,191	–	($ 2,973)	8,312	$ 490,573		

ALL RING TECH CO., LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2021

Expressed in thousands of NTD

	Beginning balance		Increase		Decrease		Ending balance			Market Value or Net Equity Value			
Company	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Percentage of ownership	Amount	Unit Price (in dollars)	Total Amount	Collateral or Pledge	Remark
PAI FU INTERNATIONAL LIMITED	1,930	$ 124,318	-	$ 2,888	-	($ 2,692)	1,930	100.00%	$ 124,514	$ 64.51	$ 124,514	None	—
Uni-Ring Tech. Co., Ltd.	7,856	21,260	3,000	32,293	-	-	10,856	100.00%	53,553	4.93	53,553	None	—
IMAGINE GROUP LIMITED	5,220	231,620	-	2,790	-	(2,216)	5,220	71.60%	232,194	39.73	207,387	None	—
	15,006	$ 377,198	3,000	$ 37,971	-	($ 4,908)	18,006		$ 410,261		$ 385,454		

ALL RING TECH CO., LTD.
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT－COST
FOR THE YEAR ENDED DECEMBER 31, 2021

Expressed in thousands of NTD

Please refer to Note 6(8) for the information related to property, plant and equipment.

ALL RING TECH CO., LTD.
STATEMENT OF CHANGES IN PROPERTY, PLANT
AND EQUIPMENT－ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 2021

Expressed in thousands of NTD

Please refer to Note 6(8) for the information related to property, plant and equipment and Note 4(14) for the method to determine depreciation and useful lives of assets.

ALL RING TECH CO., LTD.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS-COST
FOR THE YEAR ENDED DECEMBER 31, 2021

Expressed in thousands of NTD

Item	Beginning and Ending Balance	Remark
Land	$ 47,700	—

ALL RING TECH CO., LTD.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS - ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 2021

Expressed in thousands of NTD

Item	Beginning Balance	Addition	Decrease	Ending Balance	Remark
Land	$ 9,849	$ 5,035	$ -	$ 14,884	—

ALL RING TECH CO., LTD.
STATEMENT OF CHANGES IN DEFERRED INCOME TAX ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

Expressed in thousands of NTD

Please refer to Note 6 (24) for the information related to income taxes.

ALL RING TECH CO., LTD.
STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2021

Expressed in thousands of NTD

Nature	Description	Ending Balance	Contract Period	Rate	Credit Line	Collateral	Remark
Bank secured borrowings	Bank of Taiwan	$ 80,000	2021.12.13~2022.12.13	0.90%	$ 600,000	Land and buildings	—

ALL RING TECH CO., LTD.
STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2021

Expressed in thousands of NTD

Client Name	Description	Amount	Remark
Non-related parties:			
Keyence Taiwan Co., Ltd.	Accounts payable	$ 52,797	－
Shihlin Electric & Engineering Corp.	Accounts payable	39,622	－
Hua-Yu Seiki Co., Ltd.	Accounts payable	28,922	－
Advantech Co., Ltd.		22,017	
Jin Jaan Sheet Metal Co., Ltd.		20,193	
Others (less than 3%)	Accounts payable	497,361	－
		660,912	
Related parties:			
Ding Ji Electrical Engineering Co., Ltd.	Accounts payable	19,782	－
Others (less than 3%)	Accounts payable	4,325	－
		24,107	
		$ 685,019	

ALL RING TECH CO., LTD.
STATEMENT OF OTHER PAYABLES
DECEMBER 31, 2021

Expressed in thousands of NTD

Please refer to Note 6(11) for the information related to other payables.

ALL RING TECH CO., LTD.
STATEMENT OF CURRENT INCOME TAX LIABILITIES
DECEMBER 31, 2021

Expressed in thousands of NTD

Item	Description	Amount
Corporate income tax payable	—	$ 75,227

ALL RING TECH CO., LTD.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2021

Expressed in thousands of NTD

Item	Quantity	Amount	Remark
Semiconductor equipment	1,123 pc	$ 1,325,213	—
Passive components equipment	777 set	887,337	—
Light-emitting diode equipment	199 pc	99,988	—
Other equipment	3 pc	16,167	—
Materials	—	135,504	—
Operating revenue, net		$ 2,464,209	

ALL RING TECH CO., LTD.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Expressed in thousands of NTD

Item	Amount
Raw materials at January 1, 2021	$ 28,200
Add: Raw materials purchased	1,625,570
Less: Raw materials sold	(64,662)
Transferred to expenses	(33,443)
Raw materials at December 31, 2021	(102,599)
Raw materials used	1,453,066
Direct labor	24,783
Manufacturing expenses	53,098
Manufacturing cost	1,530,947
Work in progress at January 1, 2021	263,565
Work in progress at December 31, 2021	(558,593)
Cost of goods manufactured	1,235,919
Finished goods at January 1, 2021	77,804
Finished goods at December 31, 2021	(63,257)
Cost of products sold	1,250,466
Add: Cost of raw materials sold	64,662
Cost of goods sold	1,315,128
Reversal of allowance for inventory market price decline	(3,857)
Operating costs	$ 1,311,271

ALL RING TECH CO., LTD.
STATEMENT OF MANUFACTURING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

Expressed in thousands of NTD

Item	Description	Amount	Remark
Consumables	—	$ 20,484	—
Wages and salaries	—	11,537	—
Depreciation	—	4,900	—
Insurance	—	3,008	—
Others (less than 5%)	—	13,169	—
		$ 53,098	

ALL RING TECH CO., LTD.
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

Expressed in thousands of NTD

Item	Description	Amount	Remark
Wages and salaries	—	$ 25,258	—
After-sale service costs	—	16,293	—
Freight	—	3,933	—
Rental expense	—	3,597	—
Others (less than 5%)	—	20,044	—
		$ 69,125	

ALL RING TECH CO., LTD.
STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

Expressed in thousands of NTD

Item	Description	Amount	Remark
Wages and salaries	—	$ 82,918	—
Donations	—	10,540	—
Insurance	—	4,537	—
Depreciation	—	4,086	—
Others (less than 3%)	—	15,539	—
		$ 117,620	

ALL RING TECH CO., LTD.
STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

Expressed in thousands of NTD

Item	Description	Amount	Remark
Wages and salaries	—	$ 237,039	—
Raw materials used	—	24,173	—
Insurance	—	14,476	—
Depreciation	—	11,091	—
Others (less than 3%)	—	39,797	—
		$ 326,576	

ALL RING TECH CO., LTD.
STATEMENT OF OTHER INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021

Expressed in thousands of NTD

Please refer to Note 6(19) for the information related to other income.

ALL RING TECH CO., LTD.
STATEMENT OF OTHER GAINS AND LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2021

Expressed in thousands of NTD

Please refer to Note 6(20) for the information related to other gains and losses.

ALL RING TECH CO., LTD.
STATEMENT OF FINANCE COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Expressed in thousands of NTD

Please refer to Note 6(21) for the information related to finance cost.

ALL RING TECH CO., LTD.
STATEMENT OF FINANCE COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Expressed in thousands of NTD

Please refer to Note 6(22) for the additional information related to expense by nature and Note 6(23) for the information related to employee benefit expense.

All Ring Tech Co., Ltd.

Sincerely, Ching-Lai Lu Chairman of the Board