Shuttle Inc.

Financial Statements for the
Years Ended December 31, 2021 and 2020 and
Independent Auditors’ Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Shuttle Inc.

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 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 auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matters for the Company's financial statements for the year ended December 31, 2021 are stated as follows:

<u>Recognition of Gain Arising from Sale and Leaseback Transaction</u>

To vitalize Shuttle's assets, the Company disposed the building of the headquarter and leased it back before the new building was established. In 2021, the Company recognized gain on transferring the above building and leaseback of $273,344 thousand, accounting for a material portion of profit before income tax. Hence, the recognition of gain arising from sale and leaseback transaction has been identified as a key audit matter.

See notes 4.(m) and 14 for the accounting policy and detailed information of sale and leaseback transaction.

Our main audit procedures performed in respect of the above key audit matter are described here. By reviewing the minutes of the board of directors, we verified material disposal of assets was evaluated and authorized properly and that the process of the transaction was complied with "The Procedures for Acquisition or Disposal of Assets". Besides, we obtained the sales contract, proof of receipts, and documents of transfer of the ownership of the real estate to verify the transfer has been completed and qualifications of recognition of gain or loss on disposal have been met. Based on the lease arrangement, we calculated and tested the accuracy of the ratio of leaseback of right-of-use assets arising from the sale and leaseback transaction and gain on transferred right of sale and leaseback.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the 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 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 financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Jui-Chan Huang and Chen-Hsiu Yang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 30, 2022

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

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

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

SHUTTLE INC.

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

	2021		2020	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 959,013	23	$ 998,013	28
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	9,048	-	199	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	14,506	-	13,865	-
Trade receivables from unrelated parties (Notes 4 and 9)	15,149	-	13,617	-
Trade receivables from related parties (Note 26)	120,982	3	190,675	5
Other receivables (Notes 4 and 9)	641	-	42,820	1
Current tax assets (Note 4)	246	-	209	-
Inventories (Notes 4 and 10)	386,419	9	202,373	6
Prepayments (Notes 11 and 26)	19,522	1	11,895	-
Other current assets (Notes 6 and 16)	172,650	4	27,434	1
Total current assets	1,698,176	40	1,501,100	41
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	125,256	3	128,535	4
Investments accounted for using the equity method (Notes 4 and 12)	1,139,002	27	1,443,345	40
Property, plant and equipment (Notes 4, 13 and 27)	990,218	24	422,397	12
Right-of-use assets (Notes 4, 14 and 27)	104,127	2	3,659	-
Other intangible assets (Notes 4 and 15)	2,147	-	640	-
Deferred tax assets (Notes 4 and 22)	115,799	3	116,476	3
Other non-current assets (Notes 4 and 16)	21,429	1	7,317	-
Total non-current assets	2,497,978	60	2,122,369	59
TOTAL	$ 4,196,154	100	$ 3,623,469	100

LIABILITIES AND EQUITY

	2021		2020	
	Amount	**%**	**Amount**	**%**
CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	$ 21	-	$ 3,259	-
Contract liabilities (Note 21)	7,798	-	7,853	-
Trade payables to unrelated parties	240,876	6	135,262	4
Trade payables to related parties (Note 26)	-	-	406	-
Other payables (Note 17)	114,057	3	62,505	2
Provisions - current (Notes 4 and 18)	32,891	1	27,586	1
Lease liabilities - current (Notes 4 and 14)	25,222	-	1,607	-
Other current liabilities	6,146	-	8,857	-
Total current liabilities	427,011	10	247,335	7
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 22)	2,143	-	1,369	-
Lease liabilities - non-current (Notes 4 and 14)	172,249	4	2,064	-
Total non-current liabilities	174,392	4	3,433	-
Total liabilities	601,403	14	250,768	7
EQUITY (Note 20)				
Ordinary shares	3,434,273	82	3,434,273	95
Capital surplus	25,088	1	11,865	-
Retained earnings				
Legal reserve	1,898	-	436	-
Special reserve	17,089	-	3,924	-
Unappropriated earnings	189,908	5	10,243	-
Total retained earnings	208,895	5	14,603	-
Other equity	(73,505)	(2)	(54,637)	(1)
Treasury shares	-	-	(33,403)	(1)
Total equity	3,594,751	86	3,372,701	93
TOTAL	$ 4,196,154	100	$ 3,623,469	100

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

SHUTTLE INC.

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

	2021		2020	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 21 and 26)				
Sales	$ 878,797	98	$ 840,259	99
Less: Sales returns and allowances	3,811	-	12,573	2
Net sales	874,986	98	827,686	97
Technical service revenue	19,369	2	21,556	3
Total operating revenue	894,355	100	849,242	100
OPERATING COSTS (Notes 4, 10 and 21)				
Cost of goods sold	635,203	71	549,371	65
GROSS PROFIT	259,152	29	299,871	35
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	21,193	2	25,093	3
REALIZED GROSS PROFIT	280,345	31	324,964	38
OPERATING EXPENSES (Notes 4, 21 and 26)				
Selling and marketing expenses	56,173	6	38,578	4
General and administrative expenses	123,011	14	86,609	10
Research and development expenses	174,829	19	178,014	21
Excepted credit gain	(19)	-	(2,814)	-
Total operating expenses	353,994	39	300,387	35
(LOSS) PROFIT FROM OPERATIONS	(73,649)	(8)	24,577	3
NON-OPERATING INCOME AND EXPENSES				
Interest income	1,828	-	1,532	-
Other income (Notes 4, 21 and 26)	55,304	6	56,639	7
Other gains and losses (Notes 4, 14, 21 and 26)	275,586	31	(11,246)	(1)
Finance costs	(573)	-	(1,396)	-
Share of the loss of subsidiaries accounted for using the equity method (Note 4)	496	-	(4,749)	(1)
Total non-operating income and expenses	332,641	37	40,780	5
PROFIT BEFORE INCOME TAX	258,992	29	65,357	8
INCOME TAX EXPENSE (Notes 4 and 22)	(63,459)	(7)	(7,249)	(1)
NET PROFIT FOR THE YEAR	195,533	22	58,108	7

(Continued)

SHUTTLE INC.

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

	2021		2020	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Notes 4 and 20)	$ (2,638)	-	$ 21,224	2
Share of other comprehensive income (loss) of subsidiaries accounted for using the equity method (Notes 4 and 20)	12,469	1	25,357	3
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 4)	(33,101)	(4)	(32,321)	(4)
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4 and 22)	6,620	1	6,464	1
Other comprehensive (loss) income for the year, net of income tax	(16,650)	(2)	20,724	2
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	$ 178,883	20	$ 78,832	9
EARNINGS PER SHARE (Note 23)				
Basic	$ 0.58		$ 0.17	
Diluted	$ 0.57		$ 0.17	

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

SHUTTLE INC.

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

			Retained Earnings			Other Equity				
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Other Equity	Treasury Shares	Total Equity
BALANCE, JANUARY 1, 2020	$ 3,434,273	$ 11,865	$ -	$ -	$ 4,360	$ 12,433	$ (120,006)	$ (107,573)	$ (33,403)	$ 3,309,522
Appropriation of earnings										
Legal reserve	-	-	436	-	(436)	-	-	-	-	-
Special reserve	-	-	-	3,924	(3,924)	-	-	-	-	-
Difference between cost of acquisition of subsidiaries and net value	-	-	-	-	(15,653)	-	-	-	-	(15,653)
Net profit for the year ended December 31, 2020	-	-	-	-	58,108	-	-	-	-	58,108
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	(25,857)	46,581	20,724	-	20,724
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	58,108	(25,857)	46,581	20,724	-	78,832
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(32,212)	-	32,212	32,212	-	-
BALANCE, DECEMBER 31, 2020	3,434,273	11,865	436	3,924	10,243	(13,424)	(41,213)	(54,637)	(33,403)	3,372,701
Appropriation of earnings										
Legal reserve	-	-	1,462	-	(1,462)	-	-	-	-	-
Special reserve	-	-	-	13,165	(13,165)	-	-	-	-	-
Treasury shares transferred to employees	-	4,483	-	-	-	-	-	-	33,403	37,886
Share-based payment transactions	-	8,740	-	-	-	-	-	-	-	8,740
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	(3,470)	-	-	-	-	(3,470)
Net profit for the year ended December 31, 2021	-	-	-	-	195,533	-	-	-	-	195,533
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(26,481)	9,831	(16,650)	-	(16,650)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	195,533	(26,481)	9,831	(16,650)	-	178,883
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	2,229	-	(2,218)	(2,218)	-	11
BALANCE, DECEMBER 31, 2021	$ 3,434,273	$ 25,088	$ 1,898	$ 17,089	$ 189,908	$ (39,905)	$ (33,600)	$ (73,505)	$ -	$ 3,594,751

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

SHUTTLE INC.

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

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 258,992	$ 65,357
Adjustments for:		
Depreciation expenses	8,135	9,386
Amortization expenses	7,617	13,319
Expected credit loss reversed on trade receivables	(19)	(2,814)
Net (gain) loss on financial assets and liabilities at fair value through profit or loss	(12,101)	5,918
Finance costs	573	1,396
Interest income	(1,828)	(1,532)
Dividend income	(80)	-
Compensation cost of share-based payment	8,740	-
Share of loss of subsidiaries accounted for using equity method	(496)	4,749
Gain arising from sale and leaseback transaction	(275,344)	-
Write-downs of inventories	29,497	28,700
Realized gain on transactions with subsidiaries	(21,193)	(25,093)
Unrealized loss (gain) on foreign currency exchange	15,742	(5,221)
Recognition of provisions	7,646	5,149
Changes in operating assets and liabilities:		
Trade receivables	(1,513)	91,386
Trade receivable from related parties	69,219	140,341
Other receivables	42,153	(587)
Inventories	(213,543)	85,321
Prepayments	(14,439)	(7,755)
Other current assets	(1,883)	(1,486)
Contract liabilities	20	4,548
Trade payables	107,112	(96,489)
Trade payables to related parties	(406)	(133,007)
Other payables	51,663	(16,777)
Provisions	(2,341)	(2,002)
Other current liabilities	(2,711)	(6,306)
Cash generated from operations	59,212	156,501
Interest paid	(573)	(1,817)
Income tax (paid) returned	(55,425)	161
Net cash generated from operating activities	3,214	154,845
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	-	(150)
Proceeds from sale of financial assets at fair value through other comprehensive income	-	9,022
Proceeds from liquidation or capital reduction of financial assets at fair value through other comprehensive income	11	2,068

(Continued)

SHUTTLE INC.

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

	2021	2020
Purchase of financial assets at fair value through profit or loss	$ (480,000)	$ -
Proceeds from sale of financial assets at fair value through profit or loss	480,014	-
Proceeds from investees' capital reduction	308,630	113,960
Acquisition of investments accounted for using the equity method	(60,000)	(127,503)
Acquisition of property, plant and equipment	(988,423)	(3)
Proceeds from disposal of property, plant and equipment	785,447	-
Acquisition of intangible assets	(2,312)	(504)
(Increase) decrease in other financial assets	(143,333)	31,242
Increase in other non-current assets	(14,112)	-
Decrease in refundable deposits	-	4,243
Interest received	1,854	1,581
Dividends received	53,380	-
Net cash (used in) generated from investing activities	(58,844)	33,956
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans	-	(139,362)
Repayment of the principal portion of lease liabilities	(4,304)	(2,912)
Transfer of treasury shares to employees	37,886	-
Net cash generated from (used in) financing activities	33,582	(142,274)
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(16,952)	3,165
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(39,000)	49,692
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	998,013	948,321
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 959,013	$ 998,013

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

SHUTTLE INC.

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

1. ORGANIZATION AND OPERATIONS

Shuttle Inc. (the "Company") was incorporated in June 1983. The Company is engaged in manufacturing and selling laptops, barebones, mainboards, and other computer peripherals, as well as providing related technical services. The Company's shares were listed and traded on the Taipei Exchange (the "TPEx") Mainboard from December 8, 1998 until the shares became listed and traded on the Taiwan Stock Exchange (the "TWSE") starting on March 17, 2000.

The financial statements are presented in the Company's functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorized for issue on March 15, 2022.

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

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

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

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

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

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

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

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

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

The Company has assessed that the application of other standards and interpretations will not have a material impact on the Company's financial position and financial performance.

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

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

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

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

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

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

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values.

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

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

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

3) Level 3 inputs are unobservable inputs for assets or liabilities.

When preparing these parent company only financial statements, the Company used the equity method to account for its investment in subsidiaries. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity within the parent company only financial statements to be the same as the amounts attributable to the owners of the Company in the consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for by using the equity method, the share of profit or loss of subsidiaries, the share of other comprehensive income of subsidiaries, and the related equity items, as appropriate, in the parent company only financial statements.

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within twelve months after the reporting period; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period.

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

d. Foreign currencies

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

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

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

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate of the date of transaction.

For the purposes of presenting financial statements, the assets and liabilities of the Company's foreign operations (including subsidiaries in other countries that use currencies which are different from the currency of the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

e. Inventories

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

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries.

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

When testing for impairment, the cash-generating unit is determined based on the financial statements as a whole by comparing its recoverable amount with its carrying amount. If the recoverable amount of the asset subsequently increases, the reversal of the impairment loss is recognized as a gain, but the increased carrying amount of an asset after a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized on the asset in prior years.

Profits and losses from downstream transactions with a subsidiary are eliminated in full. Profits and losses from upstream with a subsidiary and side-stream transactions between subsidiaries are recognized in the Company's financial statements only to the extent of interests in the subsidiary that are not related to the Company.

g. Property, plant and equipment

Property, plant and equipment are stated at cost, less recognized accumulated depreciation and accumulated impairment loss.

Freehold land is not depreciated.

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

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

h. Other intangible assets

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

Expenditure on research activities is recognized as an expense in period in which it is incurred.

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

i. Impairment of property, plant and equipment, right-of-use asset and intangible assets other than goodwill

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

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

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

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

j. Financial instruments

Financial assets and financial liabilities are recognized when a company entity becomes a party to the contractual provisions of the instruments.

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

1) Financial assets

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

a) Measurement category

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

i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 25.

ii. Financial assets at amortized cost

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

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

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

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost and other receivables, other financial assets and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

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

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

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

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

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

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

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

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

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

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

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

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

2) Equity instruments

Equity instruments issued by a group entity are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

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

Repurchase of the Company’s own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company’s own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

k. Provisions

Provisions for the expected cost of warranty obligations are recognized at the date of sale of the relevant products, at the best estimate of the expenditure required to settle the Company's obligation by the management of the Company.

l. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

For contracts where the period between the date on which the Company transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Company does not adjust the promised amount of consideration for the effects of a significant financing component.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of computer equipment. Sales of computer equipment are recognized as revenue when the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. Any amounts received in advance with remaining obligation are recognized as contract liabilities.

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

2) Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

m. Leasing

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

1) The Company as lessor

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

When the Company subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Company, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

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

2) The Company as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

For sale and leaseback transactions, if the transfer of an asset satisfies the requirements of IFRS 15 to be accounted for as a sale, the Company recognizes only the amount of any gain or loss which relates to the rights transferred to the buyer-lessor, and adjusts the off-market terms to measure the sale proceeds at fair value. If the transfer does not satisfy the requirements of IFRS 15 to be accounted for as a sale, it is accounted for as a financing transaction.

n. Government grants

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

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Company recognizes as expenses the related costs that the grants intend to compensate.

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

o. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

Net defined benefit assets represents the actual surplus in the Company’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

p. Share-based payment arrangements

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Company’s best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share option. It is recognized as an expense in full at the grant date if vested immediately. The grant date of treasury shares transferred to employees is the date on which the number of shares that employees purchase is confirmed. The chairman of the Board is authorized to decide to transfer treasury shares at one time or several times.

q. Taxation

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

1) Current tax

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

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

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carry forward to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

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

3) Current and deferred taxes for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Company considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

6. CASH AND CASH EQUIVALENTS

	December 31 2021	December 31 2020
Cash on hand	$ 300	$ 300
Checking accounts and demand deposits	958,713	702,713
Cash equivalents		
Time deposits with original maturities of less than three months	-	295,000
	$ 959,013	$ 998,013

The market rate intervals of cash in bank, time deposits with original maturities of less than three months and other financial assets - time deposits with original maturities of more than three months (classified as other current assets) at the end of the reporting period were as follows:

	December 31 2021	December 31 2020
Demand deposits	0.001%-0.05%	0.001%-0.15%
Time deposits with original maturities of less than three months	-	0.25%-0.39%
Other financial assets - time deposits with original maturities of more than three months	0.12%-0.60%	-

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31 2021	December 31 2020
Financial assets at fair value through profit and loss (FVTPL) - current		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	$ 9,048	$ 199
Financial liabilities at FVTPL - current		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts	$ 21	$ 3,259

At the end of reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Period	Contract Amount (In Thousands)
December 31, 2021			
Sell	EUR/NTD	2022.1.07-2022.5.26	EUR8,912/NTD287,908
Sell	JPY/NTD	2022.1.14-2022.5.19	JPY128,390/NTD31,545

(Continued)

	Currency	Maturity Period	Contract Amount (In Thousands)
December 31, 2020			
Sell	EUR/NTD	2021.1.13-2021.6.03	EUR5,325/NTD182,806
Sell	JPY/NTD	2021.1.19-2021.5.28	JPY79,640/NTD21,962

(Concluded)

The Company entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2021	2020
Current		
Domestic listed shares and emerging market shares	$ 14,506	$ 13,865
Non-current		
Domestic listed shares and emerging market shares	$ 30,993	$ 35,452
Foreign unlisted shares	94,263	93,083
	$ 125,256	$ 128,535

The Company's board of directors approved to invest €2,650 thousand in Lutz Yonson Holdings on April 15, 2019 to obtain 15.1% of interest, and signed an agreement of investment and cooperation.

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

In order to manage credit concentration risk, the Company sold a part of its shares at a fair value of $9,022 thousand in 2020 and its unrealized valuation gain of $1,782 thousand was transferred from other equity to retained earnings.

9. TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2021	2020
Trade receivables		
At amortized cost		
Gross carrying amount	$ 15,166	$ 13,653
Less: Allowance for impairment loss	(17)	(36)
	$ 15,149	$ 13,617
Other receivables	$ 641	$ 42,820

a. Trade receivables

The average credit terms range from month end 90 to 120 days. No interest was charged on trade receivables. The Company adopted a policy of rating its major customers by using other public financial information or its own trading records and obtaining sufficient collateral or insurance, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, insurance coverage, as well as economic condition of the industry in which the customer operates, and industry outlook. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation. For trade receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Company's provision matrix.

December 31, 2021

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 90 Days Past Due	91 to 180 Days Past Due	Over 180 Days Past Due	Total
Expected credit loss rate	0.1%	0.5%	2%	5%	20%	100%	
Gross carrying amount	$ 14,273	$ 883	$ -	$ 10	$ -	$ -	$ 15,166
Loss allowance (Lifetime ECL)	(12)	(4)	-	(1)	-	-	(17)
Amortized cost	$ 14,261	$ 879	$ -	$ 9	$ -	$ -	$ 15,149

December 31, 2020

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 90 Days Past Due	91 to 180 Days Past Due	Over 180 Days Past Due	Total
Expected credit loss rate	0.11%	1%	0%	0%	0%	0%	
Gross carrying amount	$ 11,227	$ 2,426	$ -	$ -	$ -	$ -	$ 13,653
Loss allowance (Lifetime ECL)	(12)	(24)	-	-	-	-	(36)
Amortized cost	$ 11,215	$ 2,402	$ -	$ -	$ -	$ -	$ 13,617

The movements of the loss allowance of trade receivables were as follows:

	2021	2020
Balance at January 1	$ 36	$ 5,163
Less: Net remeasurement of loss allowance	(19)	(2,814)
Less: Amounts written off	-	(2,313)
Balance at December 31	$ 17	$ 36

b. Other receivables

Other receivables are individually assessed for impairment and considered to be impaired when there is objective evidence of impairment. At the end of reporting period, there was no past due other receivables that the Company had not recognized allowance for impairment on other receivables.

10. INVENTORIES

	December 31	
	2021	2020
Finished goods	$ 175,938	$ 122,201
Work in progress	3,240	-
Raw materials	207,241	80,172
	$ 386,419	$ 202,373

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2021 and 2020 was $635,203 thousand and $549,371 thousand, respectively. The cost of goods sold included losses from inventory write-downs of $29,497 thousand and $28,700 thousand for the years ended December 21, 2021 and 2020, respectively.

11. PREPAYMENTS

	December 31	
	2021	2020
Prepaid expenses - mold templates	$ 1,422	$ 3,450
Other prepaid expenses	18,100	8,445
	$ 19,522	$ 11,895

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Subsidiaries

	December 31	
	2021	2020
Holco (BVI) Inc.	$ 260,055	$ 577,952
Gold Fountain Limited	181,394	188,575
Fuxing Biomedical Co., Ltd. (Renamed from Li Xin AI Care Co., Ltd.)	73,333	85,155
Liigen Inc.	920	973
Yong Jhao Innovation Investment Co., Ltd.	460,338	480,338
Big Ten Investment Consulting Co., Ltd.	162,962	110,352
	$ 1,139,002	$ 1,443,345

At the end of the reporting period, the proportion of ownership and voting rights in its subsidiaries held by the Company were as follows:

	December 31	
	2021	**2020**
Holco (BVI) Inc.	100%	100%
Gold Fountain Limited	100%	100%
Fuxing Biomedical Co., Ltd. (Renamed from Li Xin AI Care Co., Ltd.)	100%	100%
Liigen Inc.	100%	100%
Yong Jhao Innovation Investment Co., Ltd.	100%	100%
Big Ten Investment Consulting Co., Ltd.	100%	100%

Liigen Inc. issued ordinary shares and increased capital of $5,000 thousand in February 2020.

Holco (BVI) Inc. received US$4,000 thousand in cash from a capital reduction from Shuttle Computer (HK) Ltd. and the Company received $113,960 thousand in cash from a capital reduction from Holco (BVI) Inc. in 2020. Holco (BVI) Inc. received US$11,000 thousand in cash from a capital reduction from Shuttle Computer (HK) Ltd. and the Company received $308,630 thousand in cash from a capital reduction from Holco (BVI) Inc. in 2021.

To facilitate cross-industry alliances and strategic cooperation, the Company’s board of directors approved to acquire 100% of interest in Carilex Medical Inc. at a cost up to $465 million in total by phases on November 5, 2019. The Company acquired 100% of interest in Yong Jhao Innovation Investment Co., Ltd. at the price of $278,107 thousand on November 5, 2019, to indirectly acquire 70% interest in Carilex Medical Inc. The Group acquired another 24.01% of interest in Carilex Medical Inc. by acquiring 100% of interest in Big Ten Investment Consulting Co., Ltd. on May 7, 2020. The Company’s board of directors approved to invest in Carilex Medical Inc. up to $300,000 thousand on May 12, 2020.

To streamline the Group organization, a short-form merger combined Hong Yi and Yong Jhao Innovation Investment Co., Ltd., and Yong Jhao Innovation Investment Co., Ltd. was designated as the survivor of the merger. The reference date of merger was March 31, 2020. An alternation of the entries of the corporate registration was completed.

Big Ten Investment Consulting Co., Ltd. issued new ordinary shares and increased capital of $20,000 thousand, $10,000 thousand and $60,000 thousand on May 15, September 4, 2020, and May 17, 2021, respectively. Alternations of the entries of the corporate registration were completed.

Li Xin AI Care Co., Ltd. was renamed to Fuxing Biomedical Co., Ltd. on September 15, 2021. Alternations of the entries of the corporate registration were completed.

The Company’s share of profit (loss) and other comprehensive income (loss) of its subsidiaries was recorded based on audited financial statements for the respective years ended December 31, 2021 and 2020.

13. PROPERTY, PLANT, AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Transpor-tation Equipment	Facilities	Other Equipment	Total
Cost							
Balance at January 1, 2020	$ 273,000	$ 224,584	$ 38,051	$ 7,824	$ 23,075	$ 19,859	$ 586,393
Additions	-	-	3	-	-	-	3
Disposals	-	-	-	-	(1,090)	(1,053)	(2,143)
Balance at December 31, 2020	$ 273,000	$ 224,584	$ 38,054	$ 7,824	$ 21,985	$ 18,806	$ 584,253
Accumulated depreciation and impairment							
Balance at January 1, 2020.	$ -	$ 74,831	$ 37,969	$ 7,437	$ 22,945	$ 14,340	$ 157,522
Depreciation expense	-	4,132	85	166	75	2,019	6,477
Disposals	-	-	-	-	(1,090)	(1,053)	(2,143)
Balance at December 31, 2020.	$ -	$ 78,963	$ 38,054	$ 7,603	$ 21,930	$ 15,306	$ 161,856
Carrying amounts at December 31, 2020	$ 273,000	$ 145,621	$ -	$ 221	$ 55	$ 3,500	$ 422,397
Cost							
Balance at January 1, 2021	$ 273,000	$ 224,584	$ 38,054	$ 7,824	$ 21,985	$ 18,806	$ 584,253
Additions	988,303	-	120	-	-	-	988,423
Disposals	(273,000)	(224,584)	(4,715)	(6,309)	(1,717)	(770)	(511,095)
Balance at December 31, 2021	$ 988,303	$ -	$ 33,459	$ 1,515	$ 20,268	$ 18,036	$1,061,581
Accumulated depreciation and impairment							
Balance at January 1, 2021	$ -	$ 78,963	$ 38,054	$ 7,603	$ 21,930	$ 15,306	$ 161,856
Depreciation expense	-	2,687	120	166	55	1,641	4,669
Disposals	-	(81,650)	(4,715)	(6,310)	(1,717)	(770)	(95,162)
Balance at December 31, 2021	$ -	$ -	$ 33,459	$ 1,459	$ 20,268	$ 16,177	$ 71,363
Carrying amounts at December 31, 2021	$ 988,303	$ -	$ -	$ 56	$ -	$ 1,859	$ 990,218

The above items of property, plant and equipment were depreciated on a straight-line basis over their estimated useful live as follows:

Buildings	
Main buildings	56-60 years
Renovation engineering	3 years
Air conditioner equipment	6-8 years
Machinery and equipment	2-6 years
Transportation equipment	5 years
Facilities	5 years
Other equipment	3-5 years

The Company’s board of directors approved to obtain the land at the Ankang section of Neihu Dist., Taipei City on October 25, 2021 at a price of $987,500 thousand in total. The full payment was made and the transfer of ownership was completed by the end of November 2021.

Property, plant and equipment pledged as collateral for acquiring loan limits of bank borrowings are set out in Note 27.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31 2021	December 31 2020
Carrying amounts		
Buildings	$ 100,487	$ -
Transportation equipment	3,640	3,659
	$ 104,127	$ 3,659

	For the Year Ended December 31 2021	For the Year Ended December 31 2020
Additions to right-of-use assets	$ 103,934	$ 2,156
Depreciation charge for right-of-use assets		
Buildings	$ 1,058	$ -
Transportation equipment	2,408	2,909
	$ 3,466	$ 2,909

b. Lease liabilities

	December 31 2021	December 31 2020
Carrying amounts		
Current	$ 25,222	$ 1,607
Non-current	$ 172,249	$ 2,064

Range of discount rate for lease liabilities was as follows:

	December 31 2021	December 31 2020
Buildings	0.95%	-
Transportation equipment	1.10%	1.10%

c. Material lease-in activities and terms

The Company leases certain transportation equipment and buildings as company cars and offices with lease terms of 3 and 8 years, respectively. These arrangements do not contain renewal or purchase options.

To revitalize assets and strengthen the financial structure, the Company sold the office building at Ruiguang Rd., Neihu Dist., Taipei City in December 2021, to Nan Shan Life Insurance Company, Ltd. at the price of $801,000 thousand in total, and then leased it back immediately. The Company signed an 8-year lease arrangement with Nan Shan Life Insurance Company, Ltd. for the continued use of the building, which generated a profit of $275,344 thousand. The lease agreement has a pre-emptive term of the tenancy agreement, with annual rental payments of $24,762 thousand for the first two years, and an increase of the rental starting from the third year of the lease term at 1% of the prior year’s rental fee.

d. Other lease information

	For the Year Ended December 31	
	2021	2020
Expenses relating to short-term leases and low-value asset leases	$ 361	$ 270
Total cash outflow for leases	$ 4,874	$ 3,217

The Company leases certain office equipment and transportation equipment which qualify as short-term leases and low-value asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. OTHER INTANGIBLE ASSETS

	Computer Software Costs	Accumulated Amortization	Net Value
Balance at January 1, 2020	$ 91,725	$ (87,827)	$ 3,898
Additions	504	-	504
Amortization expense	-	(3,762)	(3,762)
Balance at December 31, 2020	$ 92,229	$ (91,589)	$ 640
Balance at January 1, 2021	$ 92,229	$ (91,589)	$ 640
Additions	2,312	-	2,312
Amortization expense	-	(805)	(805)
Balance at December 31, 2021	$ 94,541	$ (92,394)	$ 2,147

The above computer software was amortized on a straight-line method over 2 to 5 years.

16. OTHER ASSETS - CURRENT AND NON-CURRENT

	December 31	
	2021	2020
Current		
Overpaid sales tax	$ 20,624	$ 27,229
Other financial assets - time deposits with original maturities of more than three months	143,333	-
Others	8,693	204
	$ 172,650	$ 27,433
Non-current		
Refundable deposits	$ 18,335	$ 4,235
Prepayment for equipment	2,070	2,070
Net defined benefit assets	1,024	1,012
	$ 21,429	$ 7,317

17. OTHER PAYABLES

	December 31	
	2021	2020
Accrued salary and compensation	$ 73,965	$ 37,948
Payables for professional services	8,539	4,941
Payables for promotion expense	6,250	1,309
Payables for insurance	3,735	3,368
Payables for mold templates	210	3,115
Others	21,358	11,824
	$ 114,057	$ 62,505

18. PROVISIONS

	December 31	
	2021	2020
Warranties	$ 32,891	$ 27,586

Movements of the warranties were as follows:

	For the Year Ended December 31	
	2021	2020
Balance at January 1	$ 27,586	$ 24,439
Additional provisions recognized	7,646	5,149
Usage	(2,341)	(2,002)
Balance at December 31	$ 32,891	$ 27,586

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

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

The pension expense of defined contribution plans for the years ended December 31, 2021 and 2020 were $10,406 thousand and $11,520 thousand, respectively.

b. Defined benefit plans

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

The Company adopts the defined benefit plan under the Labor Standards Law for a small portion of its foreign employees. The suspension of contribution has been applied from July 2021 to June 2022, since the amount of the pension fund has been adequate.

The Company's expected contributions to the plans for the respective subsequent year as of both December 31, 2021 and 2020 were $0 thousand and $28 thousand.

20. EQUITY

a. Ordinary shares

	December 31	
	2021	**2020**
Shares authorized (in thousands of shares)	500,000	500,000
Authorized shares	$ 5,000,000	$ 5,000,000
Shares issued and fully paid (in thousands of shares)	343,427	343,427
Issued shares	$ 3,434,273	$ 3,434,273

The issued ordinary shares with a par value of $10 per share entitle the holders to the rights to vote and receive dividends.

b. Capital surplus

	December 31	
	2021	**2020**
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital		
Share premium of issuance of ordinary shares	$ 11,865	$ 11,865
Treasury share transactions	4,483	-
May only be used to offset a deficit		
Treasury shares transferred to employees	8,740	-
	$ 25,088	$ 11,865

The capital surplus arising from shares issued in excess of par (including share premium from issuance of ordinary shares, and treasury share transactions) may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital which however is limited to a certain percentage of the Company's capital surplus and once a year.

The capital surplus arising from treasury shares transferred to employees may only be used to offset a deficit, not to serve any other purposes.

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the Company's Articles of Incorporation (the "Articles"), where the Company made an earnings distribution or offsetting for deficits after the end of the half-year period in a fiscal year, the profit shall be first utilized for paying taxes and employees' compensation, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. The partial or full distribution of dividends and bonuses by way of cash is authorized to be approved by the Company's board of directors and reported in the shareholder's meeting. For the policies on the distribution of compensation of employees and remuneration of directors, refer to compensation of employees and remuneration of directors in Note 21(f).

The Company's Articles also stipulate that the profit of the Company may be distributed by way of cash dividends and/or share dividends. The ratio for cash dividends shall not be less than 10% of the total dividend distribution. However, the Company may adjust the distributed ratio based on the current fund allocation.

The appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriation of earnings for 2020 and 2019 as approved in the shareholders' meeting on July 5, 2021 and June 24, 2020 were as follows:

	2020	2019
Legal reserve	$ 1,024	$ 436
Special reserve	$ 9,219	$ 3,924

The appropriation of the first six months earnings in 2021 and 2020, which were resolved by the Company's board of directors, were as follows:

	For the Six Months Ended June 30	
	2021	2020
Date of board of resolution	August 11, 2021	August 11, 2020
Legal reserve	$ 438	$ -
Special reserve	$ 3,946	$ -

d. Other equity

Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2021	**2020**
Balance at January 1	$ (41,213)	$ (120,006)
Recognized for the year		
Unrealized gain (loss) - equity instruments	(2,638)	21,224
Share of subsidiaries accounted for using equity method	12,469	25,357
Other comprehensive income recognized for the year	9,831	46,581
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	(2,218)	32,212
Balance at December 31	$ (33,600)	$ (41,213)

e. Treasury shares

(Shares in Thousands)

	For the Year Ended December 31	
Purpose of Buy-back	**2021**	**2020**
Transferred to employees		
Number of shares at January 1	3,800	3,800
Decrease during the year	(3,800)	-
Number of shares at December 31	-	3,800

On December 21, 2016, the Company's board of directors resolved to buy-back outstanding shares at $6.5-$12 per share from the stock market in order to maintain the Company's credibility and shareholders' equity. The Company bought back 10,000 thousand shares in the amount of $87,903 thousand on February 15, 2017. In addition, on March 21, 2017, the board of directors resolved to change the purpose of buying back the shares for the purpose of transferring them to employees, and the chairman of the board of directors was authorized to transfer the shares all at once or at several different times. Later, on December 1, 2017, 6,200 thousand shares were transferred to employees. To comply with laws and retain quality employees, the Company's board of directors approved to amend the transfer period of treasury shares from 3 years to 5 years.

On December 1, 2021, the remaining 3,800 thousand shares were transferred to qualified employees and vested immediately at the grant date. The Company adopted the Black-Scholes option evaluation model at the grant date and recognized the compensation cost of share-based payment of $8,740 thousand.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as rights to dividends and to vote.

21. NET PROFIT

a. Operating income

	For the Year Ended December 31	
	2021	2020
XPC	$ 792,963	$ 710,423
Computer peripherals and components	79,961	96,686
Mother Board	2,002	2,392
NB	60	18,185
Technical service income	19,369	21,556
	$ 894,355	$ 849,242

The balances of contract liabilities of the Company from the sale of goods as of December 31, 2021 and 2020 were $7,798 thousand and $7,853 thousand, respectively. The change in contract liabilities mainly arise from the difference between the point of meeting the performance obligation and the time of payment by customers.

b. Other income

	For the Year Ended December 31	
	2021	2020
Rental income	$ 365	$ 148
Dividend income	80	-
Subsidy income	-	21,749
Others	54,859	34,742
	$ 55,304	$ 56,639

c. Other gains and losses

	For the Year Ended December 31	
	2021	2020
Gain arising from sale and leaseback transaction	$ 275,344	$ -
Net gain (loss) on financial instruments at fair value through profit	12,101	(5,918)
Net (loss) gain on foreign exchange	(11,416)	8,516
Others	(443)	(13,844)
	$ 275,586	$ (11,246)

d. Depreciation and amortization

	For the Year Ended December 31	
	2021	**2020**
An analysis of depreciation by function		
Operating costs	$ 247	$ 269
Operating expenses	7,888	9,117
	$ 8,135	$ 9,386
An analysis of amortization by function		
Operating costs	$ 6,812	$ 9,557
Operating expenses	805	3,762
	$ 7,617	$ 13,319

e. Employee benefits expense

	For the Year Ended December 31	
	2021	**2020**
Post-employment benefits (Note 19)	$ 10,406	$ 11,520
Share-based payments	8,740	-
Salaries and bonuses	233,679	196,147
Labor and health insurance	18,641	19,620
Other employee benefits	10,252	11,472
Total employee benefits expense	$ 281,718	$ 238,759
An analysis of employee benefits expense by function		
Operating costs	$ 19,340	$ 18,718
Operating expenses	262,378	220,041
	$ 281,718	$ 238,759

f. Employees’ compensation and remuneration of directors

The Articles of the Company stipulated the distribution of employees’ compensation and remuneration of directors at the rates of no less than 5% and no higher than 3%, respectively, of net profit before income tax, employees’ compensation, and remuneration of directors.

The compensation of employees and the remuneration of directors for the years ended December 31, 2021 and 2020, which were approved by Company’s board of directors on March 15, 2022 and March 16, 2021, respectively, are as follows:

Rate

	For the Year Ended December 31	
	2021	**2020**
Employees compensation	5%	5%
Remuneration of directors	1%	2%

Amount

	For the Year Ended December 31	
	2021	**2020**
Employees compensation	$ 13,776	$ 940
Remuneration of directors	2,755	376

If there is a change in the proposed amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate and will be adjusted in the next year.

There was no difference between the actual amount of employees' compensation and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2020 and 2019.

Information on the employees' compensation and remuneration of directors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

22. INCOME TAX

a. Major components of tax expense recognized in profit or loss

	For the Year Ended December 31	
	2021	**2020**
Current tax		
Land value increment tax	$ 55,388	$ -
Deferred tax		
In respect of the current year	7,415	374
Adjustments for prior years	656	6,875
Income tax expense recognized in profit or loss	$ 63,459	$ 7,249

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2021	**2020**
Profit before tax	$ 258,992	$ 65,357
Income tax expense calculated at the statutory rate (20%)	$ 51,799	$ 13,071
Tax-exempt income	(51,791)	(11,336)
Unrecognized loss carryforwards and deductible temporary differences	7,407	(1,361)
Land value increment tax	55,388	-
Adjustments for prior year's deferred tax	656	6,875
Income tax expense recognized in profit or loss	$ 63,459	$ 7,249

b. Tax expense recognized in other comprehensive income

	For the Year Ended December 31	
	2021	2020
Deferred tax		
In respect of the current year - exchange differences on translating foreign operations	$ 6,620	$ 6,464

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporarily differences				
Deferred revenue	$ 14,269	$ (4,273)	$ -	$ 9,996
Share of loss of subsidiaries accounted for using the equity method	58,607	-	-	58,607
Exchange differences on translating foreign operations	3,356	-	6,620	9,976
Provisions for loss on inventory and loss on disposal of inventory	9,920	301	-	10,221
Provisions for warranties	5,517	1,061	-	6,578
Others	826	2,534	-	3,360
	92,495	(377)	6,620	98,738
Loss carryforwards	23,981	(6,920)	-	17,061
	$ 116,476	$ (7,297)	$ 6,620	$ 115,799
Deferred tax liabilities				
Temporarily differences				
Allowance for impairment loss	$ 325	$ 13	$ -	$ 338
Others	1,044	761	-	1,805
	$ 1,369	$ 774	$ -	$ 2,143

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporarily differences				
Deferred revenue	$ 18,715	$ (4,446)	$ -	$ 14,269
Share of loss of subsidiaries accounted for using the equity method	58,607	-	-	58,607
Exchange differences on translating foreign operations	-	-	3,356	3,356
Allowance for impairment loss	6,883	(6,883)	-	-
Provisions for loss on inventory and loss on disposal of inventory	7,701	2,219	-	9,920
Provisions for warranties	4,888	629	-	5,517
Others	218	608	-	826
	97,012	(7,873)	3,356	92,495
Loss carryforwards	22,826	1,155	-	23,981
	$ 119,838	$ (6,718)	$ 3,356	$ 116,476
Deferred tax liabilities				
Temporarily differences				
Exchange differences on translating foreign operations	$ 3,108	$ -	$ (3,108)	$ -
Allowance for impairment loss	-	325	-	325
Others	838	206	-	1,044
	$ 3,946	$ 531	$ (3,108)	$ 1,369

d. Unused loss carryforwards and deductible temporary differences for which no deferred tax assets have been recognized in the balance sheets

	December 31	
	2021	2020
Loss carryforwards		
Expire in 2024	$ 135,146	$ 135,146
Expire in 2025	156,709	122,111
	$ 291,855	$ 257,257
Deductible temporary differences	$ 53,742	$ 48,698

e. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2021 comprised:

Unused Amount	Expiry Year
$ 135,146	2024
203,518	2025
38,500	2026
$ 377,164	

f. Income tax assessments

The income tax returns of the Company through 2018 have been assessed by the tax authorities.

23. EARNINGS PER SHARE

	For the Year Ended December 31	
	2021	2020
Basics earnings per share	$ 0.58	$ 0.17
Diluted earnings per share	$ 0.57	$ 0.17

The profit and the weighted-average shares of ordinary shares to calculate loss per share were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2021	2020
Profit used in the computation of basic and diluted earnings per share	$ 195,533	$ 58,108

The weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

	For the Year Ended December 31	
	2021	2020
Weighted-average number of ordinary shares used in computation of basic earnings per share	339,950	339,627
Effect of potentially dilutive ordinary shares		
Employees' compensation or bonuses issued to employees	695	71
Weighted average number of ordinary shares used in the computation of diluted earnings per share	340,645	339,698

If the Company offered to settle the compensation or bonuses paid to employees in cash or shares, the Company assumed that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

24. CAPITAL MANAGEMENT

The Company manages its capital to ensure the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

Key management personnel of the Company review the capital structure on an annual basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Company may adjust the amount of dividends paid to shareholders, and the number of new shares issued or repurchased, the amount of new debt issued or existing debt redeemed.

25. FINANCIAL INSTRUMENTS

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

The management believes the carrying amount of the financial assets not carried at fair value is approximately equal to their fair value.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 9,048	$ -	$ 9,048
Financial assets at FVTOCI				
Listed shares and emerging market shares	$ 45,499	$ -	$ -	$ 45,499
Foreign unlisted shares	-	-	94,263	94,263
	$ 45,499	$ -	$ 94,263	$ 139,762
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 21	$ -	$ 21

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 199	$ -	$ 199
Financial assets at FVTOCI				
Listed shares and emerging market shares	$ 49,317	$ -	$ -	$ 49,317
Foreign unlisted shares	-	-	93,083	93,083
	$ 49,317	$ -	$ 93,083	$ 142,400
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 3,259	$ -	$ 3,259

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

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

	For the Year Ended December 31	
	2021	**2020**
Balance at January 1	$ 93,083	$ 93,003
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	1,180	2,148
Investees' capital reduction	-	(2,068)
Balance at December 31	$ 94,263	$ 93,083

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow method: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of foreign unlisted equity securities were determined using income approach. In this approach, the net asset value of each share is evaluated by reference to financial information of the Company, observable information of market prices, and by considering liquidity discounts, both 30% as of December 31, 2021 and 2020. The lower the liquidity discount is, the higher the fair value of the investments.

c. Categories of financial instruments

	December 31	
	2021	**2020**
Financial assets		
Financial assets at FVTPL	$ 9,048	$ 199
Financial liabilities measured at amortized cost (Note 1)	1,257,453	1,249,360
Financial assets at fair value through other comprehensive income	139,762	142,400
Financial liabilities		
Financial liabilities at FVTPL	21	3,259
Amortized cost (Note 2)	354,933	198,173

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, trade receivables, other receivables, other financial assests and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise, trade payables and other payables.

d. Financial risk management objectives and policies

The major financial instruments of the Company include trade receivables, accounts payable and short-term borrowings. The Company's finance department provides services to the business units, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Company through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk, and liquidity risk.

1) Market risk

The Company's activities exposed it primarily to the market risks of changes in foreign currency exchange rates and interest rates.

There has been no change to the Company's exposure to market risks or the manner in which these risks are managed and measured. Sensitivity analysis is an estimate of the influence of the reasonably possible range of the interest rate and currency fluctuation in a year. Sensitivity analysis of interest rate and currency fluctuation was as follows:

a) Foreign currency risk

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 28.

Sensitivity analysis

The Company is mainly affected by the fluctuations of the U.S. dollar, Japanese yen and Euro.

The table below is the analysis of the sensitivity of the Company's functional currency to a 5% increase or decrease in the relevant currency rate on the balance sheet date. The 5% sensitivity rate is the currency risk factor used in the internal report to management; it is the rate that management believes represents the reasonably possible range of the currency fluctuation. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and assumed their translation at the end of the reporting period for a 5% change in foreign currency rates.

The table below shows the amount of change in income before tax when the Company's functional currency increases by 5% against the other relevant currency. When the Company's functional currency falls 5% against other relevant currency, the impact to income before tax is the negative number of the same amount.

	U.S. Dollar		**Japan Yen**		**Euro**	
	For the Year Ended December 31		**For the Year Ended December 31**		**For the Year Ended December 31**	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Profit or loss	$ 6,164	$ (1,904)	$ (1,761)	$ (1,283)	$ (13,109)	$ (11,324)

The above effects are mainly derived from the Company's outstanding cash in the bank, receivables and payables, which did not have cash flows hedged and which were valued in U.S. dollars, Japanese yen and Euros on the balance sheet date.

b) Interest rate risk

The carrying amount of the Company's exposures to interest rates on financial assets and financial liabilities are as follows:

	December 31	
	2021	**2020**
Fair value interest rate risk		
Financial assets	$ 144,242	$ 297,164
Cash flow interest rate risk		
Financial assets	957,804	700,548

Sensitivity analysis

The sensitivity analyses below have been determined the exposure to interest rates risk for non-derivative instruments at the end of the reporting period. Increase or decrease of 25-basis point is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Company's profit for the years ended December 31, 2021 and 2020 would increase/decrease by $2,395 thousand and $1,751 thousand, respectively. This is mainly attributable to the Company's exposure to floating rates on demand deposits and short-term borrowings.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on contractual obligations resulting in a financial loss to the Company. The maximum credit exposure of the aforementioned financial instruments is equal to their carrying amounts recognized in the balance sheet as of the balance sheet date.

The Company evaluates its main customers' credit rating by the use of accessible financial information and transaction records with those customers. The Company keeps an eye on credit exposure and customers' credit ratings.

The Company's credit risk is mainly focused on its main customers. As of December 31, 2021 and 2020, the percent of total receivables from the Company's main customers were 62% and 43%, respectively.

3) Liquidity risk

The Company closely monitors operations and alleviates the effects of fluctuations in cash flows by managing and maintaining sufficient cash and cash equivalents. The management monitors the usage of the bank's financing limit and ensures that the terms of loan agreements are followed.

Bank loans are sources of liquidity for the Company. As of December 31, 2021 and 2020, the Company's unused bank financing limits were $762,760 thousand and $1,047,720 thousand, respectively.

The following tables detail the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

December 31, 2021

	Weighted-average Effective Interest Rate (%)	On Demand or Less than 1 Month	1 to 3 Months	3 Months to 1 Year	1 Year to 5 Years	5^+ Years
Financial liabilities - non-derivative						
Non-interest bearing liabilities	-	$ 13,077	$ 117,317	$ 224,539	$ -	$ -
Lease liabilities	0.95	2,268	4,535	20,181	102,107	75,930
		$ 15,345	$ 121,852	$ 244,720	$ 102,107	$ 75,930

December 31, 2020

	Weighted-average Effective Interest Rate (%)	On Demand or Less than 1 Month	1 to 3 Months	3 Months to 1 Year	1 Year to 5 Years
Financial liabilities - non-derivative					
Non-interest bearing liabilities	-	$ 9,500	$ 65,526	$ 123,147	$ -
Lease liabilities	1.10	137	273	1,229	2,082
		$ 9,637	$ 65,799	$ 124,376	$ 2,082

26. TRANSACTIONS WITH RELATED PARTIES

In addition to those disclosed in other notes, the Company had business transactions with the following related parties:

a. The Company's related party name and category

Related Party Name	Related Party Category
Subsidiary	
Fuxing Biomedical Co., Ltd.	Subsidiary
Ligen Inc.	Subsidiary
Yong Jhao Innovation Investment Co., Ltd.	Subsidiary
Big Ten Investment Consulting Co., Ltd.	Subsidiary (since May 7, 2020)
Shuttle Commerce (Shenzhen) Ltd. (S.C.M.)	Subsidiary of Gold Fountain Limited

(Continued)

Related Party Name	Related Party Category
Shuttle Information Technology (Suzhou Industrial Park) Ltd.	Subsidiary of Gold Fountain Limited
Shuttle Technology (Kunshan) Ltd. (S.C.Q.)	Subsidiary of Gold Fountain Limited
Shuttle Computer Handels GmbH (S.C.H.)	Subsidiary of Gold Fountain Limited
Shuttle Computer Group Inc. (S.C.G.)	Subsidiary of Gold Fountain Limited
Japan Shuttle Co., Ltd. (S.C.J.)	Subsidiary of Gold Fountain Limited
Shuttle Computer (H.K.) Co., Ltd. (S.H.K.)	Subsidiary of Holco (BVI) Inc.
Carilex Medical Inc.	Subsidiary of Yong Jhao Innovation Investment Ltd.
Other parties	
Ares International Corporation	The chairman is a second degree relative of the Company's chairman

(Concluded)

b. Net sales

		For the Year Ended December 31	
Line Item	**Related Party Category/Name**	**2021**	**2020**
Sales revenue	S.C.H.	$ 464,475	$ 420,144
	S.C.G.	177,798	164,608
	Subsidiaries	67,969	84,566
		$ 710,242	$ 669,318
Technical service revenue	Subsidiaries	$ 19,369	$ 21,556

c. Receivables from related parties

	December 31	
Related Party Category	**2021**	**2020**
Subsidiaries	$ 120,982	$ 190,675

The outstanding trade receivables from related parties were unsecured. No expense was recognized for the years ended December 31, 2021 and 2020 for the allowance for impaired trade receivables with respect to the amounts owed by related parties.

d. Payables to related parties

	December 31	
Related Party Category	**2021**	**2020**
Subsidiaries	$ -	$ 406

The outstanding trade payables from related parties are unsecured.

e. Prepayments

Related Party Category	December 31 2021	December 31 2020
Other parties	$ -	$ 45

f. Endorsements and guarantees

Related Party Category	December 31 2021	December 31 2020
Subsidiaries	$ 100,000	$ 1,148,720

g. Operating expenses

Line Item	Related Party Category/Name	For the Year Ended December 31 2021	For the Year Ended December 31 2020
Operating expenses	Other parties	$ 45	$ 270
Rental revenue	Subsidiaries	$ 30	$ 33
Other income	S.C.G.	$ 47,590	$ 26,094
	Subsidiaries	1,926	2,991
		$ 49,516	$ 29,085

The Company's sales prices to related parties are based on the price levels in the surrounding geographical area. The Company's purchases from related parties are based on cost-plus prices. The payment period of accounts payable is 120 days. These related-party transactions were all conducted under normal terms.

h. Compensation of key management personnel

The remuneration of directors and key executives were as follows:

	For the Year Ended December 31 2021	For the Year Ended December 31 2020
Short-term employee benefits	$ 29,302	$ 23,248
Post-employment benefits	470	470
Share-based payment	1,267	-
	$ 31,039	$ 23,718

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

27. PLEDGED ASSETS

The following assets were provided as collateral for bank guarantee and loan commitment were as follows:

	December 31	
	2021	2020
Property, plant and equipment, net	$ -	$ 419,189
Right-of-use assets	104,127	3,659
	$ 104,127	$ 422,848

28. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Company and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

(Foreign Currencies in Thousands)

	December 31					
	2021			2020		
	Foreign Currencies	Exchange Rate	Carrying Amount	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets						
Monetary items						
USD	$ 3,992	27.68	$ 110,501	$ 6,085	28.48	$ 173,293
EUR	8,378	31.32	262,388	6,474	35.02	226,703
JPY	146,413	0.2405	35,212	92,876	0.2763	25,662
Financial liabilities						
Monetary items						
USD	8,446	27.68	233,773	4,748	28.48	135,212
EUR	7	31.32	205	7	35.02	229
JPY	-	0.2405	-	-	0.2763	-

For the Company's realized and unrealized foreign exchange gains and losses in 2021 and 2020, refer to Note 21. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions.

29. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees

1) Financing provided to others: None;

2) Endorsements/guarantees provided: Table 1 (attached);

3) Marketable securities held (excluding investments in subsidiaries and associates): Table 2 (attached);

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None;

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: Table 3 (attached);

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: Table 4 (attached);

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 5 (attached);

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None;

9) Information on investees: Table 6 (attached);

10) Trading in derivative instruments: Notes 7 and 25.

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 7 (attached);

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None;

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period:

Seller Company	Related Party	Sales		Trade Receivables	
		Amount	% of Sales	Amount	% of Trade Receivables
Shuttle Inc.	S.C.M.	$ 3,468	0.39	$ 1,637	1.20

c) The amount of property transactions and the amount of the resultant gains or losses: None;

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None;

e) The highest period balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None;

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services: None.

c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: None.

30. OTHER ITEMS

Due to the impact of COVID-19 pandemic, many countries are still under lockdown measures, which has a negative impact on global economy and market demands and the Company’s operation. The Company has deliberately paid attention to development of the pandemic and responded by managing operating costs and expenses and promoting products innovation. Besides, the Company received government subsidy of $16,012 thousand in 2020 due to the effect of COVID-19, and it was recognized as the deductions of operating expense.

TABLE 1

SHUTTLE INC.

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit (Note)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Shuttle Inc.	S.H.K.	The Company has 100% ownership of the guaranteed party	$ 3,594,751	$ 1,047,460	$ -	$ -	$ -	-	$ 3,594,751	Y	N	N	
		Carilex Medical Inc.	The Company has 92.18% ownership of the guaranteed party	3,594,751	100,000	100,000	-	-	-	3,594,751	Y	N	N	

Note: The Company limits the endorsement/guarantee amount for each entity to within 100% of the net value of the Company; for an entity with business dealings, the amount is limited to within 20% of the net value of the Company; for 100%-held foreign subsidiaries, the amount is limited to within 100% of the net value of the Company.

TABLE 2

SHUTTLE INC.

MARKETABLE SECURITIES HELD
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Shuttle Inc.	Shares							
	Motech Industries Inc.	-	Financial assets at FVTOCI - current	400,730	$ 14,506	0.11	$ 14,506	
	InterServ International Inc.		Financial assets at FVTOCI - non-current	1,114,834	30,993	4.77	30,993	
	Lutz Yonson Holdings Company Limited		Financial assets at FVTOCI - non-current	1,779	94,263	15.10	94,263	
Yong Jhao Innovation Investment Ltd.	Shares							
	Motech Industries Inc.	-	Financial assets at FVTOCI - current	465,110	16,837	0.13	16,837	
	Ares International Corporation	Chairman has a second degree kinship to the Company’s chairman	Financial assets at FVTOCI - current	1,214,546	32,186	2.57	32,186	
	Yao Sheng Electronic Co., Ltd.	-	Financial assets at FVTOCI - non-current	850,000	19,465	1.94	19,465	
	I-See Vision Technology Inc.	-	Financial assets at FVTOCI - non-current	1,080,000	9,482	2.54	9,482	
Big Ten Investment Consulting Co., Ltd.	Shares							
	Ares International Corporation	Chairman has a second degree kinship to the Company’s chairman	Financial assets at FVTOCI - current	1,450,000	38,425	3.07	38,425	
Fuxing Biomedical Co., Ltd.	Shares							
	Viware Ulife Co., Ltd.	-	Financial assets at FVTOCI - non-current	400,000	7,738	18.18	7,738	
S.H.K.	Private funds							
	First Securities (HK) Limited - FS Balanced Fund Segregated Portfolio	-	Financial assets at FVTPL - current	51,518	157,907	-	157,907	Note 1

Note 1: Calculated based on the net fund value by reference to liquidity discounts as of December 31, 2021.

Note 2: Information on investees is set out in Tables 6 and 7.

TABLE 3

SHUTTLE INC.

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Shuttle Inc.	The land at Ankang Rd., Neihu Dist., Taipei City, Taiwan	October 25, 2021	$ 987,500	The full payment according to the contract was made and the transfer of ownership was completed by the end of November 2021.	Wu, Chun-Hsiung, Wu, Chun-Yen, Chen, Hui-Chu, Li, Shu-Mei	Unrelated parties	-	-	-	$ -	The two parties have made reference to the market situation and the valuation report of Hong Bang Real Estate Joint Appraisers Firm.	To respond to future business needs	The buyer shall bear the original lease in respect of the subject-matter of this sale

SHUTTLE INC.

DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
Shuttle Inc.	The land and the building at the Wende Section, Neihu Dist., Taipei City	November 29, 2021	May 31, 2000	$ 415,933	$ 801,000	Fully collected	$ 275,344 (Note 1)	Nan Shan Life Insurance Company, Ltd.	Unrelated party	To revitalize the Company's assets and make an effective use of its capital.	Based on the valuation report of the CBRE Taiwan Real Estate Joint Appraisers Firm, it was sold at a negotiated price decided by the chairman of the board, which was authorized by the Company's board of directors.	Note 2

Note 1: Based on the contract price of $801,000 thousand (including business tax), $785,447 thousand was charged after deducting related costs such as business tax and brokerage commission. The carrying amount of the real estate, valued at $415,933 thousand, and deferred recognition of gain on sale and leaseback of $94,170 thousand, resulted in gain on disposal of the transferred portion of $275,344 thousand.

Note 2: The Company signed an office lease contract with Nan Shan Life Insurance Company, Ltd., which satisfied the requirements of sale and leaseback transactions of IFRS 16 and was accounted for as a lease agreement.

TABLE 5

SHUTTLE INC.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Shuttle Inc.	S.C.H.	Subsidiary of Gold Fountain Limited	Sale	$ (464,475)	(52)	Within 120 days	Note	OA 120 days	$ -	-	
	S.C.G.	Subsidiary of Gold Fountain Limited	Sale	(177,798)	(20)	Within 120 days	Note	OA 120 days	88,027	65	
S.C.H.	Shuttle Inc.	Parent company of Gold Fountain Limited	Purchase	464,475	75	Within 120 days	Note	OA 120 days	-	-	
S.C.G.	Shuttle Inc.	Parent company of Gold Fountain Limited	Purchase	177,798	52	Within 120 days	Note	OA 120 days	(88,027)	(89)	

Note: The prices for sales and purchases between the Company and related parties were determined based on the regional consumption.

TABLE 6

SHUTTLE INC.

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2021			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2021	December 31, 2020	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
Shuttle Inc.	Holco (BVI) Inc.	B.V.I.	Investment holding company	$ 285,137	$ 593,767	923	100.00	$ 260,055	$ 2,014	$ 2,014	Note 1
	Gold Fountain Limited	Cayman Islands	Investment holding company	598,412	598,412	17,754,886	100.00	181,394	(7,059)	14,134	Notes 1 and 3
	Fuxing Biomedical Co., Ltd.	2F., No. 28, Ln. 76, Ruignang Rd., Neihu Dist., Taipei City	Elder care service and peripheral products	100,000	100,000	10,000,000	100.00	73,333	(11,560)	(11,560)	Note 1
	Liigen Inc.	6F., No. 32, Ln. 76, Ruignang Rd., Neihu Dist., Taipei City	Selling and maintaining computers and peripheral products	15,000	15,000	1,500,000	100.00	920	(53)	(53)	Note 1
	Yong Jhao Innovation Investment Co., Ltd.	No. 30, Ln. 76, Ruiguang Rd., Neihu Dist., Taipei City	Investment holding company	379,107	379,107	11,100,000	100.00	460,338	13,142	13,142	Note 1
	Big Ten Investment Consulting Co., Ltd.	No. 30, Ln. 76, Ruiguang Rd., Neihu Dist., Taipei City	Investment holding company	182,503	122,503	10,000,000	100.00	162,962	4,012	4,012	Note 1
Holco (BVI) Inc.	S.H.K.	Unit 1405-1406, Dominion Centre, 43-59 Queen's Road East, Wanchai	Selling and maintaining computers and peripheral products	262,218	571,658	8,001,300	100.00	257,451	2,072	2,072	Note 1
Gold Fountain Limited	S.C.G.	17068 Evergreen PL, City of Industry, CA 91745 U.S.A.	Selling and maintaining computers and peripheral products	186,662	186,662	30,000	100.00	65,287	2,150	2,150	Note 1
	S.C.H.	Fritz-Strassmann Str. 5 D-25337 Elmshorn, Germany	Selling and maintaining computers and peripheral products	171,495	171,495	-	100.00	126,367	12,771	12,771	Note 1
	S.C.J.	2F Murakami Bldg., 1-8-3 Ojima Koto-ku Tokyo, 136-0072 Japan	Selling and maintaining computers and peripheral products	34,658	34,658	2,000	100.00	35,907	3,330	3,330	Note 1
Yong Jhao Innovation Investment Co., Ltd.	Carilex Medical Inc.	No. 77, Keji lst Rd., Guishan Dist., Taoyuan City	Selling and maintaining medical peripherals	76,364	76,364	9,520,000	68.64	139,725	32,341	22,850	Notes 1 and 2
Big Ten Investment Consulting Co., Ltd.	Carilex Medical Inc.	No. 77, Keji lst Rd., Guishan Dist., Taoyuan City	Selling and maintaining medical peripherals	37,575	37,575	3,265,709	23.54	47,918	32,341	7,838	Notes 1 and 2
Carilex Medical Inc.	Carilex Medical Ltd.	116 Church Road, Redfield, Bristol, United Kingdom, BS5 9LJ	Selling and maintaining medical peripherals	7,670	7,670	200,000	100.00	2,089	877	11,490	Notes 1 and 3
	Carilex Medical B.V.	Zekeringstraat 41D, 1014BV Amsterdam	Selling and maintaining medical peripherals	1,019	1,019	30,000	100.00	1,158	297	297	Note 1
	Carilex Medical USA, Inc.	17068 Evergreen PL, City of Industry, CA 91745 U.S.A.	Selling and maintaining medical peripherals	2,787	-	100,000	100.00	708	(2,084)	(2,084)	Note 1

Note 1: The recognition of investment gains (losses) were based on the investee's audited financial statements.

Note 2: The difference between the subsidiaries' net value and the Company's acquisition costs should be amortized monthly.

Note 3: Unrealized gain (loss) on transactions with subsidiaries was considered.

Note 4: The information on investments in mainland China is set out in Table 7.

SHUTTLE INC.

INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021
(New Taiwan Dollars and Foreign Currencies in Thousands)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 4)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021
					Outward	Inward						
S.C.M.	Selling and maintaining computers and peripheral products	$ 55,617	(Note 1)	$ 55,617	$ -	$ -	$ 55,617	$ (1,789)	100	$ (1,789)	$ 5,447	$ -
S.C.Q.	Selling and maintaining computers and peripheral products	32,010	(Note 1)	32,010	-	-	32,010	(26,172)	100	(26,172)	(2,585)	-
S.C.S.	Selling and maintaining computers and peripheral products	215,745	(Notes 1 and 2)	215,745	-	-	215,745	2,976	100	2,976	61	-
Shanghai Wiwin Information Technology Co., Ltd.	Selling and maintaining computers and peripheral products	24,983	(Note 3)	-	-	-	-	-	30	-	-	-
Shandong Lixin Pension Industry Development Co., Ltd.	Elder care service and peripheral products	91,090	(Note 4)	-	-	-	-	(260)	50	(130)	36,131	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2021 (Note 7)	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 6)
$375,336	US$14,486	$2,175,296

Note 1: Investments were through a holding company registered in a third region.

Note 2: Liquidation was completed on February 17, 2022.

Note 3: Investments were through S.C.S., the Company decided to transfer of the ownership of shares on July 27, 2021, and completed on October 21, 2021.

Note 4: Investments were through S.H.K.

Note 5: Except Shandong Lixin Pension Industry Development Co., Ltd., investment amounts in other investee companies were calculated based on audited financial statements for the same period.

Note 6: The limit stated in the Investment Commission's regulation, "Investment or Technical Cooperation in Mainland China Adjustment Rule", is the higher of the Company's net asset value or 60% of its consolidated net asset value.

Note 7: The amount included investments of $7,621 thousand, $21,319 thousand and $43,024 thousand, which were not returned by the respective liquidated companies, Shuttle Computer (Shanghai) Incorporation Limited, Shuttle Technology (Shenzhen) Ltd. and KAKI.