Stock code: 3622

Young Fast Optoelectronics Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

2021 and 2020

(Translation)

Company address: No. 31, Jingjian 1st Road, Guanyin Industrial Zone, Guanyin District, Taoyuan City

Telephone: (03) 483-3665

Contents

Statement

For the year 2021 (January 1 - December 31, 2021), the Company complies with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises in that the companies that should be included in the preparation of the consolidated financial statements of the affiliated companies are the same as the companies that should be included in the preparation of the consolidated financial statements of the parent and subsidiary companies in accordance with IFRS 10 as approved by the Financial Supervisory Commission. In addition, the relevant information that should be disclosed in the consolidated financial statements of the associated companies has been disclosed in the consolidated financial statements of the parent and subsidiary companies of the former disclosure. Therefore, there is no separate preparation of consolidated financial statements of associated companies.

Hereby declared

Company name: Young Fast Optoelectronics Co., Ltd.

Chairman: Albert Pai

Date: March 11, 2022

Accountants’ Audit Report

To the Board of Directors of Young Fast Optoelectronics Co., Ltd.:

Audit Opinion

We have completed our review of Young Fast Optoelectronics Co. and Subsidiaries (Young Fast Group) Consolidated Balance Sheet for December 31, 2021 and 2020; and Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to the Consolidated Financial Statements (including a summary of significant accounting policies) for January 1 – December 31, 2021 and 2020.

In our opinion, the aforementioned consolidated financial statements in all major respects are in compliance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretation, or SIC Interpretation endorsed by the Financial Supervisory Commission. They are sufficient to adequately express the consolidated financial status of Young Fast Group as of December 31, 2021 and 2020 and its consolidated financial performance and consolidated cash flow from January 1 through December 31, 2021 and 2020.

Basis for audit opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in
the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Young Fast Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 refer to the most important matters for the audit of Young Fast Group's 2021 consolidated financial statements based on our professional judgment. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, revenue recognition constitutes a key audit matter to be communicated in the audit report.

For details of accounting policies regarding revenue recognition, please refer to Note 4 (17) of the consolidated financial statements on Recognition of Revenue; for details of revenue related disclosures, please refer to Note 6 (21) the consolidated financial statements.

Explanation of Key Audit Matters:

Sales revenue of Young Fast Group stands as the primary indicator for investors and management in evaluating its financial or business performance. Moreover, as a listed company, Young Fast Group is highly regarded by the investing public. Therefore, we identify revenue recognition as an important item in the audit of current year financial statements.

Corresponding Audit Procedures:

Our main audit procedures regarding the above key audit matters include:

- Testing the effectiveness of internal control design and implementation related to revenue recognition.
- Conducting trend analysis for the top ten customers in terms of sales, including a comparison of the customer list and sales revenue amounts between the current period and the most recent period and the same period of last year to assess whether there are any significant abnormalities. If there are major changes, the causes are identified and analyzed.
- Sampling and checking sales transactions of the whole year to evaluate the authenticity of sales transactions, the correctness of the recognized amounts of sales revenue, and the reasonableness of the time of accounting.
- Testing a sample of sales transactions in the period before and after the end of the year to assess whether the timing of revenue recognition is appropriate.

Other Matters

Young Fast Optoelectronics Co., Ltd. has prepared parent company only financial statements for 2021 and 2020, and the audit reports with unqualified opinions that we have issued are on file for reference.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretation, or SIC Interpretation endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the financial reporting process of Young Fast Group.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Young Fast Group.
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 ability to continue as a going concern of Young Fast Group. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Young Fast Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the parent company only financial information within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Group. We remain solely responsible for our audit opinion regarding the Group.

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 the governance unit, we have determined key audit matters of Young Fast Group's 2021 consolidated financial statements. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Taiwan

		Chun-Hsiu Kuan
Accountant:		
		Pai-Shu Huang
Securities Regulatory Authority Authorizing Document Number	:	(88) Taizaizheng (6) No. 18311 (88) Taizaizheng 6 Zi No. 0920122026

March 11, 2022

Young Fast Optoelectronics Co., Ltd. and Subsidiaries

Consolidated balance sheet

December 31, 2021 and 2020

Unit: NTD Thousand

	Assets	2021.12.31 Amount	%	2020.12.31 Amount	%
11xx	**Current Assets:**				
1100	Cash and cash equivalents (Note VI (I))	$ 358,053	6	412,452	8
1110	Current financial assets at fair value through profit or loss (Note 6 (2))	57,132	1	60,912	1
1120	Current financial assets at fair value through other comprehensive income (Note 6 (3))	3,159,014	52	2,558,789	49
1136	Financial assets measured at amortized cost - current (Notes 6 (4) and 8)	-	-	1,805	-
1150	Notes receivable, net (Note 6 (5) and (21))	111,718	2	122,572	2
1170	Accounts receivable, net (Note 6 (5) and (21))	159,832	3	82,616	2
1180	Accounts receivable due from related parties (Note 6 (5), (21) and 7)	15,476	-	321	-
1200	Other receivables (Note 6 (6))	3,665	-	4,819	-
130X	Inventory (Notes 6 (7) and 9)	327,332	5	197,518	4
1460	Non-current assets classified as held for sale, net (Note 6 (8))	-	-	21,553	-
1470	Other current assets	16,754	-	12,046	-
	Total current assets	4,208,976	69	3,475,403	66
15xx	**Non-current assets:**				
1517	Non-current financial assets at fair value through other comprehensive income (Note 6 (3))	128,266	2	43,784	1
1536	Financial assets measured at amortized cost - current (Notes 6 (4) and 8)	2,632	-	-	-
1550	Investments accounted for using equity method, net (Note 6 (9))	297,329	5	296,438	6
1600	Property, plant and equipment (Notes 6 (10) and 9)	868,016	14	864,506	17
1755	Right of use assets (Notes 6 (11), (12), (15) and 7)	140,683	3	89,004	2
1760	Investment real estate, net (Note 6 (11) and (12))	297,285	5	320,857	6
1780	Intangible assets (Note 6 (13))	6,060	-	-	-
1840	Deferred tax assets (Note 6 (18))	32,981	1	39,707	1
1915	Prepaid equipment (Note 6 (10))	15,842	-	21,393	-
1990	Other non-current assets (Note 6 (6))	62,500	1	63,853	1
	Total non-current assets	1,851,594	31	1,739,542	34
1xxx	**Total assets**	$ 6,060,570	100	5,214,945	100

	Liabilities and Equity	2021.12.31 Amount	%	2020.12.31 Amount	%
21xx	**Current liabilities:**				
2100	Short-term loans (Notes 6 (14) and 9)	$ 132,641	2	24,970	1
2130	Current contract liabilities (Note 6 (21)	6,028	-	14,983	-
2150	Notes payable	675	-	32	-
2170	Accounts payable	148,099	3	122,894	3
2180	Accounts payable, related parties (Note 7)	8,675	-	7,843	-
2200	Other payables (Note 6 (22) and 7)	175,032	4	158,964	3
2230	Current tax liabilities	19,604	-	13,592	-
2250	Current provisions (Note 6 (16))	16,104	-	56,624	1
2260	Liabilities directly related to non-current assets available for sale (Note 6(8))	-	-	318	-
2281	Lease liabilities (Notes 6 (15))	94	-	89	-
2282	Lease liabilities－Related parties (Notes 6 (15) and 7)	17,421	-	11,446	-
2399	Other current liabilities	4,496	-	4,315	-
	Total current liabilities	528,869	9	416,070	8
25xx	**Non-current liabilities:**				
2551	Provision for employee benefit liabilities, non-current (Note 6 (17))	8,405	-	8,740	-
2552	Provision for long-term liabilities for warranties (Note 6 (16))	80,284	1	-	-
2556	Provision for long-term liabilities for decommissioning, rehabilitation, and restoration costs (Note 6 (16))	6,131	-	6,131	-
2570	Deferred tax liabilities (Note 6 (18))	2,003	-	27	-
2581	Lease liabilities (Notes 6 (15))	17,254	-	17,849	-
2582	Lease liabilities－Related parties (Notes 6 (15) and 7)	61,622	1	12,330	-
2670	Other non current liabilities (Note 7)	72,505	1	71,477	2
	Total non-current liabilities	248,204	3	116,554	2
2xxx	**Total liabilities**	777,073	12	532,624	10
31xx	**Owners' equity attributable to the parent company (Notes VI (8), (9), (17), (18) and (19)):**				
3110	Share capital from common stock	1,513,276	25	1,513,276	29
3200	Capital reserve	2,077,180	34	2,228,508	43
	Retained earnings:				
3310	Legal reserve	43,385	1	24,523	-
3350	Undistributed surplus earnings	532,991	9	272,466	5
	Total retained earnings	576,376	10	296,989	5
3400	Other equity interest	1,062,751	18	599,232	12
	Subtotal of equity attributable to owners of parent company	5,229,583	87	4,638,005	89
36xx	**Non-controlling interests**	53,914	1	44,316	1
3xxx	**Total Equity**	5,283,497	88	4,682,321	90
2-3xxx	**Total liabilities and equity**	$ 6,060,570	100	5,214,945	100

(Please refer to the attached notes to the consolidated financial statements)

Chairman: Chihchiang Pai **Manager: Yichuan Hsu** **Chief Accountant: Weiju Hsu**

Young Fast Optoelectronics Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2021 and 2020

Unit: NTD Thousand

Code	Item	2021 Amount	2021 %	2020 Amount	2020 %
4000	**Operating revenue (Note 6 (21) and 7)**	$ 1,449,291	100	926,478	100
5000	**Operating costs (Notes 6 (7), (10), (11), (13), (15), (16), (17), 7, and 12)**	1,167,724	81	741,745	80
5900	**Gross profit**	281,567	19	184,733	20
6000	**Operating expenses (Notes 6 (5), (6), (10), (11), (13), (15), (17), (22), 7, and 12):**				
6100	Marketing expenses	38,561	3	31,215	3
6200	Management expenses	139,071	10	122,567	13
6300	Research and development expenses	45,049	3	45,508	5
6450	Expected credit loss	4,795	-	(4,203)	-
	Total operating expenses	227,476	16	195,087	21
6900	**Net operating profit (loss)**	54,091	3	(10,354)	(1)
7000	**Non-operating revenue and expenses (Notes 6 (2), (8), (9), (12), (15), (23), 7 and 12):**				
7100	Interest income	293	-	3,748	-
7010	Other income	185,534	13	189,842	21
7020	Other gains and losses	2,132	-	4,470	-
7050	Finance costs, net	(3,250)	-	(4,185)	-
7060	Share of profit of associates accounted for using equity method	25,702	2	28,238	3
	Total non-operating revenue and expenses	210,411	15	222,113	24
7900	**Net profit from continuing operations before tax**	264,502	18	211,759	23
7950	**Less: Income tax expense (Note 6 (18))**	29,973	2	7,491	1
8000	**Net profit from continuing operations**	234,529	16	204,268	22
	Profit or loss from discontinued operations:				
8100	Gain (loss) from discontinued operations, net of tax (Note 6 (8))	61,936	4	(2,760)	-
8200	**Net profit for the period**	296,465	20	201,508	22
8300	**Other comprehensive income (Note 6 (9), (17), (18), and (19)):**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Remeasurement of defined benefit plan	(50)	-	365	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	574,849	40	(56,184)	(6)
8320	Share of other comprehensive profits and losses of affiliated companies recognized using the equity method	(3)	-	23	-
8349	Income tax related to components of other comprehensive	(10)	-	73	-
	Total items that will not be reclassified to profit or loss	574,806	40	(55,869)	(6)
8360	**Items that may subsequently be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(110,763)	(8)	(65,175)	(7)
8370	Share of other comprehensive profits and losses of affiliated companies recognized using the equity method	(567)	-	1,036	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total items that may subsequently be reclassified to profit or loss	(111,330)	(8)	(64,139)	(7)
8300	**Other comprehensive income for the current period**	463,476	32	(120,008)	(13)
8500	**Total comprehensive income for the current period**	$ 759,941	52	81,500	9
	Profit attributable to:				
8610	Owners of parent	$ 279,430	19	188,309	21
8620	Non-controlling interests	17,035	1	13,199	1
		$ 296,465	20	201,508	22
	Comprehensive income attributable to:				
8710	Owners of parent	$ 742,906	51	68,301	7
8720	Non-controlling interests	17,035	1	13,199	2
		$ 759,941	52	81,500	9
9750	**Basic EPS (Unit: New Taiwan Dollars) (Note 6 (20))**				
	Net profit derived from continuing operations	$	1.44		1.26
	Net profit (loss) derived from discontinued operations		0.41		(0.02)
		$	1.85		1.24
9850	**Diluted EPS (Unit: New Taiwan Dollars) (Note 6 (20))**				
	Net profit derived from continuing operations	$	1.43		1.26
	Net profit (loss) derived from discontinued operations		0.41		(0.02)
		$	1.84		1.24

(Please refer to the attached notes to the consolidated financial statements)

Chairman: Chihchiang Pai **Manager: Yichuan Hsu** **Chief Accountant: Weiju Hsu**

Young Fast Optoelectronics Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to December 31, 2021 and 2020

Unit: NTD Thousand

	Equity attributable to owners of parent										
			Retained earnings			Total other equity interest					
	Share capital from common stock	Capital reserve	Legal reserve	Undistributed surplus earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2020	$ 1,513,276	2,289,039	11,155	157,741	168,896	85,500	634,055	719,555	4,690,766	36,876	4,727,642
Earnings allocation and distribution:											
Provision for legal reserve	-	-	13,368	(13,368)	-	-	-	-	-	-	-
Common stock cash dividend	-	-	-	(60,531)	(60,531)	-	-	-	(60,531)	-	(60,531)
Changes in other capital reserve:											
Cash dividends from capital reserve	-	(60,531)	-	-	-	-	-	-	(60,531)	-	(60,531)
Net profit for the period	-	-	-	188,309	188,309	-	-	-	188,309	13,199	201,508
Other comprehensive income, net of tax, for the period	-	-	-	315	315	(64,139)	(56,184)	(120,323)	(120,008)	-	(120,008)
Total comprehensive income for the period	-	-	-	188,624	188,624	(64,139)	(56,184)	(120,323)	68,301	13,199	81,500
Reduction in non-controlling interests	-	-	-	-	-	-	-	-	-	(5,759)	(5,759)
Balance at December 31, 2020	1,513,276	2,228,508	24,523	272,466	296,989	21,361	577,871	599,232	4,638,005	44,316	4,682,321
Earnings allocation and distribution:											
Provision for legal reserve	-	-	18,862	(18,862)	-	-	-	-	-	-	-
Changes in other capital reserve:											
Cash dividends from capital reserve	-	(151,328)	-	-	-	-	-	-	(151,328)	-	(151,328)
Net profit for the period	-	-	-	279,430	279,430	-	-	-	279,430	17,035	296,465
Other comprehensive income, net of tax, for the period	-	-	-	(43)	(43)	(111,330)	574,849	463,519	463,476	-	463,476
Total comprehensive income for the period	-	-	-	279,387	279,387	(111,330)	574,849	463,519	742,906	17,035	759,941
Reduction in non-controlling interests	-	-	-	-	-	-	-	-	-	(7,437)	(7,437)
Balance at December 31, 2021	$ 1,513,276	2,077,180	43,385	532,991	576,376	(89,969)	1,152,720	1,062,751	5,229,583	53,914	5,283,497

(Please refer to the attached notes to the consolidated financial statements)

Chairman: Chihchiang Pai **Manager: Yichuan Hsu** **Chief Accountant: Weiju Hsu**

Young Fast Optoelectronics Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2021 and 2020

Unit: NTD Thousand

	2021	2020
Cash flows from operating activities:		
Profit (loss) from continuing operations before tax	$ 264,502	211,759
Pre-tax net profit (loss) from discontinued operations	61,936	(2,760)
Net profit before tax for the current period	326,438	208,999
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	94,721	85,493
Amortization expense	331	2,697
Expected credit loss	4,795	(4,203)
Loss (gain) on financial assets at fair value through profit or loss	3,780	(8,388)
Interest expense	3,250	4,185
Interest income	(351)	(3,766)
Dividend income	(115,581)	(111,445)
Share of profit of associates accounted for using equity method	(25,702)	(28,238)
Proceeds from disposal of property, plant and equipment	(120)	(3,863)
Lease modification gains	(39)	-
Disposal gain on discontinued operations	(65,633)	-
Total income and expense items	(100,549)	(67,528)
Changes in operating assets and liabilities:		
Changes in operating assets, net:		
Notes receivable	(8,085)	(12,713)
Accounts receivable (including related parties)	(92,206)	10,326
Other receivables (including related parties)	1,930	1,264
Inventory	(129,814)	(82,467)
Other current assets	(4,619)	(7,679)
Other non-current assets	13,979	(290)
Total changes in operating assets, net	(218,815)	(91,559)
Changes in operating liabilities, net:		
Contract liabilities	(8,955)	11,779
Notes payable	643	(65)
Accounts payable (including related parties)	26,037	(6,300)
Other payables	12,697	38,759
Provisions	39,764	46,950
Other current liabilities	181	3,004
Non-current net defined benefit liability	(385)	(359)
Decrease in other operating liabilities	69,982	93,768
Net changes in operating assets and liabilities	(148,833)	2,209
Total adjustments	(249,382)	(65,319)
Cash inflow generated from operations	77,056	143,680
Interest received	351	3,766
Interest paid	(3,250)	(4,185)
Payment of income tax	(14,839)	(3,142)
Net cash inflow from operating activities	59,318	140,119
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(129,276)	(210,277)
Capital reduction of non-current financial assets at fair value through other comprehensive income	19,418	-
Acquired financial assets measured at amortized cost	(827)	(62)
Acquisition of property, plant and equipment	(73,301)	(31,086)
Disposal of property, plant and equipment	120	3,863
Increase in refundable deposits	(361)	(814)
Acquisition of intangible assets	(6,138)	-
Decrease (increase) in prepaid equipment	5,551	(17,252)
Dividends received	139,822	147,806
Net cash flows (used in) from investing activities	(44,992)	(107,822)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	797,760	469,842
Decrease in short-term borrowings	(689,529)	(504,675)
Increase (decrease) in deposits received	2,625	(3,013)
Payment of lease liabilities	(17,602)	(14,252)
Payment of cash dividends	(151,328)	(121,062)
Change in non-controlling interests	(7,437)	(5,759)
Net cash flows used in financing activities	(65,511)	(178,919)
Effect of exchange rate changes on cash and cash equivalents	(24,635)	(21,547)
Net decrease in cash and cash equivalents for the period	(75,820)	(168,169)
Cash and cash equivalents at beginning of period	433,873	602,042
Cash and cash equivalents at end of period	**$ 358,053**	**433,873**
Composition of cash and cash equivalents:		
Cash and cash equivalents reported in the statement of financial position	$ 358,053	412,452
Cash and cash equivalents classified into non-current assets held for sale	-	21,421
Cash and cash equivalents at end of period	**$ 358,053**	**433,873**

(Please refer to the attached notes to the consolidated financial statements)

Chairman: Chihchiang Pai **Manager: Yichuan Hsu** **Chief Accountant: Weiju Hsu**

Young Fast Optoelectronics Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements
2021 and 2020
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

I. Company history

Young Fast Optoelectronics Co., Ltd. (“the Company”), previously known as Dahelong Electromechanical Co., Ltd., was established and registered with the approval of the Ministry of Economic Affairs on July 30, 2002, in accordance with the Company Law and its relevant laws and regulations, and obtained registration as a for-profit enterprise with its main business being the manufacture of power cable accessories such as power generation, transmission and distribution. Please refer to Note 14 for details.

(Original) Young Fast Optoelectronics Co., Ltd. (formerly Young Fast Optoelectronics Company) was established on August 1, 2007 in accordance with the Business Mergers and Acquisitions Act. Its main business items are the research and development, manufacturing, and sales of various types of touch panels. Please refer to Note 14 for details.

In order to improve our operational performance and competitiveness, the Company passed a resolution of its extraordinary shareholders’ meeting of November 23, 2007 to undergo a merger with the former Young Fast Optoelectronics Company and change the Company’s name to Young Fast Optoelectronics Co., Ltd. Following the merger, the Company was to be the surviving company with a swap of 0.5 common shares of the original Young Fast Optoelectronics for 1 common share of the Company. All rights and obligations of the original Young Fast Optoelectronics was to be generally accepted by the Company. The Company issued 84,000 thousand ordinary shares for the merger and capital increase, and December 24, 2007 was the base date for the merger and capital increase and issuance of new shares.

The Company passed a resolution of the Board of Directors on April 28, 2017 such that in accordance with Article 19 of the Business Mergers And Acquisitions Act and taking May 31, 2017 as the base date, a simple merger was undertaken with the 100%-owned reinvested companies Lucky Chance Enterprise Co., Ltd. (“Lucky Chance”) and with Lead Well Technology Co., Ltd. (“Lead Well”). After the mergers, Lucky Chance and Lead Well were to be the extinguished companies and the Company was to be the surviving company.

II. Approval date and procedures of the financial statements

These consolidated financial statements were published after authorization by the Board of Directors on March 11, 2022.

III. New standards, amendments and interpretations adopted

(I) The impact of adopting the newly issued and revised standards and interpretations approved by the Financial Supervisory Commission (“the FSC”).

The Group will apply the following newly amended International Financial Reporting Standards from January 1, 2021, and there is no significant impact on the consolidated financial statements.

- Amendment to IFRS 4, "Extension of the Temporary Exemption from Applying IFRS 9"
- Amendments to IFRS 9, IFRS 39, IFRS 7, IFRS 4 and IFRS 16, "Interest Rate Benchmark Reform - Phase 2"
- The Group will apply the following newly amended International Financial Reporting Standards from April 1, 2021, and there is no significant impact on the consolidated financial statements.
- Amendments to IFRS No. 16, "Covid-19-Related Rent Concessions beyond 30 June 2021"

(II) Implications of adopting International Financial Reporting Standards not yet endorsed by the FSC

The Group has assessed that there will be no significant impact on the consolidated financial statements from the application of the following newly amended International Financial Reporting Standards effective from January 1, 2022.

- Amendment to IAS 16 "Property, Plant and Equipment — Proceeds before Intended Use"
- Amendment to IAS 37 “Onerous Contracts — Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018-2020
- Amendment to IFRS 3, “Reference to the Conceptual Framework"

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

Regarding IFRSs that have been issued by the International Accounting Standards Board (IASB) but have not yet been endorsed by the FSC, points of likely concern are as follows:

New or amended standards	Main points of amendment	Effective date of IASB publication
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”	Clarify that when an investor transfers its subsidiary to an affiliated enterprise or a joint venture, if the assets sold or invested constitute a business, the investor is deemed to have lost control of the business and should recognize all gains or losses. If it does not constitute a business, the unrealized profit and loss shall be calculated according to the shareholding ratio, and part of the profit or loss shall be deferred and recognized.	Effective date to be determined by IASB
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	The amendments are intended to improve consistency in the application of the Standards to assist companies in determining whether debts or other liabilities with uncertain settlement dates should be classified as current (or likely to be due within one year) or non-current on the balance sheet. The amendments also clarify the classification requirements for debts that a company may settle by converting into equity.	January 1, 2023
Amendments to IAS 1, "Disclosure of Accounting Policies”	Major amendments to IAS 1 include: • Requiring companies to disclose “material” accounting policies rather than “significant” accounting policies; • Clarify that accounting policy information relating to non-material transactions, other events, or circumstances are non-material and disclosure of such information is not required; and • ·Clarify that all accounting policy information not related to material transactions, other events, or circumstances is material to the company's	January 1, 2023

	financial statements.	
Amendments to IAS 8, "Definition of Accounting Estimates"	The amendments introduce a new definition of accounting estimates, clarifying that accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also specify that companies are required to establish accounting estimates for the purposes of their applicable accounting policies. This clarifies the relationship between accounting policies and accounting estimates.	January 1, 2023

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

The Group does not expect the following other unapproved new and revised standards to have a material impact on the consolidated financial statements.

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

IV. Summary of significant accounting policies

A summary of the significant accounting policies adopted in the consolidated financial statements is as follows. The following accounting policies have been applied consistently to all periods presented in the consolidated financial statements.

(I) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the “Regulations”) and International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), and Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) as endorsed by the Financial Supervisory Committee (hereinafter the “FSC-endorsed IFRS standards”).

(II) Compilation basis

1. Measurement basis

Except for the following significant items of the balance sheet, the consolidated financial statements have been prepared on a historical cost basis:

(1) Financial assets at fair value through profit or loss measured at fair value;
(2) Financial assets at fair value through other comprehensive income measured at fair value;
(3) Defined benefit liabilities are measured by adding unrecognized upfront service costs and unrecognized actuarial losses to pension fund assets, less unrecognized actuarial benefits and the present value of defined benefit obligations, and the impact of the upper limit stated in Note 4 (19).

2. Functional currency and currency of presentation

Each entity of the Group uses the currency of the primary economic environment in of said entity's operations as its functional currency. The consolidated financial statements are expressed in the Company's functional currency, which is the New Taiwan Dollar. All financial information presented in New Taiwan Dollars is in thousands of New Taiwan Dollars.

(III) Basis of consolidation

1. Principles for the preparation of the consolidated financial statements

Entities preparing the consolidated financial statements include the Company and its subsidiaries.

From the date that control over a subsidiary is obtained, its financial statements will be included in the consolidated financial statements until the date when such control is no longer in effect. Profits or losses attributable to non-controlling interests in subsidiaries are attributed to the non-controlling interests even if the non-controlling interests thus bring a balance in loss.

Intercompany transactions, balances, and any unrealized gains and losses have been eliminated in preparing the consolidated financial statements.

Changes in the Group's ownership interests in subsidiaries that do not result in a loss of control are treated as equity transactions with the owner.

2. Subsidiaries of these consolidated financial statements are listed as follows:

Name of Investing Company	Subsidiary name	Nature of business	Shareholding ratio 2021.12.31	Shareholding ratio 2020.12.31	Explanation
The Company	Young Fast (BELIZE) Co., Ltd. (Young Fast Belize)	Professional investment	100.00%	100.00%	Note 1
The Company	Young Fast (SAMOA) Co., Ltd. (Young Fast Samoa)	Professional investment	100.00%	100.00%	Note 1
The Company	Taiwan SRU Corporation Limited (Taiwan SRU)	Manufacturing of wire and cable accessories	51.00%	51.00%	
The Company	Loyal Motion Optoelectronics (Huizhou) Co., Ltd. (Loyal Motion)	Manufacturing of touch panels	- %	100.00%	Note 2

Young Fast Belize	Young Fast Optoelectronics (HK) Co., Ltd. (Young Fast Hong Kong)	Professional investment	100.00%	100.00%	Note 1
Young Fast Samoa	Young Fast Optoelectronics (VIETNAM) Co., Ltd. (Young Fast Vietnam)	Manufacture and sales of touch panels	100.00%	100.00%	Note 1
Young Fast Samoa	Turn Young Optoelectronics (Huizhou) Co., Ltd. (Turn Young Optoelectronics)	After sales services (labor)	100.00%	100.00%	

Note 1: The Company passed a resolution of the Board of Directors on November 13, 2019, such that in response to the adjustment of the internal investment structure of the Group, Young Fast Belize invested in Young Fast Hong Kong and then re-invested in Young Fast Vietnam, and Young Fast Hong Kong sold and transferred its equity in Young Fast Vietnam to Young Fast Samoa. Furthermore, through the completion of operations of Young Fast Hong Kong, Young Fast Belize was to be liquidated after the completion of the liquidation of Young Fast Hong Kong. Note 1: On March 25, 2020, as resolved by the Board of Directors, the transaction amount of Young Fast Hong Kong's transfer of Young Fast Vietnam was USD 22.2 million with reference to opinions issued by experts. Furthermore, on August 28, 2020, a contract for the transfer of the equity of Young Fast Vietnam was signed based on the aforementioned amount, and the base date for the equity transfer was August 31, 2020. The aforementioned equity transfer procedure was completed on July 23, 2021. Young Fast Hong Kong submitted an application for cancellation to the Hong Kong SAR governments' Companies Registry in February 2022.

Note 2: On November 11, 2015, the Board of Directors of the Company passed a resolution for the liquidation of Loyal Motion, and all liquidation procedures were completed on December 15, 2021.

3. Subsidiaries excluded from the consolidated financial statements: None.

(IV) Foreign currency

1. Foreign currency transactions

Foreign currency transactions are translated into functional currency at the exchange rate as of the date of transaction. On the end date of each subsequent reporting period (the "reporting date"), foreign currency monetary items are converted into the functional currency according to the exchange rate of that date.

Foreign currency non-monetary items measured at fair value are converted into functional currency at the exchange rate on the day when the fair value was measured. Foreign currency non-monetary items measured at historical cost are translated at the exchange rate on the date of the transaction. Foreign currency translation differences arising from translation are normally recognized in profit or loss. However, foreign currency translation differences arising from the translation of equity investments at fair value through other comprehensive income are recognized in other comprehensive income.

2. Foreign operating entities

Assets and liabilities of foreign operating entities, including goodwill arising from acquisitions and fair value adjustments, are translated into the currency of presentation of the entity's financial statements at the exchange rate on the reporting date; items of income and expenses are translated into the currency of presentation of the consolidated financial statements at the average exchange rate of the current period, and the resulting exchange differences are recognized as other comprehensive income.

When disposal of a foreign operating entity results in a loss of control, joint control, or significant influence, the accumulated exchange differences related to the foreign operating entity are fully reclassified to profit or loss. In the case of partial disposal of a subsidiary that includes a foreign operating entity, the relevant accumulated exchange differences are re-attributed to non-controlling interests on a pro rata basis. When partially disposing of an investment involving an affiliated enterprise or a joint venture of a foreign operating entity, the relevant accumulated exchange differences are reclassified to profit or loss on a pro rata basis.

For monetary receivables or payables to foreign operating entities, if there is no repayment plan and it is impossible to repay in the foreseeable future, the foreign currency exchange gains and losses arising therefrom are regarded as part of the net investment in the foreign operating entity and are recognized as other comprehensive income.

(V) Classification criteria for distinguishing current and non-current assets and liabilities

Assets that meet one of the following conditions are classified as current assets; all other assets that are not current assets are classified as non-current assets:

1. The asset is expected to be recognized in its normal operating cycle, or there is intent to sell or consume it;
2. The asset is held mainly for trading purposes;
3. The asset is expected to be recognized within twelve months after the reporting period; or
4. The asset is cash or a cash equivalent, unless there are other restrictions on exchanging the asset or using it to settle a liability at least twelve months after the

reporting period.

Liabilities that meet one of the following conditions are classified as current liabilities; all other liabilities that are not current liabilities are classified as non-current liabilities:

1. It is expected that the liability will be settled during the normal operating cycle;
2. The liability is held mainly for trading purposes;
3. The liability is expected to be settled within twelve months after the reporting period; or
4. The liability does not have an unconditional right to defer settlement to at least twelve months after the reporting period. The terms of the liability, which may be liquidated by the issuance of equity instruments at the choice of the counterparty, do not affect their classification.

(VI) Cash and cash equivalents

Cash includes cash on hand, checking deposits, and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible into fixed amounts of cash with little risk of changes in value. Fixed deposits that meet the above definition and are held for short-term cash commitments, rather than investment or other purposes, are presented in cash equivalents.

Bank overdrafts are immediately repayable and form part of the Group's overall cash management, and are included in the cash flow statement as a component of cash and cash equivalents.

(VII) Financial instruments

Accounts receivable are originally recognized as they are incurred. All other financial assets and financial liabilities are originally recognized when the Group becomes a party to the contractual terms of the financial instrument. Financial assets and financial liabilities not measured at fair value through profit or loss (except for accounts receivable that do not contain significant financial components) are originally measured at fair value plus transaction costs directly attributable to their acquisition or issuance. Accounts receivable that do not contain significant financial components are originally measured at their transaction prices.

1. Financial assets

When the purchase or sale of financial assets conforms to conventional transactions, the Group shall adopt transaction-day accounting for all purchases and sales of financial assets classified in the same way.

Financial assets are classified as: financial assets at amortized cost, financial assets at fair value through other comprehensive income, or financial assets at fair value through profit or loss. The Group reclassifies all affected financial assets from the first day of the following reporting period only when changing the business model for managing financial assets.

(1) Financial assets measured at amortized cost

Financial assets are measured at amortized cost when they meet both of the following conditions and when they are not designated as fair value through profit or loss:

- The financial asset is held under the operating model for the purpose of collecting contractual cash flow.
- The contractual terms of the financial asset generate cash flows on a specified date and entirely for the sake of payment of principal and interest on the principal amount in circulation.

The assets in question are subsequently calculated by adding or subtracting the original recognized amount to the accumulated amortization amount calculated using the effective interest method, and adjusts any measure of post amortized cost of loss allowance. Interest income, foreign currency exchange gains and losses, and impairment losses are recognized in profit or loss. Upon derecognition, profits or losses are to be included under profit or loss.

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

At the original time of recognition, the Group may make an irrevocable election to present subsequent changes in fair value of investments in equity instruments not held for trading in other comprehensive income. The foregoing elections are made on the basis of the individual instrument.

Investments in equity instruments are to be subsequently measured at fair value. Dividend income is to be recognized under profit or loss (unless it clearly represents the recovery of a portion of the investment cost). Remaining net gains or losses are to be recognized as other comprehensive income and are not to be reclassified to profit or loss.

Dividend income from equity investments is to be recognized on the date when the Group is entitled to receive dividends (usually the ex-dividend date).

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

Financial assets other than those measured at amortized cost above or at fair value through other comprehensive income are to be measured at fair value through profit or loss. In order to eliminate or significantly reduce accounting misalignments at the original time of recognition, financial assets that meet the criteria to be measured at amortized cost or at fair value through other comprehensive income may be irrevocably designated by the Group as financial assets at fair value through profit or loss.

These assets are to be subsequently measured at fair value and their net gains or losses are to be recognized in profit or loss (including their associated dividends and interest income).

(4) Impairment of financial assets

The Group recognizes loss allowance for expected credit losses on financial assets measured at amortized cost.

Loss allowance for bills and accounts receivables are measured based on expected credit loss during the period. Other financial assets measured at amortized cost are based on reasonable and corroborative information (obtainable without undue cost or investment), including qualitative and quantitative information; and based on the Group's historical experience, credit assessment and analysis of forward-looking information, if the credit risk has not increased significantly since the original recognition, the impairment is measured by the 12-month expected credit loss. If it is assessed that credit risk has increased significantly since original recognition, the impairment is measured according to the duration of the credit losses.

Expected credit loss during the period refers to the expected credit losses arising from all possible default events during the expected period of a financial instrument.

Twelve-month expected credit loss constitutes expected credit losses arising from possible defaults of financial instruments within twelve months after the reporting date (or a shorter period if the expected duration of the financial instrument is less than twelve months).

The maximum period over which expected credit losses are measured is the maximum contractual period over which the Group is exposed to credit risk.

Expected credit losses are probability-weighted estimates of credit losses over the expected lifetime of a financial instrument. Credit losses are measured at the present value of all cash shortfalls; that is, the difference between the cash flows that the Group can receive under the contract and the cash flows that the Group expects to receive. Expected credit losses are discounted at the effective interest rate on the financial asset.

Loss allowance for financial assets measured at amortized cost are deducted from the asset's carrying amount. Amounts set aside or reversed from loss allowance are recognized in profit or loss.

When the Group cannot reasonably expect to recover the financial assets in whole or in part, it directly reduces the total carrying amount of its financial assets. For company accounts, the Group analyzes the timing and amount of write-offs individually on the basis of whether they are reasonably expected to be recoverable. The Group does not expect a material reversal of the written-off amounts. However, financial assets that have been written off remain enforceable in order to comply with the Group's procedures for recovering overdue amounts.

(5) Derecognition of financial assets

The Group derecognizes financial assets only upon termination of the contractual rights to cash flows from the asset, or upon transfer of the financial assets where substantially all risks and rewards of ownership of the asset have been transferred to other enterprises, or when substantially all risks and rewards of title have neither been transferred nor retained and we do not retain control of the financial asset.

When the Group enters into a transaction to transfer financial assets, if all or substantially all risks and rewards of title to the transferred assets are retained, they shall continue to be recognized on the balance sheet.

2. Financial liabilities and equity instruments

(1) Equity Instruments

An equity instrument constitutes any contract that recognizes the Group's remaining interest in assets less all of its liabilities. Equity instruments issued by the Group are recognized at the price obtained after deducting direct issue costs.

(2) Financial liabilities

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

(3) Derecognition of financial liabilities

Financial liabilities of the Group are to be derecognized when the contractual obligations have been fulfilled, canceled, or expired. When the terms of financial liabilities are modified and the cash flows of the modified liabilities are substantially different, the original financial liabilities are to be derecognized and new financial liabilities are to be recognized at fair value based on the modified terms.

When derecognizing a financial liability, the difference between its carrying amount and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is to be recognized in profit or loss.

(4) Offset of financial assets and liabilities

Financial assets and financial liabilities shall only be offset when the Group currently has legally enforceable rights to offset each other and intends to settle on a net basis or to realize assets and settle liabilities at the same time. They are to be offset against each other and presented on a net basis on the balance sheet.

(VIII) Inventories

Inventories are measured at the lower of cost and net realizable value. Costs include acquisition, production or processing costs, and other costs incurred to bring them to a place and condition in which it is ready for use, and are calculated using the weighted average method. The cost of finished goods and work-in-progress inventories includes an appropriate proportion of manufacturing overhead allocated to normal production capacity.

Net realizable value represents the estimated selling price under normal operations less the estimated costs to be spent on completion and the estimated costs to complete the sale.

(XIX) Non-current assets held for sale

Non-current assets, or a disaggregated group of assets and liabilities, are classified as held for sale when it is highly probable that their carrying amount will be recovered through sale rather than through ongoing use. Prior to their initial classification as held for sale, components of the asset or disposal group shall be remeasured in accordance with the Group's accounting policies. When classified as pending sale, it shall be measured based on the lower of its carrying amount and its fair value less selling costs. Impairment losses for any disposal group are allocated first to goodwill and then to the remaining assets and liabilities on a pro rata basis. However, the loss is not allocated to assets that are not within the scope of IFRS 36 for asset impairment, and the aforementioned items continue to be measured in accordance with the Group's accounting policies. Gains and losses arising from impairment losses initially classified as held for sale and subsequent remeasurement are recognized as profit or loss. However, the recovery gain shall not exceed the recognized accumulated impairment loss.

When an affiliate recognized using the equity method is classified as pending sale, usage of the equity method shall be discontinued.

(X) Investment related companies

An affiliate is a company over which the Group holds significant influence over its financial and operating policies but it is not controlled or jointly controlled.

The Group adopts the equity method to deal with equity in affiliated companies. Under the equity method, it is recognized at cost at the time of original acquisition and investment costs include transaction costs. The carrying amount of an investment in an affiliated company includes the goodwill identified at the time of the original investment less any accumulated impairment losses.

The consolidated financial statements cover from the date of material impact to the date of loss of material impact. After making adjustments consistent with the Group's accounting policies, the Group recognizes the amount of profit and loss and other comprehensive in come of each invested affiliate in proportion to its equity. When there is a change in non-income items and other comprehensive income of an affiliated company that does not affect the Group's associated shareholding ratio, the Group recognizes changes in equity attributable to the Group's share of the affiliated companies as capital reserve in proportion to its shareholding.

Unrealized profits and losses arising from transactions between the Group and its affiliates are only recognized in the corporate financial statements within the scope of the rights and interests of non-related party investors in the affiliated companies.

When the proportion of losses that the Group should recognize in an affiliated company is equal to or exceeds our equity in the affiliated company, recognition of such losses should be halted; and additional losses and related liabilities are to be recognized only to the extent that statutory obligations, constructive obligations, or payments have been made on behalf of the investee company.

(XI) Investment real estate

Investment real estate is held for lease income or asset appreciation or both, constituting real estate that is not for sale in normal business, for production, provision of goods or services, or for administrative purposes. Investment real estate is originally measured at cost and subsequently it is measured by cost less accumulated depreciation and accumulated impairment. Its depreciation method, useful life, and residual value shall be treated in accordance with the provisions of property, plant and equipment.

Investment real estate disposal gains or losses (calculated by the difference between the net disposal price and the carrying amount of the item) are recognized in profit or loss.

Lease income from investment real estate is recognized as non-operating income on a straight-line basis over the lease term. Lease incentives are recognized as part of the lease income during the leasing period.

(XII) Property, plant and equipment

1. Identification and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment.

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

Disposal gains or losses from property, plant and equipment are recognized in profit or loss.

2. Subsequent costs

Subsequent expenses are capitalized only when it is probable that their future economic benefits will flow to the Company.

3. Depreciation

Depreciation is calculated as the cost of the asset less the residual value. It is recognized in profit or loss on a straight-line basis over the estimated useful life of each component.

Land is not depreciated.

Estimated useful life for the current and comparison periods are as follows:

Housing and construction	2 to 40 years
Machinery and equipment	1 to 9 years
Leased assets	3 to 20 years
Other equipment	1 to 8 years

The Group reviews the depreciation method, useful life and salvage value on each reporting date and makes appropriate adjustments when necessary.

(XIII) Leases

The Group assesses whether a contract constitutes or contains a lease on the date of establishment of the contract. If a contract transfers control over the use of an identified asset for a period of time in exchange for consideration, the contract constitutes or contains a lease.

1. As a lessee

The Group recognizes right-of-use assets and lease liabilities as of the lease commencement date. Right-of-use assets are initially measured at cost, which includes the original measured amount of the lease liability adjusted for any lease benefits paid on or before the lease commencement date, plus the original direct costs incurred and the estimated costs for dismantling, removing, and restoring the location or the underlying asset, and also net of any lease incentives received.

The right-of-use asset is subsequently depreciated on a straight-line basis from the lease inception date to the expiry of the useful life of the right-of-use asset or the expiry of the lease term, whichever is earlier. In addition, the Group regularly assesses whether the right-of-use asset is impaired and handles any impairment losses that have occurred. The right-of-use asset is adjusted in conjunction with the remeasurement of the lease liability.

The lease liability is initially measured at the present value of the unpaid lease payments at the inception date of the lease. If the interest rate implied by the lease is easily determined, then the discount rate is that rate. If it is not easily determined, the Group's incremental borrowing rate of interest shall be used. Generally speaking, the Group adopts its incremental borrowing rate of interest as the discount rate.

Lease payments included in the measurement of lease liabilities include:

(1) Fixed payments, including substantial fixed benefits;
(2) Changes in lease benefits depending on an index or rate, using the index or rate on the lease commencement date as the original measure;
(3) The residual value guarantee amount expected to be paid; and
(4) The exercise price or penalty payable when it is reasonably certain that a purchase option or lease termination option will be exercised.

Interest on a lease liability is subsequently accrued using the effective interest method, and its amount is re-measured when the following conditions occur:

(1) There are changes in the index or rate used to determine lease payments resulting in changes in future lease payments;
(2) There are changes in the residual value guarantee amount expected to be paid;
(3) There are changes in the assessment of the underlying asset purchase option;
(4) There are changes in estimates of whether to exercise extension or termination options and changes in the assessment of the lease term;
(5) There are modifications to the subject matter, scope, or other terms of the lease.

When the lease liability is re-measured due to the aforementioned changes in the index or rate used to determine lease payments, changes in the residual value guarantee amount, and changes in the assessment of options to purchase, extend, or terminate, the carrying amount of the right-of-use asset is adjusted accordingly. When the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasured amount is recognized in profit or loss.

For lease modifications that reduce the scope of the lease, constituting a reduction in the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, the difference between this and the remeasured amount of the lease liability is recognized in profit or loss.

The Group presents right-of-use assets and lease liabilities that do not meet the definition of investment real estate as separate line items in the balance sheet.

For short-term leasing of some office and transportation equipment and the lease of low-value target assets, the Group chooses not to recognize right-of-use assets and lease liabilities. Instead, the related lease payments are recognized as expenses on a straight-line basis over the lease term.

2. As a lessor

In transactions where the Group is the lessor, classification of lease contracts is undertaken by whether they transfer substantially all risks and rewards of ownership of the underlying asset on the lease inception date. If this is the case, a lease is classified as a finance lease; otherwise, it is classified as an operating lease. At the time of evaluation, the Group considers relevant specific indicators including whether the lease period covers the main part of the economic life of the underlying asset.

If the Group is a lessor of a sublease, the main lease and sublease transactions are handled separately. The classification of sublease transactions is also assessed with the right-of-use asset arising from the main lease. If a sublease transaction meets the definition of investment real estate, the sublease transaction shall be classified as investment real estate.

For business leases, the Group recognizes lease payments received as lease income over the lease term on a straight-line basis.

(XIV) Intangible assets

1. Identification and measurement

Intangible assets are measured at cost less accumulated amortization and accumulated impairment.

2. Subsequent expenses

Subsequent expenses are capitalized only to the extent that they increase the future economic benefits of the specific asset in question.

3. Amortization

Amortization is calculated based on the cost of the asset less the estimated residual value, and is recognized in profit or loss using the straight-line method over its estimated useful life from when the intangible asset is ready for use.

Estimated useful life for the current and comparison periods are as follows:

Computer software	3 to 8 years

The Group reviews the intangible asset amortization method, useful life and salvage value on each reporting date and makes appropriate adjustments when necessary.

(XV) Impairment of non-financial assets

The Group assesses on each reporting date whether there is an indication that the carrying amount of non-financial assets may be impaired (except for inventories, deferred tax assets, and assets arising from employee benefits). If any such sign is present, then the recoverable amount of the asset is estimated.

For the purposes of the impairment test, the smallest identifiable group of assets is formed by a group of assets whose cash inflows are largely independent of the cash inflows of other individual assets or groups of assets.

The recoverable amount is the higher of the individual asset or cash-generating unit's fair value less costs of disposal and its value in use. If the recoverable amount of an individual asset or cash-generating unit is less than the carrying amount, an impairment loss is recognized.

(16) Provisions

The recognition of a liability provision is a present obligation due to past events where it is probable that the Group will need to outflow economic resources to settle the obligation in the future and where the amount of the obligation can be estimated reliably.

1. Liability provision for after-sales service is based on historical experience, management's judgment and other known reasons to estimate possible product returns, discounts and replacements, and it is recognized as cost of goods sold in the year when the related products are sold.
2. Decommissioning, restoration, and rehabilitation costs is to estimate the restoration cost of the leased plant that may occur in the future.

(XVII) Revenue recognition

Revenue is measured as the consideration to which the transfer of goods or services is expected to be entitled. The Group recognizes revenue when control of goods or services is transferred to the customer and performance obligations are satisfied. The transfer of control of a product means that the product has been delivered to the customer, the customer can decide the sales channel and price of a product in their entirety, and there are no outstanding obligations that will affect the customer's acceptance of the product. Delivery occurs when the product is shipped to a specific location, its obsolescence and risk of loss has been passed to the customer, and the customer has accepted the product in accordance with the sales contract; or when the acceptance clause has expired or when the Group has objective evidence that all acceptance conditions have been met.

(XVIII) Government subsidies

When the Group receives government subsidies related to salaries and working capital subsidies, the unconditional grant is recognized as other income.

(XIX) Employee benefits

1. Defined contribution plan

Contribution obligations to a defined contribution plan are recognized as expenses during the period during which an employee provides service.

2. Defined benefit plan

The Group's net obligation to the defined benefit plan is calculated by converting the future benefit amount earned by the employee's service in the current or previous period to the present value for each benefit plan and less the fair value of any plan assets.

Defined benefit obligations are actuated annually by a qualified actuary using the projected unit credit method. When the calculation result may be beneficial to the Group, recognized assets are limited to the present value of any economic benefits that would be available in the form of refunds of contributions from the program or reductions in future contributions to the program. Any minimum funding requirements are considered when calculating the present value of economic benefits.

Remeasurement of net defined benefit liability is immediately recognized in other comprehensive income and reflected in accumulated in retained earnings. This includes actuarial profit and loss, plan asset remuneration (excluding interest), and any change in the upper asset limit (excluding interest). The Group determines the net defined benefit liabilities (assets) and net interest expense (income), using the net defined benefit liabilities (assets) determined at the beginning of the annual reporting and the discount rate. Net interest expense and other expenses of defined benefit plans are recognized in profit or loss.

When a plan is revised or curtailed, the resulting change in benefits related to prior service costs or curtailment benefits or losses is immediately recognized in profit or loss. When settlement occurs, the Group recognizes the settlement gain or loss of the defined benefit plan.

3. Short-term employee benefits

Short-term employee benefit obligations are recognized as expenses when services are provided. If the Group has a current statutory or constructive payment obligation due to the employee's past services and the obligation can be reliably estimated, this amount is recognized as a liability.

(XX) Income taxes

Income taxes include current income tax and deferred income tax. Current income tax and deferred income tax are recognized in profit or loss, except for those related to business combinations, items directly recognized in equity, or other comprehensive income.

Current income tax includes taxable income (losses) based on the current year, calculated estimated income tax payable or tax refund receivable, and any adjustments to tax payable or refunds receivable from prior years. The amount is the best estimate of the amount expected to be paid or received at the statutory tax rate or substantive legislative tax rate at the reporting date.

Deferred income tax is recognized as a measure of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Temporary differences arising from the following situations are not recognized as deferred income tax:

1. Assets or liabilities originally recognized in a transaction that is not a business combination and that do not affect accounting profits and taxable income (loss) at the time of the transaction;
2. Temporary differences arising from invested subsidiaries, affiliates, and joint ventures where the Group can control the timing of the reversal of the temporary differences and it is probable that they will not be reversed in the foreseeable future; as well as
3. Taxable temporary differences arising from the original recognition of goodwill.

Deferred income tax is measured at the tax rate at which the temporary difference is expected to reverse, based on statutory or substantive legislative tax rates at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only when the following conditions are met simultaneously:

1. They have the legal enforcement right to offset current income tax assets and current income tax liabilities; and
2. Deferred income tax assets and deferred income tax liabilities are related to one of the following taxpayers that are subject to income tax by the same tax authority;
   (1) The same taxpayer; or
   (2) Although the taxpayers are distinct, each entity intends to settle current tax liabilities and assets on a net basis, or to realize assets and settle liabilities simultaneously, in each future period in which significant amounts of deferred tax assets are expected to be recovered and deferred tax liabilities are expected to be settled.

Unused tax losses and unused income tax credits are recognized as deferred tax assets to the extent that it is probable that future taxable income will be available to the extent that the deductible temporary differences are carried forward. Furthermore, it is reassessed on each reporting date and reduced to the extent that the relevant income tax benefit is not probable to be realized; or reverses the previously reduced amount to the extent that it becomes probable that sufficient taxable income will be available.

(XXI) Earnings per share

The Group presents basic and diluted earnings per share attributable to holders of ordinary shares of the Group. Basic earnings per share of the Group is the profit or loss attributable to the holders of ordinary shares of the Group calculated by dividing by the weighted average number of ordinary shares outstanding for the period. Diluted earnings per share refers to the profit and loss attributable to the holders of the Company's ordinary shares and the weighted average number of ordinary shares outstanding, calculated after separately adjusting for the effect of all potential dilutive ordinary shares. The Group's potentially dilutive ordinary shares include employee remuneration.

(XXII) Segment information

Operating segments form components of the Group and are engaged in operating activities that may earn income and incur expenses, including income and expenses related to transactions between other parts of the Group. The operating results of all operating segments are regularly reviewed by the Groups key operating decision makers to make decisions on allocating resources to those segments and to measure their performances. Each operating segment maintains separate financial information.

V. Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with FSC-endorsed IFRS standards requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Management continues to review estimates and underlying assumptions. Changes in accounting estimates are recognized in the period in which they are changed and in the future periods that are affected.

Determination of whether an investee company involves substantial control involves significant judgment and this information has a significant impact on the amounts recognized in this consolidated financial statements, shown as follows:

The Group is the single largest shareholder of Epoch Chemtronics Corp., holding 23.75% of the voting shares of Epoch Chemtronics Corp. Although the remaining 76.25% of Epoch Chemtronics Corp. shares are not centrally held by specific shareholders, the Group is still unable to obtain more than half of the directors' seats in Epoch Chemtronics Corp., and has not obtained more than half of the voting rights of shareholders attending the shareholders meeting. Therefore, it has been determined that the Group does not exercise control over Epoch Chemtronics Corp.

Among the uncertainties in the estimates and assumptions incorporated in these consolidated financial statements, there is no significant risk that a material adjustment will result in the following year.

VI. Explanation of significant accounts

(I) Cash and cash equivalents

	2021.12.31	2020.12.31
Cash	$ 498	591
Demand deposits	356,800	354,818
Checking deposits	755	83
Fixed deposits	-	56,960
	$ 358,053	**412,452**

Please refer to Note 6 (24) for the fair value sensitivity analysis and exchange rate risk of the financial assets and liabilities.

(II) Financial assets at fair value through profit or loss－current

		2021.12.31	2020.12.31
Financial assets designated as at fair value through profit or loss:			
Gold passbook accounts	$	57,132	60,912

1. Please refer to Note 6 (23) for the remeasurement of fair value.

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

		2021.12.31	2020.12.31
Equity investments at fair value through other comprehensive income			
Current:			
Domestic TWSE listed company shares:			
Taiwan Cooperative Financial Holding Co., Ltd.	$	1,320,546	1,035,214
Mega Financial Holding Company Limited		808,763	677,950
First Financial Holding Co.,Ltd.		675,752	583,039
Taiwan Business Bank		131,098	124,610
Taiwan Fertilizer Co., Ltd.		142,730	110,514
Cathay Financial Holdings Co., Ltd.		80,125	27,462
		3,159,014	2,558,789
Non current:			
Domestic TWSE listed company shares:			
Hold-Key Electric Wire & Cable Co., Ltd.		112,624	28,142
Unlisted domestic common shares:			
Sol Young Enterprises Co., Ltd.		12,610	12,610
ICP Technology Co., Ltd.		3,032	3,032
		15,642	15,642
		128,266	43,784
Total	$	3,287,280	2,602,573

The Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes.

The Group did not dispose of strategic investments in 2021 and 2020 and the accumulated gains and losses during these periods have not been transferred in equity.

For market risk information please refer to Note 6 (24).

(IV) Financial assets measured at amortized cost

	2021.12.31	2020.12.31
Current:		
Time deposits with original maturities of over three months	$ -	1,805
Interest rate range (%)	-	3.00
Non current:		
Time deposits with original maturities of over three months	$ 2,632	-
Interest rate range (%)	1.75	-

The Group assesses these assets as being held to maturity in order to receive their contractual cash flows, and the cash flows of these financial assets constitute in their entirety the payment of principal and interest on the outstanding principal amounts. They are therefore presented as financial assets measured at amortized cost.

For details of the above-mentioned financial asset pledge information, please refer to Note 8.

(V) Notes receivable and accounts receivable

	2021.12.31	2020.12.31
Notes receivable	$ 139,266	131,181
Accounts receivable	159,832	82,781
Accounts receivable - related parties	15,476	321
Less: Loss allowance－notes receivable	(27,548)	(8,609)
Loss allowance - accounts receivable	-	(165)
	$ 287,026	205,509

The Group's notes receivable and accounts receivable are not discounted or provided as collateral.

The Group applies the simplified approach to provide for its expected credit losses, i.e., using the measurement of expected credit loss during the period. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. According to the historical experience of the Group's credit losses, there is no significant difference in the loss patterns of different customer groups. Therefore the provision matrix does not further differentiate customer groups.

According to historical experience, the Group's accounts receivable due from related parties have experienced no credit losses, and we also consider that as of the balance sheet date, the accounts receivable due from related parties have not been overdue and there is no other indication that the credit quality of accounts receivable due from related parties has changed from the original credit dates. Therefore, the Group's assessment of accounts receivable due from related parties is that they will not generate credit losses, and they are not included for calculation in the analysis table of expected credit losses.

Analysis of expected credit losses of the Group's notes receivable and accounts receivable (excluding related parties) is as follows:

	2021.12.31		
	Carrying values of notes receivable and accounts receivable	**Weighted average loss rate (%)**	**Loss allowance provision**
Current	$ 254,004	1.15	2,932
1 to 30 days past due	11,055	1.70	188
31 to 60 days past due	449	-	-
91 to 120 days past due	4,942	10.59	523
121 to 150 days past due	1	-	-
151 to 180 days past due	5,250	9.67	508
More than 180 days past due	23,397	100.00	23,397
	$ 299,098		**27,548**

	2020.12.31		
	Carrying values of notes receivable and accounts receivable	**Weighted average loss rate (%)**	**Loss allowance provision**
Current	$ 196,887	0.07	133
1 to 30 days past due	8,466	0.37	32
More than 180 days past due	8,609	100.00	8,609
	$ 213,962		**8,774**

Changes in loss allowance for notes and trade receivables was as follows:

		2021	2020
Opening balance	$	8,774	12,977
Provision for impairment loss (reversal gain)		18,774	(4,203)
Ending balance	$	**27,548**	**8,774**

(VI) Other receivables and long-term receivables

		2021.12.31	2020.12.31
Other receivables	$	3,665	4,819
Long-term receivables		65,166	79,145
Less: Loss allowance		(65,166)	(79,145)
	$	**3,665**	**4,819**

The table of changes in loss allowance for other receivables and long-term receivables of the Group is as follows:

		2021	2020
Opening balance	$	79,145	79,145
Reversal of impairment losses		(13,979)	-
Ending balance	$	**65,166**	**79,145**

For other credit risk information please refer to Note 6 (24).

(VII) Inventory

		2021.12.31	2020.12.31
Raw materials	$	180,040	100,187
Work in process		77,178	52,831
Finished products		52,517	28,641
Goods held in inventory		15,327	3,244
Inventory in transit		2,270	12,615
	$	**327,332**	**197,518**

In addition to transferring inventory to operating costs due to normal sales in 2021 and 2020, the Group’s other total expenses and losses directly included in operating costs are listed as follows:

		2021	2020
Inventory valuation and obsolescence loss (gain from recovery)	$	16,346	(8,590)
Inventory obsolescence loss		2,743	2,502
Inclusion in operating costs	$	**19,089**	**(6,088)**

None of the Group's inventory was pledged as collateral as of December 31, 2021 and 2020.

(VIII) Non-current assets held for sale

On November 11, 2015, the Board of Directors of the Group passed a resolution to liquidate the touch panel manufacturing business unit Loyal Motion Company located in mainland China. This disposal plan was passed in recognition of fierce touch panel industry competition. In order to enhance our competitiveness and reduce our operating costs, we planned to concentrate production in Young Fast Vietnam, another touch panel manufacturing business unit.

1. Group assets and liabilities to be sold after merger write-off are detailed as follows:

	2020.12.31
Cash and cash equivalents	$ 21,421
Other receivables	43
Other current assets	89
Net non-current assets held for sale	**$ 21,553**
Other payables - current (liabilities directly related to non-current assets held for sale)	**$ 318**

2. Operating results of discontinued operations after the Groups' write-off are as follows:

	2021	2020
Operating income	$ -	-
Costs and expenses	(3,321)	(1,332)
Non-operating income and expenses	(376)	(1,428)
Operating income before tax	(3,697)	(2,760)
Income tax expense	-	-
Operating income, net of tax	(3,697)	(2,760)
Disposal gain on discontinued operations	65,633	-
Profit (loss from discontinued operations	**$ 61,936**	**(2,760)**

Cash flows from discontinued operations are as follows:

	2021	2020
Net cash outflow from operating activities	**$ (21,421)**	**(2,346)**

The Group completed the liquidation process of Loyal Motion Optoelectronics (Huizhou) Co., Ltd. on December 15, 2021. The recovered cash and disposal gains are as follows:

1. Details of the carrying amounts of the net assets of Loyal Motion Optoelectronics (Huizhou) Co., Ltd. on the date of disposal are as follows:

	2021.12.15
Cash	**$ 17,375**

2. Details of the amounts of disposal gains are as follows:

	2021.12.15
Reclassification from other equity to profit or loss from exchange differences on translation of foreign financial statements	$ 65,633

(IX) Investments accounted for using equity method

The Group's financial information for investments accounted for using the equity method at the reporting date was as follows:

	2021.12.31	2020.12.31
Affiliated companies	$ 297,329	296,438

1. Affiliated companies

Affiliates which are material to the Group consisted of the following:

Affiliated companies	Within the Group	Main operating location / incorporation	Proportion of shareholding and voting rights	
Name	Nature of Relationship	Country	2021.12.31	2020.12.31
Epoch Chemtronics Corp. (Epoch)	Optical instrument manufacturing, etc.	Taiwan	23.75%	23.75%

Aggregated financial information of affiliated companies that are material to the Group are set forth below.

	2021.12.31	2020.12.31
Current assets	$ 2,043,870	2,052,398
Non-current assets	863,316	392,573
Current liabilities	(1,691,409)	(1,137,448)
Non-current liabilities	(51,654)	(147,143)
Net assets	$ 1,164,123	1,160,380

	2021	2020
Operating income	$ 3,795,224	2,858,636
Profit from continuing operations	108,222	118,897
Other comprehensive income	(2,408)	4,461
Total comprehensive income	$ 105,814	123,358
Dividends received from affiliated companies	$ 24,241	36,361

	2021	2020
Share of net assets attributable to the Group on January 1	$ 275,591	282,655
Comprehensive income (loss) attributable to the Group	25,132	29,297
Dividends received from affiliated companies	(24,241)	(36,361)
Share of net assets attributable to the Group on June 30	276,482	275,591
Add: Goodwill	20,847	20,847
Book value of net assets attributable to the Group on June 30	**$ 297,329**	**296,438**

The difference between the Group's equity and the carrying amount of the investment using the equity method mainly constitutes goodwill arising from the purchase of the investment at a premium when originally acquired.

2. Collateral

As of December 31, 2021 and 2020, none of the Group's investments using the equity method were pledged as collateral.

(XII) Property, plant and equipment

The cost, depreciation, and impairment loss of the property, plant and equipment of the Group for 2021 and 2020 were as follows:

	Land	Housing and construction	Machinery and equipment	Leased assets	Other equipment	Total
Cost or deemed cost:						
Balance as at January 1, 2021	$ 263,627	1,467,118	2,870,332	33,841	520,602	5,155,520
Addition	-	1,731	41,770	26,812	6,041	76,354
Disposal	-	-	(32,904)	-	(729)	(33,633)
Effect of movements in exchange rates	-	(25,410)	(54,949)	-	(11,186)	(91,545)
Balance as at December 31, 2021	**$ 263,627**	**1,443,439**	**2,824,249**	**60,653**	**514,728**	**5,106,696**
Balance as at January 1, 2020	$ 263,627	1,513,732	3,231,843	32,541	558,364	5,600,107
Addition	-	1,030	19,668	1,300	5,444	27,442
Reclassification (Note 1)	-	-	4,050	-	-	4,050
Disposal	-	-	(276,438)	-	(22,176)	(298,614)
Effect of movements in exchange rates	-	(47,644)	(108,791)	-	(21,030)	(177,465)
Balance as at December 31, 2020	**$ 263,627**	**1,467,118**	**2,870,332**	**33,841**	**520,602**	**5,155,520**
Depreciation and impairment loss:						
Balance as at January 1, 2021	$ -	942,974	2,816,933	32,292	498,815	4,291,014

Depreciation for the current period	-	37,713	13,831	1,387	7,868	60,799
Disposal	-	-	(32,904)	-	(729)	(33,633)
Effect of movements in exchange rates	-	(14,254)	(54,139)	-	(11,107)	(79,500)
Balance as at December 31, 2021	$ -	966,433	2,743,721	33,679	494,847	4,238,680
Balance as at January 1, 2020	$ -	929,829	3,187,856	31,543	538,823	4,688,051
Depreciation for the current period	-	38,747	12,799	749	3,017	55,312
Disposal	-	-	(276,438)	-	(22,176)	(298,614)
Effect of movements in exchange rates	-	(25,602)	(107,284)	-	(20,849)	(153,735)
Balance as at December 31, 2020	$ -	942,974	2,816,933	32,292	498,815	4,291,014
Carrying amounts:						
Balance as at December 31, 2021	$ 263,627	477,006	80,528	26,974	19,881	868,016
Balance as at December 31, 2020	$ 263,627	524,144	53,399	1,549	21,787	864,506
Balance as at January 1, 2020	$ 263,627	583,903	43,987	998	19,541	912,056

Note 1: Transferred from payments for prepaid equipment.

(XI) Right of use assets

The cost, depreciation, and impairment loss of the land and buildings of the Group were as follows:

	Land	Housing and construction	Total
Right of use asset costs:			
Balance as at January 1, 2021	$ 68,682	43,865	112,547
Addition	-	87,011	87,011
Disposal (early termination of the contract)	-	(42,189)	(42,189)
Effect of movements in exchange rates	(1,929)	-	(1,929)
Balance as at December 31, 2021	$ 66,753	88,687	155,440
Balance as at January 1, 2020	$ 59,744	38,839	98,583
Addition	-	5,026	5,026
Reclassified and transferred from investment real estate	12,409	-	12,409
Effect of movements in exchange rates	(3,471)	-	(3,471)
Balance as at December 31,	$ 68,682	43,865	112,547

2020				
Right of use asset depreciation:				
Balance as at January 1, 2021	$	3,148	20,395	23,543
Depreciation for the current period		1,761	15,255	17,016
Disposal (early termination of the contract)		-	(25,693)	(25,693)
Effect of movements in exchange rates		(109)	-	(109)
Balance as at December 31, 2021	**$**	**4,800**	**9,957**	**14,757**
Balance as at January 1, 2020	$	1,585	9,709	11,294
Depreciation for the current period		1,703	10,686	12,389
Effect of movements in exchange rates		(140)	-	(140)
Balance as at December 31, 2020	**$**	**3,148**	**20,395**	**23,543**
Carrying amounts:				
Balance as at December 31, 2021	**$**	**61,953**	**78,730**	**140,683**
Balance as at December 31, 2020	**$**	**65,534**	**23,470**	**89,004**
Balance as at January 1, 2020	**$**	**58,159**	**29,130**	**87,289**

(XII) Investment real estate

Investment real estate constitutes the Group's own assets and right-of-use assets that recognize leasehold rights. Changes in the cost, depreciation, and impairment losses investment real estate of the Group are detailed as follows:

		Own assets		**Right of use assets**	
		Land	**Land and buildings**	**Land**	**Total**
Cost or deemed cost:					
Balance as at January 1, 2021	$	69,908	416,662	30,858	517,428
Effect of movements in exchange rates		-	(11,502)	(867)	(12,369)
Balance as at December 31, 2021	**$**	**69,908**	**405,160**	**29,991**	**505,059**
Balance as at January 1,	$	69,908	438,229	26,665	534,802

2020					
Addition		-	-	17,984	17,984
Reclassified as right of use assets		-	-	(12,409)	(12,409)
Effect of movements in exchange rates		-	(21,567)	(1,382)	(22,949)
Balance as at December 31, 2020	$	69,908	416,662	30,858	517,428
Depreciation and impairment loss:					
Balance as at January 1, 2021	$	-	195,156	1,415	196,571
Depreciation for the current period		-	16,114	792	16,906
Effect of movements in exchange rates		-	(5,654)	(49)	(5,703)
Balance as at December 31, 2021	$	-	205,616	2,158	207,774
Balance as at January 1, 2020	$	-	188,134	535	188,669
Depreciation for the current period		-	17,026	766	17,792
Effect of movements in exchange rates		-	(10,004)	114	(9,890)
Balance as at December 31, 2020	$	-	195,156	1,415	196,571
Carrying amount:					
Balance as at December 31, 2021	$	69,908	199,544	27,833	297,285
Balance as at December 31, 2020	$	69,908	221,506	29,443	320,857
Balance as at January 1, 2020	$	69,908	250,095	26,130	346,133
Fair value:					
Balance as at December 31, 2021					$ 506,607
Balance as at December 31, 2020					$ 499,435

(XIII) Intangible assets

The cost, depreciation, and impairment loss of the Intangible assets of the Group in 2021 were as follows:

		Computer software
Cost:		
Balance as at January 1, 2021	$	-
Addition		6,138
Balance as at December 31, 2021	$	6,138
Amortization and impairment loss:		
Balance as at January 1, 2021	$	-
Amortization for the period		78
Balance as at December 31, 2021	$	78
Carrying amounts:		
Balance as at December 31, 2021	$	6,060

The Group had no intangible assets in 2020.

(XIV) Short-term loans

Details, conditions, and terms of short-term loans of the Group are as follows:

		2021.12.31	2020.12.31
Credit loans	$	132,641	24,970
Unused credit line	$	1,131,902	1,110,851
Interest rate range (%)		0.71~0.88	0.86~1.07

(XV) Lease liabilities

Book value of the Group's lease liabilities is as follows:

		2021.12.31	2020.12.31
Current:			
Lease liabilities	$	94	89
Lease liabilities - Related parties		17,421	11,446
	$	17,515	11,535
Non current:			
Lease liabilities	$	17,254	17,849
Lease liabilities - Related parties		61,622	12,330
	$	78,876	30,179

For maturity analysis of financial instruments, please refer to Note 6 (24).

Amounts recognized as profit or loss are as follows:

	2021	2020
Interest on lease liabilities	**$ 2,305**	**3,599**
Expenses relating to short term leases	**$ 762**	**1,526**
Expenses relating to leases of low value assets, excluding short term leases of low value assets	**$ 764**	**763**

Amounts recognized in the Statements of Cash Flows are as follows:

	2021	2020
Total amount of net cash flows from operating activities	$ 3,831	5,888
Total amount net cash flows from financing activities	17,602	14,252
Total cash flows from leases	**$ 21,433**	**20,140**

The Group leases land, houses, and buildings as factories, offices and leases. Land and building leases are typically for three to five years. When the lease period expires, the option to extend the same period as the original contract is available. In addition, the land lease period is 37 years.

The Group leases some offices and transportation equipment for a period of one year to three years. Such leases are leases of short term or low value subject matter, and the Company has elected not to recognize right of use assets and lease liabilities for these leases.

As of December 31, 2021, the Group's lease liabilities decreased by NTD 16,535 thousand due to early termination and re-assessment of some lease contracts.

(16) Provisions

After-sales service provisions:

	2021	2020
Beginning balance as of January 1	$ 56,624	9,674
Newly added provisions for the period	47,100	47,189
Provisions used in the period	(881)	(239)
Current reversal provision	(6,455)	-
Ending balance as of December 31	**$ 96,388**	**56,624**

Carrying amount of after-sales service provisions is as follows:

	2021.12.31	2020.12.31
Current	$ 16,104	56,624
Non current	$ 80,284	-

Decommissioning, restoration, and rehabilitation costs - non current:

	2021	2020
Balance as at December 31 (i.e., balance as at January 1)	$ 6,131	6,131

1. Liability provision for after-sales service is based on historical experience, management's judgment and other known reasons to estimate possible product returns, discounts and replacements, and it is recognized as cost of goods sold in the year when the related products are sold.
2. Decommissioning, restoration, and rehabilitation costs is to estimate the restoration cost of the leased plant that may occur in the future.

(XVII) Employee benefits

1. Defined benefit plan

Reconciliation between the present value of the Company's defined benefit obligations and the fair value of plan assets is as follows:

	2021.12.31	2020.12.31
Present value of defined benefit obligations	$ 18,331	18,074
Fair value of plan assets	(9,926)	(9,334)
Non-current net defined benefit liability	$ 8,405	8,740

The Company's defined benefit plan is transferred to labor retirement reserve accounts of the Bank of Taiwan. Retirement payments for each employee are subject to the Labor Standards Act; they are calculated on the basis of years of service and the average salary for the six months prior to retirement.

(1) Composition of plan assets

In accordance with the Labor Standards Act, the pension fund provided for by the Company is under the overall management of the Bureau of Labor Funds under the Ministry of Labor. In accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, the minimum income distributed in the annual final settlement for the use of the fund shall not be lower than the income calculated according to the two-year fixed deposit interest rate of local banks.

As of the reporting date, the balance of the Company's labor retirement reserve account at the Bank of Taiwan was NTD 9,926 thousand. Information on the use of assets of the labor pension fund includes fund yield and fund asset allocation; please refer to the information published on the website of the Bureau of Labor Funds.

(2) Changes in present value of defined benefit obligations

Changes in the present value of the Company's defined benefit obligations in 2021 and 2020 were as follows:

		2021	2020
Benefit obligations determined as at January 1	$	18,074	18,030
Current service cost and interest		90	135
Remeasurement of net defined benefit liabilities (assets)			
- Actuarial gains and losses due to experience adjustments		(10)	(504)
- Actuarial gains and losses arising from changes in demographic assumptions		369	-
- Actuarial gains and losses arising from changes in financial assumptions		(192)	413
Benefit obligations determined as at December 31	**$**	**18,331**	**18,074**

(3) Changes in fair value of plan assets

Changes in the fair value of the Company's defined benefit plan assets in 2021 and 2020 were as follows:

		2021	2020
Fair value of identifiable plan net assets as at January 1	$	9,334	8,566
Interest income		48	66
Remeasurement of net defined benefit liabilities (assets) － plan asset return (excluding current interest)		117	274
Amount allocated to the plan		427	428
Fair value of identifiable plan net assets as at December 31	**$**	**9,926**	**9,334**

(4) Expenses recognized in profit or loss

Details of expenses reported by the Company in 2021 and 2020 are as follows:

		2021	2020
Current service cost	$	-	-
Net interest on net defined benefit liabilities		42	69

	$	42	69

(5) Net defined benefit assets recognized in remeasurement of other comprehensive income (liabilities)

The Company's cumulative net defined benefit assets recognized in remeasurement of other comprehensive income (liabilities) are as follows:

		2021	2020
Cumulative balance as at January 1	$	276	(89)
Recognized this period		(50)	365
Cumulative balance as at December 31	$	226	276

(6) Actuarial assumptions

Significant actuarial assumptions used by the Company for the present value of the defined benefit obligations at the reporting date are as follows:

	2021.12.31	2020.12.31
Discount rate	0.625%	0.500%
Future salary increases	2.000%	2.000%

The Company expects a provision amount paid to defined benefit plan of $423 thousand within one year after the 2021 annual report date.

The weighted average duration of the defined benefit plan is 8.4 years.

(7) Sensitivity analysis

The impact of changes in key actuarial assumptions when applied at 31 December 2021 and 2020 on the present value of the defined benefit obligations is as follows:

	Impact on defined benefit obligations	
	Increase %	Decrease %
December 31, 2021		
Discount rate (change of 0.25%)	(381)	397
Future salary adjustments (change of 0.25%)	385	(372)
December 31, 2020		
Discount rate (change of 0.25%)	(412)	430
Future salary adjustments (change of 0.25%)	417	(402)

The above sensitivity analysis is based on the analysis of the impact of a change in a single assumption while other assumptions remain unchanged. In practice, many changes in assumptions may be linked. The sensitivity analysis is consistent with the methodology used to calculate the net defined benefit liability on the balance sheet.

The methods and assumptions used in the preparation of the sensitivity analysis in this period are the same as those in the previous period.

2. Defined contribution plan

Among the Group, in the Company and in its subsidiary Taiwan SRU Corp. established in the Republic of China, transfers are made to individual labor pension accounts established by the Bureau of Labor Insurance in line with the contribution rate of 6% of monthly employee salaries and in accordance with the provisions of the Labor Pension Act. Under this setup, after the Company and Taiwan SRU Corp. have provided a fixed amount to the Bureau of Labor Insurance, there is no statutory or constructive obligation to pay an additional amount.

The Groups' subsidiaries located in China and Vietnam are determined as providing for retirement, and these pension are based on employee salaries. A certain percentage of the related allocations are deposited into a special account of the retirement fund, which is managed by the local statutory insurance agency. When an employee retires, he or she can receive the employee's self-provided funds and the Company's relative contribution funds and its yield from the special fund account.

Pension expenses under the Group's 2021 and 2020 defined pension appropriation measures are NTD 5,545 thousand and NTD 5,228 thousand respectively, which have been allocated to the Bureau of Labor Insurance.

(XVIII) Income taxes

1. The Group's 2021 and 2020 income tax expenses (gains) are detailed as follows:

	2021	2020
Current income tax expense		
Current period	$ 19,603	14,328
Adjustment for prior periods	1,658	1,474
	21,261	15,802
Deferred tax expense (gain)		
Occurrence and reversal of temporary differences	8,712	(8,311)
Income tax expense	$ 29,973	7,491

Income tax gain (expense) recognized by the Group under other comprehensive income in 2021 and 2020 are detailed as follows:

		2021	2020
Components of other comprehensive income that will not be reclassified to profit or loss:			
Remeasurement of defined benefit plan	$	10	(73)

The Group's 2021 and 2020 income tax expenses and reconciliation with net profit before tax are detailed as follows:

		2021	2020
Net profit before tax	$	264,502	211,759
Income tax calculated at the domestic tax rate of the Company's location	$	52,900	42,352
Impact of tax rate differences in foreign jurisdictions		-	2,654
Tax-exempt dividend income		(23,116)	(22,289)
Valuation gain of financial assets		756	(1,678)
Investment income accounted for using the equity method		(10,844)	(5,648)
Liquidation losses		(9,651)	-
Non-deductible expenses		3,725	2,549
Recognition of tax losses not recognized in the previous period		(22,810)	-
Tax difference in depreciation expenses		(3,196)	(13,488)
Changes in deferred tax assets		17,201	-
Previous underestimation		1,658	1,474
Undistributed surplus earnings		7,220	2,083
Disposal gain on discontinued operations		13,127	-
Other		3,003	(518)
Total	$	29,973	7,491

2. Deferred tax assets and liabilities

(1) Unrecognized deferred tax assets

Items not recognized as deferred tax assets by the Group are as follows:

		2021.12.31	2020.12.31
Temporary differences that can be deducted	$	2,902,710	3,981,709
Tax loss		1,596,634	1,742,261
	$	4,499,344	5,723,970

Taxable losses are subject to the provisions of the Income Tax Act. As approved by the tax collection authority, losses for the previous ten years may be deducted from the net profit of the current year to re-assess income tax. These items are not recognized as deferred tax assets. This is because it is not probable that the Group will have sufficient taxable income for the temporary difference in the future.

As of December 31, 2021, the Group has not yet recognized tax losses as deferred tax assets. The deduction period is as follows:

Year of Loss	Loss not yet deducted	The last year for which the deduction can be made
2013 approved number	$ 36,545	2023
2014 approved number	274,845	2024
2015 approved number	370,175	2025
2016 approved number	98,904	2026
2017 approved number	808,806	2027
2018 declared number	7,359	2028
Total	**$ 1,596,634**	

(2) Deferred tax assets and liabilities recognized

Changes in deferred tax assets and liabilities for 2021 and 2020 were as follows:

Deferred tax assets:

	Inventory allowance for impairment losses	Expected credit loss	Exchange losses	Other	Total
January 1, 2021	$ 5,017	17,023	292	17,375	39,707
Credit (debit) profit and loss	1,824	(12,274)	(292)	4,006	(6,736)
Credit to other comprehensive income	-	-	-	10	10
December 31, 2021	**$ 6,841**	**4,749**	**-**	**21,391**	**32,981**
January 1, 2020	$ 4,455	17,796	972	8,255	31,478
Credit (debit) profit and loss	562	(773)	(680)	9,193	8,302
Debit to other comprehensive income	-	-	-	(73)	(73)
December 31, 2020	**$ 5,017**	**17,023**	**292**	**17,375**	**39,707**

Deferred tax liabilities:

		Foreign exchange gains	Other	Total
January 1, 2021	$	-	27	27
Debit (credit) profit and loss		2,003	(27)	1,976
December 31, 2021	**$**	**2,003**	**-**	**2,003**
January 1, 2020	$	9	27	36
Credit profit and loss		(9)	-	(9)
December 31, 2020	**$**	**-**	**27**	**27**

3. Income tax approval status

The Company's tax returns for the years through 2019 were examined and approved by the tax authority.

(XIX) Capital and other equity

1. Issuance of ordinary shares

As at December 31, 2021 and 2020, the Company's total authorized capital stock is NTD 2,000,000 thousand and the par value of each share is NTD 10. Total issued shares amount to 151,328 thousand shares.

2. Capital reserve

The balance of the Company's capital reserve is as follows:

		2021.12.31	2020.12.31
Stock issuance at a premium	$	2,061,225	2,212,553
Changes in the net equity value of affiliated companies recognized under the equity method		13,634	13,634
Employee stock options		2,321	2,321
	$	**2,077,180**	**2,228,508**

In accordance with provisions of the Company Act, after capital reserve is given priority to cover losses, it may be issued to new shares or cash in proportion to the shareholders' original shares in the form of realized capital gains. Realized capital gains as mentioned in the preceding paragraph includes excess from the issuance of shares in excess of par value as well as grants received. In accordance with provisions of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the total amount of capital reserves that can be used as capital shall not exceed 10% of the paid-in capital.

3. Retained earnings

According to the provisions of the earnings distribution policy of the Articles of Incorporation of the Company, if there is a surplus in the annual final accounts, taxes should first be paid to offset any prior deficit, and 10% is to be subsequently set aside as legal reserve. In addition, in accordance with the provisions of Article 41, Paragraph 1 of the Securities and Exchange Act, for the deduction amount of shareholders' equity incurred in the current year, the same amount of special reserve shall be set aside from the after-tax surplus earnings of the current year and the undistributed surplus earnings of the previous period. For the deduction amount of other shareholders' equity accumulated in the previous period, the special reserve of the same amount shall not be distributed from the undistributed surplus earnings in the previous period. In the event of a subsequent reversal of the amount of the deduction of shareholders' equity, earnings may be distributed to the reversed portion.

In addition, and in accordance with the Articles of incorporation of the Company, the dividend policy of the Company is based on current and future development plans while considering the investment environment, capital needs, and the domestic and foreign competitive environment, and takes into account the interests of shareholders and other factors. Each year, no less than 20% of the distributable surplus shall be allocated for distribution to shareholders as dividends and bonuses; but when the accumulated distributable surplus is less than 100% of paid-in capital, it may not be distributed.

(1) Legal reserve

When the Company has no losses, then subject to a resolution of the shareholders' meeting there may be issuance of new shares or cash with the legal reserve. However, this is limited to the portion of the reserve exceeding 25% of the paid-in capital.

(2) Earnings distribution

At its respective General Meetings of Shareholders on August 3, 2021 and June 30, 2020, the Company passed corresponding resolutions for 2020 and 2019, announcing cash dividends from capital reserve and profit distribution with the amounts of cash dividends being as follows:

		2020	2019
Dividends distributed to owners of ordinary shares:			
Cash - retained earnings	$	-	60,531
Cash - capital reserve		151,328	60,531
	$	**151,328**	**121,062**
Distribution rate in NT dollars (NTD)	**$**	**1.00**	**0.80**

Information on the distribution of earnings as resolved by the Company's shareholders' meeting can be inquired through the Market Observation Post System.

4. Other equity (net of tax)

		Foreign currency translation differences for foreign operations	Unrealized valuation gains (losses) on financial assets at fair value through other comprehensive income	Total
Balance as at January 1, 2021	$	21,361	577,871	599,232
Exchange differences on translation of foreign financial statements		(110,763)	-	(110,763)
Share of other comprehensive income of subsidiaries, affiliates, and joint ventures recognized using the equity method		(567)	-	(567)
Unrealized valuation gains and losses on financial assets at fair value through other comprehensive income		-	574,849	574,849
Balance as at December 31, 2021	**$**	**(89,969)**	**1,152,720**	**1,062,751**
Balance as at January 1, 2020	$	85,500	634,055	719,555
Exchange differences on translation of foreign financial statements		(65,175)	-	(65,175)
Share of other comprehensive income of subsidiaries, affiliates, and joint ventures recognized using the equity method		1,036	-	1,036
Unrealized valuation gains and losses on financial assets at fair value through other comprehensive income		-	(56,184)	(56,184)
Balance as at December 31, 2020	**$**	**21,361**	**577,871**	**599,232**

(XX) Earnings per share

Unit: Thousand shares

		2021	2020
Basic EPS:			
Net profit attributable to the Company for the period - continuing operations	$	217,494	191,069
Net profit (loss) attributable to the Company for the period - discontinued operations		61,936	(2,760)
Net profit attributable to holders of ordinary shares of the Company	**$**	**279,430**	**188,309**
Weighted average number of ordinary shares outstanding		**151,328**	**151,328**
Basic EPS - Continuing Operations (Unit: New Taiwan Dollars)	**$**	**1.44**	**1.26**
Basic EPS - Discontinued Operations (Unit: New Taiwan Dollars)	**$**	**0.41**	**(0.02)**
Diluted EPS:			
Net profit attributable to the Company for the period - continuing operations	$	217,494	191,069
Net profit (loss) attributable to the Company for the period - discontinued operations		61,936	(2,760)
Net profit attributable to holders of ordinary shares of the Company	**$**	**279,430**	**188,309**
Weighted average number of ordinary shares outstanding		151,328	151,328
Effect of dilutive potential ordinary shares			
Employees' compensation		332	164
Weighted average number of ordinary shares outstanding (diluted)		**151,660**	**151,492**
Diluted EPS - Continuing Operations (Unit: New Taiwan Dollars)	**$**	**1.43**	**1.26**
Diluted EPS - Discontinued Operations (Unit: New Taiwan Dollars)	**$**	**0.41**	**(0.02)**

(XXI) Revenue from contracts with customers

1. Details of revenue

	2021		
	Optoelectronics Division	Electromechanical Division	Total
Principal regional markets:			
Asia	$ 156,664	1,061	157,725
Americas	14,686	-	14,686
Taiwan	713,863	563,017	1,276,880
	$ 885,213	564,078	1,449,291

	2020		
	Optoelectronics Division	Electromechanical Division	Total
Principal regional markets:			
Asia	$ 138,455	1,362	139,817
Americas	4,629	-	4,629
Taiwan	233,060	548,972	782,032
	$ 376,144	550,334	926,478

2. Contract balances

	2021.12.31	2020.12.31	2020.1.1
Notes receivable	$ 139,266	131,181	118,468
Accounts receivable	159,832	82,781	65,953
Accounts receivable - related parties	15,476	321	27,475
Less: Loss allowance－notes receivable	(27,548)	(8,609)	(10,935)
Less: Loss allowance - accounts receivable	-	(165)	(2,042)
Total	$ 287,026	205,509	198,919
Contract Liabilities - Merchandise Sales	$ 6,028	14,983	3,204

Please refer to Note 6 (5) for disclosure of notes and accounts receivable and their impairment.

The opening balances of contract liabilities on January 1, 2021 and 2020 were recognized as revenue in 2021 and 2020, amounting to NTD 14,303 thousand and NTD 2,976 thousand respectively.

(XXII) Remuneration of employees and directors

According to the Articles of Incorporation of the Company, if there is profit for the year then not less than 2% shall be set aside for employees' remuneration and not more than 1.5% shall be set aside as remuneration for directors. However, when the Company still has accumulated losses, it should reserve the compensatory amount in advance. Stock or cash may be distributed to persons to whom employee remuneration is to be distributed as in the preceding paragraph, including employees of controlling or subordinate companies meeting certain conditions.

The Company's estimated amounts of employee remuneration for 2021 and 2020 were NTD 6,353 thousand and NTD 3,835 thousand respectively. The corresponding estimated amounts for directors' remuneration were NTD 4,765 thousand and NTD 2,876 thousand. The estimated amounts mentioned above are calculated based on net profit before tax of the Company, excluding remuneration to employees and directors, and multiplied by the percentage of remuneration to employees and directors as stipulated in the Company's Articles of Incorporation. These remunerations were reported under operating expenses. The differences between the actual distributed amounts, as determined by the Board of Directors, and those recognized in the financial statements, if any, shall be accounted for as changes in accounting estimates and recognized in profit or loss in the following year. Relevant information can be inquired through the Market Observation Post System. If the Board of Directors decides to pay employee compensation in stock, the numbers of shares to be distributed were calculated based on the closing price of the Company's shares one day before the date of the decision of the Board of Directors.

There is no difference between the amounts of employee and director remuneration distributed by the above-mentioned resolutions of the Board of Directors and the estimated amounts in the Company's 2020 consolidated financial statements. Information on Board resolutions on employee and director remuneration can be inquired through the Market Observation Post System.

(XXIII) Non-operating revenue and expenses

1. Interest income

Details of the interest income of the Group are as follows:

	2021	2020
Bank deposit interest	$ 293	3,748

2. Other income

The details of other revenue of the Group were as follows:

		2021	2020
Lease income	$	62,855	59,192
Dividend income		115,581	111,445
Government grants		-	8,194
Other income		7,098	11,011
	$	185,534	189,842

3. Other gains and losses

The details of other gains and losses were as follows:

		2021	2020
Proceeds from disposal of property, plant and equipment	$	120	3,863
Investment real estate depreciation expense		(16,906)	(17,792)
Net foreign currency exchange gains		23,653	10,139
Gain (loss) on financial assets at fair value through profit or loss		(3,780)	8,388
Other		(955)	(128)
	$	2,132	4,470

4. Finance costs

The Group's finance costs were as follows:

		2021	2020
Bank loans	$	932	581
Lease liabilities		2,305	3,599
Other		13	5
	$	3,250	4,185

(XXIV) Financial instruments

1. Credit risk

(1) Credit risk exposure

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

(2) Concentration of credit risk

Among the balances of accounts receivable and notes receivable of the Group as at December 31, 2021 and 2020, three major customers accounted for 63% and 71% respectively.

(3) Credit risk on receivables and financial assets at amortized cost

For credit risk exposure of notes receivable and accounts receivable, please refer to Note 6 (5). For credit risk exposure of other receivables and long-term receivables, please refer to Note 6 (6). Other receivables, long-term receivables and other financial assets measured at amortized cost are financial assets with low credit risk. The loss allowance for that period is therefore measured at the twelve-month expected credit loss amount.

2. Liquidity risk

The Group manages and maintains sufficient cash and cash equivalents to support the Group's operations and mitigate the impact of fluctuations in cash flow. The Group's management supervises the use of bank financing lines and ensures compliance with terms of the loan contracts.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

		Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	More than 5 years
December 31, 2021							
Non derivative financial liabilities							
Short-term loans	$	132,641	133,003	133,003	-	-	-
Notes payable		675	675	675	-	-	-
Accounts payable (including related parties)		156,774	156,774	156,774	-	-	-
Other payables		175,032	175,032	175,032	-	-	-
Lease liabilities (including related parties)		96,485	135,384	20,088	37,764	32,605	44,927
Deposits received		17,242	17,242	-	17,242	-	-
	$	578,849	618,110	485,572	55,006	32,605	44,927
December 31, 2020							
Non derivative financial liabilities							
Short-term loans	$	24,970	25,077	25,077	-	-	-
Notes payable		32	32	32	-	-	-
Accounts payable (including related parties)		130,737	130,737	130,737	-	-	-
Other payables		158,964	158,964	158,964	-	-	-
Lease liabilities (including related parties)		41,714	79,938	13,315	13,315	5,491	47,817
Deposits received		14,617	14,617	394	14,223	-	-
	$	371,034	409,365	328,519	27,538	5,491	47,817

The Group does not expect that the cash flows included in the maturity analysis could occur significantly earlier or in significantly different amounts.

3. Exchange rate risk

(1) Exposure to exchange rate risk

The Group's financial assets and liabilities exposed to significant foreign currency exchange rate risk were as follows:

	2021.12.31			2020.12.31		
	Foreign currency	Exchange rate	New Taiwan Dollar	Foreign currency	Exchange rate	New Taiwan Dollar
Financial assets						
Monetary items						
US Dollar	$ 73,643	27.6800	2,038,443	40,286	28.4800	1,147,355
RMB	5	4.3440	22	28	4.3770	122
Vietnamese Dong	8,373,696	0.0012	10,048	4,186,672	0.0011	4,647
Japanese Yen	11,418	0.2405	2,746	1,724	0.2763	476
Financial liabilities						
Monetary items						
US Dollar	66,275	27.6800	1,834,488	36,758	28.4800	1,046,860
Vietnamese Dong	20,518,468	0.0012	24,622	12,717,038	0.0011	14,116
Japanese Yen	39,494	0.2405	9,498	26,878	0.2763	7,426

(2) Sensitivity analysis

The Group’s exposure to exchange rate risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable (including related parties), accounts payable (including related parties), and other payables that are denominated in foreign currency. As at December 31, 2021 and 2020, if the TWD, when compared with the USD, CNY, VND, and JPY had appreciated or depreciated 5% with all other factors remaining constant, then net profit before tax for 2021 and 2020 would have respectively increased or decreased by approximately NTD9,130 thousand and NTD 4,210 thousand. The analysis is performed on the same basis for both periods.

(3) Exchange gains and losses on monetary items

Due to the wide variety of foreign currency transactions of the Group, gains or losses on foreign exchange are summarized as a single amount. Foreign currency exchange gains (including both realized and unrealized) in 2021 and 2020 were NTD 23,653 thousand and NTD 10,139 thousand, respectively.

4. Interest rate risk

The following sensitivity analysis is based on the exposure to interest rate risk of non-derivative financial instruments on the reporting date. For floating rate financial instruments, the sensitivity analysis assumes that the amounts of assets and liabilities outstanding at the reporting date were outstanding throughout the year. The rate of change used in reporting interest rates internally to key management of the Group constituted a 1% increase or decrease in interest rates;

this also represented the range of changes in interest rates considered by management to be reasonably possible.

If interest rates had increased or decreased by 1% and all assuming all other variable factors remained constant, pre-tax net profit in 2021 and 2020 would have decreased or increased by approximately NTD 1,300 thousand and NTD 250 thousand respectively, mainly due to the Group's variable interest rate borrowings.

5. Other market price risk

Sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

Price of securities at reporting date	2021	2020
Up 5%	$ 164,364	130,129
Down 5%	$ (164,364)	(130,129)

6. Fair value information

(1) Hierarchy and fair value of financial instruments

The Group's financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured at fair value on a recurring basis. The carrying amount and fair value of each category of financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

	2021.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 57,132	57,132	-	-	57,132
Financial assets at fair value through other comprehensive income					
Domestic TWSE (TPEx) listed shares	3,271,638	3,271,638	-	-	3,271,638
Equity instruments without an active market measured at fair value	15,642	-	-	15,642	15,642
Subtotal	3,287,280	3,271,638	-	15,642	3,287,280
Financial assets measured at amortized cost					
Cash and cash equivalents	358,053	-	-	-	-
Notes receivable and accounts receivable (including related parties)	287,026	-	-	-	-
Other receivables	3,665	-	-	-	-
Refundable deposits	6,743	-	-	-	-
Subtotal	655,487	-	-	-	-
Total	**$ 3,999,899**	**3,328,770**	**-**	**15,642**	**3,344,412**
Financial liabilities measured at amortized cost					
Bank loans	$ 132,641	-	-	-	-
Notes payable and accounts payable (including related parties)	157,449	-	-	-	-
Other payables	175,032	-	-	-	-
Lease liabilities (including related parties)	96,485	-	-	-	-
Deposits received	17,242	-	-	-	-
Total	**$ 578,849**	**-**	**-**	**-**	**-**

	2020.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 60,912	60,912	-	-	60,912
Financial assets at fair value through other comprehensive income					
Domestic and foreign listed (OTC listed) shares	2,586,931	2,586,931	-	-	2,586,931
Equity instruments without an active market measured at fair value	15,642	-	-	15,642	15,642
Subtotal	2,602,573	2,586,931	-	15,642	2,602,573
Financial assets measured at amortized cost					
Cash and cash equivalents	412,452	-	-	-	-
Financial assets measured at amortized cost	1,805	-	-	-	-
Notes receivable and accounts receivable (including related parties)	205,509	-	-	-	-
Other receivables	4,819	-	-	-	-
Refundable deposits	6,382	-	-	-	-
Subtotal	630,967	-	-	-	-
Total	$ 3,294,452	2,647,843	-	15,642	2,663,485
Financial liabilities measured at amortized cost					
Bank loans	$ 24,970	-	-	-	-
Notes payable and accounts payable (including related parties)	130,769	-	-	-	-
Other payables	158,964	-	-	-	-
Lease liabilities	41,714	-	-	-	-
Deposits received	14,617	-	-	-	-
Total	$ 371,034	-	-	-	-

(2) Valuation techniques for financial instruments measured at fair value—non-derivative financial instruments

If there is a quoted market price in an active market for a financial instrument, the fair value is based on the quoted market price in an active market. The market price announced by the major exchanges for all listed (over-the-counter) equity instruments taken as the basis for fair value.

Among financial instruments held by the Group, the stocks of listed (over-the-counter listed) companies and gold passbook accounts are financial assets with standard terms and conditions and are traded in the active market, and their fair values are determined by reference to market quotations.

Except for the above-mentioned financial instruments for which there is an active market, the fair values of other financial instruments are based on valuation techniques. Fair value obtained through valuation techniques may refer to the current fair value of other financial instruments with substantially similar conditions and characteristics, discounted cash flow methods, or other valuation techniques including those calculated using models based on market information available at the consolidated balance sheet date.

Financial instruments held by the Group constitute equity instruments without an active market that are not publicly quoted and are measured at fair value. Fair value is estimated using the market comparables approach as well as net asset value. The main assumptions of the market comparables approach are based on the after-tax net profit or equity net worth of the investee and the earnings or book value multipliers derived from market quotations of comparable listed companies. This estimate has been adjusted for the discounting effect of the lack of market liquidity of the equity securities. Because the amount of equity investment estimated by the Group using the market comparable company method and net asset value to estimate the fair value is not significant, there is no intention to disclose quantitative information.

(XXV) Financial risk management

The Group's financial management department provides services for each business units including overall coordination of access to domestic and international financial market operations, supervision and management of financial risks related to the Group's operations through internal risk reports that analyze exposure in accordance with risk procedures and breadth. Such risks include market risk (including exchange rate risk, interest rate risk, and other price risk), credit risk, and liquidity risk.

The Group avoids exposure to risk through derivative financial instruments to mitigate the impact of these risks. The use of derivative financial instruments is regulated by the policies adopted by the Board of Directors of the Company, which are written principles of exchange rate risk, interest rate risk, credit risk, and the use of derivative financial instruments. Internal auditors continually review policy compliance and exposure limits. The Group does not trade in financial instruments for speculative purposes (including derivative financial instruments).

1. Credit risk

Credit risk refers to the risk of financial losses by the Group caused by a counterparty defaulting on its contractual obligations. As of the balance sheet date, the Group's largest credit risk exposure for financial losses arising from a counterparty's failure to perform its obligations is mainly from the book values of financial assets recognized in the balance sheet.

The policy adopted by the Group is to only deal with reputable parties, and, if necessary, obtain sufficient guarantee to reduce the risk of financial loss due to default. The Group continuously monitors the credit risk insurance and the credit ratings of counterparties and distributes the total transaction amounts to customers with qualified credit ratings. The credit risk is controlled through the counterparty's credit limit, which is reviewed and approved by the Group's most competent personnel every year.

The Group continuously evaluates the financial status of accounts receivable customers. The Group has no significant credit exposure to any single counterparty or any group of counterparties with similar characteristics. When the counterparty to a transaction is an affiliated company, the Group defines it as a counterparty with similar characteristics. The Group has no significant concentration of credit risk.

2. Liquidity risk

The Group manages and maintains sufficient cash and cash equivalents to support the Group's operations and mitigate the impact of fluctuations in cash flows. The Group's management supervises the use of bank financing lines and ensures compliance with terms of the loan contracts.

The Group's working capital is sufficient to cover its needs; therefore, there is no liquidity risk due to an inability to raise funds to fulfill contractual obligations.

Bank borrowings are an important source of liquidity for the Group. As at December 31, 2021 and 2020, the Group's unutilized short-term bank facilities amounted to NTD 1,131,902 thousand and NTD 1,110,851 thousand respectively.

3. Market risk

Market risk refers to changes in market prices such as changes in exchange rates, interest rates, and equity instrument prices, and the risk that this affects the Group's income or the value of financial instruments held. The objective of market risk management is to control the exposure of market risks within an acceptable range and optimize the return on investment.

(1) Currency risk

The Group is exposed to exchange rate risks arising from sales, purchases, fixed deposits and borrowing transactions that are not denominated in the functional currency of the Group. The functional currency of the Group companies is mainly New Taiwan Dollars. The main denomination currencies for these transactions are New Taiwan Dollars, US Dollars, and Renminbi.

There is no significant difference or significant change in the receivables and payables of the Group. Therefore, the Group currently adopts natural hedging as the main exchange rate avoidance policy in terms of exchange rate risk.

(2) Interest rate risk

The Group's financial assets with fair value risk from changes in interest rates are bank deposits; financial liabilities are short-term borrowings, but the impact on the fair value of the relevant financial assets due to changes in interest rates is not material.

(3) Other market price risk

The Group’s holdings of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are invested in domestic gold passbook accounts as well as domestic TWSE and TPEx listed company stocks. Because they are measured at fair value, the Group will be exposed to the risk of changes in the market prices of equity securities. We thus prudently select investment targets and control the positions held for the sake of managing market risk.

(XXVI) Capital management

The Group's capital risk management policy is based on the existing and possible future assets, liabilities and capital structure, taking moderate risks, and earning reasonable profits for shareholders. The goal is to achieve an ideal balance between risk control and business development and to optimize shareholder value.

In addition to appropriating legal reserve and special reserve according to law, the Group retains surplus funds and capital increase premium funds for plant expansion and operating turnover. The debt ratio is controlled below 30%, and we maintain adequate asset liquidity.

(XXVII) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities not affecting current cash flow in 2021 and 2020 were as follows:

1. For acquisition of the right-of-use asset by lease, please refer to Note 6 (11).
2. Reconciliation of liabilities from financing activities is as follows:

			Non cash changes				
	2021.1.1	Cash flows	Addition	Disposal and Remeasurement Contracts in the Current Period	Exchange rate changes	Changes in fair value	2021.12.31
Short-term loans	$ 24,970	108,231	-	-	(560)	-	132,641
Lease liabilities	41,714	(17,602)	87,011	(16,535)	1,803	-	96,391
Total liabilities from financing activities	$ 66,684	90,629	87,011	(16,535)	1,243	-	229,032

			Non cash changes			
	2020.1.1	Cash flows	Addition	Exchange rate changes	Changes in fair value	2020.12.31
Short-term loans	$ 60,000	(34,833)	-	(197)	-	24,970
Lease liabilities	29,346	(14,252)	23,010	3,610	-	41,714
Total liabilities from financing activities	$ 89,346	(49,085)	23,010	3,413	-	66,684

VII. Related party transactions

(I) Names and relationship with related parties

Parties involved in transactions with the Group during the period covered by this consolidated financial report are as follows:

Name of related party	Relationship with the Group
Luminous Optical Technology Co., Ltd. (Luminous Optical Technology)	Other related parties (de facto related parties)
Luminous Optical Technology (Vietnam) Co., Ltd. (Luminous Optical Technology Vietnam)	Other related parties (de facto related parties)
Hold-Key Electric Wire & Cable Co., Ltd. (Hold-Key)	Other related parties (major shareholders of the Company)

(II) Significant transactions with related parties

1. Operating revenue

The Group's significant sales amounts with related parties are as follows:

Related party		2021	2020
Hold-Key	$	90,014	131,933
Other related parties		-	846
Total	$	90,014	132,779

2. Purchase and processing costs

Amounts of purchase and processing costs between the Group and related parties are as follows:

Related party		2021	2020
Other related parties	$	26,075	17,943

The Group's purchase, sales and processing costs for the above-mentioned related parties are in the form of cooperative export or division of production and sales. Therefore, the purchase, sales prices, receipt and payment terms, and processing costs between the Group and the related parties are mutually negotiated.

3. Receivables from related parties

Details of the Group's receivables from related parties are as follows:

Accounts	Related Party Category/Name		2021.12.31	2020.12.31
Accounts receivable	Luminous Optical Technology	$	-	321
	Hold-Key		15,476	-
Total		$	15,476	321

As of December 31, 2021 and 2020, none of the above accounts receivable has any loss allowance.

4. Payable to related parties

Details of the Group's payables to related parties are as follows:

Accounts	Related Party Category/Name		2021.12.31	2020.12.31
Accounts payable	Other related parties	$	8,675	7,843
Other payables	Other related parties		486	634
		$	9,161	8,477

5. Leases

The Group leased factories from Hold-Key in January 2018 and May 2020 respectively, negotiating the lease according to the agreed price and signing five-year and three-year lease contracts with a total contract value of NTD 55,189 thousand. In July 2021, the Group renewed a five-year lease contract with Hold-Key for a portion of the above contract. The total value of the renewed contract was NTD 92,271 thousand. As of December 31, 2021, lease liabilities of the Group decreased by NTD 16,535 thousand due to early termination of a portion of the above lease contract. The interest expense recognized by the Group for the above lease liabilities in 2021 and 2020 was NTD 826 thousand and NTD 413 thousand respectively, and the balances of unpaid lease liabilities as of December 31, 2021 and 2020 was NTD 79,043 thousand and NTD 23,776 thousand respectively.

6. Leasing revenue

Related party	2021	2020
Other related parties		
Luminous Optical Vietnam	$ 16,124	13,435

Through December 31, 2021 and 2020, the Group's deposits for renting out its factory to Luminous Optical Vietnam were NTD 3,425 thousand and NTD 1,140 thousand respectively.

(III) Remuneration of key management personnel

	2021	2020
Short-term employee benefits	$ 32,164	28,521
Retirement benefits	466	461
	$ 32,630	28,982

VIII. Pledged assets

Pledged assets of the Group were as follows:

Assets	Purpose of pledge	2021.12.31	2020.12.31
Restricted time deposits (financial assets measured at amortized cost)	Power guarantee	$ 2,632	1,805

IX. Significant commitments and contingencies

(I) Amounts of unused standby letters of credit that the Group has issued for the purchase of raw materials and machinery and equipment are as follows:

	2021.12.31		2020.12.31	
Japanese Yen	JPY	28,667	JPY	52,448
USD	USD	349	USD	549
NTD	NTD	25,907		9,003

(II) As of December 31, 2021 and 2020, the Group's guaranteed notes issued for lines of credit, customs duties and purchases, and other transactions respectively totaled NTD 0 thousand and NTD 200,000 thousand.

X. Losses Due to Major Disasters: None.

XI. Subsequent Events: None.

XII. Other

A summary of current period employee benefits, depreciation, and amortization, by function, is as follows:

By function By nature	2021			2020		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefits						
Salary	112,627	115,803	228,430	96,982	108,919	205,901
Health and labor insurance	12,929	7,314	20,243	11,738	6,496	18,234
Pension	2,751	2,836	5,587	2,442	2,855	5,297
Director's remuneration	-	6,385	6,385	-	3,845	3,845
Other employee benefit expenses	9,158	3,000	12,158	6,020	1,963	7,983
Depreciation expense (Note)	65,661	12,154	77,815	54,838	12,863	67,701
Depreciation expense	-	-	-	-	-	-
Amortization expense	326	5	331	2,697	-	2,697

Note: Depreciation expenses incurred for investment real estate in 2021 and 2020 were NTD 16,906 thousand and NTD 17,792 thousand respectively, accounted under other gains and losses.

XIII. Other disclosures

(I) Information on significant transactions:

The following is the information on significant transactions required for disclosure by the Regulations Governing the Preparation of Financial Reports by Securities Issuers for the Group for 2021:

1. Loans to other parties:

Number (Note 1)	Lending company	Loan and counter party	Whether the current subject	is a related party	Maximum amount for the current period (Note 2)	Ending balance (Note 3)	Actual expenditure amount (Note 7)	Interest rate range (%)	Nature of the loan of funds (Note 4)	Transaction amount for business between two parties	Reasons for necessity of short-term financing	Allowance for bad debt	Collateral		Loan of funds and limit for individual counterparties (Notes 5 and 6)	Loan of funds and total limit (Notes 5 and 6)
													Name	Value		
0	The Company	Young Fast Belize	Other receivables	Yes	243,584	121,792	121,792	0.20~0.65	2	-	Loan repayment and operating turnover	-		-	522,958	1,045,917
0	The Company	Young Fast Samoa	Other receivables	Yes	276,800	-	-	0.25	2	-	In response to capital needs arising from investment structure adjustments of the Group	-		-	522,958	1,045,917
0	The Company	Young Fast Vietnam	Other receivables	Yes	83,040	-	-	0.20	2	-	Loan repayment and operating turnover	-		-	522,958	1,045,917
1	Young Fast Hong Kong	Young Fast Belize	Other receivables	Yes	775,040	775,040	692,000	0.25~0.38	2	-	In response to capital needs arising from investment structure adjustments of the Group	-		-	1,053,231	1,053,231
2	Young Fast Belize	Young Fast Samoa	Other receivables	Yes	692,000	692,000	608,960	0.25	2	-	In response to capital needs arising from investment structure adjustments of the Group	-		-	751,874	751,874
3	Young Fast Samoa	Young Fast Vietnam	Other receivables	Yes	138,400	138,400	38,752	0.20~0.65	2	-	Operating turnover	-		-	204,261	204,261

Note 1: The method for filling in the “Number” column is as follows:

1. The Company is filled in as 0.

2. Subsidiaries - in sequence by company from the Arabic numeral 1.

Note 2: The highest balance of funds loaned to others in the current year.

Note 3: Refers to the quota approved by the Board of Directors as of December 31, 2021.

Note 4: Method for filling in “Nature of the loan of funds”:

1. For those with business dealings please fill in “1.”

2. If there is a need for short-term financing, please fill in “2.”

Note 5: The total amount of the Company's loans of funds to others shall not exceed 40% of the net value of the Company. If the nature of the loans of funds is short-term financing, the total loan amount shall not exceed 20% of the net value of the Company, and the total amount of loans of funds to individual counterparties shall not exceed 10% of the net value of the Company. If the nature of the loans of funds is for business transactions, the amount of individual loans should not exceed the transaction amount for business between the two parties involved in the previous year or in the current year. For companies that have short-term financing with Young Fast Hong Kong, the individual loan and limit amount shall not exceed 10% of the net value of Young Fast Hong Kong, and the total loan and amount shall not exceed 30% of the net value of Young Fast Hong Kong. When the counterparty of a loan of funds is the Company or is a company of the Group not located in Taiwan and in which the Company holds 100% of its total shares, the total amount and individual loans and limit amounts shall not exceed 150% of the net worth of Young Fast Hong Kong. For companies that have short-term financing with Young Fast Belize and Young Fast Samoa, the individual loan amount shall not exceed 10% of the net value of the Company, and the total loan amount shall not exceed 30% of the net value of the Company. When the counterparty of a loan of funds is the Company or is a company of the Group not located in Taiwan and in which the Company holds 100% of its total shares, the total amount and individual loans and limits shall not exceed 150% of the net worth of Young Fast Belize and Young Fast Samoa.

Note 6: Loans of funds and limit amounts are calculated based on the most recent financial statements audited, certified, or reviewed by an accountant.

Note 7: In respect to transactions between merged entities listed above, these have been eliminated in preparing the consolidated financial statements.

2. Guarantees and endorsements for other parties:

Number (Note 1)	Endorsement/guarantee company name	Counterparty of guarantee/endorsement		Endorsement/guarantee limit for a single business (Note 3)	Maximum endorsement/guarantee balance in the current period	Endorsements as of end of period Guarantee balance	Actual expenditure amount	Endorsement/guarantee amount by property guarantee	Proportion of cumulative endorsement/guarantee amounts to the net value of the most recent financial statements (%)	Maximum endorsement/guarantee amount (Note 3)	Parent company to subsidiary Endorsement/guarantee	Subsidiary to parent company Endorsement/guarantee	Endorsement/guarantee for the Mainland China region.
		Company name	Relationship (Note 2)										
0	The Company	Young Fast Vietnam	2	1,568,875	249,120	249,120	33,216	-	4.76	2,614,792	Y	N	N
0	The Company	Young Fast Samoa	2	1,568,875	1,439,360	1,439,360	58,128	-	27.52	2,614,792	Y	N	N

Note 1: The method for filling in the “Number” column is as follows:

1. The Company is filled in as 0.
2. Subsidiaries - in sequence by company from the Arabic numeral 1.

Note 2: The relationship between the one providing endorsements/guarantees and the one receiving endorsements/guarantees is classified into six types:

1. Intercompany business transactions
2. Companies in which the Company directly and indirectly holds more than 50% of the voting rights.
3. Companies that directly and indirectly hold more than 50% of the voting shares of the Company.
4. The Company holds, directly or indirectly, 90% or more of the voting shares of the Company.
5. Companies that are mutually protected under contractual requirements based on the needs of the contractor.
6. Companies that are endorsed by shareholders in accordance with their shareholding ratios because of the joint investment relationship.
7. Performance guarantees for pre-sale contracts under the Consumer Protection Act.

Note 3: The total amount of the Company's endorsements/guarantees shall be 50% of the net value of the Company's most recent financial statements, and endorsements/guarantees for a single enterprise shall not exceed 20% of the net value of the Company's most recent financial statements. Endorsements/guarantees for a single overseas affiliate shall not exceed 30% of the net value of the Company's most recent financial statements.

3. Securities held at the end of the period (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with issuer of securities	Account title	End of period				Highest shareholding or capital contribution during the period	Note
				Shares/Units	Carrying amount	Percentage of ownership	Fair value		
The Company	Shares:								
	Promell Materials Technology Inc.	-	Financial assets mandatorily designated as at fair value through profit or loss - current	2,647	-	7.42%	-	2,647	
	Ritfast Corporation	-	"	245	-	0.74%	-	245	
	Shares:								
	First Financial Holding Co.,Ltd.	-	Financial assets at fair value through other comprehensive income － current	27,582	675,752	0.21%	675,752	27,582	
	Mega Financial Holding Company Limited	-	"	22,750	808,763	0.17%	808,763	22,750	
	Taiwan Cooperative Financial Holding Co., Ltd.	-	"	51,888	1,320,546	0.38%	1,320,546	51,888	
	Taiwan Business Bank	-	"	13,242	131,098	0.17%	131,098	13,242	
	Taiwan Fertilizer Co., Ltd.	-	"	2,039	142,730	0.21%	142,730	2,039	
	Cathay Financial Holdings Co., Ltd.	-	"	1,282	80,125	0.01%	80,125	1,282	
					3,159,014		3,159,014		
The Company	Hold-Key Electric Wire & Cable Co., Ltd.	Major shareholders of the Company	Financial assets at fair value through other comprehensive income － non current	7,767	112,624	4.03%	112,624	9,709	
	Sol Young Enterprises Co., Ltd.	Corporate director of the Company	"	356	12,610	0.55%	12,610	356	
	ICP Technology Co., Ltd.	-	"	295	3,032	0.94%	3,032	295	
					128,266		128,266		

4. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None.
5. Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.
6. Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.
7. Related party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Purchasing (selling) company	Name of transaction counterparty	Relationship	Transaction status				Circumstances and reasons why transaction conditions different from normal trading		Notes and accounts receivable (payable)		Note
			Purchased (sold)	Amount	Proportion of total purchased (sold) (%)	Credit period	Unit price	Credit period	Balance	Proportion of total notes and accounts receivable (payable) (%)	
The Company	Young Fast Vietnam	Sub-subsidiary	Purchase of goods	576,858	49.20	Note 1	-	-	(69,731)	(29.06)	Note 2
The Company	Taiwan SRU Corp.	Subsidiary	Purchase of goods	127,819	10.90	Note 1	-	-	(39,359)	(16.40)	Note 2
Young Fast Vietnam	The Company	Parent company	Sales	576,858	99.95	Note 1			69,731	100.00	
Taiwan SRU Corp.	The Company	Parent company	Sales	127,819	100.00	Note 1			39,359	100.00	

Note 1: The Company's transaction conditions with the related party are mutually negotiated.

Note 2: In respect to transactions between merged entities listed above, these have been eliminated in preparing the consolidated financial statements.

8. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Company with accounts receivable	Name of transaction counterparty	Relationship	Balance of receivables from related parties	Turnover rate (%)	Overdue receivables from related parties		Amounts subsequently recovered from receivables of related parties	Allowance for bad debt
					Amount	Action taken		
The Company	Young Fast Belize	Parent and subsidiary companies	121,909	-	-		-	-
Young Fast Hong Kong	Young Fast Belize	Subsidiary	692,000	-	-		-	-
Young Fast Belize	Young Fast Samoa	Subsidiary	609,990	-	-		-	-

Note 1: The above transactions are loans of funds and receivables as well as interest receivable. The loan period is from December 25, 2020 to April 22, 2024.

Note 2: In respect to transactions between merged entities listed above, these have been eliminated in preparing the consolidated financial statements.

9. Trading in derivative instruments: None.

10. Business relationships and significant intercompany transactions:

Number	Name of transaction party	Name of counter party	Relationship with transaction party	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Young Fast Vietnam	1	Cost of goods sold	576,858	Mutually negotiated	39.80%
0	The Company	Young Fast Vietnam	1	Accounts payable	69,731	Mutually negotiated	1.15%
0	The Company	Young Fast Belize	1	Other receivables	121,909	Constituting a loan of funds, there is therefore no counterparty for comparison	2.01%
0	The Company	Taiwan SRU Corp.	1	Cost of goods sold	127,819	No significant difference	8.82%
1	Young Fast Hong Kong	Young Fast Belize	3	Other receivables	692,000	Constituting a loan of funds, there is therefore no counterparty for comparison	11.42%
2	Young Fast Belize	Young Fast Samoa	3	Other receivables	609,990	Constituting a loan of funds, there is therefore no counterparty for comparison	10.06%

Note 1: The method for filling in the “Number” column is as follows:

1. Parent company - 0.
2. Subsidiaries - in sequence from 1.

Note 2: Relationships are classified into three types:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: It is hereby disclosed that the amount of this item is a balance sheet account accounting for more than 1% of consolidated total assets and an income account accounting for more than 1% of the consolidated total revenue.

Note 4: In respect to transactions between merged entities listed above, these have been eliminated in preparing the consolidated financial statements.

(II) Information on investees

Information on the company's reinvestment business for the Group in 2021 is as follows (excluding investments in Mainland China companies):

Investing company name	Investee company name	Region	Main business items	Initial investment amount (Note 4)		Held at the end of the period			Highest shareholding or capital contribution during the period	Profit and loss of the investee company for the current period (Note 2)	Investment gains and losses recognized in the current period (Note 2 and 3)	Note
				End of the current period	End of prior year	Number of shares	Percentage (%)	Carrying amount (Note 2 and 3)				
The Company	Young Fast Belize	Belize	Professional investment	3,000,130 (USD 100,000)	3,000,130 (USD 100,000)	100,000	100.00%	501,249	3,000,130 (USD 100,000)	9,986	9,986	
"	Young Fast Samoa	Samoa	Professional investment	1,262,218 (USD 43,000)	1,262,218 (USD 43,000)	43,000	100.00%	126,803	1,262,218 (USD 43,000)	1,950	4,500	Note 1
"	Taiwan SRU Corp.	Taiwan	Manufacturing of wire and cable accessories	30,960	30,960	3,096	51.00%	56,030	30,960	35,743	17,729	Note 1
"	Epoch	Taiwan	Optical instruments	150,626	150,626	8,080	23.75%	297,329	150,626	108,222	25,702	
Young Fast Belize	Young Fast Hong Kong	Hong Kong	Professional investment	3,093,236 (USD 103,080)	3,093,236 (USD 103,080)	800,000	100.00%	702,154	3,093,236 (USD 103,080)	3,956	3,956	
Young Fast Samoa	Young Fast Vietnam	Vietnam	Manufacture and sales of touch panels	965,402 (USD 32,200)	965,402 (USD 32,200)	-	100.00%	709,515	965,402 (USD 32,200)	11,338	4,543	Note 1

Note 1: Taking into account unrealized and realized gains and losses on intercompany transactions.

Note 2: The amounts of investment gains and losses recognized by the Company are based on financial statements of the investee company audited by accountants and estimated by the equity method.

Note 3: In respect to transactions between merged entities listed above, these have been eliminated in preparing the consolidated financial statements.

Note 4: Initial investment amount is calculated based on historical exchange rates.

(III) Information on investment in Mainland China:

1. Information on business reinvestment in Mainland China:

Mainland investee company name	Main business items	Paid-in capital	Investment method (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of the current period	Investment amount remitted or recovered in the current period		Accumulated investment amount remitted from Taiwan at the end of the current period	Profit and loss of the investee company for the current period	Shareholding ratio of direct or indirect investment by the Company (%)	Highest shareholding or capital contribution during the period	Investment gains and losses recognized in the current period (Note 3 and 4)	Book value of investments at the end of the period (Note 3 and 4)	Investment income repatriated up to the current period
					Outflow	Inflow							
Loyal Motion (Note 2)	Manufacturing of touch panels	1,078,999 (USD 35,000)	(I)	1,078,999 (USD 35,000)	-	1,078,999 (USD 35,000)	-	(3,697)	-	1,078,999 (USD 35,000)	(3,697)	-	-
Turn Young Optoelectronics	After sales services (labor)	4,660 (USD 150)	(II)	4,660 (USD 150)	-	-	-	(297)	100.00	4,660 (USD 150)	(297)	2,066	-

Note 1: The investment methods are divided into the following three categories, and it is sufficient to indicate the category:

(I) Direct investment in mainland China.

(II) Reinvestment in mainland China through a company in a third region. The current investment amount of USD 150 thousand is invested by Young Fast Samoa using its own funds.

(III) Other methods.

Note 2: On November 11, 2015, the Board of Directors of the Company passed a resolution for the liquidation of Loyal Motion, and all liquidation procedures were completed on December 15, 2021. The actual amount remitted back to the Company after liquidation was NTD 17,375 thousand (USD 625 thousand).

Note 3: The amounts of investment gains and losses recognized by the Company and the book values of investments at the end of the period are based on financial statements of the investee company checked by CPAs of the parent company with estimation carried out using by the equity method.

Note 4: In respect to transactions between merged entities listed above, these have been eliminated in preparing the consolidated financial statements.

Note 5: The above listed USD to NTD exchange rates are based on historical exchange rates.

2. Limits on reinvestment in mainland China:

Unit: NTD thousand

Accumulated investment amount remitted from Taiwan to the mainland at the end of the current period (Note 3)	Investment amounts authorized by the Investment Commission of the Ministry of Economic Affairs (Note 2)	Investment limits for the Mainland Area in accordance with the regulations of the Investment Committee of the Ministry of Economic Affairs (Note 1)
-	2,020,889 (USD 73,009)	3,137,750

Note 1: 60% of net value.

Note 2: Accumulated remittance amount from Taiwan at the end of the current period (net of repatriation) calculated using historical exchange rates. The amount approved by the Investment Committee of the Ministry of Economic Affairs is calculated at the exchange rate of December 31, 2021 (USD:NTD exchange rate = 1:27.68).

Note 3: Does not include cumulative disposals (including sale, liquidation, dissolution, merger and bankruptcy, etc.) (net of repatriation). The amount of investment that has not been repatriated is NTD 1,842,353 thousand (USD 66,559 thousand).

3. Significant transactions: None.

(IV) Information on major shareholders:

Unit: Shares

Name of major shareholder	Number of shares held	% of shareholding
Sol Young Enterprises Co., Ltd.	27,942,114	18.46%
Hold-Key Electric Wire & Cable Co., Ltd.	20,414,832	13.49%
Zhangmiao Development Co., Ltd.	9,403,000	6.21%

Note: (1) Information on major shareholders in this table is calculated from the depository company on the last business day at the end of each quarter, and includes shareholders holding more than 5% of ordinary shares and preferred shares of the Company that have completed physical registration and delivery (including treasury shares). As for share capital recorded in the Company's financial statements and the actual number of shares delivered by the Company without physical registration, there may be differences or discrepancies due to different calculation bases.

(2) If the above-mentioned information indicates that shareholders are to hand over shares to a trust, this shall be disclosed by the trustee who has opened an individual sub-account of the trustor of the special trust

account. As for the insider shareholding declaration of shareholders holding more than 10% of the shares in accordance with the Securities and Exchange Act, such shareholdings include self-held shares plus the shares that are delivered to the trust and have the right to exercise decision-making power over the trust property, and so on. Please refer to the Market Observation Post System for information on insider shareholding declarations.

(3) Shareholding ratios are unconditionally rounded to two decimal places.

XIV. Segment information

(I) General information

Information is provided to key operating decision makers to make decisions on allocating resources and to measure departmental performances, focusing on each type of product or service delivered or provided. Reporting segments of the Group are divided into the Electromechanical Business Group and the Optoelectronics Business Group. Among them, the Electromechanical Business Group is mainly engaged in the manufacture of power cable accessories such as power generation, transmission and distribution as its main business. The Optoelectronics Business Group is mainly engaged in the research and development, manufacturing, and sales of various types of touch panels.

(II) Profit and loss, segment assets, and reconciliation of reporting segments

The Group's operating segment information and reconciliation are as follows:

	2021			
	Optoelectronics Business Group	**Electromechanical Business Group**	**Adjustments and write-offs**	**Total**
Revenue:				
Revenue from external customers	**$ 885,213**	**564,078**	**-**	**1,449,291**
Reportable segment profit (loss)	**$ (139,830)**	**194,281**	**(360)**	**54,091**

	2020			
	Optoelectronics Business Group	**Electromechanical Business Group**	**Adjustments and write-offs**	**Total**
Revenue:				
Revenue from external customers	**$ 376,144**	**550,334**	**-**	**926,478**
Reportable segment profit (loss)	**$ (211,795)**	**201,801**	**(360)**	**(10,354)**

	Optoelectronics Business Group	Electromechanical Business Group	Adjustments and write-offs	Total
Reporting segment assets (Note):				
December 31, 2021	$ 4,341,624	2,083,635	(351,655)	6,073,604
December 31, 2020	$ 3,813,093	1,700,575	(320,276)	5,193,392

Note: Does not include non-current assets held for sale.

The Group reports that the profit and loss of operating segments and the pre-tax profit and loss of segments with continuing operations are reconciled as follows:

	2021	2020
Profit and loss of operating segments to be reported	$ 54,091	(10,354)
Non-operating income and expenses	210,411	222,113
Profit and loss before tax from segments with continuing operations	$ 264,502	211,759

(III) Products and services

The Group's segment information is divided into reporting segments based on different products and services, and revenue from external customers has been disclosed therein. Therefore, there is no additional disclosure of information on products and services.

(IV) Geographical differentiation

The Group's geographical differentiation is as follows, where revenue is classified based on the geographical location of customers and non-current assets are classified based on the geographical location of the assets.

Revenue from external customers:

Regional breakdown	2021	2020
Asia	$ 157,725	139,817
Americas	14,686	4,629
Taiwan	1,276,880	782,032
Total	$ 1,449,291	926,478

Non-current assets:

Regional breakdown	2021.12.31	2020.12.31
Taiwan	$ 649,988	550,831
Vietnam	733,656	802,400
Total	$ 1,383,644	1,353,231

Non-current assets include property, plant and equipment, investment real estate, right-of-use assets, intangible assets, prepaid equipment, and other non-current assets, but exclude financial instruments and deferred tax assets.

(V) Key customer information

Revenues from individual customers that account for more than 10% of the Group's total revenues are as follows:

	2021	
	Sales amount	**Contribution %**
Company A	**$ 465,710**	**32.13**

	2020	
	Sales amount	**Contribution %**
Company A	$ 136,866	14.77
Company B	131,933	14.24
Company C	97,351	10.51
Total	**$ 366,150**	**39.52**