Eris Technology Corporation

Consolidated Financial Statements
with Independent Auditors' Report
for the Years Ended
December 31, 2021 and 2020

For the convenience of readers and for information purposes only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English and the Chinese version or any differences in interpretation between the two versions, the original Chinese version shall prevail.

Note: The accompanying financial statements have been translated into English from the original Chinese version, and the English version is not audited by certified public accountant.

Representation Letter

The entities that are required to be included in the combined financial statements of Eris Technology Corporation as of and for the year ended December 31, 2021 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, "Consolidated and Separate Financial Statements." In addition, the information required to be disclosed in the combined financial statements and is included in the consolidated financial statements. Consequently, Eris Technology Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Eris Technology Corporation
Chairman: Jonathan Chang
Date: Feb. 24, 2022

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2021		December 31, 2020	
Assets	**Amount**	**%**	**Amount**	**%**
Current assets				
Cash (Notes 4 and 6)	$ 334,633	11	$ 223,810	9
Financial assets at amortized cost - current (Notes 4,8 and 28)	61,852	2	35,822	1
Notes receivable (Notes 4,9 and 20)	3,112	-	1,541	-
Net trade receivables (Notes 4,9 and 20)	140,416	5	106,454	4
Trade receivables from related parties (Notes4,9 ,20 and 27)	379,719	13	257,149	10
Other receivables (Note 4)	10,908	-	4,121	-
Inventories (Notes 4, 5 and 10)	340,470	11	245 ,656	10
Prepayments and other current assets	10,189	-	19,131	1
Total current assets	1,281,299	42	893,684	35
Non-current assets				
Financial assets at amortized cost – non-current (Notes 4,8 and 28)	10,004	-	10,003	-
Property, plant and equipment (Notes 4,12, 27and 28)	1,400,289	46	1,434,110	56
Rights-of-use assets (Notes 4 and 13)	10,585	-	11,232	1
Goodwill (Notes 4 and 14)	24,070	1	24,070	1
Other intangible assets (Note 4 and 15)	14,312	1	15,910	1
Deferred tax assets (Note 4,5 and 22)	130,022	4	106,739	4
Prepayments for equipment (Note 27 and 29)	173,139	6	54,015	2
Refundable deposits	3,778	-	5,433	-
Other non-current assets (Note 16)	12,056	-	5,772	-
Total non-current assets	1,778,255	58	1,667,284	65
Total assets	$ 3,059,554	100	$ 2,560,968	100
Liabilities and Equity				
Current Liabilities				
Short-term borrowings (Note17 and 28)	$ 500,000	16	$ 350,000	14
Financial liabilities at fair value through profit or loss - current (Notes 4,7 and 26)	-	-	1,277	-
Trade payables	260,267	8	165,446	7
Trade payables-related parties(Notes 27)	-	-	97	-
Other payables(Note 18)	173,079	6	137,822	5
Current tax liabilities (Note 4 and 22)	25,745	1	16,733	1
Provisions - current (Note 4)	6,700	-	4,370	-
Lease liabilities - current (Notes 4 and 13)	3,558	-	8,251	-
Current portions of long-term borrowings (Note17 and 28)	48,549	2	138,428	5
Other current liabilities (Note 20)	984	-	780	-
Total current liabilities	1,018,882	33	823,204	32
Non-current liabilities				
Long-term borrowings (Note17 and 28)	777,102	26	715,885	28
Deferred tax liabilities (Note 4 and 22)	8,090	-	6,189	-
Lease liabilities - non-current (Notes 4 and 13)	7,055	-	3,059	-
Total non-current liabilities	792,247	26	725,133	28
Total liabilities	1,811,129	59	1,548,337	60
Equity				
Equity attributable to owner of parent (Note 11,19 and 24)				
Ordinary share	444,283	15	444,283	17
Capital surplus	402,511	13	402,511	16
Retained earnings				
Legal reserve	64,432	2	55,098	2
Special reserve	2,013	-	2,586	-
Unappropriated earnings	337,527	11	108,553	5
Total retained earnings	403,972	13	166,237	7
Other equity	(2,341)	-	(2,013)	-
Total equity attributable to owners of parent	1,248,425	41	1,011,018	40
Non-controlling interests (Notes11, 19 and 24)	-	-	1,613	-
Total equity	1,248,425	41	1,012,631	40
Total Liabilities and Equity	$ 3,059,554	100	$ 2,560,968	100

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the year ended December 31, 2021 and 2020

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

	2021		2020	
	Amount	%	Amount	%
Operation Revenue (Note4,20 and 27)				
Sales	$ 2,063,406	100	$ 1,546,023	101
Less: Sales return and allowance	(6,689)	-	(8,553)	(1)
Net revenue	2,056,717	100	1,537,470	100
Cost of Sales (Note 10,21 and 27)	1,375,191	67	1,129,467	73
Gross Profit	681,526	33	408,003	27
Operating Expenses (Note 21)				
Selling and marketing	79,446	4	59,576	4
General and administrative expenses	149,299	7	118,827	8
Research and development	113,042	5	95,794	6
Expected credit impairment loss (Notes 9)	254	-	360	-
Total operating expenses	342,041	16	274,557	18
Operating Income	339,485	17	133,446	9
Non-operating income and expenses:				
Interest income	307	-	412	-
Other income	324	-	783	-
Disposal of property, plant and equipment	4,869	-	-	-
Gain (loss) on financial debt at fair value through profit or loss(Note 7)	262	-	(1,041)	-
Interest expense	(12,331)	(1)	(12,731)	(1)
Foreign exchange loss, net(Note21)	(5,123)	-	(8,287)	(1)
Total non-operating income and expenses	(11,692)	(1)	(20,864)	(2)
Profit before Tax	$ 327,793	16	$112,582	7
Less: Income tax expense (Note4 ,5and 22)	(509)	-	(18,901)	(1)
Net Profit	327,284	16	93,681	6

(Continued)

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the year ended December 31, 2021 and 2020

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

	2021		2020	
	Amount	**%**	**Amount**	**%**
Other comprehensive income /(loss)				
Components of other comprehensive income (loss) that will be reclassified to profit or loss				
Exchange differences on translating the financial statements of foreign operations	(410)	-	716	-
Income tax relating to items that may be reclassified subsequently to profit or loss(Note4 and 22)	82	-	(143)	-
Other comprehensive income/(loss) for the year, net of income tax	(328)	-	573	-
Total comprehensive income	$ 326,956	16	$ 94,254	6
Net profit, attributable to:				
Owners of parent	$ 327,088	16	$ 93,335	6
Non-controlling interests (Notes 11 and 19)	196	-	346	-
	$ 327,284	16	$ 93,681	6
Comprehensive income attributable to:				
Owners of parent	$ 326,760	16	$ 93,908	6
Non-controlling interests(Notes 11 and 19)	196	-	346	-
	$ 326,956	16	$ 94,254	6
Earnings per share (Note 23)				
Basic earnings per share	$ 7.36		$ 2.10	
Diluted earnings per share	$ 7.36		$ 2.10	

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the year ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of parent										
	Share Capital (Notes 19)			**Retained Earnings**							
	Ordinary Share (In Thousands)	Amount	Capital Surplus (Notes 19)	Legal Reserve	Special Reserve	Unappropriated Earnings (Notes 11and 19)	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations (Notes 19)	Total equity attributable to owners of parent	Non-controlling Interests (Notes11and 19)	Total Equity
Balance at January 1, 2020	44,428	$ 444,283	$ 402,511	$ 44,888	$ 1,484	$ 145,184	$ 191,556	($ 2,586)	$ 1,035,764	$ 125,340	$ 1,161,104
Appropriation and distribution of 2019 earnings:											
Legal reserve	-	-	-	10,210	-	(10,210)	-	-	-	-	-
Special reserve	-	-	-	-	1,102	(1,102)	-	-	-	-	-
Cash dividends distributed of ordinary share	-	-	-	-	-	(57,756)	(57,756)	-	(57,756)	-	(57,756)
	-	-	-	10,210	1,102	(69,068)	(57,756)	-	(57,756)	-	(57,756)
Subsidiary shareholders cash dividends	-	-	-	-	-	-	-	-	-	(58)	(58)
Acquire part of the equity of the subsidiary (Note 24)	-	-	-	-	-	(60,898)	(60,898)	-	(60,898)	(124,015)	(184,913)
2020 Net profit	-	-	-	-	-	93,335	93,335	-	93,335	346	93,681
Other comprehensive income/(loss)	-	-	-	-	-	-	-	573	573	-	573
Total comprehensive income/(loss) for the year ended December 31, 2020	-	-	-	-	-	93,335	93,335	573	93,908	346	94,254
Balance at December 31, 2020	44,428	444,283	402,511	55,098	2,586	108,553	166,237	(2,013)	1,011,018	1,613	1,012,631
Appropriation and distribution of 2020 earnings:											
Legal reserve	-	-	-	9,334	-	(9,334)	-	-	-	-	-
Special reserve	-	-	-	-	(573)	573	-	-	-	-	-
Cash dividends distributed of ordinary share	-	-	-	-	-	(88,857)	(88,857)	-	(88,857)	-	(88,857)
	-	-	-	9,334	(573)	(97,618)	(88,857)	-	(88,857)	-	(88,857)
Acquire part of the equity of the subsidiary(Notes 24)	-	-	-	-	-	(496)	(496)	-	(496)	(1,809)	(2,305)
2021Net profit	-	-	-	-	-	327,088	327,088	-	327,088	196	327,284
Other comprehensive income/(loss)	-	-	-	-	-	-	-	(328)	(328)	-	(328)
Total comprehensive income/(loss) for the year ended December 31, 2021	-	-	-	-	-	327,088	327,088	(328)	326,760	196	326,956
Balance at December 31, 2021	44,428	$ 444,283	$ 402,511	$ 64,432	$ 2,013	$ 337,527	$ 403,972	($ 2,341)	$ 1,248,425	$ -	$ 1,248,425

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the year ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows generated from (used in) operating activities:		
Profit before tax	$ 327,793	$ 112,582
Adjustments:		
Depreciation expenses	118,337	123,667
Amortization expenses	11,846	20,191
Expected credit impairment loss	254	360
Net (gain)/loss on fair value changes of financial assets and debts designated as at fair value through profit or loss	(1,277)	1,251
Interest expense	12,331	12,731
Interest income	(307)	(412)
(Gain)/loss on disposal retirement of property, plant and equipment	(4,869)	-
Write-downs of inventories	-	981
Unrealized (gain)/loss on foreign currency exchange	(1,265)	(923)
Changes in operating assets and liabilities		
Notes receivable	(1,571)	(101)
Trade receivables	(34,114)	19,056
Trade receivables - related parties	(122,926)	(6,668)
Other receivables	(6,787)	826
Inventories	(94,814)	6,093
Prepayments and other current assets	2,459	(1,414)
Trade payables	96,608	(40,866)
Trade payables - related parties	(97)	97
Other payables	35,310	21,149
Provisions	2,330	(1,738)
Other current liabilities	204	(85)
Cash generated from operations	339,445	266,777
Interest received	300	419
Interest paid	(12,132)	(12,705)
Income tax paid	(12,793)	(5,676)
Net cash flows generated from (used in) operating activities	314,820	248,815
Cash flows from (used in) investing activities:		
Purchase of financial assets at amortized cost	(32,284)	(4,057)
Proceeds from sale of financial assets at amortized cost	6,001	55
Payments for property, plant and equipment	(85,200)	(35,934)
Proceeds from disposal of property, plant and equipment	70,416	1,341
Refundable deposits	1,655	137
Payments for intangible assets	(697)	(2,118)
Payments for other non-current assets	(9,353)	(12,040)
Increase in prepayments for equipment	(176,203)	(57,329)
Net cash flows from (used in) investing activities	(225,665)	(109,945)

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the year ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows generated from (used in) financing activities:		
Proceeds from short-term borrowings	$ 150,000	($ 50,000)
Proceeds from long-term borrowings	250,000	160,000
Repayments of long-term borrowings	(278,662)	(8,853)
Repayment of the principal portion of lease liabilities	(8,076)	(13,420)
Dividends paid to owners of the Company	(88,857)	(57,756)
Payment of cash dividends for non-controlling interests	-	(58)
Acquire equity in subsidiary	(2,305)	(184,913)
Net cash generated from/(used in) financing activities	22,100	(155,000)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(432)	658
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	110,823	(15,472)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	223,810	239,282
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 334,633	$ 223,810

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

1. COMPANY HISTORY

Eris Technology Corporation (the "Company") was incorporated in the Republic of China ("ROC") in August 16, 1995. The Company mainly manufactures tests and sells rectifier diode, wafer and light-emitting diode.

The Securities and Futures Bureau of Financial Supervisory Commission approved The Company public offering of its capital stock on August 13, 2009. The Company shares have been listed on the Taipei Exchange ("TPEx") Mainboard since June 29, 2012.

In August 2012, Diodes International B.V. (Diodes B.V.) became the parent company of the Company with a shareholding ratio of more than 50%. Diodes Holding B.V. has merged and assumed all the rights and obligations of Diodes B.V. in January 2019, and the relevant operation was completed in August 2019.

Diodes Holding B.V. was acquired by Diodes Holdings UK Limited in January 2021 and it assumed all the rights and obligations. Ended of September 30, 2021, Diodes Holdings UK Limited held 51.07% of the Company's shares. The ultimate parent of the Company is Diodes Incorporated (Diodes), and the ultimate parent and its subsidiaries are hereinafter referred to as the Diodes Group, respectively.

The parent company only financial statements are presented in The Company functional currency, the New Taiwan dollar.

2. APPROVAL DATE AND PROCEDURES OF THE FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Company board of directors on February 24, 2022.

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

a. For the first time, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC) and Interpretations (SIC) recognized and issued by the Financial Supervisory Commission (hereinafter referred to as the "FSC") (hereinafter referred to as "IFRSs")

The application of the revised IFRSs approved and issued by the FSC will not result in a material change in the Company's accounting policies.

b. The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2022

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB
IFRSs Annual Improvements in 2018-2020	January 1, 2022 (Note 1)
Amendments to IFRS 3 "Reference to Conceptual Frameworks"	January 1, 2022 (Note 2)
Amendment to IAS 16 "Real estate, plant and equipment: the price before reaching the intended state of use"	January 1, 2022 (Note 3)
Amendment to IAS 37 "Loss Contracts-Cost of Performing Contracts"	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 are applicable to the exchange or modification of terms of financial liabilities incurred during the annual reporting period beginning on January 1, 2022; the amendment to IAS 41 "Agriculture" applies to the fair value measurement of the annual reporting period beginning after January 1, 2022; the amendment to IFRS 1 "First Adoption of IFRSs" is retrospectively applied to the annual reporting period beginning after January 1, 2022.

Note 2: This amendment applies to business mergers whose acquisition date starts in the annual reporting period after January 1, 2022.

Note 3: Plants, real estate and equipment that have reached the necessary locations and conditions for the management's expected operation mode after January 1, 2021 are subject to this amendment.

Note 4: This amendment applies to contracts that have not fulfilled all obligations on January 1, 2022.

As of the date of approval of this individual financial report, the company's view of other standards and interpretations revision will not cause major changes in the company’s accounting policies.

c. The impact of IFRS issued by IASB but not yet endorsed by the FSC
As of the date, the following IFRSs that have been issued by the International Accounting Standards Board (“IASB”), but have yet to be endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or investment of assets between investors and their affiliates or joint ventures"	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendment to IAS 1 "Classification of liabilities as current or non-current"	January 1, 2023
Amendment to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023(Note 2)
Amendment to IAS 8 "Definition of Accounting Estimates"	January 1, 2023(Note 3)
Amendment to IAS 12 "Deferred income tax relating to assets and liabilities arising from a single transaction"	January 1, 2023(Note 4)

Note 1: Unless otherwise stated, the above newly issued/amended/revised standards or interpretations are effective for each annual reporting period beginning after that date.

Note 2: The application of this amendment will be postponed during the annual reporting period beginning on January 1, 2023.

Note 3: This amendment applies to changes in accounting estimates and changes in accounting policies that occur during the annual reporting period beginning on January 1, 2023.

Note 4: The amendment applies to transactions occurring after January 1, 2022, except for the recognition of deferred tax on temporary differences in lease and decommissioning obligations at January 1, 2022.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

These parent company only financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, other regulations and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

Except for financial instruments measured at fair value, the parent company of the financial statements have been prepared on the historical cost basis.

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

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

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

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

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

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) It is held primarily for the purpose of trading;

2) It is due to be settled within 12 months after the reporting period; and

3) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

d. Basis of consolidation

The consolidated financial statements comprise the Company and its subsidiaries. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its control over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. P&L applicable to the non-controlling interests in a subsidiary are attributable to the owners of parent and non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

When the merger company's changes in the ownership and equity of the subsidiary do not result in the loss of control, it is treated as an equity transaction. The carrying amount of the consolidated company and non-controlling interests has been adjusted to reflect changes in its relative equity in the subsidiary. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized as equity and attributable to the owners of the company.

For details of subsidiaries, shareholding ratios and business items, please refer to Note 11 and Attached Tables 5 and 6.

e. Business combination

Business mergers are handled by the acquisition method. Acquisition-related costs are included as expenses in the period in which the costs are incurred and the labor services are obtained.

Goodwill is the sum of the fair value of the transfer consideration, the amount of non-controlling interests of the acquire, and the fair value of the acquirer's previously held equity at the acquisition date, which exceeds the identifiable assets and commitments acquired on the acquisition date Net debt measurement.

The acquire has the current ownership interest and is entitled to pro rata non-controlling interest in the acquiree's net assets at the time of liquidation, which is measured by the proportion of its share of the recognized amount of the acquiree's identifiable net assets. Other non-controlling interests are measured at fair value.

As the measurement of identifiable assets acquired and liabilities assumed due to a business combination has not been completed, the balance sheet date is recognized at a provisional amount. During the measurement period, retrospective adjustments are made or additional assets or liabilities are recognized to reflect the obtained new information about the facts and circumstances that existed on the acquisition date.

f. Foreign currencies

When each entity prepares financial reports, those who trade in currencies other than the individual's functional currency (foreign currency) are converted into functional currency records at the exchange rate on the transaction day.

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

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

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

When preparing individual consolidated financial reports, the assets and liabilities of foreign operating organizations (including subsidiaries in the country where they operate or whose currency is different from that of the company) are converted into New Taiwan dollars at the exchange rate on each balance sheet date. Income and expense items are converted at the average exchange rate of the current period, and the resulting conversion difference is listed in other comprehensive income.

g. Inventories

Inventories include raw materials, finished goods and work-in-progress. Inventories are measured at the lower of cost and net realizable value. When comparing cost and net realizable value, it is based on individual items except for inventories of the same category. Net realizable value represents the estimated selling price under normal circumstances less the estimated cost of completion and the estimated cost of completion of the sale. The cost of inventories is calculated using the weighted average method.

h. Property, plant, and equipment

Property, plant and equipment are stated at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment under construction are stated at cost less accumulated impairment losses. Costs include professional service fees and borrowing costs eligible for capitalization. When these assets are completed and ready for their intended use, they are classified to the appropriate category of property, plant and equipment and depreciation begins.

Property, plant and equipment are depreciated separately for each significant component on a straight-line basis over their useful lives. The combining company reviews the estimated useful life, residual value and depreciation method at least at the end of each year, and defers the impact of changes in applicable accounting estimates.

On de-recognition of an item of property, plant and equipment, the difference between the net disposal price and the asset's book value is recognized in profit and loss.

i. Goodwill

The goodwill obtained from a business combination is based on the amount of goodwill recognized on the acquisition date as the cost, and subsequently measured by the cost minus the accumulated impairment loss.

For the purpose of impairment testing, goodwill is accounted to each cash-generating unit or group of cash-generating units (referred to as "cash-generating units") that the amalgamating company expects to benefit from the synergy of the merger.

Amortized goodwill cash-generating unit performs an impairment test on the unit every year (and when there are indications that the unit may have been impaired) by comparing the book value of the unit containing goodwill and its recoverable amount. If the goodwill allocated to the cash-generating unit is obtained from a business combination of the current year, the unit shall be tested for impairment before the end of the current year. If the recoverable amount of the cash-generating unit of amortized goodwill is lower than its book value, the impairment loss is to reduce the book amount of the cash-generating unit’s amortized goodwill first, and then reduce the proportion of the book value of the other assets in the unit by each The carrying amount of the asset. Any impairment loss is directly recognized as the current loss. The loss of goodwill impairment shall not be reversed in the subsequent period.

When disposing of a certain operation within the amortized goodwill cash-generating unit, the amount of goodwill related to the dispositioned operation is included in the book value of the operation to determine the disposition of profits and losses.

j. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Intangible assets are amortized on a straight-line basis during their useful life. The company reviews the estimated service life, residual value and amortization method at least at the end of each year, and defers the impact of changes in applicable accounting estimates.

On de-recognition of an intangible asset, the difference between the net disposal price and the asset's book value is recognized in profit and loss.

k. Impairment of assets related to real property, plant and equipment, right-of-use assets, intangible assets (except goodwill) and contract costs

The company assesses on each balance sheet date whether there are any signs that real property, plant and equipment, right-of-use assets and intangible assets (except goodwill) may have been impaired. If there are any signs of impairment, estimate the recoverable amount of the asset. If the recoverable amount of an individual asset cannot be estimated, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of the fair value less the cost of sale and its use value. If the recoverable amount of an individual asset or cash-generating unit is lower than its book value, the book value of the asset or cash-generating unit is reduced to its recoverable amount, and the impairment loss is recognized in profit and loss.

The inventory, real property, plant and equipment and intangible assets recognized in the customer contract are first recognized as impairment in accordance with the inventory impairment regulations and the above regulations, and the book value of the relevant assets is based on the contract cost. The amount after deducting the directly related costs is recognized as an impairment loss, and the book value of the contract cost-related assets is continuously included in the cash-generating unit to perform the impairment assessment of the cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the asset, cash-generating unit or contract cost-related asset is adjusted to the revised recoverable amount, but the increased carrying amount does not exceed the asset, cash-generating unit or contract cost If the relevant asset is not in the previous year, the book value determined when the impairment loss is recognized (less amortization or depreciation) The reversal of the impairment loss is recognized in the profit and loss.

l. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

The types of financial assets held by the company are financial assets measured at amortized cost.

Financial assets measured at amortized cost.

If the company's investment financial assets meet the following two conditions at the same time, they are classified as financial assets measured at amortized cost:

A. It is held under a certain business model, the purpose of which is to hold financial assets to collect contractual cash flows; and

B. The terms of the contract generate cash flows on a specific date, and these cash flows are all interest on the payment of the principal and the amount of principal in circulation.

Financial assets measured at amortized cost (including cash, notes receivable at amortized cost, accounts receivable (including related parties) and other receivables (including related parties)) are initially recognized, It is measured by the total book amount determined by the effective interest method minus the amortized cost of any impairment loss, and any foreign currency exchange gains and losses are recognized in profit and loss.

Except for the following two cases, interest income is calculated by multiplying the effective interest rate by the total book value of financial assets:

A. For purchased or created credit-impaired financial assets, interest income is calculated by multiplying the effective interest rate after credit adjustment by the amortized cost of the financial asset.

B. For financial assets that are not purchased or original credit impairment, but subsequently become credit impairment, it should use the effective interest rate multiplied by the amortized cost of the financial asset to calculate the interest income from the next reporting period after the impairment.

Credit-impaired financial assets refer to the issuer or debtor who has experienced major financial difficulties, defaulted, the debtor is likely to apply for bankruptcy or other financial reorganization, or the active market for financial assets disappears due to financial difficulties.

b) Impairment of financial assets and contract assets

The company assesses the impairment losses of financial assets (including accounts receivable) measured at amortized cost based on expected credit losses on each balance sheet date.

For accounts receivable are recognized as allowance losses based on expected credit losses during the duration. For other financial assets, first assess whether there is a significant increase in credit risk since the initial recognition. If there is no significant increase, the allowance loss is recognized based on the 12-month expected credit loss; if it has increased significantly, it is recognized based on the duration of the expected credit loss Allowance for losses.

Expected credit losses are weighted average credit losses weighted by the risk of default. The 12-month expected credit losses represent the expected credit losses arising from possible default events of the financial instrument within 12 months after the reporting date, and the lifetime expected credit losses represent the expected credit losses arising from all possible default events of the financial instrument during the expected duration.

For the purpose of internal Credit Risk Management(CRM), the company determines that there is internal or external information indicating that the debtor is unable to pay off the debt without considering the collateral held, which represents that the financial asset has defaulted.

The impairment loss of all financial assets is reduced by the allowance account to reduce its carrying amount, but the allowance loss of debt instrument investment measured at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce its carrying amount.

c) Derecognition of financial assets

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

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

2) Equity instruments

Debt and equity instruments issued by the Consolidated Company are classified as financial liabilities or equity according to the substance of the contractual agreement and the definition of financial liabilities and equity instruments.

Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing. Moreover, get back the company’s own equity instruments is recognized and deducted under equity. The purchase, sale, issuance or cancellation of the company's own equity instruments are not recognized in profit or loss.

3) Financial liabilities

a) Subsequent measurement

Except for derivatives, all financial liabilities of the company are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

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

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

m. Debt Provisions

The amount recognized as a liability reserve is based on the risk and uncertainty of the obligation, and is the best estimate of the expenditure required to settle the obligation on the balance sheet date. The liability provision is the estimated liability for sales returns and discounts. The liability provision is the estimated product returns and a discount that may occur based on the judgment of management and other known reasons, and is recognized as a deduction of operating income in the period when the relevant product is sold Subtract items.

n. Revenue recognition

The company identifies contract with the customers; it allocates the transaction price to each performance obligation, and recognizes revenue when each performance obligation is met.

Revenue from the sale of goods

Revenue from the sale of goods is derived from the sale of electronic component products. When the product arrives at the place designated by the customer, the customer has the right to set the price and the use of the product and bears the main responsibility for resale, and bears the risk of the product becoming obsolete. The company recognizes the revenue and receivables at that time accounts.

When the material is removed for processing, the control of the ownership of the processed product has not been transferred, so revenue is not recognized when the material is removed.

When processing with supplied materials, the company processes and manufactures diodes according to the raw materials provided by the customer and the agreed specifications. Since the customer has control over the diodes when they are strengthened, the company will gradually recognize income over time.

o. Leasing

The company assesses whether the contract is (or contains) a lease on the contract inception date.

The Company's as lessee

Right-of-use assets and lease liabilities are recognized on a lease inception date for all other leases, except for leases of low-value underlying assets and short-term leases where lease payments are recognized as an expense on a straight-line basis over the lease term.

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

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

Lease liabilities were originally measured at the present value of the lease payments (Included both fixed and in-substance fixed payments). If the interest rate implied by the lease is easily determined, the lease payment is discounted using that rate. If this rate is not readily determinable, the lessee incremental borrowing rate is used.

Afterward, lease liabilities are measured on an amortized cost basis using the effective interest method, and the interest expense is apportioned over the lease term. If there is a change in the lease term, the consolidating company remeasures the lease liability and adjusts the right-of-use asset relatively, except if the carrying amount of the right-of-use asset has been reduced to zero, the remaining remeasured amount is recognized in profit or loss. Lease liabilities are presented separately on the consolidated balance sheet.

p. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

q. Taxation

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

1) Current tax

The merging company determines the current income (loss) in accordance with the laws and regulations established by each income tax reporting jurisdiction, and calculates the payable (recoverable) income tax based on it.

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

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

2) Deferred tax

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

Deferred income tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are likely to have taxable income to deduct temporary differences, loss deductions, or purchases of machinery and equipment. The resulting income tax deduction is recognized when it is used.

Taxable temporary differences related to investment in subsidiaries are recognized as deferred income tax liabilities, but if the company can control the timing of the reversion of the temporary difference, and the temporary difference is likely to not revert in the foreseeable future except. The deductible temporary differences related to this type of investment will be recognized as deferred income tax only if it is likely to have sufficient taxable income to realize the temporary difference, and within the range expected to return in the foreseeable future assets.

The carrying amount of deferred income tax assets is reviewed on each balance sheet date, and the carrying amount is reduced for those that are no longer likely to have sufficient taxable income to recover all or part of their assets. For those that have not been recognized as deferred income tax assets, they are also reviewed on each balance sheet date, and if they are likely to generate taxable income in the future for recovering all or part of their assets, the book amount will be increased.

Deferred income tax assets and liabilities are measured by the tax rate for the period in which the expected liability is settled or the asset is realized. The tax rate is based on the tax rate and tax law that has been legislated or substantively legislated on the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequences arising from the way the company expects to recover or settle the carrying amount of its assets and liabilities on the balance sheet date.

3) Current and deferred taxes

Current and deferred income taxes are recognized in profit or loss, but current and deferred incomes taxes related to items recognized in other comprehensive profit or loss or directly included in equity are respectively recognized in other comprehensive profit or loss or directly included in equity.

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

In the application of the company accounting policies, the management must make relevant judgments, estimates and assumptions based on historical experience and other relevant factors for the information that is not easy to obtain from other sources. Actual results may differ from estimates.

Management will continue to review estimates and underlying assumptions. If the revision to the estimate affects only the current period, it is recognized in the current period of the revision; if the revision to the accounting estimate affects both the current period and future periods, it is recognized in the current period of the revision and future periods.

Assumption and major sources of estimation uncertainty:

1. Write-down of inventories

   The net realizable value of inventories is the estimated selling price in the normal course of business less the estimated cost to be invested in completion and the estimated cost to complete the sale. These estimates are based on current market conditions and historical sales of similar products. Based on experience, changes in market conditions may materially affect the results of these estimates.

2. Income Tax

   The realizability of deferred tax assets depends primarily on the availability of sufficient future profits or taxable temporary differences. If the actual profits generated in the future are less than expected, there may be a reversal of significant deferred tax assets, and these reversals are recognized as profit or loss in the period in which they occur. As at the balance sheet date, please refer to Note 22 for the amount not recognized as deferred tax assets.

6. CASH AND CASH EQUIVALENTS

	December 31, 2021	December 31, 2020
Foreign currency demand deposit	$ 178,618	$ 110,947
Demand deposits	155,016	112,151
Cash on hand	986	699
Check deposits	13	13
	$ 334,633	$ 223,810

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

	December 31, 2021	December 31, 2020
Bank balance	0.001%-0.100%	0.001%-0.300%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2021	December 31, 2020
Financial liabilities-current, held for trading		
Cross-currency swap contracts	$ -	$ 1,277

At the end of the reporting period, outstanding cross-currency swap contracts not under hedge accounting were as follows（December 31, 2021 : None）:

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
December 31, 2020			
US$2,000	January 2021 ~ May 2021	-	0.08%~1.25%

As of December 31, 2021 and 2020, the company engaged in financial instruments measured at fair value through profit and loss, resulting in a net gain of $262 thousand and a net loss of $1,041 thousand, respectively.

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2021	December 31, 2020
Current		
Unpledged time deposits		
Time deposits with original maturities of more than 3 months	$ 8,304	$ -
Pledged time deposits		
Time deposits with original maturities of more than 3 months	13,529	13,809
Restricted demand deposit	40,019	22,013
	$ 61,852	$ 35,822
Non-current		
Pledged time deposits		
Restricted demand deposit	$ 10,004	$ 10,003

The market interest rate range of the above assets on the balance sheet date is as follows:

	December 31, 2021	December 31, 2020
Time deposits with original maturities of more than 3 months	0.21%-2.15%	0.46%-2.13%
Restricted demand deposit	0.01%-0.05%	0.01%-0.04%

Please refer to Note 28 for information on pledges of financial assets measured at amortized cost.

9. NOTES RECEIVABLE AND TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31, 2021	December 31, 2020
Notes receivable		
Measured at amortized cost		
total book value	$ 3,112	$ 1,541
Trade receivables		
Measured at amortized cost		
total book value	$148,442	$ 114,792
Less: Allowance for loss	(8,026)	(8,338)
Net Accounts Receivable	$140,416	$ 106,454
Trade receivables from related parties		
Measured at amortized cost		
total book value	$ 379,719	$ 257,149

The average credit period of sales of goods was 30-120 days. No interest was charged on trade receivables for the period.

In order to mitigate credit risks, the management of the company assigns a dedicated team to be responsible for the determination of credit dates, credit approvals and other monitoring procedures to ensure that appropriate actions have been taken for the collection of overdue accounts receivable. In addition, the company will review the recoverable amount of accounts receivable on the balance sheet date to ensure that accounts receivable that cannot be recovered have been properly deducted. Accordingly, the management of the company believes that the company's credit risk has been significantly reduced.

The company recognizes the allowance loss of accounts receivable based on the expected credit loss during the duration. The expected credit loss during the existence period takes into account the past default records of customers and the current financial situation and industrial economic situation.

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

December 31, 2021

	Less than 30 Days	Less than 60 Days	61 to 90 Days	91 to 120 Days	Others	Total
Gross carrying amount	$ 25,867	$440,610	$ 54,851	$ 1,257	$ 5,576	$528,161
Loss allowance (Lifetime ECLs)	(1,293)	(933)	(224)	-	(5,576)	(8,026)
Amortized cost	$ 24,574	$439,677	$ 54,627	$ 1,257	$ -	$520,135

December 31, 2020

	Less than 30 Days	Less than 60 Days	61 to 90 Days	91 to 120 Days	Others	Total
Gross carrying amount	$ 13,259	$285,362	$ 65,769	$ 1,731	$ 5,820	$371,941
Loss allowance (Lifetime ECLs)	(663)	(1,621)	(234)	-	(5,820)	(8,338)
Amortized cost	$ 12,596	$283,741	$ 65,535	$ 1,731	$ -	$363,603

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

	2021	2020
AT THE BEGINNING OF THE YEAR	$ 8,338	$ 8,738
Add: The impairment loss is listed for the current year	254	360
Less: The impairment losses written off for the period	(557)	(845)
Foreign exchange translation gains and losses	(9)	85
AT THE END OF THE YEAR	$ 8,026	$ 8,338

The aging of receivables analysis was as follows:

	December 31, 2021	December 31, 2020
Not past due	$ 434,111	$ 344,952
Less than 60 days	83,735	15,321
61-90 days	122	374
91-120 days	147	86
More than 120 days	10,046	11,208
	$ 528,161	$ 371,941

10. INVENTORIES

	December 31, 2021	December 31, 2020
Raw materials	$ 127,144	$ 103,418
Work in progress	135,218	108,124
Finished goods	78,108	34,114
	$ 340,470	$ 245,656

The cost of goods sold in 2020 included depreciation of inventories and sluggish losses of NT$981 thousands (2021: None).

11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

The main bodies of this consolidated financial statements are as follows:

			Proportion of Ownership (%)	
Investor	**Name of Subsidiary**	**Nature of Activities**	**December 31, 2021**	**December 31, 2020**
Eris Technology Co. (“Eris”)	Keep High Ltd. (“Keep High”)	Holding company	100.00	100.00
Eris Technology Co. (“Eris”)	Yea Shin Technology Co., Ltd. (“Yea Shin”)	Manufacturing of electronic parts and wholesaling of electronic components	100.00	99.52
Keep High	Forever Eagle Incorporation (“Forever”)	Holding company	100.00	100.00
Forever	Jie Cheng Electronic (Shanghai) Co., Ltd. (“Jie Cheng”)	Wholesaling of electronic components and international trading business	100.00	100.00

On April 3, 2008, Eris set up as of Jie Cheng with the investment in Mainland China companies through a company invested and established in a third region approved by the Investment Commission, Ministry of Economic Affairs. Jie Cheng mainly manufacturing of electronic parts and wholesaling of electronic components. December 31, 2021, the capital of Jie Cheng was US$650 thousand.

For upside integration and the expansion of The Company’s activities, Eris acquired a 60.11% equity interest in Yea Shin, consisting of 26,259 thousand common shares, at NT$193,860 in July 2018.

For the Group's development strategy, the company acquired 11,558 thousand shares, 5 thousand shares and 142 thousand shares of Yea Shin Technology in March, April 2020 and April 2021 at a total price of NT$184,842 thousand, NT$71 thousand and NT$2,305 thousand. As a result, the shareholding ratio increased from 60.11% to 100%, and the retained earnings were reduced by NT$60,876 thousand, NT$22 thousand and NT$496 thousand respectively. (Please refer to Note 24 for explanation).

12. PROPERTY, PLANT AND EQUIPMENT

Book amount of each category	December 31, 2021	December 31, 2020
Land	$ 574,129	$ 612,895
Buildings	412,871	437,827
Machinery Equipment	399,558	366,875
Transportation Equipment	5,593	6,613
Leasehold Improvements	1,750	5,519
Other Equipment	6,388	4,381
	$ 1,400,289	$ 1,434,110

2021

	Balance at January 1, 2021	Additions	Disposal	Reclassifications	Effect of movements in exchange rates	Balance at December 31, 2021
Cost						
Land	$ 612,895	$ -	$ 38,766	$ -	$ -	$ 574,129
Buildings	530,915	12,569	22,617	3,509	-	524,376
Machinery Equipment	1,025,572	67,464	71,547	45,030	-	1,066,519
Transportation Equipment	15,976	1,122	1,405	(294)	(14)	15,385
Leasehold Improvements	16,991	-	5,298	-	-	11,693
Other Equipment	14,095	3,793	1,960	-	4	15,932
Total	2,216,444	$ 84,948	$ 141,593	$ 48,245	($ 10)	2,208,034
Accumulated depreciation						
Buildings	93,088	$ 26,079	$ 7,662	$ -	$ -	111,505
Machinery Equipment	658,697	76,583	59,779	(8,540)	-	666,961
Transportation Equipment	9,363	2,083	1,347	(294)	(13)	9,792
Leasehold Improvements	11,472	3,769	5,298	-	-	9,943
Other Equipment	9,714	1,796	1,960	-	(6)	9,544
Total	782,334	$ 110,310	$ 76,046	($ 8,834)	($ 19)	807,745
Carrying amount at December 31, 2021	$ 1,434,110					$ 1,400,289

	2020					
	Balance at January 1, 2020	Additions	Disposal	Reclassifications	Effect of movements in exchange rates	Balance at December 31, 2020
Cost						
Land	$ 612,895	$ -	$ -	$ -	$ -	$ 612,895
Buildings	524,237	7,013	335	-	-	530,915
Machinery Equipment	991,486	25,319	27,778	36,545	-	1,025,572
Transportation Equipment	16,485	1,400	1,939	-	30	15,976
Leasehold Improvements	19,381	100	2,490	-	-	16,991
Other Equipment	17,466	826	4,220	-	23	14,095
Total	2,181,950	$ 34,658	$ 36,762	$ 36,545	$ 53	2,216,444
Accumulated depreciation						
Buildings	69,126	$ 24,297	$ 335	$ -	$ -	93,088
Machinery Equipment	609,120	77,355	27,778	-	-	658,697
Transportation Equipment	7,785	2,148	598	-	28	9,363
Leasehold Improvements	9,417	4,545	2,490	-	-	11,472
Other Equipment	12,016	1,904	4,220	-	14	9,714
Total	707,464	$ 110,249	$ 35,421	$ -	$ 42	782,334
Carrying amount at December 31, 2020	$ 1,474,486					$ 1,434,110

As there was no sign of impairment in 2021 and 2020, the company did not conduct impairment assessment.

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

Buildings	
Office's main buildings	35-50 years
Building improvement	5-15 years
Machinery equipment	3-15 years
Transportation equipment	5 years
Leasehold Improvements	5 years
Other equipment	3-5 years

Property, plant and equipment used by the Company and pledged as collateral for bank borrowings are set out in Note 28.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2021	December 31, 2020
Book amount of right-of-use asset	$ 10,585	$ 11,232

	2021	2020
Additions to right-of-use assets	$ 12,665	$ 12,391
Depreciation charge for right-of-use assets		
Buildings	$ 8,027	$ 13,418

b. Lease liabilities

	December 31, 2021	December 31, 2020
Carrying amounts		
Current	$ 3,558	$ 8,251
Non-current	$ 7,055	$ 3,059

Range of discount rate for lease liabilities was as follows:

	December 31, 2021	December 31, 2020
Buildings	1%~1.25%	1%~1.25%

c. Other lease information

	2021	2020
Total cash outflow for leases	$ 8,076	$ 13,420

14. GOODWILL

	2021	2020
Cost	$ 24,070	$ 24,070

The company had acquired Yea-sin Technology in July 2018, which generated a related goodwill of NT$24,070 thousand, that was mainly due to the expected future benefits of the subsidiary.

15. OTHERS INTANGIBLE ASSETS

Cost	Patents	Computer software	Total
Balance at January 1, 2021	$ 617	$ 19,625	$ 20,242
Additions	-	697	697
Disposals	-	(1,414)	(1,414)
Balance at December 31, 2021	$ 617	$ 18,908	$ 19,525
Accumulated amortization and Loss			
Balance at January 1, 2021	$ 435	$ 3,897	$ 4,332
Amortization expenses	62	2,233	2,295
Disposals	-	(1,414)	(1,414)
Balance at December 31, 2021	$ 497	$ 4,716	$ 5,213
Carrying amount at December 31, 2021	$ 120	$ 14,192	$ 14,312
Cost			
Balance at January 1, 2020	$ 617	$ 17,902	$ 18,519
Additions	-	2,118	2,118
Disposals	-	(395)	(395)
Balance at December 31, 2020	$ 617	$ 19,625	$ 20,242

Accumulated amortization and Loss	Patents	Computer software	**Total**
Balance at January 1, 2020	$ 373	$ 2,031	$ 2,404
Amortization expenses	62	2,261	2,323
Disposals	-	(395)	(395)
Balance at December 31, 2020	$ 435	$ 3,897	$ 4,332
Carrying amount at December 31, 2020	$ 182	$ 15,728	$ 15,910

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

Patents	10 years
Computer software	2-15 years

16. OTHER NON-CURRENT ASSETS

	December 31, 2021	**December 31, 2020**
Unamortized expense	$ 12,056	$ 5,772

17. BORROWINGS

a. Short-term borrowings

	December 31, 2021	**December 31, 2020**
Secured borrowings		
Bank loans	$ 400,000	$ 320,000
Unsecured borrowings		
Line of credit borrowings	100,000	30,000
	$ 500,000	$ 350,000

The range of weighted average effective interest rates on bank loans was 0.97%~1.02% and 0.97%~1.2% per annum as of December 31, 2021 and 2020, respectively.

Please refer to Note 28 for details of the pledged assets of the secured loan.

b. Long-term borrowings

	December 31, 2021	December 31, 2020
Secured borrowings		
Bank loans (1)	$ 68,954	$ 118,313
Bank loans (2)	447,440	476,000
Bank loans (3)	-	100,000
Bank loans (4)	-	100,000
Bank loans (5)	10,257	11,000
Bank loans (6)	49,000	49,000
Bank loans (7)	50,000	-
Bank loans (8)	100,000	-
Bank loans (9)	100,000	-
	825,651	854,313
Less: Current portions	(48,549)	(138,428)
Long-term borrowings	$ 777,102	$ 715,885

1) The bank loan of NT$140,000 thousand was obtained by the Group at the end of June 2018, which are pledged by the land and buildings owned by the Company as collateral, with an interest rate of the loan calculated by the floating interest rate of time savings deposit plus 0.115% to be repaid in annual installments over 15 years. The maturity date of the loan was June 28, 2033. The effective interest rates were all 0.9154% as of December 31 , 2021 and 2020,respectively.

2) The bank loan of NT$476,000 thousand was obtained by the Group at the end of May 2019, which are pledged by the land and buildings owned by the Group as collateral, with an interest rate of the loan calculated by TAIBOR 3M plus 0.5% and a grace period of two years to be repaid after the period in one installment of 2% of the principal for every three months and to be repaid in a one-time payment at maturity for the rest of the principal. The maturity date of the loan was May 27, 2024. The effective interest rates were 0.9806% and 0.9797% as of December 31, 2021 and 2020, respectively.

3) The bank loan of NT$100,000 thousand was obtained by the Group at the end of December 2019, which are pledged by the land and buildings owned by the Group as collateral, with an interest rate of the loan calculated by TAIBOR 3M plus 0.5% to be paid monthly for the interests and repaid in a one-time payment at maturity for the principal. The maturity date of the loan was December 30, 2021, and that was fully paid off in December 2021. The effective annual interest rate as at 31 December 2020 was 0.9797%.

4) The bank loan of $100,000 thousand was obtained by the Group at the end of December 2020, which are pledged by the demand deposits owned by the Group as collateral amounted to 10% of the drawdown balance, with an interest rate of the loan calculated by the floating interest rate of time savings deposit plus 0.08% to be paid monthly for the interests and repaid in a one-time payment at maturity for the principal. The maturity date of the loan was December 30, 2022. The loan was paid in full by early settlement in December 2021. The effective annual interest rate as at 31 December 2020 was 0.88%.

5) The bank loan of NT$11,000 thousand was obtained by the Group on July 1, 2020, which are pledged by the land and buildings owned by the Group as collateral, with an interest rate of the loan calculated by the floating interest rate of time savings deposit plus 0.08%, which should not be lower than 0.98%, and a grace period of one year to be averagely repaid after the period for the principal and the interests.

The maturity date of the loan was June 30, 2027. The effective interest rates were all 0.98% as of December 31 2021 and 2020, respectively.

6) The bank loan of NT$49,000 thousand was obtained by the Group on July 1, 2020, which are pledged by the land and buildings owned by the Group as collateral, with an interest rate of the loan calculated by the floating interest rate of one-month time savings deposit plus 0.08%, which should not be lower than 0.90%, and a grace period of two year to be averagely repaid after the period for the principal and the interests. The maturity date of the loan was June 30, 2030. The effective interest rates were all 0.90% as of December 31 2021 and 2020, respectively.

7) The bank loan of NT$50,000 thousand was obtained by the Group on September 28, 2021. The bank loan was secured by the Group own land and buildings as a mortgage guarantee. The loan interest rate is based on the two-year fixed deposit mobile interest rate plus 0.082% mobile interest calculation. However, it shall not be less than 0.98%, and the principal shall be paid off once upon maturity. The maturity date of the loan is September 28, 2023. The effective annual interest rate on December 31, 2021 was 0.98%.

8) The Group obtained a bank loan of NT$100,000 thousand at the end of 30 December, 2021. The bank loan was secured by the Group own land and buildings. The loan interest rate was calculated according to TAIBOR 3M plus 0.5%. Interest is paid monthly. One-time payment. The maturity date of the loan was December 30, 2023. The effective annual interest rate as at 31 December 2021 was 0.9802%.

9) The Group obtained a bank loan of NT$100,000 thousand at the end of 20 December, 2021 , that bank loan was guaranteed by the Group current deposit, and the amount is 10% of the mobile balance. The loan interest rate is calculated based on the fixed savings deposit mobile interest rate plus 0.08%. The interest is calculated according to Monthly payment, and the principal will be repaid once due. The maturity date of the loan was December 20, 2023. The effective annual interest rate as at 31 December 2021 was 0.93%.

Refer to Note 28 for information relating to borrowings pledged as security.

18. OTHER LIABILITIES

	December 31, 2021	December 31, 2020
Other payables		
Payables for salaries or bonuses	$ 90,033	$ 59,010
Payables for processing fees	16,237	13,170
Others	66,809	65,642
	$ 173,079	$ 137,822

19. EQUITY

a. Share capital

Ordinary shares

	December 31, 2021	December 31, 2020
Number of shares authorized (in thousands)	70,000	70,000
Shares authorized	$ 700,000	$ 700,000
Number of shares issued and fully paid (in thousands)	44,428	44,428
Shares issued	$ 444,283	$ 444,283

Fully paid common shares, which have a par value of NT$10, carry one vote per share and a right to dividends.

On October 15, 2020, the company's extraordinary shareholders' meeting approved a resolution to amend the company's articles of association, increasing the rated capital from NT$500,000 thousand to NT$700,000 thousand , divided into 70,000,000 shares.

b. Capital surplus

	December 31, 2021	December 31, 2020
Issuance of ordinary shares	$ 401,662	$ 401,662
Others	849	849
	$ 402,511	$ 402,511

Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of The Company capital surplus and to once a year).

c. Retained earnings and dividends policy

According to the provisions of the earnings distribution policy of the company's articles of association, if there is a surplus in the annual final accounts, taxes shall be paid in accordance with the law, and after making up the accumulated losses, another 10% shall be set aside as the statutory surplus reserve, and the rest shall be set aside or transferred to the special surplus reserve according to laws and regulations; If there is still a balance and the accumulated undistributed surplus, the Board of Directors will formulate a surplus distribution proposal and submit a resolution to the shareholders' meeting to distribute dividends to shareholders. Please refer to employee benefits expense in Note 21-4.

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

The appropriations of earnings for 2020 and 2019 approved in the shareholders’ meetings on Aug. 11, 2021 and May 28, 2020, respectively, were as follows:

	2020	2019
Legal reserve	$ 9,334	$ 10,210
Special reserve	($ 573)	$ 1,102
Cash dividends	$ 88,857	$ 57,756
Cash dividends of per share NT$	$ 2.0	$ 1.3

On February 24, 2022, the BOD proposed the 2021-year surplus distribution proposal as follows:

	2021
Legal reserve	$ 32,709
Special reserve	$ 328
Cash dividends	$ 222,141
Cash dividends of per share NT$	$ 5.00

The resolution of the 2021 annual general meeting of shareholders is expected to be held on May 27, 2022.

d. Other equity items

Exchange differences on translating the financial statements of foreign operations

	2021	2020
Balance at January 1	($ 2,013)	($ 2,586)
Exchange differences on translating the financial statements of foreign operations	(410)	716
Related income tax	82	(143)
Balance at December 31	($ 2,341)	($ 2,013)

e. Non-controlling equity

	2021	2020
Balance at January 1	$ 1,613	$ 125,340
Acquisition of non-controlling interests in Yea Shin(Notes 24)	(1,809)	(124,015)
Share of profit for the year	196	346
Payment of cash dividends for non-controlling interests	-	(58)
Balance at December 31	$ -	$ 1,613

20. REVENUE

	2021	2020
Revenue from contracts with customers		
Revenue from the sale of goods	$2,056,717	$1,537,470

a. Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Trade receivables and Notes (Note 9)	$ 523,247	$ 365,144	$ 376,375
Contract liabilities (included other current Liabilities)			
Sale of goods	$ 38	$ 17	$ 40

Changes in contract liabilities are mainly attributable to the difference between the time when performance obligations are satisfied and when the customer pays.

Revenue recognized in the current year that was included in the contract liability balance at the beginning of the year and from the performance obligations satisfied in the previous periods is as follows:

	2021	2020
From contract liabilities at the start of the year		
Sale of goods	$ 17	$ 40

21. NET PROFIT

The additional information on net profit for this year includes the following items:

1) Depreciation and amortization

	2021	2020
Property, plant and equipment	$ 110,310	$ 110,249
Right-of-use assets	8,027	13,418
Long-term prepayments	9,551	17,868
Intangible assets	2,295	2,323
Total	$ 130,183	$ 143,858

	2021	2020
An analysis of depreciation by function		
Operation cost	$ 67,375	$ 90,245
Operating expenses	50,962	33,422
	$ 118,337	$ 123,667
An analysis of amortization by function		
Operation cost	$ 8,252	$ 16,192
Operating expenses	3,594	3,999
	$ 11,846	$ 20,191

2) Gains or losses on foreign currency exchange

	2021	2020
Foreign exchange gains	$ 19,412	$ 13,066
Foreign exchange losses	(24,535)	(21,353)
Net profit	($ 5,123)	($ 8,287)

3) Employee benefits expense

	2021	2020
Post-employment benefits		
Defined benefit plans	$ 9,950	$ 10,657
Salaries and bonus	330,867	319,887
Total employee benefits expense	$ 340,817	$ 330,544
An analysis of employee benefits expense by function		
Operating costs	$ 182,207	$ 201,388
Operating expenses	158,610	129,156
	$ 340,817	$ 330,544

4) Employees' compensation

The Company accrued employees' compensation at rates of no less than 1% and no higher than 5%. The employees' compensation for the years ended December 31, 2021 and 2020, which have been approved by The Company board of directors on Feb. 24, 2022 and March 4, 2021, respectively, were estimated as follows:

Estimated rate

	2021	2020
Employees' compensation	2.35%	3.2%

Amount

	2021	2020
Employees' compensation	$ 8,400	$ 3,400

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the next year.

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

Information on the employees' compensation by The Company board of directors, which is available at the Market Observation Post System website of the Taiwan Stock Exchange.

22. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

	2021	2020
Current tax		
In respect of the current year	$ 19,977	$ 13,204
Adjustments for prior years	1,832	(1,712)
	21,809	11,492
Deferred tax		
In respect of the current year	(21,394)	11,131
Adjustments for prior years	94	(3,722)
	(21,300)	7,409
Income tax expense recognized in profit or loss	$ 509	$ 18,901

The adjustment of accounting income and income tax expenses is as follows:

	2021	2020
Profit before tax from continuing operations	$ 327,793	$ 112,582
	$ 47,865	$ 30,238
Income tax expense calculated at the statutory rate	(47,601)	(6,082)
The equity method recognizes domestic investment interests	119	179
Nondeductible expenses in determining taxable income	(1,800)	-
Adjustments for prior years' tax	1,926	(5,434)
Income tax expense recognized in profit or loss	$ 509	$ 18,901

Subsidiaries Keep High Company and Forever Company are established in the tax-free zone, and only need to pay the annual fee each year, so there are no income tax expenses and deferred income tax assets and liabilities. In addition, in accordance with the "Enterprise Income Tax Law of the People's Republic of China", the applicable tax rate of Shanghai Jie-cheng in 2021 and 2020, that due to the local income tax preferential conditions, the preferential tax rate was 5%, and it did not generate Significant deferred income tax assets and liabilities.

b. Income tax recognized in other comprehensive income

	2021	2020
Deferred tax		
In respect of the current period:		
Translations of foreign operations	$ 82	($ 143)
Total income tax recognized in other comprehensive income	$ 82	($ 143)

c. Income tax assessments

	December 31, 2021	December 31, 2020
Current tax liabilities	$ 25,745	$ 16,733

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred Tax Assets				
Temporary difference				
Reversals of inventory write-downs	$ 5,719	($ 1,040)	$ -	$ 4,679
Payables for annual leave	1,013	200	-	1,213
Provisions	874	466	-	1,340
Translations of foreign operations	503	-	82	585
Unrealized Foreign exchange loss	156	(90)	-	66
FVTPL financial assets	911	(354)	-	557
Others	427	(196)	-	231
	9,603	(1,014)	82	8,671
loss carryforwards	97,136	24,215	-	121,351
	$ 106,739	$ 23,201	$ 82	$ 130,022
Deferred tax liabilities				
Temporary difference				
Investments accounted for using the equity method	$ 6,117	$ 1,973	$ -	$ 8,090
Unrealized Foreign exchange income	72	($ 72)	-	-
	$ 6,189	$ 1,901	$ -	$ 8,090

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred Tax Assets				
Temporary difference				
Reversals of inventory write-downs	$ 6,799	($ 1,080)	$ -	$ 5,719
ayables for annual leave	903	110	-	1,013
Provisions	1,222	(348)	-	874
Translations of foreign operations	646	-	(143)	503
Unrealized Foreign exchange loss	178	(22)	-	156
FVTPL financial assets	1,189	(278)	-	911
Others	248	179	-	427
	11,185	(1,439)	(143)	9,603
loss carryforwards	104,734	(7,598)	-	97,136
	$ 115,919	($ 9,037)	($ 143)	$ 106,739
Deferred tax liabilities				
Temporary difference				
Investments accounted for using the equity method	$ 7,779	($ 1,662)	$ -	$ 6,117
Unrealized Foreign exchange income	38	34	-	72
	$ 7,817	($ 1,628)	$ -	$ 6,189

e.Unused loss deduction for deferred tax assets not recognized in the consolidated balance sheet.

	December 31, 2021	December 31, 2020
Loss carryforwards		
Expiry in 2023	$ -	$ 53,938
Expiry in 2024	-	215,174
Expiry in 2025	185,894	245,709
Expiry in 2026	285,521	285,521
Expiry in 2027	573,007	573,007
Expiry in 2028	263,942	263,942
	$ 1,308,364	$ 1,637,291

f. Information about unused loss deduction

As of December 31,2021, the relevant information about loss deduction is as follows:

Un-deduction balance	Last year of deduction
$ 253,423	2024
308,966	2025
354,191	2026
650,614	2027
347,927	2028
$ 1,915,121	

g. Income tax verification situation

The company and its subsidiary Yea-sin Technology's income tax declaration cases for profitable businesses as of 2019 years have been approved by the tax collection agency.

23. EARNINGS PER SHARE

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

	Net income	Shares, Unit: thousand shares	The weighted average number of common shares to be used to calculate diluted earnings per share (EPS)
2021			
Basic earnings per share			
Net profit of the year	$327,088	44,428	$ 7.36
Potential impact of common stock with dilution:			
Remuneration to employees	-	37	
Diluted earnings per share			
Profit for the period attributable to owners of the Company	$ 327,088	44,465	$ 7.36
2020			
Basic earnings per share			
Net profit of the year	$ 93,335	44,428	$ 2.10
Potential impact of common stock with dilution:			
Remuneration to employees	-	53	
Diluted earnings per share			
Profit for the period attributable to owners of the Company	$ 93,335	44,481	$ 2.10

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

24. Equity transactions with non-controlling interests

The consolidated company acquired 39.39%, 0.02% and 0.48% of the shares of Yea-sin Technology on March 31, April 24 2020, and April 30, 2021 resulting in an increase in the shareholding ratio from 60.11% to 100%.

Since the above transactions did not change the control of the consolidated company over these subsidiaries, the consolidated company was treated as an equity transaction.

	2021	2020
Price paid	($ 2,305)	($ 184,913)
The carrying amount of the subsidiary's net assets is calculated based on the relative equity changes to be transferred out of the non-controlling equity	1,809	124,015
Equity transaction balance	($ 496)	($ 60,898)
Equity transaction balance adjustment account		
Undistributed surplus	($ 496)	($ 60,898)

25. CAPITAL MANAGEMENT

The company monitors its funds by regularly reviewing the ratio of assets to liabilities, and based on the characteristics of the current operating industry, future company development and changes in the external environment, it plans the company's needs for working capital, capital expenditures, and dividend payments in the future , To ensure that the company can continue to operate and maintain the best capital structure.

26. FINANCIAL INSTRUMENTS

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

1) Fair value hierarchy (December 31, 2021: None)

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 1,277	$ -	$ 1,277

During 2021 and 2020, there were no transfers between Levels 1 and 2 in the current and prior periods.

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

Financial Instruments	Valuation Techniques and Inputs
Derivatives - cross currency swap	The fair value of the exchange rate contract is measured based on the forward exchange rate quotation and the corresponding discount rate curve derived from it.

b. Categories of financial instruments

	December 31, 2021	December 31, 2020
Financial assets		
Financial assets at amortized cost (1)	$ 933,518	$ 635,093
Financial liabilities		
Amortized cost (2)	1,660,924	1,440,472
Fair value through profit or loss (FVTPL)		
Held for trading	-	1,277

1) The balances include financial assets at amortized cost, which comprise cash, debt instrument investments, notes receivable, trade receivables, other receivables (excluding tax refunds receivable) and refundable deposits.
2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, trade payables, other payables, and long-term borrowings.

c. Financial risk management objectives and policies

The Company's major financial instruments include note receivables, trade receivables, trade payables, and borrowings. The Company's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of The Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk.

The Company sought to minimize the effects of these risks

1) Market risk

The company's operating activities make the company's main market risks bear the risk of changes in foreign currency exchange rates and changes in interest rates.

a) Exchange rate risk

The (consolidated) company is engaged in foreign currency-denominated sales and purchase transactions, thus causing the (consolidated) company to risk exposure to exchange rate fluctuations. In order to avoid the decrease in the value of foreign currency assets and the fluctuation of future cash flow due to exchange rate changes, the consolidated company analyzes the foreign currency assets and foreign currency liabilities receipts and payments amount, maturity period and other factors, and considers the risk of foreign currency net positions, and then uses foreign currency exchange for profit. Contracts, borrowing foreign currency loans, etc., to avoid relevant exchange rate risks. Internal auditors continue to review compliance with policies and the risk limit. The use of the foreign exchange and profit exchange contract of the amalgamating company is regulated by the policy adopted by the board of directors, and the company does not conduct the transaction of the foreign exchange and profit exchange contract for speculative purposes.

The carrying amount of monetary assets and monetary liabilities denominated in non-functional currencies of the consolidated company at the balance sheet date (including monetary items denominated in non-functional currencies that have been written off in the consolidated financial statements), please refer to Note 30.

The sensitivity analysis of foreign currency exchange rate risk is mainly based on the calculation of foreign currency monetary items (mainly U.S. dollar items) and derivatives at the end of the financial reporting period. When the functional currency of the merged entity appreciates/depreciates by 1% against the US dollar, the net profit after tax of the company in 2021 will increase/decrease by NTD479 thousand; the net profit after tax in 2020 will decrease/increase by NTD175 thousand.

As a above mention, that the aforementioned sensitivity analysis is calculated based on the foreign currency risk exposure amount on the balance sheet date, the management believes that the sensitivity cannot reflect the mid-year risk exposure situation.

b) Interest rate risk

Interest rate risk refers to the risk of changes in the fair value of financial instruments or changes in cash flow due to fluctuations in market interest rates. Because the consolidated company holds financial assets and liabilities with fixed interest rates, there is a risk of fair value changes in interest rates; because it holds financial assets and liabilities with floating interest rates, there is a risk of cash flow risks due to changes in interest rates.

The management of the company regularly monitors the changes in market interest rates, and adjusts the positions of floating-rate financial assets and liabilities to make the interest rates of the company approach the market interest rate in response to risks arising from changes in market interest rates.

The book amounts of financial assets and financial liabilities of the consolidated company exposed to interest rate exposure on the balance sheet date are as follows:

	December 31, 2021	December 31, 2020
Fair value interest rate risk		
Financial assets	$ 21,883	$ 13,809
Financial liabilities	10,613	11,310
Cash flow interest rate risk		
Financial assets	383,657	255,114
Financial liabilities	1,325,651	1,204,313

The fixed-rate financial assets/liabilities held by the company are measured at amortized cost, so they are not included in the analysis; the floating-rate financial asset/liability analysis method assumes that the amount of assets/liabilities in circulation on the balance sheet date is reported During the period, they are all in circulation. The company uses an increase/decrease of 0.25% in market interest rates as a reasonable risk assessment for reporting interest rate changes to the management. Under the circumstance that all other variables remain unchanged, if the market interest rate rises/decreases by 0.25%, the company's net profit after tax in 2021 will decrease/increase by NT$1,875 thousand; the net profit after tax in 2020 will decrease/increase by NT$1,887 thousand.

2) Credit risk

Credit risk refers to the risk that the counterparty of the transaction defaults on contractual obligations and causes consolidated financial losses. The policy adopted by the consolidated company is to only conduct transactions with creditworthy objects in order to reduce the risk of financial loss, and to continuously monitor the credit risk insurance and the credit status of the trading objects. On the balance sheet date, the maximum credit risk amount of the consolidated company is equivalent to the book value of the financial assets on the account.

The credit risk of the consolidated company's accounts receivable is mainly concentrated in the Diodes Group, the parent company of the consolidated company's largest customer. As of December 31, 2021 and 2020, the ratio of total accounts receivable from the aforementioned customers was 72% and 69%, respectively. However, since it is an affiliated enterprise transaction, there should be no credit risk.

3) Liquidity risk

The management of the company maintains sufficient cash and bank financing lines to support working capital and reduce liquidity risks.

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

The following table details the analysis of the remaining contractual maturity of non-derivative financial liabilities during the agreed repayment period of the company. It is based on the earliest possible repayment date of the company and is compiled based on the undiscounted cash flow of financial liabilities, which includes interest And principal cash flow.

December 31, 2021

	Rate	On Demand or Less than 1 Month	3 Months to 1 Year	1-2 Years	2-5 Years	5+ Years
Non-derivative financial liabilities						
Non-interest bearing		$433,346	$ -	$ -	$ -	$ -
Fixable interest rate instruments	1.01%	1,550	2,090	2,348	4,825	-
Variable interest rate instruments	0.97%	514,001	42,962	308,803	416,446	64,405
		$948,897	$45,052	$311,151	$421,271	$64,405

December 31, 2020

	Rate	On Demand or Less than 1 Month	3 Months to 1 Year	1-2 Years	2-5 Years	5+ Years
Non-derivative financial liabilities						
Non-interest bearing		$303,365	$ -	$ -	$ -	$ -
Fixable interest rate instruments	1.20%	2,694	5,633	2,512	560	-
Variable interest rate instruments	0.96%	344,915	152,167	58,546	569,647	106,355
		$650,974	$157,800	$61,058	$570,207	$106,355

b) Financing facilities

The utilization of the bank financing quota of the consolidated company on the balance sheet date is as follows:

	December 31, 2021	December 31, 2020
Secured bank overdraft facilities:		
Amount used	$ 1,325,651	$ 1,204,313
Amount unused	257,680	288,480
	$ 1,583,331	$ 1,492,793

27. TRANSACTIONS WITH RELATED PARTIES

The transactions, account balances, income and expenses between the company and its subsidiaries are all eliminated at the time of the merger, so they are not disclosed in this note. Except as disclosed in other notes, the major transactions between the combined company and other related parties are as follows:

a. Related party name and category

Related Party	Nature of Relationship
Diodes Taiwan S.A R.L., Taiwan Branch (“Diodes (TW)”)	Subsidiary of Diodes Inc.
Diodes Hong Kong Limited (“Diodes (HK)”)	Subsidiary of Diodes Inc.
BCD Semiconductor Manufacturing Limited (“BCD”)	Subsidiary of Diodes Inc.
LITE-ON Semiconductor Corp. (“Lite-on”)	Subsidiary of Diodes Inc.

b. Sales of goods

Line Item	Related Party Category/Name	2021	2020
Sales	Subsidiary of Diodes Inc.		
	Diodes (HK)	$ 945,509	$ 644,983
	Diodes (TW)	560,173	510,259
		$ 1,505,682	$ 1,155,242

There are no significant difference between the transaction conditions of the above-mentioned related parties and ordinary transactions.

c. Purchases of goods

Related Party Category/Name	2021	2020
Subsidiary of Diodes Inc.	$ 3,219	$ 98

There is no significant difference between the transaction conditions of the above-mentioned related parties and ordinary transactions.

d. Receivables from related parties

Line Item	Related Party Category/Name	December 31, 2021	December 31, 2020
Trade receivables from related parties	Subsidiary of Diodes Inc.		
	Diodes (TW)	$ 167,334	$ 141,693
	Diodes (HK)	212,385	115,456
		$ 379,719	$ 257,149

The outstanding trade receivables from related parties are unsecured. At the end of 2021 and 2020, no allowance for losses was provided for the accounts receivable from related parties.

e. Payables to related parties

Line Item	Related Party Category/Name	December 31, 2021	December 31, 2020
Trade payables from related parties	Subsidiary of Diodes Inc.		
	BCD	$ -	$ 97

The balance of the outstanding amount due to related parties is not guaranteed.

f. Prepayments

Line Item	Related Party Category/Name	December 31, 2021	December 31, 2020
Related parties	Subsidiary of Diodes Inc.		
	Lite-on	$ -	$ 5,365

g. Purchase of Property, plant and equipment

Related Party Category/Name	Proceeds received 2021	Proceeds received 2020
Subsidiary of Diodes Inc.		
Lite-on	$ 33,488	$ -

h. Compensation of major management personnel

	2021	2020
Short-term employee benefits	$ 12,594	$ 13,266
Post-employment benefits	108	126
	$ 12,702	$ 13,392

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

28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31, 2021	December 31, 2020	Nature
Pledge time deposits (classified as financial assets at amortized cost)	$ 13,529	$ 13,809	endorsements/guarantees and short-term borrowings
Pledge deposits (classified as financial assets at amortized cost)	50,023	32,016	Short-term and long-term borrowings
Properties and plant	901,040	903,886	Short-term and long-term borrowings
	$ 964,592	$1,007,946	

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Due to the company has demand for replace production line equipment and business expansion that the company has promised to invest/bought properties, land and plant, order machinery and equipment, and system software...etc. The payment amount is listed below:

	December 31, 2021	December 31, 2020
Commitments	$ 340,523	$ 122,854
Paid (classified as prepayments for the equipment)	$ 173,139	$ 54,015

30. Significantly influencing foreign currency assets and liabilities information

The following information is summarized and expressed in foreign currencies other than the functional currencies of the consolidated companies. The disclosed exchange rates refer to the exchange rates of these foreign currencies into functional currencies. The foreign currency assets and liabilities with significant impact are as follows:

Unit: Foreign currency/NT$ thousands, Except for Exchange Rate

	December 31, 2021			
	Foreign Currency	Exchange rate ($)	Functional Currency	NTD
Financial assets				
Monetary items				
USD	$ 15,691	27.68 (USD:NTD)）	$ 434,327	$ 434,327
USD	177	6.3720 (USD:RMB)）	1,128	4,899
RMB	1,390	4.344（RMB:NTD）	6,038	6,038
Non-monetary items				
Investments accounted for using the equity method				
USD	2,103	27.68 (USD:NTD)	58,199	58,199
RMB	13,601	0.1569(RMB:USD)	2,135	59,084
Financial liabilities				
Monetary items				
USD	13,738	27.68 (USD:NTD)	380,268	380,268

	December 31, 2020			
	Foreign Currency	Exchange rate ($)	Functional Currency	NTD
Financial assets				
Monetary items				
USD	$ 8,742	28.48 (USD:NTD)	$ 248,972	$ 248,972
USD	174	6.5067 (USD:RMB)）	1,132	4,956
RMB	1,401	4.377（RMB:NTD）	6,132	6,132
Non-monetary items				
Investments accounted for using the equity method				
USD	1,712	28.48 (USD:NTD)	48,748	48,748
RMB	11,181	0.1537(RMB:USD)	1,718	48,941
Financial liabilities				
Monetary items				
USD	6,179	28.48 (USD:NTD)	175,978	175,978
Non-monetary items				
Derivatives				
USD	2,000	28.48 (USD:NTD)	56,960	56,960

The significant realized and unrealized foreign exchange gains (losses) were as follows:

	2021		2020	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	27.68 (USD:NTD)	($ 3,943)	29.23 (USD:NTD)	($ 8,899)
USD	6.439 (USD:RMB)	102	6.735 (USD:RMB)	380
EUR	31.32 (EUR:NTD)	(1,098)	35.02 (EUR: NTD)	192
Others		(184)		40
		($ 5,123)		($ 8,287)

31. Note Disclosure Items

a. Information about significant transactions and investees:

1) Financing provided to others: None
2) Endorsements/guarantees provided: please refer to Attached Table 1
3) Marketable securities held (excluding investments in subsidiaries): None
4) The cumulative amount of buying or selling the same securities total to NT$300 million, or above of 20% the paid-in capital: None
5) Acquisition of individual real estate at costs of at least NT$300 million, or above of 20% the paid-in capital: None
6) Disposal of individual real estate at prices of at least NT$300 million, or above of 20% the paid-in capital: None
7) Total purchases from or sales to related parties amounting reach NT$100 million, or above of 20% the paid-in capital: please refer to Attached Table 2
8) Receivables from related parties amounting reach NT$100 million, or 20% of the paid-in capital: please refer to Attached Table3
9) Trading in derivative instruments: please refer to Note 7
10) Others: Business relations and important transactions and amounts between parent and subsidiary companies and between subsidiaries: please refer to Attached Table4

b. Intercompany relationships and significant intercompany transactions: please refer to Attached Table 5

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: please refer to Attached Table 6
2) Any of the following significant transactions with investee companies in mainland China, either

directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: please refer to Attached Table 7
b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period please refer to Attached Table 7
c) The amount of property transactions and the amount of the resultant gains or losses: None
d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes please refer to Attached Table 1
e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None
f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services: None

d. Major shareholders information : Names of shareholders with a shareholding percentage of more than 5%, amount of shares holdings and ratio. please refer to Attached Table8.

32. SEGMENT INFORMATION

The information provided to major operating decision makers for allocating resources and evaluating department performance, in addition to considering department managers, focuses on each operating entity and the types of products or services provided. The departments that the consolidate company should report are as follows:

ERIS - The company mainly manufactures and diodes businesses.
YEA SHIN - The company mainly manufactures and wafers.

a. Segment revenues and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments.

	2021			
	ERIS & Jie Cheng	YEA SHIN	Adjustment and Write-off	Total
Revenue from external customers	$ 1,897,123	$ 159,594	$ -	$ 2,056,717
Inter-segment revenue	42,918	764,114	(807,032)	-
Segment revenue	$ 1,940,041	$ 923,708	($ 807,032)	$ 2,056,717
Segment income	$ 337,640	$ 237,893	($ 248,249)	$ 327,284
Segment assets	$ 3,181,146	$ 759,368	($ 880,960)	$ 3,059,554
Segment liabilities	$ 1,873,638	$ 210,810	($ 273,319)	$ 1,811,129

	2020			
	ERIS & Jie Cheng	**YEA SHIN**	**Adjustment and Write-off**	**Total**
Revenue from external customers	$ 1,438,113	$ 99,357	$ -	$ 1,537,470
Inter-segment revenue	20,358	285,039	(305,397)	-
Segment revenue	$ 1,458,471	$ 384,396	($ 305,397)	$ 1,537,470
Segment income	$ 104,151	$ 35,815	($ 46,285)	$ 93,681
Segment assets	$ 2,594,150	$ 478,878	($ 512,060)	$ 2,560,968
Segment liabilities	$ 1,534,191	$ 135,936	($ 121,790)	$ 1,548,337

b. Product category of business revenues

	2021	2020
Diodes & Transistor	$ 1,954,789	$ 1,331,819
Wafer	96,425	202,314
Others	5,503	3,337
	$ 2,056,717	$ 1,537,470

c. Geographical information:

The company's and its subsidiaries' income that is from continuing operations from external customers based on the location of customers' operations, and non-current assets based on the location of assets are listed below:

	Revenue from external customers		Non-current Assets	
	2021	2020	December 31, 2021	December 31, 2020
Taiwan	$ 1,034,093	$ 718,374	$ 1,623,232	$ 1,535,469
Asia	966,811	779,677	931	1,006
Europe	47,725	38,507	-	-
North USA	8,088	652	-	-
Australia	-	260	-	-
	$ 2,056,717	$ 1,537,470	$ 1,624,163	$ 1,536,475

Non-current assets exclude assets classified as financial instruments, goodwill and deferred income tax assets.

d. Important customers' information:

	2021	2020
A Group	$ 1,505,682	$ 1,155,242
B Customer	91,131	84,135
	$ 1,596,813	$ 1,239,377

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED

For the Year end December 31, 2021

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 1)										
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	b	$ 124,842	$ 30,000 (US$1,000 thousand)	$ 30,000 (US$1,000 thousand)	$ -	$ 8,304 (US$300 thousand)	2.40%	$ 374,527	Y	N	Y
0	Eris Technology Corporation	Yea Shin Technology Corp.	b	124,842	30,000	-	-	-	-	374,527	Y	N	N

Note 1: Relationship between the endorser/guarantor and the endorsee/guarantee is classified into the following seven categories:

a. A company with which it does business.

b. A company in which the public company directly and indirectly holds more than 50 percent of the voting shares.

c. A company that directly and indirectly holds more than 50 percent of the voting shares in the public company.

d. A company in which the public company holds, directly or indirectly, 90 percent or more of the voting shares.

e. A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

f. A company that all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.

g. Escrow with joint and several guarantees between companies in the same industry for performance guarantees of pre-construction homes under the Consumer Protection Act.

Note 2: The total amount of the company's external endorsement guarantee and the limit of the single company's endorsement guarantee shall not exceed 30% and 10% of the company's net worth, respectively. The maximum limit of this endorsement guarantee is calculated based on the company's net value on December 31, 2021.

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

For the Year end December 31, 2021

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

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Eris Technology Corporation	Diodes Hong Kong Ltd.	Same as The Group ultimate parent company	Sale	($ 945,509)	52.72%	60 days	None	None	$ 212,385	48.34%	-
Eris Technology Corporation	Diodes Taiwan S.A R.L., Taiwan Branch	Same as The Group ultimate parent company	Sale	(560,173)	31.23%	60 days	None	None	167,334	38.08%	-
Eris Technology Corporation	Yea Shin Technology Corp.	Subsidiary	Purchase	749,193	65.04%	60 days	None	None	(259,669)	79.65%	Note 1

Note 1: Related transactions have been written off in the consolidated financial statements.

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

For the Year end December 31, 2021

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

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Eris Technology Corporation	Diodes Taiwan S.A R.L., Taiwan Branch	Same as The Group ultimate parent company	$ 167,334	3.63	$ -	—	$ 100,567	$ -
Eris Technology Corporation	Diodes Hong Kong Ltd.	Same as The Group ultimate parent company	212,385	5.77	-	—	178,720	-
Yea-Shin Technology Co.,Ltd	Eris Technology Corporation	Parent Company	259,669	4.24	-	—	169,922	-

Note 1: The amount recovered as of the date of the accountant’s audit report

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

For the Year end December 31, 2021

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

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 4)	Payment Terms	% of Total Revenues or Total Assets (Note 3)
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	a	Accounts receivable	$ 1,690	–	0.06%
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	a	Accounts payable	261	–	0.01%
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	a	Sales revenue	3,587	No significant difference compared with general customers	0.17%
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	a	Purchase	46,696	No significant difference compared with general customers	2.26%
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	a	Other manufacturing expenses	539	No significant difference compared with general customers	0.03%
0	Eris Technology Corporation	Yea Shin Technology Corp.	a	Accounts receivable	8,499	–	0.28%
0	Eris Technology Corporation	Yea Shin Technology Corp.	a	Accounts payable	259,669	–	8.49%
0	Eris Technology Corporation	Yea Shin Technology Corp.	a	Other Accounts receivable	856	–	0.03%
0	Eris Technology Corporation	Yea Shin Technology Corp.	a	Sales revenue	34,732	No significant difference compared with general customers	1.68%
0	Eris Technology Corporation	Yea Shin Technology Corp.	a	Purchase	749,193	No significant difference compared with general customers	36.31%
0	Eris Technology Corporation	Yea Shin Technology Corp.	a	Outsourced	13,454	No significant difference compared with general customers	0.65%
0	Eris Technology Corporation	Yea Shin Technology Corp.	a	Rent	3,429	No significant difference compared with general customers	0.17%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	c	Accounts receivable	174	–	0.01%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	c	Other Accounts receivable	1,386	–	0.05%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	c	Sales revenue	1,467	No significant difference compared with general customers	0.07%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	c	Another income	6,721	No significant difference compared with general customers	0.33%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	c	Purchase	8,186	No significant difference compared with general customers	0.40%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

a. Parent company is ‘0’.

b. The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

a. Parent company to subsidiary.

b. Subsidiary to parent company.

c. Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The related transactions have been written off in the consolidated financial statements.

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES

For the Year end December 31, 2021

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note 1)		At the end of December 31, 2020			Net Income (Loss) of the Investee (Note 2, 3 and 5)	Share of Profits (Loss) (Note 2, 3 and 5)	Note
				December 31, 2020	December 31, 2019	Number of Shares	%	Carrying Amount (Note 3)			
Eris Technology Corporation	Keep High Limited	Seychelles	Holding company	$ 20,776 (US$670/thousand)	$ 20,776 (US$670/thousand)	Inapplicable	100.00	$ 58,199	$10,552 (US$ 376/ thousand)	$ 9,862 (Note 4)	Subsidiaries
	Yea Shin Technology Corp.	Taiwan	Manufacturing of electronic parts and wholesaling of electronic components	381,078	378,773	29,342	100.00	562,809	237,893	238,003 (Note 4)	Subsidiaries
Keep High Limited	Forever Eagle Incorporation	Mauritius	Holding company	20,473 (US$660/thousand)	20,473 (US$660/thousand)	Inapplicable	100.00	59,084 (US$ 2,135 /thousand))	10,552 (US$ 370/ thousand)	10,552 (US$ 376/ thousand)	Sub-subsidiaries

Note 1: Translation was based on the buying exchange rate of USD to TWD at the time of remittance.

Note 2: Translation was based on the average exchange rate of the investment period.

Note 3: The balance were eliminated upon consolidation.

Note 4: The information was including unrealized gross profit.

Note 5: The calculation is based on the financial statements checked by the Taiwanese parent company's certified accountant during the same period.

Note 6: Please refer to Attached Table 6 for relevant information of the mainland investee company.

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

For the Year end December 31, 2021

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020 (Note 1)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020 (Note 1)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2, 5 and 6)	Carrying Amount as of December 31, 2020	Accumulated Repatriation of Investment Income as of December 31, 2020
					Outflow	Inflow						
Jiecheng Electronic (Shanghai) Co., Ltd.	Wholesaling of electronic components and international trading business	$ 20,170 (US$650/thousand)	Indirectly investment in Mainland China through companies registered in a third region	$ 20,170 (US$650/thousand)	$ -	$ -	$ 20,170 (US$650/thousand)	$ 10,552 (RMB2,420/thousand)	100%	$ 10,552 (RMB2,420/thousand)	$ 59,084	$ -

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2020 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA (Note 3)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 4)
$20,170(US$650thousand)	$17,992 ((US$650thousand))	$749,055

Note 1: Translation was based on the buying exchange rate of USD to TWD at the time of remittance.

Note 2: Translation was based on the average exchange rate of the investment period.

Note 3: Translation was based on the closing exchange rate at December 31, 2021

Note 4: The information was calculated as 60% of ERIS’s net worth at December 31, 2021

Note 5: The calculation was based on the financial statements checked by the Taiwanese parent company's certified accountant during the same period.

Note 6: The relevant balance has been written off in the consolidated financial statements.

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

The following major transactions with Mainland China investee companies directly or indirectly via a third region, and their prices, payment terms, unrealized gains and losses, and other relevant information

For the Year end December 31, 2021

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

Counterparty	Transaction Details			Transaction Details		Notes/Accounts Receivable (Payable)		
	Purchases (Sales)	AMOUNT	Ratio of Total Purchases (Sales) (%)	Unit price	Credit Period	Balance	Ratio of Notes/Accounts Receivable (Payable) (%)	Note
Jiecheng Electronic (Shanghai) Co., Ltd.	Sales	($ 5,054)	0.24%	None	None	$ 1,864	0.35%	Note 1
Jiecheng Electronic (Shanghai) Co., Ltd.	Purchases	54,882	3.08%	None	None	(261)	0.10%	Note 1
Jiecheng Electronic (Shanghai) Co., Ltd.	Other income	(6,721)	-	None	None	1,386	12.71%	Note 1

Note 1: Related transactions have been written off in the consolidated financial statements.

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Major shareholders information

For the Year end December 31, 2021

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

Name of Major shareholders	Shares Holding	
	Number of Shares Held	Shareholding ratio (%)
Yuanta Commercial Bank is entrusted with Diodes Holdings UK Limited Investment Account	22,687,604	51.07

Note 1: The information of major shareholders in this table is based on the last business day of the quarter-end of the current quarter, calculated by the shareholders holding the company's common stocks and special stocks that have completed unregistered delivery (including treasury stocks) totaling more than 5% data. The share capital recorded in the company's individual financial report and the actual number of shares delivered without physical registration may be different due to different or different calculation bases.

Note 2: If the information is that shareholders deliver shares to the trust, it is disclosed in individual accounts by the trustee who opened the trust account by the trustee. As for shareholders' declarations of insider's equity holdings exceeding 10% in accordance with the Securities and Exchange Act, their holdings include their own shareholding plus the shares delivered to the trust and have the right to use the trust property. For information on insider's equity declarations, please refer to the Market Observatory Post System (website: http://mops.twse.com.tw)