Aethertek Technology Co., Ltd.
(Formerly Service & Quality Group Co., Ltd.)
and Subsidiaries

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Aethertek Technology Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Aethertek Technology Co., Ltd. (formerly Service & Quality Group Co., Ltd., the "Company") and subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements")

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

Business Combination

As stated in Note 10 to the consolidated financial statements, on April 9, 2021, company acquired equity interests in Trantest Enterprise Limited (“TT Company”) and Trantest Precision (China) Ltd. ("Zhenyun Company") for a total consideration of $616,469 thousand. As the amount of the acquisition is material and the transaction is complex which involved the management’s determination of the fair value of the net assets and allocation of the purchase price, we determined the acquisition as a key audit matter. For accounting policies and related disclosures relating to business combinations, refer to Notes 4 and 27 to the consolidated financial statements.

Our audit procedures for the aforementioned key audit matter are described as follows :

1. We assessed the capability and objectivity of external specialist.

2. We evaluated the reasonableness of the raw data and key assumptions used in the Purchase Price Allocation Analysis Report issued by the external specialist.

3. We evaluated the correctness of the calculation of the fair value of identifiable net assets and the allocation of the purchase price.

Sales Revenue from Major Customer

Sales revenue of Group for the year ended December 31, 2021 which came from a single customer amounted to $1,609,932 thousand; we have determined the validity of the sales to the single customer as a key audit matter. For the disclosure information relating to the revenue recognition, refer to Notes 4 and 21 to the consolidated financial statements.

Our audit procedures for the aforementioned key audit matter are described as follows:

1. We obtained an understanding of the design and tested the appropriateness of the implementation of internal controls on revenue recognition.

2. We selected samples of sales to the single customer and checked the sales orders and delivery orders to confirm the validity of the sales revenue.

Other Matter

We have audited the separate financial statements of Aethertek Technology Co., Ltd. as of December 31, 2021 and 2020 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including members of the audit committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

The engagement partners on the audits resulting in this independent auditors' report are Ming-Chung Hsieh and Hui-Ming Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 29, 2022

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

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

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

AETHERTEK TECHNOLOGY CO., LTD.
(Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES

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

	2021		2020	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 847,242	37	$ 589,326	67
Financial assets at fair value through profit or loss (Note 7)	44,483	2	-	-
Trade receivables (Notes 8 and 21)	488,831	21	5,702	1
Other receivables (Note 8)	2,762	-	31	-
Current tax assets	3,412	-	32	-
Inventories (Note 9)	288,066	13	-	-
Prepayments	17,683	1	1,029	-
Other financial assets (Note 17)	-	-	267,852	31
Other current assets	173	-	-	-
Total current assets	1,692,652	74	863,972	99
NON-CURRENT ASSETS				
Property, plant and equipment (Note 12)	157,226	7	862	-
Right-of-use assets (Note 13)	20,135	1	2,555	-
Investment property (Note 14)	63,473	3	-	-
Goodwill (Note 15)	105,999	5	-	-
Other intangible assets (Note 16)	214,814	9	3,719	1
Deferred tax assets (Note 23)	12,433	-	-	-
Prepayments for equipment	21,571	1	-	-
Refundable assets	10,473	-	306	-
Total non-current assets	606,124	26	7,442	1
TOTAL	$ 2,298,776	100	$ 871,414	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities (Note 21)	$ 2,287	-	$ -	-
Trade payables	69,794	3	-	-
Dividends payable (Note 18)	517,693	23	-	-
Other payables (Note 18)	154,127	7	8,031	1
Current tax liabilities	51,956	2	-	-
Lease liabilities - current (Note 13)	20,336	1	1,262	-
Other current liabilities	27	-	250	-
Total current liabilities	816,220	36	9,543	1
NON-CURRENT LIABILITIES				
Lease liabilities - non-current (Note 13)	186	-	1,179	-
Total liabilities	816,406	36	10,722	1
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)				
Ordinary shares	702,840	30	702,840	81
Capital surplus	157,852	7	211,844	24
Retained earnings (accumulated deficit)	444,895	19	(53,992)	(6)
Other equity	(7,875)	-	-	-
Equity attributable to owners of the Company	1,297,712	56	860,692	99
NON-CONTROLLING INTERESTS (Note 20)	184,658	8	-	-
Total equity	1,482,370	64	860,692	99
TOTAL	$ 2,298,776	100	$ 871,414	100

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

AETHERTEK TECHNOLOGY CO., LTD.
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AND SUBSIDIARIES

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

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 21)	$ 2,051,628	100	$ 89,929	100
OPERATING COSTS (Notes 9 and 22)	(907,575)	(44)	(15,898)	(18)
GROSS PROFIT	1,144,053	56	74,031	82
OPERATING EXPENSES (Note 22)				
Selling and marketing expenses	(201,358)	(10)	(1,759)	(2)
General and administrative expenses	(138,449)	(7)	(23,458)	(26)
Research and development expenses	(341,347)	(17)	-	-
Expected credit loss (Note 8)	(23,902)	(1)	-	-
Total operating expenses	(705,056)	(35)	(25,217)	(28)
PROFIT FROM OPERATIONS	438,997	21	48,814	54
NON-OPERATING INCOME AND EXPENSES (Note 22)				
Interest income	642	-	372	-
Other income	39,616	2	22	-
Other gains and losses	(15,505)	(1)	(2,002)	(2)
Finance costs	(526)	-	(25)	-
Total non-operating income and expenses	24,227	1	(1,633)	(2)
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	463,224	22	47,181	52
INCOME TAX EXPENSE (Notes 4 and 23)	(48,315)	(2)	-	-
NET PROFIT FROM CONTINUING OPERATIONS	414,909	20	47,181	52
NET LOSS FROM DISCONTINUED OPERATIONS (Note 11)	-	-	(22,861)	(25)
NET PROFIT FOR THE YEAR	414,909	20	24,320	27

(Continued)

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

	2021		2020	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations (Note 20)	$ (9,710)	-	$ 2,488	3
Income tax related to items that may be reclassified subsequently to profit or loss (Notes 20 and 23)	1,969	-	(488)	(1)
Other comprehensive income (loss) for the period, net of income tax	(7,741)	-	2,000	2
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 407,168	20	$ 26,320	29
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ 444,895	22	$ 25,148	28
Non-controlling interests	(29,986)	(2)	(828)	(1)
	$ 414,909	20	$ 24,320	27
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 437,020	21	$ 27,100	30
Non-controlling interests	(29,852)	(1)	(780)	(1)
	$ 407,168	20	$ 26,320	29
EARNINGS PER SHARE (Note 24)				
From continuing and discontinued operations				
Basic	$ 6.33		$ 0.76	
Diluted	$ 6.33		$ 0.76	
From continuing operations				
Basic	$ 6.33		$ 1.43	
Diluted	$ 6.33		$ 1.43	

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

AETHERTEK TECHNOLOGY CO., LTD.
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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent							
	Capital Stock - Common Stock				Others			
	Shares (In Thousands)	Amount	Capital Surplus	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Total	Non-controlling Interests	Total Equity
BALANCE, JANUARY 1, 2020	14,784	$ 147,840	$ -	$ (79,140)	$ (1,952)	$ 66,748	$ (3,263)	$ 63,485
Net profit (loss) for the year ended December 31, 2020	-	-	-	25,148	-	25,148	(828)	24,320
Other comprehensive income for the year ended December 31, 2020, net of income tax (Note 20)	-	-	-	-	1,952	1,952	48	2,000
Total comprehensive income for the year ended December 31, 2020	-	-	-	25,148	1,952	27,100	(780)	26,320
Issuance of ordinary shares for cash (Note 20)	55,500	555,000	180,930	-	-	735,930	-	735,930
Disposal of subsidiaries (Note 25)	-	-	30,914	-	-	30,914	-	30,914
Decrease in non-controlling interest (Notes 20 and 27)	-	-	-	-	-	-	4,043	4,043
BALANCE, DECEMBER 31, 2020	70,284	702,840	211,844	(53,992)	-	860,692	-	860,692
Capital surplus used to cover accumulated deficit	-	-	(53,992)	53,992	-	-	-	-
Net profit for the year ended December 31, 2021	-	-	-	444,895	-	444,895	(29,986)	414,909
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	(7,875)	(7,875)	134	(7,741)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	444,895	(7,875)	437,020	(29,852)	407,168
Decrease in non-controlling interest (Notes 20 and 27)	-	-	-	-	-	-	214,510	214,510
BALANCE, DECEMBER 31, 2021	70,284	$ 702,840	$ 157,852	$ 444,895	$ (7,875)	$ 1,297,712	$ 184,658	$ 1,482,370

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

AETHERTEK TECHNOLOGY CO., LTD.
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CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 463,224	$ 47,181
Discontinued operations loss	-	(22,861)
Adjustments for:		
Depreciation expense	79,790	3,931
Amortization expense	32,985	2,235
Expected credit loss recognized on trade receivables	23,902	10,352
Net gain on financial instruments at fair value through profit or loss	(1,025)	-
Finance costs	526	343
Interest income	(642)	(567)
Loss on disposal of property, plant and equipment, net	334	286
Loss on disposal of investment, net	7,305	-
Write-down of inventories	31,497	-
Gain from lease modifications	(18)	-
Net foreign exchange loss	-	2,199
Gain on offset between rights and debts (Note 30)	-	(2,296)
Net changes in operating assets and liabilities		
Notes receivable	1,922	-
Trade receivables	(25,195)	(5,434)
Other receivables	21,937	11,179
Inventories	(11,680)	6,497
Prepayments	(3,244)	139
Other current assets	1,335	-
Contract liabilities	62	-
Trade payables	(166,477)	(50)
Other payables	(433,423)	2,059
Other current liabilities	(223)	36
Cash generated from operations	22,892	55,229
Interest received	642	538
Interest paid	(526)	(343)
Income tax paid	(4,157)	(32)
Net cash generated from operating activities	18,851	55,392
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash inflow on acquisition of subsidiaries	(3,622)	-
Net cash inflow on disposal of subsidiaries	-	67,888
Proceeds from disposal of disposal groups held for sale	33,859	-
Payment for property, plant and equipment	(11,052)	(390)
Increase in refundable deposits	(10,167)	(2,943)
Payments for intangible assets	(3,579)	(18,396)
Decrease in lease receivable	-	6,611

(Continued)

AETHERTEK TECHNOLOGY CO., LTD.
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CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
Increase in other financial assets	$ -	$ (267,852)
Decrease in other financial assets	267,852	-
Increase in prepayments for equipment	(21,571)	-
Net cash generated from (used in) investing activities	251,720	(215,082)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of short-term borrowings	-	(254)
Refund of guarantee deposits received	-	(13,287)
Repayment of the principal portion of lease liabilities	(9,047)	(8,953)
Proceeds from issuance of ordinary shares	-	735,930
Net cash (used in) generated from financing activities	(9,047)	713,436
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(3,608)	(2,758)
NET INCREASE IN CASH AND CASH EQUIVALENTS	257,916	550,988
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	589,326	38,338
CASH AND CASH EQUIVALENTS, END OF THE YEAR	$ 847,242	$ 589,326

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

AETHERTEK TECHNOLOGY CO., LTD.
(Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES

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

1. GENERAL INFORMATION

Aethertek Technology Co., Ltd. (the "Company") was incorporated in Taipei City in September 1992. On April 14, 2021, it received approval from Ministry of Economic Affairs and had changed its name from "Service & Quality Group Co., Ltd." to "Aethertek Technology Co., Ltd." The Company involves in equipment manufacturing, product design, software service, etc.

The Company's shares have been listed on the Taipei Exchange (TPEx) since March 2004.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 29, 2022.

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

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

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

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

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

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

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

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

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

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

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

New Release/Amendment/Revision Criteria and Interpretation	Effective Date Issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or investment of assets between investors and their affiliates or joint ventures"	Undecided
IFRS 17 "Insurance Contract"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
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 related to assets and liabilities arising from a single transaction"	January 1, 2023 (Note 4)

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis. Except for financial instruments that are measured at fair values, investment properties and contingent considerations assumed in business combinations.

The fair value measurements, which are grouped 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:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- 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 are:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- Liabilities for which the Group does not have an unconditional right to defer settlement 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 incorporate the financial statements of the Company and the entities controlled by the Company.

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

See Note 10, Table 7 and Table 8 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

The financial statements of each individual consolidated entity were expressed in the currency which reflected its primary economic environment (functional currency). The functional currency and presentation currency of the consolidated financial statements are both New Taiwan Dollars (NT$). In preparing the consolidated financial statements, the operating results and financial positions of each consolidated entity are translated into NT$.

In preparing the financial statements of each individual consolidated entity, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Such exchange differences are recognized in profit or loss in the year in which they arise. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising on 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 in terms of historical cost in foreign currencies are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company’s foreign operations are translated into NT$ using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

f. Inventories

Inventories are stated at the lower of cost or net realizable value. Inventories are recorded at standard cost and adjusted to approximate weighted-average cost at the end of the reporting period. Net realizable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

g. Investments accounted for using equity method

Investments accounted for using the equity method are investments in associates.

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The operating results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized in the consolidated statements of financial position at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the associate as well as the distribution received. The Company also recognizes its share in the changes in the equities of associates.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Company's ownership interest is reduced due to the additional subscription to the shares of associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate shall be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

When a consolidated entity transacts with an associate, profits and losses resulting from the transactions with the associate are recognized in the Company's consolidated financial statements only to the extent of interests in the associate that are not owned by the Company.

h. Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment. Costs include any incremental costs that are directly attributable to the construction or acquisition of the item of property, plant and equipment.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other identical categories of property, plant and equipment, commences when the assets are available for their intended use.

Depreciation is recognized so as to write off the cost of the assets less their residual values over their useful lives, and it is computed using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Land is not depreciated.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties include right-of-use assets and properties under construction that meet the definition of investment properties. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Investment properties acquired through leases are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made on or before the commencement date, plus initial direct costs incurred and an estimate of costs needed to restore the underlying assets, less any lease incentives received. These investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liabilities.

Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

k. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

l. Impairment of property, plant and equipment, right-of-use asset, intangible assets

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

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

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

m. Financial Instruments

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

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

1) Financial assets

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

Measurement categories

Financial assets are classified into the following categories: Financial assets at amortized cost

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

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

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

Subsequent to initial recognition, financial assets at amortized cost are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

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

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

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivable). The Group always recognizes lifetime Expected Credit Loss (ECL) on accounts receivable. On all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another entity. On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Financial liabilities

a) Subsequent measurement

Financial liabilities are classified as 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 is recognized in profit or loss.

n. Revenue recognition

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

Revenue from the sale of goods

Revenue from the sale of goods comes from the sale of automation equipment products. Since the customer has the right to set the price and use of the goods when the automation equipment products arrive at the customer's designated place and the customer accepts them, and bears the risk of loss on the goods, the Group recognizes the income and accounts receivable at that point in time.

2) Revenue from the rendering of services

Rendering of services income comes from providing project business services such as research, design and customization services for automation equipment.

The project business service relies on the input of technical personnel. The Group calculates the degree of completion of the performance obligation according to the input method and recognizes the relevant income. The customer pays at the time agreed in the contract, so the Group recognizes the contract assets when providing services, and transfers the amount agreed in the contract to accounts receivable at the agreed time.

o. Leases

For a contract that contains a lease component and non-lease component, the Company may elect to account for the lease and non-lease components as a single lease component.

The Company as lessee

Except for payments for low-value asset leases and short-term leases (leases of machinery and equipment and others) which are recognized as expenses on a straight-line basis, the Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of the lease.

Right-of-use assets are measured at cost. The cost of right-of-use assets comprises the initial measurement of lease liabilities adjusted for lease payments and initial direct costs made at or before the commencement date, plus an estimate of costs needed to restore the underlying assets. Subsequent measurement is calculated as cost less accumulated depreciation and accumulated impairment loss and adjusted for changes in lease liabilities as a result of lease term modifications or other related factors. Right-of-use assets are presented separately in the consolidated balance sheets.

p. Employee benefits

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 service rendered by employees.

Retirement benefits

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

q. Taxation

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

Current tax

Income tax on unappropriated earnings (excluding earnings from foreign consolidated subsidiaries) is expensed in the year the shareholders approved the appropriation of earnings which is the year subsequent to the year the earnings are generated.

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

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, net operating loss carryforwards and tax credits for research and development expenses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. The deferred tax assets which originally not recognized is also reviewed at the end of each reporting period and recognized to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

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

Current and deferred taxes for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

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

The Group considers the recent development of the COVID-19 in Taiwan and its economic environment implications when making its critical accounting estimates in cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2021	**2020**
Cash on hand	$ 180	$ 545
Checking accounts and demand deposits	847,062	588,781
	$ 847,242	$ 589,326

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2021	2020
Financial assets at FVTPL - current		
Non-derivative financial assets		
Financial assets mandatorily classified as at FVTPL		
Non-principal investment products	$ 44,483	$ -

Non-principal investment products mainly refer to the investment products purchased from banks in mainland China. The total subscription amount was RMB10,000 thousand as of December 31, 2021.

8. TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2021	2020
Trade receivables		
At amortized cost		
Gross carrying amount	$ 524,395	$ 5,702
Less: Allowance for impairment loss	(35,564)	-
	$ 488,831	$ 5,702
Other receivables		
Interest receivables	$ -	$ 29
Others	2,762	2
Less: Allowance for loss	-	-
	$ 2,762	$ 31

a. Trade receivables

The Group's average credit period of sales of goods is 30 to 90 days. No interest is charged on trade receivables. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

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

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

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

December 31, 2021

	Not Past Due	Less than 60 Days	61 to 180 Days	181 to 360 Days	Over 361 Days	Total
Gross carrying amount	$ 223,267	$ 77,032	$ 167,636	$ 52,689	$ 3,771	$ 524,395
Loss allowance (Lifetime ECL)	(1,778)	(2,290)	(11,703)	(16,022)	(3,771)	(35,564)
Amortized cost	$ 221,489	$ 74,742	$ 155,933	$ 36,667	$ -	$ 488,831

December 31, 2020

	Not Past Due	Less than 60 Days	61 to 180 Days	181 to 360 Days	Over 361 Days	Total
Gross carrying amount	$ 5,702	$ -	$ -	$ -	$ -	$ 5,702
Loss allowance (Lifetime ECL)	-	-	-	-	-	-
Amortized cost	$ 5,702	$ -	$ -	$ -	$ -	$ 5,702

The expected credit loss rate of the Group is less than 4% for non-due and less than 60 days overdue; less than 10% for 61 to 180 days overdue; 25% to 100% for more than 181 days overdue.

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

	For the Year Ended December 31	
	2021	2020
Beginning of the year	$ -	$ 24,482
Add: Acquisitions through business combinations	12,298	-
Add: Net remeasurement of loss allowance	23,902	8,960
Less: Amounts written off	(439)	-
Less: Disposal of subsidiaries	-	(33,442)
Foreign exchange gains and losses	(197)	-
End of the year	$ 35,564	$ -

b. Other receivables

The Group has adopted a policy to conduct transactions with counterparties of good credits. Credit rating information of counterparties is based on historical transaction records. The Group continuously monitors the credit risk and the credit rating of the counterparties.

The Group considers the current financial situation of the debtor to assess whether the credit risk of other receivables has increased significantly since the initial recognition and to measure expected credit losses.

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

	For the Year Ended December 31, 2020
Beginning of the year	$ 8,735
Add: Net remeasurement of loss allowance	1,392
Less: Disposal of subsidiaries	(10,127)
End of the year	$ -

For the year ended December 31, 2021, no impairment loss was recognized on the other receivables.

9. INVENTORIES

	December 31	
	2021	2020
Raw materials	$ 176,901	$ -
Semi-finished products	28,973	-
Work in progress	45,584	-
Finished goods	36,608	-
	$ 288,066	$ -

The nature of the cost of goods sold is as follows:

	For the Year Ended December 31	
	2021	2020
The cost of goods sold	$ 876,078	$ -
Write-downs of inventories	31,497	-
	$ 907,575	$ -

10. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

			Proportion of Ownership (%) December 31		
Investor	Investee	Nature of Activities	2021	2020	Remark
Aethertek Technology Co., Ltd.	Trantest Enterprise Ltd.	Sales of precision testing equipment	100	-	(1)
Aethertek Technology Co., Ltd.	Trantest Enterprise Ltd.	Sales of precision testing equipment	100	-	(2)
Trantest Enterprise Ltd.	Trantest Precision (China) Ltd.	Manufacture and sales of precision testing equipment	51	-	(3)

Note 1: The Company established Aethertek Holding Ltd. in Hong Kong with a registered capital of US$8,035 thousand. The registration was completed on March 15, 2021 and was renamed Trantest Enterprise Ltd. on August 4, 2021. The Company injected US$10,000 thousand on December 31, 2021.

Note 2: The Company's board of directors resolved in January 2021 to acquire and had acquired 100% of the shares of Trantest Enterprise Ltd. on April 9, 2021. The transaction amount was NT$388,050 thousand.

Note 3: The Company's board of directors resolved in January 2021, to acquire and had acquired 51% ownership of Trantest Precision Ltd. through its subsidiary Trantest Enterprise Ltd. on April 9, 2021. The transaction amount was NT$228,419 thousand.

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interest December 31 2021	2020
Trantest Precision (China) Ltd.	Shenzhen, China	49%	-

See Tables 7 and 8 for the information on the place of incorporation and principal place of business.

Summarized financial information in respect of each of the Group's subsidiary that have material non-controlling interest is set out below. The summarized financial information below represents amounts before intragroup eliminations.

Trantest Precision (China) Ltd.

	December 31, 2021
Current assets	$ 657,559
Non-current assets	244,361
Current liabilities	(515,958)
Non-current liabilities	(186)
Equity	$ 385,776
Equity attributable to:	
Owners of the Company	$ 196,746
Non-controlling interests	189,030
	$ 385,776

	For the Year Ended December 31, 2021
Revenue	$ 1,315,597
Loss for the period	$ (52,275)
Other comprehensive loss for the period	12,039
Total comprehensive loss for the period	$ (40,236)

(Continued)

	For the Year Ended December 31, 2021
Net loss attributable to:	
Owners of the Company	$ (26,660)
Non-controlling interests	(25,615)
	$ (52,275)
Total comprehensive loss attributable to:	
Owners of the Company	$ (20,520)
Non-controlling interests	(19,716)
	$ (40,236)

(Concluded)

11. DISCONTINUED OPERATIONS

As mentioned in Note 25, the Group disposed of Service & Quality Technology (Hong Kong) Co., Ltd. on March 31, 2020. As the subsidiary meets the definition of a discontinued operation, it is expressed as a discontinued operations.

The details of profit (loss) from discontinued operations and the related cash flows information were as follows:

	January 1, 2020 to Disposal Date
Operating revenue	$ 6,477
Operating costs	(6,646)
Gross profit	(169)
Expected credit loss	(10,352)
Operating expenses	(14,622)
Loss from operations	(25,143)
Non-operating income and expenses	2,282
Loss before tax	(22,861)
Income tax expense	-
Loss from discontinued operations	$ (22,861)
Loss from discontinued operations attributed to:	
Owners of the Company	$ (22,033)
Non-controlling interest	(828)
	$ (22,861)
Cash flows:	
Operating activities	$ 3,823
Investing activities	(17,430)
Financing activities	(8,311)
Net cash and cash equivalents outflows	$ (21,918)

The carrying amounts of the assets and liabilities of Service & Quality Technology (Hong Kong) Co., Ltd. at the date of disposal are disclosed in Note 25.

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Equipment	Leasehold Improvements	Office Equipment	Transportation Equipment	Total
Cost						
Balance at January 1, 2021	$ -	$ -	$ 620	$ 852	$ -	$ 1,472
Acquisitions through business combinations (Note 27)	35,720	319,173	-	32,156	6,700	393,749
Additions	-	4,445	2,448	5,584	-	12,477
Disposals	-	(154)	(620)	(775)	-	(1,549)
Effects of foreign currency exchange differences	37	342	-	35	7	421
Balance at December 31, 2021	$ 35,757	$ 323,806	$ 2,448	$ 37,852	$ 6,707	$ 406,570
Accumulated depreciation						
Balance at January 1, 2021	$ -	$ -	$ 254	$ 356	$ -	$ 610
Acquisitions through business combinations (Note 27)	6,097	157,376	-	18,804	2,689	184,966
Depreciation expense	1,385	55,720	166	5,632	1,664	64,567
Disposals	-	(136)	(355)	(724)	-	(1,215)
Effects of foreign currency exchange differences	11	360	-	36	9	416
Balance at December 31, 2021	$ 7,493	$ 213,320	$ 65	$ 24,104	$ 4,362	$ 249,344
Carrying amount at December 31, 2021	$ 28,264	$ 110,486	$ 2,383	$ 13,748	$ 2,345	$ 157,226
Cost						
Balance at January 1, 2020	$ -	$ -	$ 1,043	$ 6,877	$ 6,020	$ 13,940
Additions	-	-	-	390	-	390
Disposals	-	-	(424)	(104)	-	(528)
Disposal of subsidiaries	-	-	-	(6,240)	(5,951)	(12,191)
Effects of foreign currency exchange differences	-	-	1	(71)	(69)	(139)
Balance at December 31, 2020	$ -	$ -	$ 620	$ 852	$ -	$ 1,472
Accumulated depreciation						
Balance at January 1, 2020	$ -	$ -	$ 326	$ 4,523	$ 5,733	$ 10,582
Depreciation expense	-	-	103	691	-	794
Disposals	-	-	(176)	(66)	-	(242)
Disposal of subsidiaries	-	-	-	(4,737)	(5,667)	(10,404)
Effects of foreign currency exchange differences	-	-	1	(55)	(66)	(120)
Balance at December 31, 2020	$ -	$ -	$ 254	$ 356	$ -	$ 610
Carrying amount at December 31, 2020	$ -	$ -	$ 366	$ 496	$ -	$ 862

The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	20 years
Equipment	2.5 to 10 years
Leasehold improvements	3 to 5 years
Office equipment	3 to 5 years
Transportation equipment	3 to 5 years

As of December 31, 2021 and 2020, the property, plant and equipment were not pledged as collateral.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	2020
Carrying amount		
Buildings	$ 17,698	$ 2,555
Lands	2,437	-
	$ 20,135	$ 2,555

The changes of right-of-use assets are as follows:

	For the Year Ended December 31	
	2021	2020
Beginning of the year	$ 2,555	$ 9,298
Acquisitions through business combinations (Note 27)	20,489	-
Additions to right-of-use assets	10,370	2,787
Depreciation charge for right-of-use assets	(12,112)	(3,137)
Lease moderation	(1,161)	-
Disposal of subsidiaries	-	(6,321)
Effects of foreign currency exchange differences	(6)	(72)
End of the year	$ 20,135	$ 2,555

b. Lease liabilities

	December 31	
	2021	2020
Carrying amount		
Current	$ 20,336	$ 1,262
Non-current	$ 186	$ 1,179

Range of discount rate for lease liabilities was as follows:

	December 31	
	2021	2020
Buildings	2.60%-3.85%	2.60%

c. Material lease-in activities and terms

The Group leases certain land and building for the use of office, plant and dormitories with lease terms of 2 to 50 year. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease term.

d. Other lease information

	For the Year Ended December 31	
	2021	2020
Expenses relating to short-term leases	$ 23,671	$ 439
Expenses relating to low-value asset leases	$ 26	$ 19
Total cash outflow for leases	$ (32,744)	$ (9,681)

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

14. INVESTMENT PROPERTIES

	For the Year Ended December 31, 2021
Cost	
Beginning of the year	$ -
Acquisitions through business combinations (Note 27)	80,052
Effects of foreign currency exchange differences	84
End of the year	$ 80,136
Accumulated depreciation	
Beginning of the year	$ -
Acquisitions through business combinations (Note 27)	13,525
Depreciation expense	3,111
Effects of foreign currency exchange differences	27
End of the year	$ 16,663
Carrying amount, net, December 31, 2021	$ 63,473

The investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Right-of-use assets and building	20 to 50 years

The determination of fair value was performed by independent qualified professional valuers, and the fair value was measured using Level 3 inputs. The valuation was arrived at by reference to market evidence of transaction prices for similar properties and a discounted cash flow analysis. The fair value obtained from the evaluation is as follows:

	December 31, 2021
Fair value	$ 66,361

The above fair value measurement has taken into consideration the uncertainty on the volatility in the markets due to the evolution of the COVID-19 pandemic.

15. GOODWILL

	For the Year Ended December 31	
	2021	2020
Cost		
Beginning of the year	$ -	$ -
Acquisitions through business combinations (Note 27)	106,141	-
Effects of foreign currency exchange differences	(142)	-
End of the year	$ 105,999	$ -

The Group acquired valuation report for the year ended December 31, 2021, and according to the report, intangible assets - customer relationship of Trantest Enterprise Ltd. and Trantest Precision (China) Ltd. were adjusted to $232,502 thousand and $0, respectively (originally amounted to $144,460 thousand and $16,500 thousand, respectively). Property, plant and equipment, investment property, and right-of-use assets of Trantest Precision (China) Ltd. were adjusted to $295,799 thousand in total (originally amounted to $297,503 thousand).

16. OTHER INTANGIBLE ASSETS

	Customer Relationships	Computer Software	Amount
Cost			
Balance, January 1, 2021	$ -	$ 3,942	$ 3,942
Acquisitions through business combinations (Note 27)	232,502	28,272	260,774
Additions	-	3,579	3,579
Disposals	-	(3,727)	(3,727)
Effects of foreign currency exchange differences	(6,411)	21	(6,390)
Balance, December 31, 2021	$ 226,091	$ 32,087	$ 258,178
Accumulated amortization			
Balance, January 1, 2021	$ -	$ 223	$ 223
Acquisitions through business combinations (Note 27)	-	13,952	13,952
Amortization expenses	17,569	15,416	32,985
Disposals	-	(3,727)	(3,727)
Effects of foreign currency exchange differences	(132)	63	(69)
Balance, December 31, 2021	$ 17,437	$ 25,927	$ 43,364
Carrying amount at December 31, 2021	$ 208,653	$ 6,160	$ 214,814

(Continued)

	Customer Relationships	Computer Software	Amount
Cost			
Balance, January 1, 2020	$ -	$ 8,683	$ 8,683
Additions	-	18,396	18,396
Disposals	-	(108)	(108)
Disposal of subsidiaries (Note 25)	-	(22,754)	(22,754)
Effects of foreign currency exchange differences	-	(275)	(275)
Balance, December 31, 2020	$ -	$ 3,942	$ 3,942
Accumulated amortization			
Balance, January 1, 2020	$ -	$ 4,643	$ 4,643
Amortization expenses	-	2,235	2,235
Disposals	-	(108)	(108)
Disposal of subsidiaries (Note 25)	-	(6,471)	(6,471)
Effects of foreign currency exchange differences	-	(76)	(76)
Balance, December 31, 2020	$ -	$ 223	$ 223
Carrying amount at December 31, 2020	$ -	$ 3,719	$ 3,719

(Concluded)

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

Customer relationships	2 to 10 years
Computer software	1 to 5 years

17. OTHER FINANCIAL ASSETS

	December 31	
	2021	2020
Time deposits with original maturities of more than 3 months (Notes 1 and 2)	$ -	$ 267,852

Note 1: The Group only invests in debt instruments that have low credit risk. The Group reviews other public information and makes an assessment whether there has been a significant increase in credit risk since initial recognition.

In order to minimize credit risk, the management of the Group has collected relevant information and makes an assessment for risk of default. The Group uses other publicly available financial information to rate the debtors

The Group considers the historical default experience, the current financial condition of debtors, and industry forecast to estimate 12-month or lifetime expected credit losses. As of December 31, 2021 and 2020 the ratio of allowance for impairment loss of other financial assets was 0%

Note 2: The interest rate for time deposits with original maturities of more than 3 months was approximately 0.18% as of December 31, 2020.

18. OTHER PAYABLES

	December 31 2021	December 31 2020
Payables for salaries or bonuses	$ 130,302	$ 4,754
Payables for compensation of employees	5,012	-
Payables for dividends (Note)	517,693	-
Payable for professional fees	1,372	2,519
Payable for purchases of equipment	1,425	-
Others	16,016	758
	$ 671,820	$ 8,031

Note: Payables for dividends were the appropriation of earnings from Trantest Enterprise Ltd. and Trantest Precision (China) Ltd. resolved in the shareholders' meeting before the acquisition date by the original shareholders.

19. RETIREMENT BENEFIT PLANS

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

The subsidiary of the Group in China is a member of state-managed retirement benefit plans operated by the government of the People's Republic of China. Based on a certain percentage of the total salary of all local employees, the subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group is to make the specified contributions.

20. EQUITY

a. Ordinary shares

	December 31 2021	December 31 2020
Shares authorized (in thousands of shares)	80,000	80,000
Shares authorized	$ 800,000	$ 800,000
Shares issued and fully paid (in thousands of shares)	70,284	70,284
Shares issued and fully paid	$ 702,840	$ 702,840

The issued ordinary shares have a par value of NT$10 per share, and each share has one voting right and the right to receive dividends.

The Company held interim shareholders' meeting on March 20, 2020 in which the shareholders, in accordance with Article 43-6 of the Securities and Exchange Act, authorized the board of directors to issue new shares through private placements with the shares limited to no more than 55,500 thousand shares and a par value of NT$10. On March 30, 2020, the board of directors resolved to execute a cash capital increase of 20,200 thousand shares by way of private placement. The capital increase base date is March 31, 2020, and the issue price per share is NT$13.26. This capital increase project has raised NT$267,852 thousand, and the registration of the change has been completed; and on August 10, 2020, the board of directors resolved to execute the second cash capital increase of 35,300 thousand shares by way of private placement. The base date for the capital increase was December 1, 2020. The issue price per share is NT$13.26, this capital increase case has raised NT$468,078 thousand, and the change registration was completed on January 12, 2021; the rights and obligations of the second private placement of ordinary shares are subject to circulation and transfer restrictions under the Securities and Exchange Law; thus, it must be 3 years after the delivery date that the shares can apply for public listing; the other shares are treated the same as other issued ordinary shares. As of December 31, 2021, the Group's paid-in capital was NT$702,840 thousand, and the number of paid-in shares was 70,284 thousand shares (10,723 thousand ordinary shares and 59,561 thousand privately placed ordinary shares).

b. Capital surplus

	December 31	
	2021	**2020**
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*		
Issuance of ordinary shares	$ 157,852	$ 180,930
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal	-	30,914
	$ 157,852	$ 211,844

* 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's capital surplus and to once a year).

c. Retained earnings and dividend policy

The content of the earnings distribution policy in accordance with the articles of incorporation of the Company is as follows:

1) The Company's profit in a fiscal year shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit (appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital), setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors after the amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 22-g.

2) The Company's dividend policy shall be determined pursuant to the factors, such as the investment environment, capital requirement, domestic and overseas competition environment, current and future business development plan, as well as shareholders' interests. The distribution of shareholder dividends shall not be lower than 20% of the unappropriated earnings of the current year. However, the shareholders may resolve not to distribute dividends if the accumulated earnings were lower than 20% of the paid-in capital. Dividends can be distributed in the form of cash or stock or a combination of both cash and stock, out of which at least 20% of the total dividends distributed shall be in cash.

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

In addition, the shareholders' meeting of the Company resolved on March 30, 2021 to offset losses with a capital surplus of $53,992 thousand.

The appropriations of earnings for 2021, which were proposed by the Company's board of directors on March 29, 2022, were as follows:

	Appropriation of Earnings	**Dividends Per Share (NT$)**
Cash dividends	$ 175,710	$ 2.5
Legal reserve	44,490	-
Special reserve	7,875	-

The above appropriation for cash dividends was resolved in the shareholders' regular meeting on June 22, 2022.

d. Other equity items

Exchange differences on the translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2021	**2020**
Beginning of the year	$ -	$ (1,952)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(9,844)	140
Income tax that may be reclassified subsequently to profit or loss	1,969	(488)
Disposal of subsidiaries (Note 25)	-	2,300
End of the year	$ (7,875)	$ -

e. Non-controlling interests

	For the Year Ended December 31	
	2021	2020
Balance at January 1	$ -	$ (3,263)
Share in loss for the year	(29,986)	(828)
Other comprehensive income (loss) during the year		
Exchange differences on the translation of the financial statements of foreign entities	134	48
Acquisition of non-controlling interests in subsidiaries (Note 27)	214,510	-
Disposal of subsidiaries (Note 25)	-	4,043
Balance at December 31	$ 184,658	$ -

21. REVENUE

	For the Year Ended December 31	
	2021	2020
Revenue from the rendering of services	$ 13,563	$ 96,384
Revenue from the sale of goods	2,038,065	22
Less: Discontinued operations (Note 11)	-	(6,477)
	$ 2,051,628	$ 89,929

	December 31, 2021	December 31, 2020	January 1, 2020
Contract balances			
Trade receivables (Note 8)	$ 488,831	$ 5,702	$ 25,194
Contract liabilities			
Sale of goods	$ 2,287	$ -	$ 15

22. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2021	2020
Interest income		
Bank deposits	$ 635	$ 376
Net investments in leases	-	191
Others	7	-
	642	567
Less: Discontinued operations (Note 11)	-	(195)
	$ 642	$ 372

b. Other income

	For the Year Ended December 31	
	2021	2020
Government grants	$ 34,663	$ -
Others	4,953	1,551
Less: Discontinued operations (Note 11)	-	(1,529)
	$ 39,616	$ 22

c. Other gains and losses

	For the Year Ended December 31	
	2021	2020
Net foreign exchange losses	$ (8,580)	$ (3,114)
Loss on disposal of investment	(7,305)	-
Net gain on financial instruments at fair value through profit or loss	1,025	-
Loss on disposal of property, plant and equipment	(334)	(286)
Gain from lease modifications	18	-
Others	(329)	2,274
Less: Discontinued operations (Note 11)	-	(876)
	$ (15,505)	$ (2,002)

d. Finance costs

	For the Year Ended December 31	
	2021	2020
Interest on lease liabilities	$ 526	$ 270
Interest on bank loans	-	73
Less: Discontinued operations (Note 11)	-	(318)
	$ 526	$ 25

e. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
Property, plant and equipment	$ 64,567	$ 794
Investment properties	3,111	-
Right-of-use assets	12,112	3,137
Intangible assets	32,985	2,235
	$ 112,775	$ 6,166

(Continued)

	For the Year Ended December 31	
	2021	2020
An analysis of depreciation by function		
Operating cost	$ 57,995	$ 520
Operating expenses	21,795	1,149
Discontinued operations	-	2,262
	$ 79,790	$ 3,931
An analysis of amortization by function		
Operating cost	$ 550	$ 106
Operating expenses	32,435	27
Discontinued operations	-	2,102
	$ 32,985	$ 2,235

(Concluded)

f. Employee benefits expense

	For the Year Ended December 31	
	2021	2020
Short-term benefits		
Salary	$ 439,038	$ 37,590
Labor and health insurance	22,195	1,260
Post-employment benefits		
Defined contribution plans	3,589	1,415
Other employee benefits	15,446	1,818
Total employee benefits expense	$ 480,268	$ 42,083
An analysis of employee benefits expense by function		
Operating costs	$ 113,012	$ 14,029
Operating expenses	367,256	14,523
Discontinued operations	-	13,531
	$ 480,268	$ 42,083

g. Compensation of employees and remuneration of directors and supervisors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of no less than 1% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. Since there was accumulated deficit as of December 31, 2020, the Company did not estimate compensation of employees and the remuneration of directors. The estimated compensation of employees and the remuneration of directors for the year ended December 31, 2021 is as follows:

Accrual rate

	For the Year Ended December 31, 2021
Compensation of employees	1%
Remuneration of directors	0%

Amount

	For the Year Ended December 31, 2021
Compensation of employees	$ 5,012
Remuneration of directors	-

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 accounting estimate.

Since there was accumulated deficit as of December 31, 2020 and 2019, the Company did not estimate compensation of employees and the remuneration of directors.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

23. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2021	2020
Current tax		
In respect of the current year	$ 51,774	$ -
Adjustments for prior year	961	-
	52,735	-
Deferred tax		
In respect of the current year	(4,420)	-
Income tax expense recognized in profit or loss	$ 48,315	$ -

A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

	For the Year Ended December 31	
	2021	2020
Profit before tax from continuing operations	$ 463,224	$ 47,181
Income tax expense calculated at the statutory rate (20%)	$ 95,817	$ 9,436
Nondeductible expenses in determining taxable income	5,236	3,960
Unrecognized deductible temporary differences	(597)	-
Use of loss carryforwards	(52,209)	(13,396)
Research and development credit	(893)	-
Adjustments for prior years' tax	961	-
Income tax expense recognized in profit or loss	$ 48,315	$ -

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2021	2020
Deferred tax		
In respect of the current year		
Exchange differences on the translation of foreign operations	$ (1,969)	$ 488
Income tax recognized in other comprehensive income (loss)	$ (1,969)	$ 488

c. Current tax assets and liabilities

	December 31	
	2021	2020
Current tax assets		
Tax refund receivable	$ 3,412	$ 32

d. Deferred tax balances

The movement of deferred tax assets were as follows:

For the year ended December 31, 2021

Deferred Tax Assets	Opening Balance	Acquisitions Through Business Combinations	Recognized in Profit or Loss	Recognized in Other Compre-hensive Profit or Loss	Exchange Differences	Closing Balance
Temporary differences						
Exchange gain or loss	$ -	$ -	$ 692	$ -	$ -	$ 692
Other payables	-	-	301	-	1	302
Allowance for expected credit loss	-	5,142	(1,471)	-	-	3,671
Allowance for inventory valuation and obsolescence loss	-	649	5,133	-	17	5,799
Others	-	235	(235)	-	-	-
Exchange differences on translation of the financial statements of foreign operations	-	-	-	1,969	-	1,969
	$ -	$ 6,026	$ 4,420	$ 1,969	$ 18	$ 12,433

For the year ended December 31, 2020

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Profit or Loss	Closing Balance
Temporary differences				
Exchange differences on translation of the financial statements of foreign operations	$ 488	$ -	$ (488)	$ -

e. Unused loss carryforwards and for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2021	2020
Loss carryforwards		
Expiry in 2021	$ -	$ 71,380
Expiry in 2022	-	21,857
Expiry in 2025	-	4,790
Expiry in 2026	-	89,150
Expiry in 2027	-	30,029
Expiry in 2028	-	26,012
Expiry in 2029	-	17,828
	$ -	$ 261,046

f. Income tax assessment

The income tax returns through 2019 have been assessed by the tax authorities. There is no significant difference between the assessed and the declared taxes. The companies in other jurisdictions have been examined according to their local laws.

24. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2021	**2020**
Basic earnings per share		
From continuing operations	$ 6.33	$ 1.43
From discontinued operations	-	(0.67)
Total basic earnings per share	$ 6.33	$ 0.76
Diluted earnings per share		
From continuing operations	$ 6.33	$ 1.43
From discontinued operations	-	(0.67)
Total diluted earnings per share	$ 6.33	$ 0.76

The weighted average number of shares outstanding used for the earnings per share computation was as follows:

Net Profit for the Period

	For the Year Ended December 31	
	2021	**2020**
Profit for the year attributable to owners of the Company	$ 444,895	$ 25,148
Less: Profit for the year from discontinued operations used in the computation of basic earnings per share from discontinued operations	-	22,033
Earnings used in the computation of basic and diluted earnings per share	$ 444,895	$ 47,181

Ordinary Shares

	For the Year Ended December 31	
	2021	**2020**
Weighted-average number of ordinary shares used in computation of basic earnings per share	70,284	33,007
Effect of potential dilutive common stock:		
Compensation of employees	54	-
Weighted average number of ordinary shares used in the computation of diluted earnings per share	70,338	33,007

The Group may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are 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.

25. DISPOSAL OF SUBSIDIARIES

On March 31, 2020, the Group entered into an agreement for the sale of shares to its related party, Columbus Investment Limited, on which date control of Service & Quality Technology (Hong Kong) Co., Ltd. (including all its subsidiaries) passed to the acquirer.

a. Consideration received from disposals

	Service & Quality Technology (Hong Kong) Co., Ltd.
Total consideration received	$ 70,000

b. Analysis of assets and liabilities on the date control was lost

	Service & Quality Technology (Hong Kong) Co., Ltd.
Current assets	
Cash and cash equivalents	$ 2,112
Trade receivables	16,193
Lease receivables	23,202
Other receivables	1,014
Other receivables - related party	16,523
Current tax assets	66
Prepayments	722
Other current assets	4
Non-current assets	
Property, plant and equipment	1,787
Right-of-use assets	6,321
Intangible assets	16,283
Other non-current assets	9,114
Current liabilities	
Short-term loan	(4,420)
Contract liabilities	(15)
Trade payables	(17)
Trade payables - related party	(1,390)
Other payables	(10,906)
Other payables - related party	(12,147)
Lease liabilities	(26,983)
Non-current liabilities	
Deposits received	(4,720)
Disposal of net assets	$ 32,743

c. Gain on disposal of subsidiaries

	Service & Quality Technology (Hong Kong) Co., Ltd.
Consideration received	$ 70,000
Net assets disposal of	(32,743)
Exchange differences on translation of foreign operations (Note 20)	(2,300)
Non-controlling interests	(4,043)
Gain on disposal (booked as capital surplus)	$ 30,914

The ultimate beneficiary of Columbus Investment Limited is also the ultimate beneficiary of the Company's corporate director and corporate shareholder. The share sale is considered equity transaction of entities under common control. The disposal benefits have been adjusted to the capital surplus. Please refer to Note 20.

d. Net cash inflow from the disposal of subsidiaries

	Service & Quality Technology (Hong Kong) Co., Ltd.
Cash consideration	$ 70,000
Disposal of balance of cash and cash equivalents	(2,112)
	$ 67,888

26. CASH FLOW INFORMATION

a. Non-cash transactions

The Group acquired property, plant and equipment in 2021; the amount was $1,425 thousand (Note 18). Payments for the acquisition of property, plant and equipment amounted to $11,052 thousand in total.

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2020

		Cash Flows		Non-cash Changes				
	Opening Balance	Financing Activities	Operating Activities	New Leases	Disposal of Subsidiaries	Interest Expense Amortization	Effect of Exchange Rate Changes	Closing Balance
Short-term loans	$ 4,674	$ (254)	$ -	$ -	$ (4,420)	$ -	$ -	$ -
Deposits received	18,007	(13,287)	-	-	(4,720)	-	-	-
Lease liabilities	35,822	(8,953)	(270)	2,787	(26,983)	270	(232)	2,441
	$ 58,503	$(22,494)	$ (270)	$ 2,787	$(36,123)	$ 270	$ (232)	$ 2,441

27. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Trantest Enterprise Ltd.	Sales of precision testing equipment	April 9, 2021	100	$ 388,050
Trantest Precision (China) Ltd.	Manufacture and sales of precision testing equipment	April 9, 2021	51	$ 228,419

Trantest Enterprise Ltd. and Trantest Precision (China) Ltd. were acquired in order to continue the expansion of the operation of the automation equipment department of the Group.

b. Consideration transferred

	Trantest Enterprise Ltd.	Trantest Precision (China) Ltd.
Cash	$ 388,050	$ 228,419

c. Assets acquired and liabilities assumed on the date of acquisition

	Trantest Enterprise Ltd.	Trantest Precision (China) Ltd.
Current assets		
Cash and cash equivalents	$ 435,232	$ 177,615
Financial assets at fair value through profit or loss	-	43,099
Trade receivables and other receivables	219,317	289,109
Inventories	8,841	299,042
Other current assets	-	14,918
Non-current assets		
Property, plant and equipment and investment properties	-	275,310
Right-of-use assets	-	20,489
Other intangible assets	232,502	14,320
Other non-current assets	-	47,264
Current liabilities		
Trade payables and other payables	(607,096)	(724,962)
Lease liabilities	-	(17,937)
Other current liabilities	(1,740)	(485)
	$ 287,056	$ 437,782

d. Non-controlling interest

The non-controlling interests of Trantest Precision (China) Ltd. (49% ownership interest) recognized at the acquisition date were measured by reference to the fair value of the identifiable net assets attributable to non-controlling interests.

e. Goodwill recognized on acquisitions

	Trantest Enterprise Ltd.	Trantest Precision (China) Ltd.
Consideration transferred	$ 388,050	$ 228,419
Plus: Non-controlling interests from the acquisition of subsidiaries (Trantest Precision (China) Ltd. 49% ownership interest)	-	214,510
Less: Fair value of identifiable net assets acquired	(287,056)	(437,782)
Goodwill recognized on acquisitions	$ 100,994	$ 5,147

The goodwill recognized in the acquisition of Trantest Enterprise Ltd. mainly represents the control premium included in the cost of the acquisition. In addition, the consideration paid for the business combination effectively included amounts attributed to the benefits of expected synergies, revenue growth, future market development and the assembled workforce of Trantest Enterprise Ltd. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

f. Net cash outflow on the acquisition of subsidiaries

	Trantest Enterprise Ltd.	Trantest Precision (China) Ltd.
Consideration paid in cash	$ 388,050	$ 228,419
Less: Cash and cash equivalent balances acquired	(435,232)	(177,615)
	$ (47,182)	$ 50,804

g. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition dates were as follows:

	Trantest Enterprise Ltd.	Trantest Precision (China) Ltd.
Revenue	$ 1,664,664	$ 364,146
Profit	$ 690,457	$ (9,245)

Had Trantest Enterprise Ltd. and Trantest Precision (China) Ltd. been acquired at the beginning of 2021, the Group's revenue would have been $2,180,287 thousand and $2,530,108 thousand, and the profit would have been $453,327 thousand and $457,075 thousand for the nine months from April 1 to December 31, 2021 and year ended December 31, 2021, respectively. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the acquisition year, 2021, nor is it intended to be a projection of future results.

In determining the pro-forma revenue and profit of the Group assuming Trantest Enterprise Ltd. and Trantest Precision (China) Ltd. had been acquired at the beginning of the financial year, the management considered the fair values of property, plant and equipment as the basis for depreciation rather than their carrying amounts recognized in the respective pre-acquisition financial statements at the initial accounting for the business combination.

28. CAPITAL MANAGEMENT

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

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

29. FINANCIAL INSTRUMENTS

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

The management of the Group believes the carrying amount of the Group's financial instruments not measured at fair value are close to the fair value.

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

Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets				
Non-principal investment products	$ 44,483	$ -	$ -	$ 44,483

c. Categories of financial instruments

	December 31	
	2021	2020
Financial assets		
Fair value through profit or loss (FVTPL)		
Mandatorily at FVTPL	$ 44,483	$ -
Financial assets at amortized cost (Note 1)	1,349,308	863,217
Financial liabilities		
Financial liabilities at amortized cost (Note 2)	606,299	3,277

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

Note 2: The balances included financial liabilities at amortized cost, which comprise trade payables and part of other payables (excluding salary, bonus and business tax payable).

d. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, equity and debt investments, trade receivables, other receivables, trade payables, other payables, borrowings and lease liabilities. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

a) Foreign currency risk

The Group is a multinational operation, so it is subject to foreign currency risks arising from a variety of different currencies. Foreign currency risks arise from future commercial transactions and recognized assets and liabilities.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the period are set out in Note 35.

Sensitivity analysis

The Group is mainly exposed to the RMB and USD.

The following table details the Group's sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit associated with the functional currency strengthened by 1% against the relevant currency. For a 1% weakening of the functional currency against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	U.S. Dollar	
	For the Year Ended December 31	
	2021	2020
Pre-tax profit	$ 5,000	$ 855

The result was mainly attributable to the exposure on the foreign currency bank deposits, outstanding other receivables and payables that were not hedged at the end of the period.

b) Interest rate risk

The Group's exposure to fair value interest rate risk is on the Group's borrowings at fixed interest rates.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to cash flow interest rate at the end of the reporting period were as follows:

	December 31	
	2021	**2020**
Financial value interest rate risk		
Financial liabilities	$ 20,522	$ 2,441
Cash flows interest rate risk		
Financial assets	847,062	856,633

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2021 and 2020 would have decreased/increased by $2,118 thousand and $2,142 thousand, respectively, which was mainly a result of variable-interest-rate bank deposits and other financial assets.

The Group's sensitivity to interest rates increased during the current year mainly due to the increase in variable rate other financial assets.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the balance sheets.

It is the Group's policy that transactions only be dealt with creditworthy counterparties. Credit information of transaction parties are gathered by independent rating agencies by conducting credit search and analysis. Credits are then given to parties, according to its nature of transaction, financial status and conditions of collateral, with terms to be renewed after careful reexamination to ensure credit risk of counterparties are within scope of the Group. The clients of the Group are widely spread and the Group analyzes its numerous clients' financial status continuously.

The Group's concentration of credit risk was related to the five largest customers within the Group. As of December 31, 2021 and 2020, the percentage of total trade receivables from the top five customers was 78% and 100%.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Liquidity and interest rate risk table of non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

December 31, 2021

	Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities			
Non-interest bearing	$ 604,286	$ -	$ -
Lease liabilities	20,767	187	-
	$ 625,053	$ 187	$ -

December 31, 2020

	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities			
Non-interest bearing	$ 3,277	$ -	$ -
Lease liabilities	1,428	1,190	-
	$ 4,705	$ 1,190	$ -

30. TRANSACTIONS WITH RELATED PARTIES

The Company's parent is Ericson Capital Co., Ltd., which held 53% of the ordinary shares of the Company at December 31, 2021.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category

Related Party Name	Related Party Category
Columbus Investment Limited	Related parties (the ultimate beneficiary is the ultimate beneficiary of the Company's corporate director and corporate shareholder)
Service & Quality Technology (Hong Kong) Co., Ltd.	Related parties (subsidiaries before March 31, 2020; now as brother company)

(Continued)

Related Party Name	Related Party Category
Better Shares Limited	Related parties (investee of indirect subsidiary of the Company before March 31, 2020; now as brother company)
Service & Quality (Shenzhen) Commercial Co., Ltd.	Same as above
Shenzhen Zyeeda Information Technology Co., Ltd.	Same as above
Shanghai OhYeah Network Technology Co., Ltd.	Same as above
Shenzhen Palmview Interactive Entertainment Network Co., Ltd.	Related parties
Shenzhen World Inside Network Technology Co., Ltd.	Related parties
Liu Lu	Related parties
Zhang Caixia	Related parties (president of investee of indirect subsidiary of the Company before January 31, 2020)
Liu Fang Jung	Related parties

(Concluded)

b. Operating transactions

	Operating Expense - Other Expenses	
	For the Year Ended December 31	
Related Party Categories	**2021**	**2020**
Related parties	$ -	$ 132

Operating expenses - other expenses are mainly software maintenance expenses, contract content and payment terms are determined by mutual agreement.

c. Other gains and losses

Line Items	Related Party Category/ Name	For the Year Ended December 31 2021	2020
Other	Related parties	$ -	$ 2,296

The Company and its related parties - Service & Quality Technology (Hong Kong) Co., Ltd., Better Shares Limited, Service & Quality (Shenzhen) Commercial Co., Ltd., Shenzhen Zyeeda Information Technology Co., Ltd. and Shanghai OhYeah Network Technology Co., Ltd. signed an agreement on the elimination of credit and debts on May 11, 2020. The Company agreed that the creditor's rights of Service & Quality (Shenzhen) Commercial Co., Ltd., Shenzhen Zyeeda Information Technology Co., Ltd. and Shanghai OhYeah Network Technology Co., Ltd. of RMB2,246 thousand, RMB550 thousand and RMB385 thousand, respectively (trade receivables $1,413 thousand and other receivables $12,794 thousand on May 11, 2020) were completely eliminated, and the Company promised not to pursue claims from the debtors; in addition, Service & Quality Technology (Hong Kong) Co., Ltd. and Better Shares Limited agreed that the claim for US$340 thousand and HK$1,507 thousand against the Company (trade payables $3,094 thousand and other payables $12,794 thousand on May 11, 2020) were all eliminated, and the creditors promised not to pursue claims from the Company. According to the agreement, the Company offsets the above accounts and adjusts the difference of $2,296 thousand to other gains and losses.

d. Discontinued operations - other income

Line Items	Related Party Category/ Name	For the Year Ended December 31	
		2021	2020
Rental income	Shenzhen World Inside Network Technology Co., Ltd.	$ -	$ 308

The rent paid by the related parties for the rent of commercial space for operational purposes is paid on a monthly basis at the agreed price.

e. Lease arrangements

Line Items	Related Party Category/ Name	For the Year Ended December 31	
		2021	2020
Lease expense	Related parties	$ 162	$ 216

f. Refundable assets

Line Items	Related Party Category/ Name	For the Year Ended December 31	
		2021	2020
Refundable assets	Related parties	$ -	$ 54

g. Remuneration of key management personnel

Related Party Categories	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	$ 18,750	$ 14,155
Post-employment benefits	544	186
	$ 19,294	$ 14,341

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

h. Other

For the disposal of Service & Quality Technology (Hong Kong) Co., Ltd. between the Group and Columbus Investment Co., Ltd. on March 31, 2020, refer to Notes 11 and 25.

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY: NONE

32. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS: NONE

33. OTHER ITEMS

Due to the impact of COVID-19 pandemic, the Group assesses that its overall business and financial aspects have not been significantly affected and there are no doubts about going concern, asset impairment and financial risks.

34. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In response to the overall operational development requirements of the group, the Company's board of directors passed the group organizational structure adjustment on March 29, 2022, and it is proposed that Trantest Enterprise Limited purchase 100% of the equity held by Trantest Enterprise Limited, and after the completion of the equity conversion, the operation of Trantest Enterprise Limited will cease. Upon the extinction of the acquired company, the acquirer Trantest Enterprise Limited will assume all rights and obligations of the acquired company.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

(In Thousands of Foreign Currency and New Taiwan Dollars)

December 31, 2021

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 18,643	27.68 (USD:NTD)	$ 516,035
Financial liabilities			
Monetary items			
USD	581	27.68 (USD:NTD)	16,070

December 31, 2020

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 3,000	28.51 (USD:NTD)	$ 85,539

36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others: None

2) Endorsements/guarantees provided: Table 1

3) Marketable securities held (excluding investment in subsidiaries and associates): Table 2

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: Table 3

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 5

9) Trading in derivative instruments: None

10) Intercompany relationships and significant intercompany transactions: Table 6

b. Information on investees: Table 7

c. Information on investments in mainland China

1) The name of the mainland investee company, main business items, paid-in capital, investment methods, capital remittances and exits, shareholding ratio, investment gains and losses, investment book amount at the end of the period, repatriated investment gains and losses, and investment limits in mainland China: Table 8

2) The following significant transactions, prices, payment terms, and unrealized gains and losses occurred directly or indirectly with the investee company in mainland China via the third region: Table 9

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

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

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

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 receiving of services.

d. Information of major shareholders

List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 10.

37. SEGMENTS INFORMATION

For the purpose of resources allocation and performance assessment, the Group’s chief operating decision maker reviews operating results and financial information on a product-by-product basis with a focus on the operating results of each product. As the products share similar economic characteristics, and sell the same types of products in a uniform management approach, the Group’s products are aggregated into a single reportable segment. The Group’s chief operating decision maker reviews segment information measured on the same basis as the consolidated financial statements. Information about reportable segment sales and profit or loss is referenced from the consolidated statements of comprehensive income for the years ended December 31, 2021 and 2020 and information on assets is referenced from the consolidated balance sheets as of December 31, 2021 and 2020.

Information about major customers:

Single customer contributing 10% or more to the Group’s revenue is as follows:

	For the Year Ended December 31			
	2021		2020	
Customer Name	**2021**	**Percentage (%)**	**2020**	**Percentage (%)**
Customer 1	$ 1,609,932	78	$ -	-

TABLE 1

AETHERTEK TECHNOLOGY CO., LTD.
(Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES

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

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note)	Maximum Balance for the Period (Foreign Currencies in Thousands)	Ending Balance (Foreign Currencies in Thousands)	Amount Actually Drawn (US$ in Thousands)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Note)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship										
0	Aethertek Technology Co., Ltd.	Trantest Enterprise Limited	Subsidiary	$ 259,542	$ 222,400	$ 221,440	$ -	$ -	17%	$ 519,085	Y	N	N
		Trantest Enterprise Limited	Subsidiary	259,542	222,400	221,440	-	-	17%	519,085	Y	N	N

Note: The Company’s maximum total endorsement amount is 40% of the net equity in the financial statements. The Company’s maximum endorsement amount for each endorsed entity is 20% of the net equity in latest financial statements of the Company or the net value of the endorsee company, whichever is lower.

AETHERTEK TECHNOLOGY CO., LTD.
(Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Trantest Precision (China) Ltd.	Non-principal investment products: Qian Yuan - Si Xiang Jing Xin Jing Li product	-	Financial assets at fair value through profit or loss	-	$ 44,483	-	$ 44,483	

AETHERTEK TECHNOLOGY CO., LTD.
(Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				xxx	Ending Balance (Note 1)	
					Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)	Carrying Value (Foreign Currencies in Thousands)	Gain/Loss on Disposal (Foreign Currencies in Thousands)		Shares/Units (In Thousands)	Amount (Foreign Currencies in Thousands)
Aethertek Technology Co., Ltd.	Trantest Enterprise Limited	Investments accounted for using equity method	-	-	-	$ -	2,000	$ 388,050	-	$ -	$ -	$ -	$ (1,076)	2,000	$ 386,974
Trantest Enterprise Limited	Trantest Precision (China) Limited	Investments accounted for using equity method	-	-	-	-	-	228,419	-	-	-	-	(26,665)	-	201,754

TABLE 4

AETHERTEK TECHNOLOGY CO., LTD.
(Formerly Service & Quality Group Co., Ltd.)
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 ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Aethertek Technology Co., Ltd.	Trantest Enterprise Ltd.	Subsidiary	Service	$ 684,416	94	30 days from the end of the month	$ -	-	$ 230,275	98	-
Trantest Precision (China) Ltd.	Trantest Enterprise Ltd.	Brother company	Sale	944,423	72	Same as above	-	-	-	-	-

Note: The above transactions have been eliminated during the preparation of the consolidated financial statements.

AETHERTEK TECHNOLOGY CO., LTD.
(Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES

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

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Aethertek Technology Co., Ltd.	Trantest Enterprise Ltd.	Subsidiary	$ 230,275	3.96	$ -	-	$ 230,275	$ -

AETHERTEK TECHNOLOGY CO., LTD.
(Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Number (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	Aethertek Technology Co., Ltd.	Trantest Enterprise Ltd.	1	Service income	$ 684,416	Depends on contract	34
		Trantest Precision (China) Ltd.	1	Service income	17,498	Depends on contract	1
		Trantest Enterprise Ltd.	1	Trade receivables	230,275	Depends on contract	10
1	Trantest Precision (China) Ltd.	Trantest Enterprise Ltd.	3	Sales	944,423	Its trading price depends on its function within the Group	47

Note 1: Intercompany relationships and significant intercompany transactions information are represented within the number column as follows:

a. Number 0 represents the parent company.
b. Number 1 represents subsidiaries.

Note 2: The flow of transactions between the counterparties of the transactions are represented as follows:

a. "1" represents transactions from parent company to subsidiary.
b. "2" represents transactions from subsidiary to parent company.
c. "3" represents transactions between subsidiaries.

Note 3: The amounts of asset accounts and liability accounts are calculated as a percentage of the consolidated total assets. The amounts of income accounts are calculated as a percentage of the consolidated total sales.

AETHERTEK TECHNOLOGY CO., LTD.
(Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars and U.S. Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income of the Investee	Share of Profit	Note
				December 31, 2021	December 31, 2020	Stocks (Thousands)	%	Carrying Amount			
Aethertek Technology Co., Ltd.	Trantest Enterprise Ltd.	Hong Kong	Sales of precision testing equipment	$ 507,367 (US$ 18,035)	$ -	18,035	100	$ 474,199	$ (26,743)	$ (31,392)	
	Trantest Enterprise Ltd.	Samoa	Sales of precision testing equipment	388,050 (US$ 13,633)	-	2,000	100	386,974	6,892	6,892	

TABLE 8

AETHERTEK TECHNOLOGY CO., LTD.
(Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, U.S. Dollars and RMB)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	% Ownership of Direct or Indirect Investment	Net Income (Loss) of the Investee	Investment Gain (Loss)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021
					Outflow	Inflow						
Trantest Precision (China) Ltd.	Manufacture and sales of precision testing equipment.	$ 238,747 (RMB 55,000)	b	$ -	$ 228,419 (US$ 8,025)	$ -	$ 228,419 (US$ 8,025)	51	$ (52,275)	$ (26,660) (Notes 2, b, 3)	$ 201,754	$ -

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
$289,108 (US$9,944)	$289,581 (US$9,960)	$889,422

Note 1: Methods of investment have following type:

a. Direct investment in mainland China.

b. Indirect investment through a company registered in a third region.

c. Others.

Note 2: The amount recognized in investment income in the current year:

a. Should be indicated if currently under preparation and not generating investment income.

b. The basis of recognition of investment profit (loss) should be indicated and is classified as follows:

1) Amounts was recognized based on the financial statements audited by international audit firms with business relationship with audit firms in the ROC.
2) Amount was recognized based on the parent company's audited financial statements.
3) Others.

Note 3: The relevant figures in this table should be presented in New Taiwan dollars.

AETHERTEK TECHNOLOGY CO., LTD.
(Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES

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

Investee Company	Transaction Type	Purchase/Sale		Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
		Amount	%	Payment Terms	Comparison with Normal Transactions	Ending Balance	%		
Trantest Precision (China) Ltd	Sales	$ 944,423	72	30 days after sales for parts	Its trading price depends on its function within the Group	$ -	-	$ 4,549	

AETHERTEK TECHNOLOGY CO., LTD.
(Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2021

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Eriksson Capital Co., Ltd.	37,251,000	53.00
Indicate Investment Ltd.	10,671,847	15.18
La Ge Na Capital Co., Ltd.	10,543,000	15.00

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter.