Stock Code: 4961

Fitipower Integrated Technology Inc.
and Subsidiaries

Consolidated Financial Statements With
Independent Auditors' Review Report

For the Three Months Ended March 31, 2022 and 2021

Address: 3F, No.6-8, Duxing Rd., Hsinchu Science ParkHsinchu City
Tel: (03)5788-618

Independent Auditors' Review Report

To the Board of Directors of
Fitipower Integrated Technology Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of Fitipower Integrated Technology Inc. (the "Company") and its subsidiaries (the "Group") as of March 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2022 and 2021 and notes to the consolidated financial statements, including a summary of significant accounting policies. 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 International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with Statement of Auditing Standard 65, " Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Above has been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2022 and 2021, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Chou,Pao-Lian and Mei,Yuan-Chen.

KPMG

Taipei, Taiwan (Republic of China)
May 5, 2022

Notes to Readers

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

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

Fitipower Integrated Technology Inc. and Subsidiaries

Consolidated Balance Sheet

March 31, 2022, December 31, 2021, and March 31, 2021

Unit: NT$ thousands

		March 31, 2022		Dec. 31, 2021		March 31, 2021	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (Note 6 (1))	$ 4,203,687	16	7,042,205	29	4,404,671	42
1110	Current financial assets at fair value through profit or loss (Note 6 (2))	9,454,228	36	4,888,006	20	1,102,537	10
1136	Current financial assets at amortized cost (Note 6 (1) and Note 8)	515,200	2	560,200	2	95,000	1
1170	Notes and accounts receivable, net (Note 6 (3))	4,878,264	18	4,851,146	20	1,816,924	17
1181	Accounts receivable due from related parties, net (Note 6 (3) and Note 7)	121,239	-	161,181	1	109,092	1
1175	Lease payments receivable	12,319	-	12,219	-	-	-
1200	Other receivables (Note 7)	2,083	-	120,456	-	16,754	-
130X	Current inventories, net (Note 6 (4))	3,603,056	14	3,338,389	14	1,554,558	15
1410	Prepayments and other current assets (Note 6 (5))	590,461	2	548,847	3	607,501	6
		23,380,537	88	21,522,649	89	9,707,037	92
	Non-current assets:						
1600	Property, plant and equipment (Note 6 (6))	794,746	3	664,800	3	366,315	4
1755	Right-of-use assets (Note 6 (7))	72,583	-	81,543	-	72,127	1
1780	Intangible assets (Note 6 (8))	248,438	1	247,101	1	234,943	2
1840	Deferred tax assets (Note 6 (13))	16,994	-	37,120	-	37,037	-
1900	Other non-current assets (Note 6 (9))	2,221,827	8	1,715,323	7	145,139	1
1935	Long-term lease payments receivable	21,911	-	24,006	-	-	-
		3,376,499	12	2,769,893	11	855,561	8
	Total assets	$ 26,757,036	100	24,292,542	100	10,562,598	100

		March 31, 2022		Dec. 31, 2021		March 31, 2021	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Current borrowings (Note 6 (10))	$ 2,271,988	8	777,808	3	256,815	2
2120	Current financial liabilities at fair value through profit or loss (Note 6 (2))	35,083	-	-	-	-	-
2130	Current contract liabilities	89,339	-	84,454	-	79,240	1
2170	Accounts and notes payable	2,428,642	9	3,435,609	14	1,737,419	17
2180	Accounts payable to related parties (Note 7)	-	-	-	-	393,885	4
2230	Current tax liabilities	1,624,613	6	1,287,878	5	238,474	2
2280	Current lease liabilities (Note 6 (11))	45,171	-	46,273	-	33,094	-
2399	Other current liabilities	943,091	5	1,072,695	5	520,228	5
		7,437,927	28	6,704,717	27	3,259,155	31
	Non-current liabilities:						
2570	Deferred tax liabilities (Note 6 (13))	373	-	373	-	22,633	-
2580	Non-current lease liabilities (Note 6 (11))	29,724	-	37,231	-	41,411	-
2645	Guarantee Deposits received	154,637	1	165,706	1	104,650	1
		184,734	1	203,310	1	168,694	1
	Total liabilities	7,622,661	29	6,908,027	28	3,427,849	32
	Equity: (Note 6 (14) and (15))						
3110	Capital stock	1,865,453	7	1,865,453	8	1,665,880	16
3200	Capital surplus	6,986,364	26	6,986,364	29	2,064,341	19
	Retained earnings:						
3310	Legal reserve	268,720	1	268,720	1	202,162	2
3320	Special reserve	13,192	-	13,192	-	24,406	-
3350	Unappropriated retained earnings	8,274,221	31	6,765,097	28	2,174,355	21
		8,556,133	32	7,047,009	29	2,400,923	23
3400	Other equity interest	38,941	-	(43,782)	-	(26,895)	-
3500	Treasury stock	(9,449)	-	(9,449)	-	(9,449)	-
	Total equity attributable to owners of parent	17,437,442	65	15,845,595	66	6,094,800	58
36XX	Non-controlling interest	1,696,933	6	1,538,920	6	1,039,949	10
	Total equity	19,134,375	71	17,384,515	72	7,134,749	68
	Total liabilities and equity	$ 26,757,036	100	24,292,542	100	10,562,598	100

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

Chairman: Lin, Yung-Chieh **Manager: Chiu, Shu-Hui** **CAO: Chen, Po-Tsang**

Fitipower Integrated Technology Inc. and Subsidiaries

Consolidated Statement of Comprehensive Income

For the three months ended March 31, 2022 and 2021

Unit: NT$ thousands

		Three Months Ended March 31			
		2022		2021	
		Amount	%	Amount	%
4111	**Operating revenue** (Note 6 (17) and Note 7)	$ 5,961,667	100	4,004,227	100
5000	**Operating cost** (Note 6 (4), Note 7 and Note 12)	3,267,746	55	2,432,157	61
	Gross profit from operations	2,693,921	45	1,572,070	39
	Operating expense: (Note 6 (3) (8) (9)(11) (12) (15) (18) and Note 12)				
6100	Selling expense	101,434	2	74,266	2
6200	Administration expense	101,151	2	60,496	2
6300	Research and development expense	558,995	9	395,661	9
6450	Impairment loss	227	-	404	-
		761,807	13	530,827	13
	Net operating profit	1,932,114	32	1,041,243	26
	Non-operating income and expense: (Note 6 (11) and (19))				
7100	Interest income	8,731	-	11,378	-
7010	Other income	4,934	-	1,435	-
7020	Other gains and losses, net	41,852	1	(22,242)	-
7050	Financial costs, net	(5,390)	-	(1,020)	-
		50,127	1	(10,449)	-
	Income before income tax	1,982,241	33	1,030,794	26
7951	**Less: Income tax expense** (Note 6 (13))	373,924	6	150,532	4
	Net income	1,608,317	27	880,262	22
8300	**Other comprehensive income:**				
8360	**Components of other comprehensive income that will be reclassified to profit or loss** (Note 6 (13))				
8361	Exchange differences on translation	162,179	3	(25,208)	(1)
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	20,636	-	(3,109)	-
	Total components of other comprehensive income that will be reclassified to profit or loss	141,543	3	(22,099)	(1)
8300	**Total other comprehensive income**	141,543	3	(22,099)	(1)
	Total comprehensive income	**$ 1,749,860**	**30**	**858,163**	**21**
	Net income attributable to:				
	Shareholders of the parent	$ 1,509,124	25	790,637	20
8620	Non-controlling interest	99,193	2	89,625	2
		$ 1,608,317	**27**	**880,262**	**22**
	Total comprehensive income attributable to:				
	Shareholders of the parent	$ 1,591,847	27	778,202	19
	Non-controlling interest	158,013	3	79,961	2
		$ 1,749,860	**30**	**858,163**	**21**
	Earnings per share (Unit: NT$1) (Note 6 (16))				
	Basic earnings per share	**$ 8.11**		**4.78**	
	Diluted earnings per share	**$ 8.02**		**4.77**	

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

Chairman: Lin, Yung-Chieh **Manager: Chiu, Shu-Hui** **CAO: Chen, Po-Tsang**

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

Fitipower Integrated Technology Inc. and Subsidiaries

Consolidated Statement of Changes in Equity

For the three months ended March 31, 2022 and 2021

Unit: NT$ thousands

	Equity attributed to the owners of the parent company										
			Retained earnings			Other equity items					
	Share capital for common stock	Capital surplus	Legal reserve	Special reserve	Undistributed retained earnings	Exchange difference on translation of foreign financial statements	Unearned compensation for employees	Treasury stock	Total liabilities attributable to the owners of the parent company	Non-controlling interests	Total equity
Balance at January 1, 2021	$ 1,665,880	2,064,369	202,162	24,406	1,383,718	(13,191)	(1,734)	(9,449)	5,316,161	959,988	6,276,149
Net income in 2021	-	-	-	-	790,637	-	-	-	790,637	89,625	880,262
Other comprehensive income in 2021, net of income tax	-	-	-	-	-	(12,435)	-	-	(12,435)	(9,664)	(22,099)
Total comprehensive income in 2021	-	-	-	-	790,637	(12,435)	-	-	778,202	79,961	858,163
Appropriation of retained earnings:											
Cash dividends	-	(28)	-	-	-	-	-	-	(28)	-	(28)
Share-based payments	-	-	-	-	-	-	465	-	465	-	465
Balance at March 31, 2021	$ 1,665,880	2,064,341	202,162	24,406	2,174,355	(25,626)	(1,269)	(9,449)	6,094,800	1,039,949	7,134,749
Balance at January 1, 2022	$ 1,865,453	6,986,364	268,720	13,192	6,765,097	(43,782)	-	(9,449)	15,845,595	1,538,920	17,384,515
Net income in 2022	-	-	-	-	1,509,124	-	-	-	1,509,124	99,193	1,608,317
Other comprehensive income in 2022, net of income tax	-	-	-	-	-	82,723	-	-	82,723	58,820	141,543
Total comprehensive income in 2022	-	-	-	-	1,509,124	82,723	-	-	1,591,847	158,013	1,749,860
Balance at March 31, 2022	$ 1,865,453	6,986,364	268,720	13,192	8,274,221	38,941	-	(9,449)	17,437,442	1,696,933	19,134,375

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

Chairman: Lin, Yung-Chieh **Manager: Chiu, Shu-Hui** **CAO: Chen, Po-Tsang**

(English Translation of Consolidated Financial Statements Originally Issued in Chinese) REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS

Fitipower Integrated Technology Inc. and Subsidiaries

Consolidated Statement of Cash Flows

For the three months ended March 31, 2022 and 2021

Unit: NT$ thousands

	Three Months Ended March 31	
	2022	2021
Cash flows from operating activities:		
Income before income tax	$ 1,982,241	1,030,794
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	73,492	44,998
Amortization expense	13,386	4,779
Expected credit loss	227	404
Net loss on financial assets and liabilities at fair value through profit	37,933	381
Interest expense	5,390	1,020
Interest income	(8,731)	(11,378)
Share-based payment	14,506	465
Loss on the disposal of property, plant and equipment	-	73
Profit on the disposal of financial assets measured at FVTPL	(755)	(2,213)
Inventory valuation and disposal loss	20,324	18,817
Total adjustments to reconcile profit (loss)	155,772	57,346
Changes in operating assets and liabilities:		
Decrease in lease payments receivable	1,995	-
Decrease (increase) in accounts receivable	12,597	(238,825)
Decrease in other receivables	118,519	98,382
Increase in inventory	(284,991)	(150,902)
Increase in prepayments and other current assets	(41,614)	(450,919)
Increase in other non-current assets	(22,366)	(10,768)
Decrease in accounts payable	(1,006,967)	(67,282)
Decrease in accounts payable - related parties	-	(20,040)
Increase in contract liabilities	4,885	31,888
Decrease (increase) in other current liabilities	(8,545)	80,813
Total changes in operating assets and liabitities	(1,226,487)	(727,653)
Cash inflow generated from operations	911,526	360,487
Interest received	9,121	11,326
Interest paid	(4,622)	(984)
Income taxes paid	(37,917)	(6,429)
Net cash inflow from operating activities	878,108	364,400
Cash flow from investing activities:		
Acquisition of financial assets at fair value through profit or loss	(5,003,000)	(1,002,000)
Proceeds from disposal of financial assets at fair value through profit or loss	439,000	2,061,017
Decrease in acquisition of financial assets at amortized cost	45,000	-
Acquisition of property, plant and equipment	(178,515)	(72,293)
Proceeds from disposal of property, plant and equipment	-	43
Acquisition of intangible assets	(13,792)	(3,386)
Increase in refundable deposits	(484,420)	(35,785)
Net cash outflow in investing activities	(5,195,727)	947,596
Cash flow from financing activities:		
Increase in current borrowings	1,494,180	256,815
Decrease in Current financial liabilities at fair value through profit or loss	(4,317)	-
(Decrease) increase in guarantee deposits received	(16,503)	4,888
Payments of lease liabilities	(12,264)	(7,850)
Issuance of cash dividends	-	(28)
Net cash inflow from financing activities	1,461,096	253,825
Effects of exchange rate changes on cash and cash equivalents	18,005	(24,775)
Net(decrease) increase in cash and cash equivalents	(2,838,518)	1,541,046
Cash and cash equivalents at beginning of period	7,042,205	2,863,625
Cash and cash equivalents at end of period	$ 4,203,687	4,404,671

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

Chairman: Lin, Yung-Chieh **Manager: Chiu, Shu-Hui** **CAO: Chen, Po-Tsang**

Fitipower Integrated Technology Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
March 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company History

Fitipower Integrated Technology Inc. (hereinafter "the Company") was incorporated on July 4, 1995 with the approval of the Ministry of Economic Affairs and has its place of business registered at 3F., No.6-8, Duxing Rd., Hsinchu Science Park, Hsinchu City. Upon the resolution of the shareholders' meeting on March 30, 2006, the Company merged with Hongxin Semiconductor Co. on May 1 of the same year. The Company's primary activities after the merger are research, development, production, manufacturing and sales of integrated circuits (ICs) of the integrated services digital networking systems, memory ICs for communications, analog and digital hybrid ICs, as well as custom design, consumer ICs and microcomputer peripheral ICs. Upon the resolution of the shareholders' meeting on April 16, 2010, the Company merged with TechPower Semiconductor Co (hereinafter "TechPower") on May 1, 2010, with the Company being the surviving one and TechPower being extinguished as a result of the merger. The Company's shares have since October 17, 2018 been listed on the Taiwan Stock Exchange.

2. Approval Date and Procedures of the Consolidated Financial Statements

The consolidated financial statements were approved for issuance by the Board of Directors on May 5, 2022.

3. Application of New and Amended Standards and Interpretations

(1) The effect or impact that may arise when it has applied new or revised standards and interpretations endorsed by the Financial Supervisory Commission (FSC)

Effective on January 1, 2022, the Consolidated Company adopted the following newly revised IFRSs, which did not have a significant impact on the consolidated financial statements

·Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use

·Amendments to IAS 37 – Onerous Contracts: Cost of Fulfilling a Contract

·Annual Improvements to IFRSs 2018-2020 Cycle

·Amendments to IFRS 3 – Updating a Reference to the Conceptual Framework

(2) New and amended standards and interpretations not yet endorsed by the FSC

The standards and interpretations issued and amended by the IASB but not yet endorsed by the FSC that may be relevant to the Consolidated Company are as follows.

Newly Published or Revised Standard	Amendments	Effective date of publication
Amendments to IAS 1 "Disclosure of Accounting Policies"	The major amendments to IAS 1 include. ·Requiring an entity to disclose its significant accounting policies rather than its material accounting policies ·Clarifying that accounting policy information relating to transactions, other events or circumstances that are not material is immaterial and does not require disclosure of such information; and ·Clarifying that all accounting policy information that does not relate to a material transaction, other event or circumstance is material to the Company's financial statements.	Jan.1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	The amendment introduces a new definition of an accounting estimate that clarifies that an accounting estimate is a monetary amount in the financial statements that is subject to measurement uncertainty. The amendment also clarifies the relationship between accounting policies and accounting estimates by specifying that a company is required to establish accounting estimates to meet the objectives of its applicable accounting policies.	Jan.1, 2023

The Consolidated Company is continuously evaluating the impact of the above standards and interpretations on the Consolidated Company's financial condition and results of operations, and the related impact will be disclosed when the evaluation is completed.

The Consolidated Company does not expect the following newly issued and amended standards, which have not yet been endorsed, to have a material impact on the consolidated financial statements.

·Amendments to IFRS 10/IAS 28 – Sales or Contributions of Assets Between an Investor and Its Associate/Joint Venture

·IFRS 17 Insurance Contracts and Amendments to IFRS 17

·Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

·Amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction

4. Summary of Significant Accounting Policies

(1) Compliance statement

The Consolidated Financial Statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter the "Preparation Regulations") and International Accounting Standard 34, "Interim Financial Reporting," as endorsed by the FSC. The Consolidated Financial Statements do not include all of the information that would be required to be disclosed in an annual consolidated financial report prepared under International Financial Reporting Standards, International Accounting Standards (IASs), and Interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC) (hereinafter the "International Financial Reporting Standards endorsed by the FSC"), as endorsed and issued into effect by the FSC.

Except as described below, the significant accounting policies adopted in these Consolidated Financial Statements are the same as those used in the Consolidated Financial Statements for fiscal 2021. For related information, see Note 4 to the Consolidated Financial Statements for fiscal 2021.

(2) Consolidated basis

The subsidiaries included in these consolidated financial statements consist of:

Name of Investment Company	**Name of Subsidiary**	**Business Nature**	**Shareholding Percentage March 31, 2022**	**Shareholding Percentage Dec. 31, 2021**	**Shareholding Percentage March 31, 2021**	**Note**
The Company	Trade Logic Limited (Trade Logic)	Investment company	100.00%	100.00%	100.00%	—
The Company	Visual Sensing Technology Corp. (Visual Sensing Technology)	IC design	83.35%	83.35%	76.47%	Note 1
Trade Logic Limited	Ever Harvest Limited (Ever Harvest)	Investment company	100.00%	100.00%	100.00%	—
Ever Harvest Limited	JADARD TECHNOLOGY INC. (Shenzhen Jadard)	IC design	61.15%	61.15%	61.15%	-
JADARD TECHNOLOGY INC.	Hefei Jadard Technology Co., Ltd. (Hefei Jadard)	Supply chain management	100.00%	100.00%	100.00%	-
JADARD TECHNOLOGY INC.	Jadard Technology Limited (Jadard Technology)	General trade	100.00%	100.00%	100.00%	-
JADARD TECHNOLOGY INC.	Xiamen Jadard Technology Co., Ltd. (Xiamen Jadard)	Supply chain management	100.00%	100.00%	- %	Note 2

Note 1: In December 2021, Visual-Sensing Technology Corp. conduct a cash capital increase. After the capital increase, the Company's shareholding ratio increased to 83.35%.

Note 2: On August 5, 2021, the Company indirectly invested in Xiamen Jadard through its investment business in Mainland China.

(3) Income tax

The Consolidated Company measures and discloses its income tax expense for the interim periods in accordance with paragraph B12 of IAS 34, "Interim Financial Reporting."

Income tax expense is measured by multiplying net income before income taxes for the interim reporting period by management's best estimate of the estimated effective tax rate for the full year, and is recognized in full as current income tax expense.

Income tax expense recognized directly in equity or in other comprehensive income is measured at the applicable tax rate when the related assets and liabilities are expected to be realized or settled, based on temporary differences between their carrying amounts for financial reporting purposes and their tax bases.

5. Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions

The preparation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” approved by the FSC requires the management to make judgments, estimates and assumptions that affect the adoption of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

When preparing the Consolidated Financial Statements, the critical judgments made by management in the adoption of the Consolidated Company's accounting policies and the key sources of estimation uncertainty are consistent with Note 5 to the Consolidated Financial Statements for fiscal 2021.

6. Details of Significant Accounts

Except as noted below, there are no material differences between the description of significant accounting items in these Consolidated Financial Statements and the Consolidated Financial Statements for fiscal 2021. For related information, see Note 6 to the Consolidated Financial Statements for fiscal 2021.

(1) Cash and cash equivalents

	March 31, 2022	Dec. 31, 2021	March 31, 2021
Cash	$ 1,533	1,310	1,083
Checking and savings accounts	2,551,023	5,464,741	2,102,711
Time deposits	1,994,581	2,136,354	2,395,877
Repurchase agreement bonds	171,750	-	-
Less: Restricted deposits (recorded as financial assets measured at amortized cost) (Note 8)	(200)	(200)	(60,000)
Time deposits with original maturities of more than three months (recorded as financial assets measured at amortized cost)	(515,000)	(560,000)	(35,000)
	$ 4,203,687	7,042,205	4,404,671

The Group did not recognize impairment loss on financial assets at amortized cost for the three months ended March 31, 2022 and 2021. Other information relating to credit risk is provided in Note 6(20).

(2) Current financial assets and liabilities at fair value through profit or loss

a.Mandatorily measured at fair value through profit or loss:

	March 31, 2022	Dec. 31, 2021	March 31, 2021
Financial assets mandatorily measured at fair value through profit or loss:			
Current:			
Open-ended funds	$ 9,454,228	4,884,709	1,102,537
Exchange Contracts	-	3,297	-
	$ 9,454,228	4,888,006	1,102,537

	March 31, 2022	Dec. 31, 2021	March 31, 2021
Financial liabilities mandatorily measured at fair value through profit or loss:			
Current:			
Exchange Contracts	$ 35,083	-	-
Total	$ 35,083	-	-

b. Details of derivative financial assets and liabilities are as follows:

	March 31, 2022			Dec. 31, 2021			March 31, 2021		
	Contract Amount	Currency	Maturity Date	Contract Amount	Currency	Maturity Date	Contract Amount	Currency	Maturity Date
Exchange Contracts:									
USD	$ 45,000	USD	2022.04	45,000	USD	2022.02	-	-	-

(3) Notes and accounts receivable (including the part from related parties), net

	March 31, 2022	Dec. 31, 2021	March 31, 2021
Notes receivable	$ -	-	2,299
Accounts receivable (including the part from related parties)	5,012,769	5,025,366	1,931,120
Minus: Allowance for impairment losses	(13,266)	(13,039)	(7,403)
	$ 4,999,503	5,012,327	1,926,016

The Consolidated Company uses a simplified approach to estimate expected credit losses for all accounts receivable (including related parties), i.e., it uses the expected credit loss measure for the duration. For this measurement purpose, these receivables (including related parties) are grouped by common credit risk characteristics that represent the customer's ability to pay all amounts due in accordance with contractual terms and are included in forward-looking information. The expected credit losses on the Consolidated Company's accounts receivable (including related parties) are analyzed as follows:

	March 31, 2022		
	Book value of the notes and accounts receivable (including the part from related parties)	Weighted average expected credit loss rate	Expected credit losses in the duration of allowance
Not overdue	$ 4,929,727	0.00%	-
Within 30 days past due	21,376	1.14%	244
31-60 days past due	14,512	2.47%	358
61-90 days past due	4,219	16.31%	688
91-120 days past due	14,497	22.22%	3,221
More than 120 days past due	28,438	30.79%	8,755
	$ 5,012,769		13,266

	Dec. 31, 2021		
	Book value of the notes and accounts receivable (including the part from related parties)	Weighted average expected credit loss rate	Expected credit losses in the duration of allowance
Not overdue	$ 4,852,982	0.03%	1,614
Within 30 days past due	89,722	0.72%	650
31-60 days past due	57,755	3.58%	2,066
61-90 days past due	16,516	9.61%	1,588
91-120 days past due	3,053	80.81%	2,467
More than 120 days past due	5,338	50%~100%	4,654
	$ 5,025,366		13,039

	March 31, 2021		
	Book value of the notes and accounts receivable (including the part from related parties)	Weighted average expected credit loss rate	Expected credit losses in the duration of allowance
Not overdue	$ 1,888,826	0.33%	6,241
Within 30 days past due	28,200	0.29%	81
31-60 days past due	13,423	0.62%	83
61-90 days past due	1,523	0.00%	-
91-120 days past due	38	5.26%	2
More than 120 days past due	1,409	50%~100%	996
	$ 1,933,419		7,403

The changes in the allowance for losses of the accounts receivable (including the part from related parties) of the consolidated company are as follows:

	Three Months Ended March 31	
	2022	2021
Beginning balance	$ 13,039	6,999
Impairment losses	227	404
Ending balance	$ 13,266	7,403

(4) Net inventory

	March 31, 2022	Dec. 31, 2021	March 31, 2021
Finished goods	$ 1,359,997	1,099,635	536,988
Work-in-progress	1,442,149	1,215,067	620,697
Raw materials	800,910	1,023,687	396,873
	$ 3,603,056	3,338,389	1,554,558

For the three months ended March 31, 2022 and 2021, the cost of goods sold related to inventories was $3,247,422 thousand and $2,413,340 thousand, respectively; Inventory valuation and disposal loss of $20,324 thousand and $18,817 thousand, respectively, were recognized as a reduction of inventories to net realizable value.

(5) Prepayments and other current assets

	March 31, 2022	Dec. 31, 2021	March 31, 2021
Prepayment	$ 371,890	460,664	367,597
Prepaid expenses	88,562	44,027	36,945
Net Input VAT and Prepaid tax	124,222	42,029	167,336
Payment on behalf of others	5,787	2,127	33,534
Others	-	-	2,089
	$ 590,461	548,847	607,501

(6) Property, plant and equipment

The changes in the cost and depreciation of the consolidated company's property, plant and equipment were as follows:

	Instruments and Machinery	Office equipment	Leasehold improvement	Equipment to be inspected	Total
Cost:					
Balance at January 1, 2022	$ 1,079,389	84,576	7,677	3,319	1,174,961
Addition	163,534	8,057	600	6,324	178,515
Disposal	(207)	-	-	-	(207)
Reclassification	-	140	-	(140)	-
Effect of exchange rate changes	18,674	891	-	-	19,565
Balance at March 31, 2022	**$ 1,261,390**	**93,664**	**8,277**	**9,503**	**1,372,834**
Balance at January 1, 2021	$ 616,789	53,649	4,996	1,800	677,234
Addition	49,565	3,292	994	18,442	72,293
Disposal	(135)	(256)	-	-	(391)
Reclassification	3,088	4,688	-	(7,776)	-
Effect of exchange rate changes	(1,761)	(66)	-	-	(1,827)
Balance at March 31, 2021	**$ 667,546**	**61,307**	**5,990**	**12,466**	**747,309**
Depreciation:					
Balance at January 1, 2022	$ 458,360	48,009	3,792	-	510,161
Depreciation	56,490	4,640	397	-	61,527
Disposal	(207)	-	-	-	(207)
Effect of exchange rate changes	6,350	257	-	-	6,607
Balance at March 31, 2022	**$ 520,993**	**52,906**	**4,189**	**-**	**578,088**
Balance at January 1, 2021	$ 301,826	40,184	2,839	-	344,849
Depreciation in	35,062	1,748	278	-	37,088
Disposal	(135)	(140)	-	-	(275)
Effect of exchange rate changes	(649)	(19)	-	-	(668)
Balance at March 31, 2021	**$ 336,104**	**41,773**	**3,117**	**-**	**380,994**
Book value:					
March 31, 2022	**$ 740,397**	**40,758**	**4,088**	**9,503**	**794,746**
March 31, 2021	**$ 331,442**	**19,534**	**2,873**	**12,466**	**366,315**

(7) Right-of-use assets

The cost and depreciation of the right-of-use assets recognized in the Consolidated Company's leasehold buildings were as follows:

		Buildings
Cost of right-of-use assets:		
Balance at January 1, 2022	$	154,378
Addition		2,380
Disposal		(3,899)
Effect of the changes in exchange rates		977
Balance at March 31, 2022	**$**	**153,836**
Balance at January 1, 2021	$	121,173
Addition		11,188
Effect of the changes in exchange rates		(279)
Balance at March 31, 2021	**$**	**132,082**
Depreciation and impairment losses of right-of-use assets:		
Balance at January 1, 2022	$	72,835
Depreciation in the current period		11,965
Disposal		(3,899)
Effect of the changes in exchange rates		352
Balance at March 31, 2022	**$**	**81,253**
Balance at January 1, 2021	$	52,156
Depreciation in the current period		7,910
Effect of the changes in exchange rates		(111)
Balance at March 31, 2021	**$**	**59,955**
Book value:		
March 31, 2022	**$**	**72,583**
March 31, 2021	**$**	**72,127**

(8) Intangible assets

The changes in the cost and amortization of the Consolidated Company's intangible assets were as follows:

		Goodwill	Computer Software	Patent	Total
Cost:					
Balance at January 1, 2022	$	185,097	38,587	81,881	305,565
Separate acquisition		-	10,913	2,879	13,792
Effect of the changes in exchange rates		-	819	814	1,633
Balance at March 31, 2022	**$**	**185,097**	**50,319**	**85,574**	**320,990**

Balance at January 1, 2021	$	185,097	24,852	59,998	269,947
Separate acquisition		-	-	3,386	3,386
Effect of the changes in exchange rates		-	(75)	(9)	(84)
Balance at March 31, 2021	**$**	**185,097**	**24,777**	**63,375**	**273,249**
Amortization:					
Balance at January 1, 2022	$	-	22,061	36,403	58,464
Amortization in the current period		-	6,816	6,570	13,386
Effect of the changes in exchange rates		-	475	227	702
Balance at March 31, 2022	**$**	**-**	**29,352**	**43,200**	**72,552**
Balance at January 1, 2021	$	-	16,325	17,264	33,589
Amortization in the current period		-	926	3,853	4,779
Effect of the changes in exchange rates		-	(73)	11	(62)
Balance at March 31, 2021	**$**	**-**	**17,178**	**21,128**	**38,306**
Book value:					
March 31, 2022	**$**	**185,097**	**20,967**	**42,374**	**248,438**
March 31, 2021	**$**	**185,097**	**7,599**	**42,247**	**234,943**

(9) Other non-current assets

		March 31, 2022	**Dec. 31, 2021**	**March 31, 2021**
Prepaid bonus	$	110,741	81,985	67,396
Guarantee deposits paid		2,111,086	1,626,948	39,952
Others		-	6,390	37,791
	$	**2,221,827**	**1,715,323**	**145,139**

a. The Consolidated Company provides special incentive payments to employees who meet certain criteria, and the payments are made in a lump sum upon signing the contract. The contracted employee must commit to a period of continuous service, and if the employee fails to meet the commitment, the full amount of the special incentive shall be returned for any reason. The Consolidated Company amortized the total prepaid bonuses as manufacturing expenses and operating expenses over the contracted service period, and recognized manufacturing expenses and operating expenses of $37,918 thousand and $28,326 thousand for the three months ended March 31, 2022 and 2021, respectively.

b. In order to ensure stable production capacity, the Consolidated Company entered into production capacity guarantee contracts with suppliers, under which a guarantee deposit is paid and returned when the contracts are completed, which is recorded under Other non-current assets - Guarantee deposits paid.

(10) Current borrowings

The details of the current borrowings of the consolidated company are as follows:

	March 31, 2022	Dec. 31, 2021	March 31, 2021
Unsecured bank loans	$ 2,046,688	777,808	256,815
Other loans	225,300	-	-
	$ 2,271,988	777,808	256,815
Interest rat collar	0.60%~4.96%	0.54%~0.63%	0.56%~0.59%
Unused loan commitment	$ 2,526,375	3,566,432	1,828,408

(11) Lease liabilities

The book value of the lease liabilities of the consolidated company are as follows:

	March 31, 2022	Dec. 31, 2021	March 31, 2021
Current	$ 45,171	46,273	33,094
Non-current	$ 29,724	37,231	41,411

For the maturity analysis, please refer to Note 6 (20) Financial Instruments.

The amount recognized in profit and loss is as follows:

	Three Months Ended March 31	
	2022	2021
Interest expense of lease liabilities	$ 455	366
Cost of low-value leased assets (excluding low-value leases under short-term leases)	$ 1,224	2,339

The amount recognized in the Statement of Cash Flows is as follows:

	Three Months Ended March 31	
	2022	2021
Total amount of cash outflow from lease	$ 13,943	10,555

Leasing of buildings and structures

The Consolidated Company leased buildings and structures for office use on March 31, 2022, December 31, 2021 and March 31, 2021. Office leases are generally for periods of one to five years, with some leases including an option to extend the lease for the same period as the original contract at the end of the lease term. Lease payments under some of these contracts are subject to changes in local price indices.

(12) Employee benefits

Defined contribution plan

If the Consolidated Company is a domestic company, its defined contribution plan is based on the Labor Pension Act, which provides for a contribution rate of 6% of the workers' monthly wages to the Bureau of Labor Insurance's individual labor pension accounts. Under this plan, the Consolidated Company is not legally or constructively obligated to pay additional amounts after it has contributed a fixed amount to the bureau. If the Consolidated Company is a foreign company, it contributes an amount to the pension funds in accordance with local laws and regulations, and recognizes the required contributions in each period as current expenses. Chinese subsidiaries included in the consolidated entity are required by the Chinese government to make contributions to the basic endowment insurance premium at a statutory rate based on the approved salaries of employees and to recognize the contributions as current expenses.

The pension costs and pension insurance premiums under the defined contribution pension plan were $17,056 thousand and $11,640 thousand for the three months ended March 31, 2022 and 2021, respectively.

(13) Income tax

a. The statutory income tax rate for domestic consolidated companies is 20%, and the "Basic Income Tax Ordinance" is applied to calculate the basic tax amount. Trade Logic and Ever Harvest are located in the British Virgin Islands and Samoa, respectively, and are subject to the income tax regulations of the registered area. The income tax rate for JADARD TECHNOLOGY INC. and Hefei Jadard Technology Co., Ltd. (Hefei Jadard) is 25%. The preferential tax rate for high-tech enterprises in China, which is 15%, is applicable to JADARD TECHNOLOGY INC. and the income tax rate for Jadard Technology Limited is 16.5%.

b. Income tax expense

The details of income tax expense of the Consolidated Company are as follows:

	Three Months Ended March 31	
	2022	**2021**
Income tax expense	$ 373,924	150,532

The details of income tax expense (benefit) recognized under other comprehensive income for the Consolidated Company are as follows:

	Three Months Ended March 31	
	2022	**2021**
Components of other comprehensive income that will be reclassified to profit or loss:		
Exchange differences on translation	$ 20,636	(3,109)

c. The Company's income tax claim have been examined and cleared by the tax authorities through 2018.

(14) Capital and other interests

As of March 31, 2022, December 31, 2021 and March 31, 2021, the total issued capitals of the Company were $3,000,000 thousand, $3,000,000 thousand and $2,000,000 thousand, with a par value of $10 per share, and 186,545 thousand shares, 186,545 thousand shares and

166,588 thousand shares, respectively, all of which were common shares.

The details of circulating common shares of the Company is as follows: (in thousands shares)

	Three Months Ended March 31	
	2022	**2021**
Beginning balance	186,176	165,406
Gain from the restricted stock in the current period	-	73
Ending balance	**186,176**	**165,479**

a. Issuance of common shares

On May 31, 2021, the board of directors resolved Cash capital increase to issue 20,000 thousand shares with a par value of $10 per share. The above Cash capital increase was approved by the Financial Supervisory Commission on June 28, 2021, at a price of $255 per share, with August 5, 2021 as the base date. All issued shares have been received and registered for change.

b. Capital surplus

The balance of the Company's capital surplus are as follows:

	March 31, 2022	**Dec. 31, 2021**	**March 31, 2021**
Additional paid-in capital	$ 6,102,418	6,102,418	1,097,993
Treasury share transactions	535	535	535
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	882,961	882,961	887,399
Restricted stocks for employees	-	-	78,138
Other	450	450	276
	$ 6,986,364	**6,986,364**	**2,064,341**

According to the Company Act, new shares or cash may only be issued from realized capital surplus in proportion to the original shares of the shareholders after the capital surplus has first been used to cover losses. Realized capital surplus as referred to in the preceding paragraph includes surplus from the issue of shares in excess of par value and proceeds from gifts. As stipulated in Article 72-1 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, where capital reserve is capitalized, the combined amount of any portions capitalized in any 1 year may not exceed 10% of paid-in capital.

c. Retained earnings

Under the Company's Articles of Incorporation, if there is any net profit after tax for the period, the Company shall first make up the accumulated deficit in the annual final accounts and set aside 10% as legal reserve in accordance with the law, except when the accumulated legal reserve has reached the total paid-in capital of the Company. The special reserve is appropriated or reversed as required by law or by the competent authority. The Board of Directors shall prepare a proposal for the distribution of the remaining earnings, together with the undistributed earnings at the beginning of the period, and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders.

The Company's dividend policy is to allocate no less than 20% of the distributable earnings to shareholders each year, by taking into account the current and future development plans, the investment environment, capital requirements and domestic and international competition, as well as the interests of shareholders, among which no less than 10% of the total dividends for the year shall be paid in cash.

1) Legal reserve

If the Company has no losses, it may, by resolution of the shareholders' meeting, issue new shares or cash from the legal reserve, provided that the amount of such reserve exceeds 25% of the paid-in capital.

2) Special reserve

According to the FSC's Jin-Guan-Zheng-Fa-Zi Order No. 1010012865 dated April 6, 2012, when distributing distributable earnings, the Company recorded a net decrease in other equity during the year, which was not distributable from the current year's profit or loss as a supplement to the special reserve. If there is a subsequent reversal in the amount of other equity deductions, the reversed portion of the surplus may be distributed.

3) Distribution of earnings

The appropriation of the Company's earnings for fiscal 2020 was approved by the annual shareholders' meeting held on May 18, 2021, while the distribution of the earnings for fiscal 2021 was proposed by the Board of Directors on May 5, 2022, with the amounts of dividends distributed to owners as follows:

	2021		2020	
	Dividend per share (NT$)	Amount	Dividend per share (NT$)	Amount
Dividends distributed to ordinary shareholders				
Cash	$ 17.0	3,164,997	2.5	415,521

d. Treasury shares

In accordance with Article 167-1 of the Company Act, the consolidated company shall buy back treasury shares for the purpose of transferring shares to employees, with the following changes:

	Three Months Ended March 31			
	2022		2021	
	Shares (1,000 shares)	Amount	Shares (1,000 shares)	Amount
Beginning amount (i.e. the ending balance)	369	$ 9,449	369	9,449

In 2020, the Company repurchased 369 thousands shares of treasury share for the necessity to protect the Company's credit and shareholders' rights under Article 28-2 of the Securities and Exchange Act. As of March 31, 2022, in a total of 369 thousand shares are uncanceled.

According to Securities and Exchange Act, treasury share held by the Company cannot be pledged and is not entitled to shareholders' rights until it is transferred.

e. Other equity

The changes in the Company's other equity items are as follows.

	Exchange difference on translation of foreign financial statements	Unearned compensation for employees	Total
Balance at January 1, 2022	$ (43,782)	-	(43,782)
Differences from foreign currency translations (net amount after taxes)	82,723	-	82,723
Balance at March 31, 2022	$ 38,941	-	38,941
Balance at January 1, 2021	$ (13,191)	(1,734)	(14,925)
Differences from foreign currency translations (net amount after taxes)	(12,435)	-	(12,435)
Unearned compensation for employees	-	465	465
Balance at March 31, 2021	$ (25,626)	(1,269)	(26,895)

(15) Share-based payment transaction

a. Restricted stock

On Jun. 24, 2020 and Jun. 25, 2019, the Company shareholders' meeting resolved to issue 3,000 thousand new shares with restricted employee rights to employees of the Company and Subsidiaries, as so resolved by the Board of Directors' meeting on Dec. 2, 2020 and Nov. 12, 2019, as follows:

1) The Company plans to issue new shares with restricted employee rights in 2020:

Type	FY 2020 Conditions of Issuance
Grant date	Nov. 18, 2020
Grant shares	1,057,000
Vesting day	Dec. 31, 2020 Dec. 31, 2021 317,100 shares and 739,900 shares

2) For the three months ended March 31, 2022 and 2021, the shares with restricted employee rights issued by the Company are as follows:

(1,000 shares)

	Three Months Ended March 31	
	2022	2021
Beginning shares	-	813
Vested in the current period	-	(73)
Ending shares	-	740

As of March 31, 2022 and March 31, 2021, the Company had 15,466 thousand shares and 14,769 thousand shares of restricted employee rights stock vested, respectively.

b. JADARD TECHNOLOGY INC. -Employee stock option certificate

On June 7, 2021, the stockholders' meeting of JADARD approved the issuance of 10,519 thousand units of employee stock warrants, with each unit entitling the Company to subscribe for one common share.

As of March 31, 2022, JADARD had the following share-based payment transactions:

Type	Shareholders' Meeting Date	Issuance date	Duration	Number of shares	Subscription price per share (RMB/$)
Employee Stock Option Plan for 2021	Jun.7, 2021	Jun.7, 2021	3 years	10,519,000	$ 5.0

The other subscribers may exercise their stock options in the following proportions from the time they are granted the employee stock option certificates.

2021 Employee stock options	
Grant Period	Exercisable options
	Ratio (cumulative)
June 7, 2022	50%
June 7, 2023	100%

The fair value of the share-based benefits at the date of grant was estimated using a binomial option valuation model with the following input values.

	2021 Employee stock options
Fair value at grant date (RMB$)	$ 4.66
Exercise price (RMB$)	5.00
Expected volatility	60.00%
Duration of stock options	3年
Risk-free interest rate	3.05%

Information on the number and weighted-average exercise price related to the above employee stock option plans is shown in the table below.

	2021	
	Weighted average (RMB/$)	Number of shares (thousands)
Outstanding at the beginning of the period	$ 5.00	10,519
Given during the period	-	-
Forfeited during the period	-	-
Executed during the period	-	-
Outstanding at the end of the period	-	10,519
Executable at the end of the period		-

c. Employee expenses

The expenses incurred by the consolidated company in connection with share-based payments were as follows:

	Three Months Ended March 31	
	2022	2021
Expense generated from the issuance of restricted stock	-	465
Costs incurred in connection with the issuance of employee stock options	14,506	-
	14,506	465

(16) Earnings per share

The basic earnings per share and diluted earnings per share for the Consolidated Company is as follows:

a. Basic EPS

	Three Months Ended March 31	
	2022	2021
Net income attributable to the equity holders of the ordinary shares of the Company	$ 1,509,124	790,637
Weighted average number of the ordinary shares outstanding	186,176	165,459
Basic earnings per share (NT$)	$ 8.11	4.78

b. Diluted earnings per share

		Three Months Ended March 31	
		2022	2021
Net income attributable to the equity holders of the ordinary shares of the Company	$	1,509,124	790,637
Weighted average number of the ordinary shares outstanding		186,176	165,459
Effect of the dilutive potential ordinary shares:			
－employee compensation		1,961	349
－restricted stock which is not vested		-	100
Weighted average number of the ordinary shares outstanding (after the adjustment to the effect of dilutive potential ordinary shares)		188,137	165,908
Diluted earnings per share (NT$)	$	8.02	4.77

(17) Contractual revenue

a. Details of the contractual revenue

		Three Months Ended March 31	
		2022	2021
Major regional markets:			
Taiwan	$	796,604	415,446
China		4,253,572	2,194,387
Hong Kong		889,857	1,296,380
Japan		11,725	62,608
South Korea		1,295	6,357
Other countries		8,614	29,049
	$	5,961,667	4,004,227
Main products/service lines:			
Display driver IC	$	5,197,481	3,283,119
Power management IC		757,308	709,139
Other		6,878	11,969
	$	5,961,667	4,004,227

b. Contract balances

Please refer to Note 6 (3) for the disclosure of accounts receivable and impairment.

(18) Compensation for employees and directors

Subject to the provisions of the Articles of Incorporation of the Company, not less than 5% of the annual profit shall be appropriated as remuneration to employees and not more than 1 percent of the annual profit shall be appropriated as remuneration to directors. However, where the Company has accumulated losses, the amount of the indemnity should be retained in advance. The foregoing employee remuneration may be in the form of shares or cash and may be paid to employees of a subordinate company who satisfy certain conditions. The remuneration of the directors noted above shall be payable in cash only. The first two items shall be resolved by the Board of Directors and reported to the shareholders' meeting.

For the three months ended March 31, 2022 and 2021, the Company made no provision for directors' remuneration. The estimated amounts of employee compensation of $97,218 thousand and $45,877 thousand, respectively, were based on the Company's net profit before tax for each period before deducting employee and director compensation multiplied by the distribution percentages of employee compensation and director compensation as stipulated in the Company's Articles of Incorporation and was recognized as operating cost or operating expense for the three months ended March 31, 2022 and 2021. If the actual distribution amount differs from the estimated amount in the following year, the difference is treated as a change in accounting estimate and recognized as profit or loss in the following year. If the Board of Directors resolves to distribute employee compensation in shares, the number of shares is calculated based on the closing price of the common stock on the day before the Board of Directors' resolution.

No provision for directors' emoluments was made by the Company for fiscal 2021 and 2020. The estimated amounts of employee compensation of $369,675 thousand and $38,787 thousand, respectively, were based on the Company's net income before taxation for the respective periods before deducting employee and director compensation multiplied by the employee compensation distribution percentages set forth in the Company's Articles of Incorporation and reported as operating costs or operating expenses in fiscal 2021 and 2020. Related information can be found at the Market Observation Post System.

(19) Non-operating income and expenses

a. Interest income

The breakdown of interest income of the Consolidated Company is as follows:

	Three Months Ended March 31	
	2022	**2021**
Bank deposit interests	$ 8,723	11,368
Other interest income	8	10
Total interest income	**$ 8,731**	**11,378**

b. Other income

	Three Months Ended March 31	
	2022	**2021**
Income from government grants	$ 4,095	682
Others	839	753
Total other income	**$ 4,934**	**1,435**

c. Other gains and losses

	Three Months Ended March 31	
	2022	**2021**
Proceeds from disposal of financial assets at fair value through profit	$ 755	2,213
Foreign exchange profit (losses)	88,195	(23,962)
Losses on financial assets and liabilities measured at fair value through profit	(37,933)	(381)
Others	(9,165)	(112)
Other gains and losses, net	**$ 41,852**	**(22,242)**

d. Financial costs

	Three Months Ended March 31	
	2022	**2021**
Interest expenses	**$ (5,390)**	**(1,020)**

(20) Financial instruments

Except as described below, there were no significant changes in the fair value of the Consolidated Company's financial instruments and exposure to credit risk, liquidity risk and market risk due to financial instruments. For related information, see Note 6 (21) to the Consolidated Financial Statements for fiscal 2021.

a. Credit risk

1) Credit risk exposure

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

2) Concentration of credit risk

As the Consolidated Company has a large customer base, no significant concentration of transactions with a single customer is found and the sales territory is scattered, and there is no significant concentration of credit risk on accounts receivable. To reduce credit risk, the Consolidated Company also regularly assesses the financial position of its customers on an ongoing basis.

3) Credit risk on receivables

Please refer to Note 6 (3) for credit risk exposure information of receivables. Other financial assets measured at amortized cost including time deposits for over three months and other receivables are financial assets with low credit risk and therefore the allowance for losses for the period is measured at the expected credit loss amount for 12 months. (Please refer to Note 4 (7) to the Consolidated Financial Statements for fiscal 2021 for a description of how the Consolidated Company determines low credit risk). No allowance for losses was provided for the three months ended March 31, 2022 and

2021.

b. Liquidity risk

The following table presents an analysis of the contractual maturities of financial liabilities, the amounts of which include estimated interest but exclude the effect of netting agreements.

	Book value	Contract cash flow	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
March 31, 2022							
Non-derivative financial liabilities							
Current borrowings	$ 2,271,988	2,283,616	2,053,519	230,097	-	-	-
Accounts and notes payable	2,428,642	2,428,642	2,428,642	-	-	-	-
Other current liabilities	325,258	325,258	325,258	-	-	-	-
Lease liabilities (including current and non-current)	74,895	69,487	21,727	19,331	24,214	4,215	-
Guarantee Deposits received	154,637	154,637	154,637	-	-	-	-
	$ 5,255,420	5,261,640	4,983,783	249,428	24,214	4,215	-
December 31, 2021							
Non-derivative financial liabilities							
Current borrowings	$ 777,808	778,140	778,140	-	-	-	-
Accounts and notes payable	3,435,609	3,435,609	3,435,609	-	-	-	-
Other current liabilities	378,362	378,362	378,362	-	-	-	-
Lease liabilities (including current and non-current)	83,504	85,989	23,797	23,508	31,021	7,663	-
Guarantee Deposits received	165,706	165,706	165,706	-	-	-	-
	$ 4,840,989	4,843,806	4,781,614	23,508	31,021	7,663	-
March 31, 2021							
Non-derivative financial liabilities							
Current borrowings	$ 256,815	256,901	256,901	-	-	-	-
Accounts and notes payable	1,737,419	1,737,419	1,737,419	-	-	-	-
Accounts payable to related parties	393,885	393,885	393,885	-	-	-	-
Other current liabilities	202,510	202,510	202,510	-	-	-	-
Lease liabilities (including current and non-current)	74,505	89,043	17,307	17,022	30,297	24,417	-
Guarantee Deposits received	104,650	104,650	104,650	-	-	-	-
	$ 2,769,784	2,784,408	2,712,672	17,022	30,297	24,417	-

The consolidated company does not expect the realizing of cash flows are to be significantly earlier or the actual amounts are to be significantly different.

c. Exchange rate risk

1) Exposure of exchange risk

The consolidated company's financial assets and liabilities exposed to significant foreign currency exchange rate risk are as follows:

	March 31, 2022			Dec. 31, 2021			March 31, 2021		
	Foreign currency (thousand)	Exchange rate	NT$ (thousand)	Foreign currency (thousand)	Exchange rate	NT$ (thousand)	Foreign currency (thousand)	Exchange rate	NT$ (thousand)
Financial assets									
Monetary items									
USD	$ 294,568	28.628	8,432,956	284,331	27.710	7,878,853	78,715	28.554	2,247,658
Financial liabilities									
Monetary items									
USD	220,040	28.6174	6,296,973	170,684	27.740	4,734,811	92,223	28.630	2,640,372

2) Sensitivity analysis

The Consolidated Company's exchange rate risk arises primarily from foreign currency-denominated cash and cash equivalents, accounts receivable and other receivables, short-term borrowings, accounts payable and other payables, which result in foreign currency exchange gains or losses upon translation. For the three months ended March 31, 2022 and 2021, if the New Taiwan dollar had weakened or strengthened by 5% against the U.S. dollar on March 31, 2022 and March 31, 2021, with all other factors held constant, net income would have increased and decreased by $85,439 thousand and $15,709 thousand, respectively. The same basis of analysis was used for both periods.

Due to the variety of functional currencies of the Consolidated Company, information on exchange gains and losses on monetary items is presented on a consolidated basis. Foreign currency exchange profit or losses (including realized and unrealized) amounted to $88,195 thousand of profit and $23,962 thousand of losses for the three months ended March 31, 2022 and 2021, respectively.

d. Fair value information

1) Types and fair values of financial instruments

The Consolidated Company's financial assets at fair value through profit or loss are measured at fair value on a recurring basis. The carrying amounts and fair values of each class of financial assets and financial liabilities (including information on fair value hierarchy, except that if the carrying amount of a financial instrument that is not measured at fair value is a reasonable approximation of fair value, and for investments in equity instruments that are not quoted in an active market and whose fair value cannot be reliably measured, disclosure of fair value information is not required) are presented below:

	March 31, 2022				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Current financial assets at fair value through profit or loss	$ 9,454,228	9,454,228	-	-	9,454,228
Financial assets measured at amortized cost					
Cash and cash equivalents	4,203,687	-	-	-	-
Current financial assets at amortized cost	515,200	-	-	-	-
Notes receivable and accounts receivable (including the part from related parties)	4,999,503	-	-	-	-
Lease payments receivable (including current and non-current)	34,230	-	-	-	-
Other receivables	2,083	-	-	-	-
Guarantee deposits paid	2,111,086	-	-	-	-
Total	**$ 21,320,017**	**9,454,228**	-	-	**9,454,228**
Current financial liabilities at fair value through profit or loss	$ 35,083	35,083	-	-	35,083
Financial liabilities measured at amortized cost					
Current borrowings	$ 2,271,988	-	-	-	-
Accounts and notes payable	2,428,642	-	-	-	-
Other current liabilities	325,258	-	-	-	-
Lease liabilities (including current and non-current)	74,895	-	-	-	-
Guarantee deposits received	154,637	-	-	-	-
. Total	**$ 5,290,503**	**35,083**	-	-	**35,083**

	Dec. 31, 2021				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Current financial assets at fair value through profit or loss	$ 4,888,006	4,888,006	-	-	4,888,006
Financial assets measured at amortized cost					
Cash and cash equivalents	7,042,205	-	-	-	-
Current financial assets at amortized cost	560,200	-	-	-	-
Notes and accounts receivable (including the part from related parties)	5,012,327	-	-	-	-
Lease payments receivable (including current and non-current)	36,225	-	-	-	-
Other receivables	120,456	-	-	-	-
Guarantee deposits paid	1,626,948	-	-	-	-
Total	**$ 19,286,367**	**4,888,006**	-	-	**4,888,006**
Financial liabilities measured at amortized cost					
Current borrowings	$ 777,808	-	-	-	-
Accounts and notes payable	3,435,609	-	-	-	-
Other current liabilities	378,362	-	-	-	-
Lease liabilities (including current and non-current)	83,504	-	-	-	-
Guarantee Deposits received	165,706	-	-	-	-
Total	**$ 4,840,989**	-	-	-	-

	March 31, 2021				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Current financial assets at fair value through profit or loss	$ 1,102,537	1,102,537	-	-	1,102,537
Financial assets measured at amortized cost					
Cash and cash equivalents	4,404,671	-	-	-	-
Current financial assets at amortized cost	95,000	-	-	-	-
Notes and accounts receivable (including the part from related parties)	1,926,016	-	-	-	-
Other receivables	16,754	-	-	-	-
Guarantee deposits paid	39,952	-	-	-	-
Total	**$ 7,584,930**	**1,102,537**	-	-	**1,102,537**

	March 31, 2021				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities measured at amortized cost					
Current borrowings	$ 256,815	-	-	-	-
Accounts and notes payable	1,737,419	-	-	-	-
Accounts payable to related parties	393,885	-	-	-	-
Other payables	202,510	-	-	-	-
Lease liabilities (including current and non-current)	74,505	-	-	-	-
Guarantee Deposits received	104,650	-	-	-	-
Total	**$ 2,769,784**	-	-	-	-

2) Valuation techniques and assumptions used to measure fair value

Where there is a quoted price in an active market for a financial instrument, the fair value is based on the quoted price in the active market. The quoted price of a financial instrument obtained from main exchanges and on-the-run securities from Taipei Exchange can be used as a basis to determine the fair value of the exchange-listed/OTC-listed companies' equity instrument and debt instrument with active market quotations.

A financial instrument has an active market for public quotations if public quotations of the financial instrument are obtained from an exchange, broker, underwriter, industry association, pricing service or competent authority in a timely manner and on a regular basis, and if the price represents an actual and frequent arm's length transaction. If these conditions are not met, the market is considered inactive. Generally speaking, a very wide bid-ask spread, a significant increase in the bid-ask spread or a very low trading volume are all indicators of an inactive market.

Except for the above-mentioned financial instruments with active markets, the fair values of the remaining financial instruments are obtained using valuation techniques or by reference to quoted prices from counterparties. The fair value obtained through valuation techniques may be calculated by reference to the current fair value of other financial instruments with substantially similar terms and characteristics, by discounted cash flow techniques or by applying models using other valuation techniques, including market information available at the date of the consolidated balance sheet (e.g., Taipei Exchange refers to the yield curve, Reuters average commercial paper rate quotes).

(21) Financial risk management

The Consolidated Company's financial risk management objectives and policies have not changed significantly from those disclosed in the consolidated financial statements for fiscal 2021. For related information, see Note 6 (22) to the Consolidated Financial Statements for fiscal 2021.

(22) Capital management

The Consolidated Company's capital management objectives, policies and procedures are consistent with those disclosed in the consolidated financial statements for fiscal 2021, and there have been no material changes to the aggregated quantitative information for capital management items from those disclosed in the consolidated financial statements for fiscal 2021. For related information, see Note 6 (23) to the Consolidated Financial Statements for fiscal 2021.

(23) Investment and fund-raising activities by non-cash transactions

The Consolidated Company's investment and financing activities in non-cash transactions for the three months ended March 31, 2022 and 2021 were as follows:

a. Right-of-use assets acquired by lease, please refer to Note 6 (7).

b. The reconciliation of liabilities from financing activities is as follows:

			Non-cash changes		
	January 1, 2022	**Cash flow**	**Change in exchange rate**	**Other**	**March 31, 2022**
Current borrowings	$ 777,808	1,494,180	-	-	2,271,988
Lease liabilities (including current and non-current)	83,504	(11,809)	365	2,835	74,895
Guarantee Deposits received	165,706	(16,503)	5,434	-	154,637
Total liabilities from financial activities	**$ 1,027,018**	**1,465,868**	**5,799**	**2,835**	**2,501,520**

			Non-cash changes		
	January 1, 2021	**Cash flow**	**Change in exchange rate**	**Other**	**March 31, 2021**
Current borrowings	$ -	256,815	-	-	256,815
Lease liabilities (including current and non-current)	70,979	(7,850)	(177)	11,553	74,505
Guarantee deposits received	99,798	4,888	(36)	-	104,650
Total liabilities from financial activities	**$ 170,777**	**253,853**	**(213)**	**11,553**	**435,970**

7. Related-party Transactions

(1) Name and relationship of related parties

The related parties with whom the consolidated company had transactions during the period covered by these consolidated financial statements are as follows:

Name of related party	Relationship with the consolidated company
Hon Hai Precision Industry Co., Ltd. (Hon Hai Precision)	It has significant influence on the Company
Hongfutai Precision Electronics (Yantai) Co., Ltd. (Hongfutai (Yentai))	Other related party
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Other related party
Ambit Microsystems (Shanghai) Co., Ltd. (Renamed Fulina Ambit (Shanghai) Microsystems Co., Ltd. in February 2022.)	Other related party
Shenzhen Fu Tai Hong Precision Industrial Co., Ltd.	Other related party
Shenzhen Fugui Precision Industry Co., Ltd. (Renamed Shenzhen Fulian Fugui Precision Industry Co., Ltd. in November 2021.)	Other related party
Hongfujin Precision Electronics (Chongqing) Co., Ltd.	Other related party
Hongfujin Precision Electronics (Yantai) Co., Ltd.	Other related party
Nanning Fugui Precision Industry Co., Ltd. (Renamed Nanning Fulian Fugui Precision Industry Co., Ltd.)	Other related party
Hongfujin Precision Industry (Zhengzhou) Co., Ltd.	Other related party
Kunshan Fuchengke Precision Electronical Co., Ltd. (Kunshan Fuchengke)	Other related party
Socle Technology Corp. (Socle Technology)	Other related party
CLOUD NETWORK TECHNOLOGY SINGAPORE (CLOUD NETWORK)	Other related party
FIH (HONG KONG) LIMITED	Other related party
Hongfujin Precision Industry (Shenzhen) Co., Ltd. (Hongfujin (Shenzhen))	Other related party
ECMMS PRECISION SINGAPORE PTE. LTD.	Other related party
Chiun Mai Communication Systems, Inc.	Other related party

(2) Significant transactions with related parties

a. Operating revenue

The consolidated company's significant sales to related parties are as follows:

	Three Months Ended March 31	
	2022	2021
Hon Hai Precision	$ 588	390
Hongfutai (Yentai)	6,736	14,452
Kunshan Fuchengke	20,306	12,476
CLOUD NETWORK	22,513	8,969
Other related party	17,077	49,665
	$ 67,220	85,952

The sales terms applicable to consolidated company's sales to other related parties are not significantly different from the normal sales prices, and the contracted credit period is 90 days from the date of acceptance. The receivables from related parties are not covered by collaterals and are not subject to prepare an allowance for loss.

b. Accounts receivable from related parties

Details are as follows:

Listed as	Type of the related party	March 31, 2022	Dec. 31, 2021	March 31, 2021
Accounts receivable	Hon Hai Precision	$ 619	10,000	463
Accounts receivable	Hongfujin (Shenzhen)	32,456	53,864	43,338
Accounts receivable	CLOUD NETWORK	30,709	21,387	11,816
Accounts receivable	Kunshan Fuchengke	24,304	19,468	16,714
Accounts receivable	Other related party	33,151	56,462	36,761
Other receivables	Socle Technology	387	387	-
		$ 121,626	161,568	109,092

c. Purchase

The consolidated company's purchases from related parties are as follows:

	Three Months Ended March 31	
	2022	2021
Other related party - Socle Technology	$ -	489,647

The consolidated company's purchase price from the above company is not significantly different from that of general vendors. The payment terms are 45 days, which are not significantly different from those of other vendors.

d. Accounts payable to related parties

Accounts payable by the consolidated company to related parties:

Listed as	Type of the related party	March 31, 2022	Dec. 31, 2021	March 31, 2021
Other payables	Socle Technology	$ -	-	3,943
Accounts payable	Socle Technology	-	-	389,942
		$ -	-	393,885

e. Property transaction

Details of purchasing of mask from related parties:

	Three Months Ended March 31	
	2022	2021
Socle Technology	$ -	6,288

As of March 31, 2022, December 31, 2021 and March 31 2021, the outstanding amounts of the above transactions were $0 thousand, $0 thousand and $3,943 thousand, respectively, recorded as accounts payable to related parties.

(3) Key management personnel compensation

	Three Months Ended March 31	
	2022	2021
Short-term employee benefits	$ 17,383	12,647
Post-employment benefits	35	54
	$ 17,418	12,701

8. Pledged Assets

The carrying amounts of assets pledged by the consolidated company are as follows:

Name of assets	Secured object	March 31, 2022	Dec. 31, 2021	March 31, 2021
Current financial assets at amortized cost (Time deposits)	Providing creditors with collateral for import transactions	$ -	-	60,000
Current financial assets at amortized cost (Time deposits)	Customs Margin	200	200	-
		$ 200	200	60,000

9. Significant Contingent Liabilities and Unrecognized Contractual Commitments

(1) As of March 31, 2022, December 31, 2021 and March 31 2021, the Consolidated Company had $4,798,363 thousand, $4,344,240 thousand and $2,883,783 thousand, respectively, of guarantee deposit notes issued to obtain short-term loan facilities.

(2) JADARD TECHNOLOGY INC. (hereinafter referred to as JADARD TECHNOLOGY INC.), a subsidiary of the Consolidated Company, applied for listing on the Science and Technology Venture Exchange (STEM) of the Shanghai Stock Exchange on June 29, 2021. The Company, Ever Harvest Limited and Trade Logic Limitied are the controlling shareholders of JADARD TECHNOLOGY INC. (hereinafter collectively referred to as the controlling shareholders and parties acting in concert with them). In accordance with the requirements of the CSRC, the Shanghai Stock Exchange and other securities regulatory authorities, JADARD TECHNOLOGY INC., the Controlling Shareholders and their concert parties are required to give relevant undertakings. Information on related commitments can be found on the Market Observation Post System.

(3) A subsidiary of the Consolidated Company, JADARD TECHNOLOGY INC., entered into a capacity reservation contract on December 30, 2021 with the Company. The amount due is $2,210,663 thousand (RMB508,900 thousand) and the outstanding amount is $1,834,484 thousand (RMB407,120 thousand) as of March 31, 2022.

10. Losses due to major disasters: None.

11. Subsequent events: None.

12. Others

(1) The employee benefits, depreciation and amortization expense are summarized as follows:

Function / Nature	Three Months Ended March 31					
	2022			2021		
	Belonging to operating cost	Belonging to operating expense	Total	Belonging to operating cost	Belonging to operating expense	Total
Employee benefit expenses						
Payroll expenses	20,376	515,578	535,954	12,854	376,910	389,764
Labor/Health insurance expenses	954	18,635	19,589	723	15,110	15,833
Pension expenses	661	16,395	17,056	471	11,169	11,640
Compensation of directors	-	282	282	-	135	135
Other employee benefit expenses	703	13,527	14,230	480	9,693	10,173
Depreciation expenses	17,042	56,450	73,492	9,117	35,881	44,998
Amortization expenses	-	13,386	13,386	18	4,761	4,779

(2) Seasonality of operations:

The Consolidated Company's product sales follow the consumer electronics industry cycle and are subject to seasonal fluctuations due to end-market demand.

13. Supplementary Disclosures

(1) Information on Significant Transactions

Information on significant transactions required to be disclosed by the consolidated company in accordance with the Guidelines for the Preparation of Financial Statements for the three months ended March 31, 2022 is as follows:

a. Lending of funds to others: None.

b. Provision of endorsement/guarantee:

Unit: NT$ thousands

No. (Note 1)	Endorser Company Name	Endorsee		For a single company Endorsement Guarantee Limit	The highest endorsement in this issue Guaranteed Balance	End-of-Term Memorization Guaranteed Balance	Actual Spending Amount	Guaranteed by Property Endorsement Guarantee Amount	Ratio of accumulated endorsement guarantee amount to net worth of the most recent financial statements	Endorsement Guarantee Maximum Limit	Parent Company for Subsidiaries Endorsement Guarantee	Subsidiary for the Parent Company Endorsement Guarantee	Endorsement Guarantee for A Business in Mainland China
		Company Name	Relationship (Note 2)										
1	Jadard Technology INC.	Hefei Jadard	2	1,705,331	171,750	171,750	-	-	0.98%	2,557,997	Y	N	Y

Note 1: The number field should be completed as follows:

1. Enter 0 for the issuer.
2. The investees are numbered by company, starting with the Arabic numeral 1.

Note 2: The relationship between the party making endorsements and/or guarantees and the party to whom the endorsements and/or guarantees is made is as follows:

1. The companies with which it has business relations;
2. A company in which the Company directly and indirectly holds more than 50% of the voting shares.
3. A company that directly and indirectly holds more than 50% of the voting shares in the Company.

Note 3: The aggregate endorsement/guarantee amount of Jadard Technology Inc. is limited to 60% of the net worth as stated in its most recent financial statements audited or reviewed by CPAs.

Note 4: The amount of the endorsements/guarantees made by Jadard Technology Inc. for any single entity shall be capped at 40% of the above net worth.

Note 5: Upon approval by the shareholders meeting, the subsidies in which Jadard Technology Inc. directly and indirectly holds 100% of the voting shares are exempt from the aforementioned net worth limit regarding the ceilings on the amounts they are permitted to make in endorsements/guarantees.

c. Holding of marketable securities at the end of the year (not including subsidiaries, associates and joint ventures):

Unit: NT$ thousands/ thousand shares

Holding Company	Type and name of marketable securities	Relationship with the issuer of the marketable securities	Financial statement account	End of the Period				Note
				Shares	Carrying value	Shareholding percentage	Fair value	
Jadard Technology INC.	ChongDien Microelectronics Limited	-	Current financial assets at fair value through profit or loss	-	-	15.00 %	-	
The Company	Taishin 1699 Money Market Fund	-	Current financial assets at fair value through profit or loss	358,552	4,907,826	-	4,907,826	
The Company	Jih Sun Money Market Fund	-	Current financial assets at fair value through profit or loss	168,434	2,525,903	-	2,525,903	
The Company	Franklin Templeton Sinoam Money Market Fund	-	Current financial assets at fair value through profit or loss	84,218	880,941	-	880,941	
The Company	FSITC Taiwan Money Market Fund	-	Current financial assets at fair value through profit or loss	73,608	1,139,558	-	1,139,558	

d. Acquisition or Sale of the Same Securities with the Accumulated Cost Reaching NT$300 Million or 20% of Paid-in Capital or More:

Unit: NT$ thousands/ thousand shares

Investor	Types and Names of Marketable Securities	Financial statement account	Transaction counterparty	Relationships	Beginning of the period		Acquisition		Sale				End of the period	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Cost	Gain(loss)	Number of shares	Amount
The Company	Beneficiary Certificate -Taishin 1699 Money Market Fund	Current financial assets at fair value through profit or loss	-		114,994	1,572,962	243,558	3,332,000	-	-	-	-	358,552	4,907,826
The Company	Beneficiary Certificate -Jih Sun Money Market Fund	Current financial assets at fair value through profit or loss	-	-	162,230	2,431,362	20,212	303,000	14,008	210,000	209,371	629	168,434	2,525,903
The Company	Beneficiary Certificate - FSITC Taiwan Money Market	Current financial assets at fair value through profit or loss	-	-	-	-	88,401	1,368,000	14,793	229,000	228,875	125	73,608	1,139,558

e. Acquisition of real estate amounting to at least NT$300 million or 20% of the paid-in capital: None.

f. Disposal of real estate amounting to at least NT$300 million or 20% of the paid-in capital: None.

g. Purchase or sale of goods with related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

h. Receivables from Related Parties Reaching NT$100 Million or 20% of Paid-in Capital or More: None

i. Engaged in derivatives trading None

j. Business Relationships, Significant Transactions, and Amount between the Parent Company and Subsidiaries and Between Subsidiaries:

No.	Name of company	Name of counter-party	Nature of relationship	Conditions of transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	Jadard Technology INC.	Jadard Technology Limited	1	Income from royalties	88,315	120 days for monthly checkout	1.48%
1	Jadard Technology INC.	Jadard Technology Limited	1	Accounts receivable	439,643	120 days for monthly checkout	1.64%
2	Hefei Jadard	Jadard Technology Limited Taiwan Branch	3	Sales revenue	117,743	120 days for monthly checkout	1.98%
2	Hefei Jadard	Jadard Technology Limited	3	Sales revenue	215,963	120 days for monthly checkout	3.62%
2	Hefei Jadard	Jadard Technology Limited	3	Receipts in advance	269,866	120 days for monthly checkout	1.01%
2	Hefei Jadard	Jadard Technology INC.	2	Sales revenue	435,302	120 days for monthly checkout	7.30%
2	Hefei Jadard	Jadard Technology INC.	2	Accounts receivable	314,204	120 days for monthly checkout	1.17%

Note 1. The numeral system shall be filled in as follows:

1. Fill in 0 as parent company.
2. Subsidiaries are numbered by company type starting with the Arabic numeral 1.

Note 2. There are 3 types of relationship with the counterparty:

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

Note 3. The amount of the above disclosure criteria is based on the amount of consolidated total assets exceeding 1% for assets and liabilities and the amount of consolidated total revenue exceeding 1% for profit and loss. The above related party transactions have been written-off in the preparation of the consolidated financial statements.

(2) Information on Investees:

Information on the consolidated companies' re-investments for the three months ended

March 31, 2022 is as follows (excluding the investee company in China):

Unit: NT$ thousands/ thousand shares

Investor Company	Investee Company	Location	Main businesses	Original investment amount		Balance as of March 31, 2022			Net income (loss) of the investee	Share of profit/loss of investee	Remark
				End of the period	End of last year	Thousand shares	Percentage of ownership	Book value			
The Company	Trade Logic Limited	BVI	Investment	302,296	302,296	30	100.00%	2,575,148	161,477	161,477	Note
Trade Logic Limited	Ever Harvest Limited	Samoa	Investment	302,296	302,296	10,000	100.00%	2,575,148	161,477	161,477	Note
The Company	Visual Sensing Technology	Hsinchu City	IC degisn	145,000	145,000	11,500	83.35%	65,309	(20,369)	(18,920)	Note
Jadard Technology INC..	Jadard Technology Limited	HK	General trade	270,264	270,264	9,200	100.00%	529,545	18,295	18,295	Note

Note: The Company's subsidiaries over which the Company has control and the long-term investments in consolidated entities have been write-off.

(3) Information on Investments in Mainland China:

a. Name and main business items of the investee company in Mainland China and other related information:

Unit: NT$ thousands

Investee Company	Main businesses	Paid-up capital	Method of investment (Note)	Beginning balance of accumulated outflow of investment from Taiwan	Remittance or recovery of investment amount in the current period		Ending balance of accumulated outflow of investment from Taiwan	Net income (loss) of the investee	The Company's percentage of ownership directly or indirectly	Investment gains (losses) recognized in the current period (Note 2)	Carrying amount as of the end	Ending balance of accumulated inward remittance of earnings
					Outflow	Inflow						
Jadard Technology INC	IC degisn	1,595,055 (Note 3)	(1)	302,296	-	-	302,296	264,063	61.15%	161,477	2,575,148	-
Hefei Jadard	Supply chain management	224,523 (Note 4)	(2)	-	-	-	-	4,145	61.15%	2,535	365,682	-
Xiamen Jadard	Supply chain management	4,344 (Note 5)	(2)	-	-	-	-	(469)	61.15%	(287)	3,098	-

Note 1: There are two types of investment methods that can be labeled as follows；

(1) Reinvestment in mainland China companies through re-investment in existing companies in third regions (Trade Logic Limited and Ever Harvest Limited).

(2) The investment method refers to a direct investment by a mainland company in a mainland company.

Note 2: The investment income or loss is calculated on the reviewed financial statements in the same period.

Note 3: The paid-in capital was RMB 365,000 thousand, which was converted to NT$1,595,055 thousand at the exchange rate at the time of investment.

Note 4: The paid-in capital was RMB 50,000 thousand, which was converted to NT$224,523 thousand at the exchange rate at the time of investment.

Note 5: The paid-in capital was RMB 1,000 thousand, which was converted to NT$4,344 thousand at the exchange rate at the time of investment.

b. Investment Limit to Mainland China:

Accumulated investment remitted from Taiwan to Mainland China at the end of the period	Investment amounts authorized by MOEAIC	Upper limit on investment authorized by MOEAIC
302,296	302,296	10,462,465

Note: Amend the investment limit in China according to letter no. Tai-wan-shen-tzu-09704604680 issued on August 29, 2008.

c. Significant transactions with Mainland China investees:

For significant direct or indirect transactions between the consolidated company and its investees in Mainland China (which were writ-off at the time the statement was prepared), please refer to the description of "Information on Significant Transactions".

(4) Information on Major Shareholders:

Unit: share

Share / Name of major shareholder	Number of shares currently held	Shareholding percentage
Bao Shin International Investments Co., Ltd.	14,140,052	7.57%
Hyield Venture Capital Co., Ltd.	13,213,984	7.08%
Hon Chi International Investment Co., Ltd.	10,100,037	5.41%

14. Operating Segment Information

There is only one reportable operating segment of the consolidated company, which is mainly engaged in research and development and production and sales of integrated circuits. Related departmental profit and loss, departmental assets and departmental liabilities are consistent with the information stated in financial statements, please refer to the consolidated balance sheet and the consolidated statement of income.