Stock Code:4927

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2021 and 2020

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The independent auditors' 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' report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Report

To the Board of Directors of Apex International Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Apex International Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 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 with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and the 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 Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements taken as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgments, the key audit matters that should be disclosed in this audit report are as follows:

1. Revenue recognition

Please refer to note 4(n) "Recognition of Revenue" for accounting policy related to revenue recognition, and note 6(r) for the information related to revenue of the consolidated financial statements.

Description of key audit matter:

The Group entered into agreements or sales orders, with different terms and conditions, with its major customers, which increase the complexity of the timing of revenue recognition. Therefore, the revenue recognition was considered to be one of the key audit matters in our audit.

How the matter was addressed in our audit:

Our audit procedures included:

- Assessing and testing the design, as well as the effectiveness of the operation on the control over sales and collection cycle.
- Performing comparison analysis on sales of the current period to last period and the latest quarter, and performing trend analysis on operating income from each top ten customer to assess the existence of any significant exceptions, and further identify and analyze the reasons if there is any significant exception.
- Performing test-of-detail on sales to assess the assertions of existence and accuracy, as well as the appropriateness of recognition.
- Performing sales cut-off test of a period before and after the financial position date by vouching relevant documents of sales transactions to determine whether sales of goods, sales returns and allowances have been appropriately recognized.

2. Subsequent measurements of inventories

Please refer to note 4(h) "Inventories" for accounting policy related to subsequent measurements of inventories, note 5(a) for accounting assumptions and estimation uncertainties of inventories and note 6(e) for information related to impairment of inventories of the consolidated financial statements.

Description of key audit matter:

Inventories of the Group are measured at the lower of cost and net realizable value. The fair value of inventories is vulnerable to the impact of highly competitive market of printed circuit board. Furthermore, high price volatility on raw material this year is likely to increase the risk of loss on market price decline, and as a result, overestimation of the subsequent measurement of inventories is more likely to occur. Therefore, the subsequent measurements of inventories was considered to be one of the key audit matters in our audit.

How the matter was addressed in our audit:

Our audit procedures included:

- Assessing whether appropriate provision policies for inventories are applied.
- Assessing whether the Group's subsequent measurement of inventories has been evaluated in accordance with the Group's provision policy on a consistent basis.
- Obtaining aging analysis of inventories, assessing the appropriateness of provision set aside for obsolete and slow-moving inventories, and examining relevant documents to verify the accuracy of the aging period.
- Obtaining evaluation report of the net realizable value of inventories, assessing the appropriateness of provision set aside for loss on market price decline, and examining relevant documents to verify the accuracy of sales prices and calculation of net realizable value.

3. Impairment of goodwill

Please refer to note 4(m) "Impairment of non derivative financial assets" for accounting policy related to impairment of goodwill, note 5(b) for accounting assumptions and estimation uncertainties of impairment of goodwill and note 6(i) "Intangible assets" for description related to measurements of impairment of goodwill of the consolidated financial statements.

How the matter was addressed in our audit:

Goodwill arising from the Merger & Acquisition transaction taken by the Group. Due to the assessment of impairment of goodwill invloved forecasting and discounting future cash flows along with several key assumptions, such key assumptions and assessment subject to the management's judgements and the inherent uncertainty is considered as high. Therefore, the impairment of goodwill was considered to be one of the key audit matters in our audit.

Our principal audit procedures included:

- Obtaining the evaluation report from the external expert and assessing the objectivity and the professional competence of the external expert.
- Assessing the reasonableness of the cash flows forecast and engaging the internal expert to assess the methods , discount rate and other assumptions applied in the evaluation report.
- Performing retrospective testing over the future cash flows forecast compiled by the management.
- Performing sensitivity analysis of key assumptions to understand the impact of recoverability from changing of key assumptions.
- Assessing whether the goodwill is impaired, if so, whether the impairment loss has been recognized appropriately .

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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretations as well as related guidance endorsed 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 are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause 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 a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partners on the audit resulting in this independent auditors' report are Min-Ju Chao and Chun-Hsiu Kuang.

KPMG

Taipei, Taiwan (Republic of China)
February 28, 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 audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' 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' report and consolidated financial statements, the Chinese version shall prevail.

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

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2021 Amount	%	December 31, 2020 Amount	%
11xx	**Current assets:**				
1100	Cash and cash equivalents (note 6(a))	$ 660,374	3	821,682	5
1110	Financial assets measured at fair value through profit or loss－current (notes 6(a) and (b))	9,285	-	10,592	-
1150	Notes receivable, net (notes 6(c) and (r))	-	-	661	-
1170	Accounts receivable, net (notes 6(c) and (r))	4,330,830	22	3,683,750	24
1200	Other receivables (note 6(d))	201,583	1	71,042	-
130x	Inventories (note 6(e))	3,737,962	19	2,227,880	15
1470	Other current assets	125,942	1	110,197	1
	Total current assets	9,065,976	46	6,925,804	45
15xx	**Non-current assets:**				
1600	Property, plant and equipment (notes 6(f), (g), (h), (i), (j), (k), (s), 8 and 9)	10,149,438	51	7,516,542	49
1755	Right-of-use asset (notes 6(f), (g), (h) and (m))	123,219	1	297,935	2
1780	Intangible assets (notes 6(f), (g) and (i))	168,418	1	188,097	2
1840	Deferred tax assets(note 6(o))	32,157	-	25,160	-
1915	Prepayment for equipment (note 6(g))	240,198	1	302,559	2
1920	Refundable deposits	7,811	-	7,954	-
1980	Other financial assets－non-current (notes 6(a), (b), (k) and 8)	8,206	-	4,311	-
	Total non-current assets	10,729,447	54	8,342,558	55
1xxx	**Total assets**	$ 19,795,423	100	15,268,362	100

	Liabilities and Equity	December 31, 2021 Amount	%	December 31, 2020 Amount	%
21xx	**Current liabilities:**				
2100	Short-term loans (notes 6(g), (j), 7, 8 and 9)	$ 2,501,866	13	1,369,949	9
2120	Financial liabilities measured at fair value through profit or loss－current (notes 6(a) and (b))	4,322	-	8,279	-
2170	Accounts payable	3,537,424	18	2,434,679	16
2200	Other payables	569,841	3	504,209	4
2213	Payable for machinery and equipment	1,062,967	5	499,952	3
2230	Current tax liabilities	22,826	-	20,678	-
2280	Current lease liabilities (notes 6(h) and (m))	40,965	-	71,422	-
2322	Current portion of long-term loans (notes 6(a), (g), (k), 7 and 8)	1,082,462	6	297,010	2
2399	Other current liabilities	71,931	-	38,479	-
	Total current liabilities	8,894,604	45	5,244,657	34
25xx	**Non-Current liabilities:**				
2540	Long-term loans (notes 6(a), (g), (k), 7 and 8)	3,036,339	15	2,030,917	13
2570	Deferred tax liabilities (note 6(o))	55,976	-	55,751	-
2580	Non-current lease liabilities (notes 6(h) and (m))	84,479	1	73,633	1
2612	Long-term payable	232,619	1	135,118	1
2670	Other non-current liabilities (note 6(n))	61,725	-	67,315	1
	Total non-current liabilities	3,471,138	17	2,362,734	16
2xxx	**Total liabilities**	12,365,742	62	7,607,391	50
31xx	**Equity attributable to owners of parent (notes 6(l) and (p)):**				
3110	Common stock	1,899,380	10	1,899,380	12
3200	Capital surplus	2,405,512	12	2,405,512	16
3300	Retained earnings	4,140,552	21	3,325,984	22
3410	Exchange differences on translation of foreign financial statements	(1,048,969)	(5)	(6,244)	-
	Total equity attributable to owners of parent	7,396,475	38	7,624,632	50
36xx	**Non-controlling interests**	33,206	-	36,339	-
3xxx	**Total equity**	7,429,681	38	7,660,971	50
2-3xxx	**Total liabilities and equity**	$ 19,795,423	100	15,268,362	100

See accompanying notes to consolidated financial statements.

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

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

		2021		2020	
		Amount	%	Amount	%
4000	**Operating revenue (note 6(r))**	$ 14,800,683	100	11,832,513	100
5000	**Operating costs (notes 6(e), (g), (h), (i), (m) and (n))**	11,681,718	79	9,325,012	79
5900	**Gross profit from operations**	3,118,965	21	2,507,501	21
6000	**Operating expenses (notes 6(c), (g), (h), (i), (m), (n), (p) and 7):**				
6188	Selling expenses	797,226	6	715,014	6
6200	Administrative expenses	755,522	6	576,381	5
6300	Research and development expenses	45,440	-	35,150	-
6450	Expected credit loss (reversal of expected credit loss)	43,369	-	(13,155)	-
	Total operating expenses	1,641,557	12	1,313,390	11
6900	**Operating income**	1,477,408	9	1,194,111	10
7000	**Non-operating income and expenses (notes 6(b), (g), (h), (l), (m) and (s)):**				
7100	Interest income	525	-	1,473	-
7010	Other income	35,237	-	36,028	-
7020	Other gains and losses	(31,895)	-	45,747	-
7050	Finance costs	(45,247)	-	(38,682)	-
	Total non-operating income and expenses	(41,380)	-	44,566	-
7900	**Profit from continuing operations before tax**	1,436,028	9	1,238,677	10
7951	Less: Income tax expenses (note 6(o))	52,146	-	34,922	-
8200	**Profit**	1,383,882	9	1,203,755	10
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss (notes 6(n) and (o))**				
8311	Gains (losses) on remeasurements of defined benefit plans	6,774	-	7	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	262	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	6,512	-	7	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(1,047,108)	(7)	(436,353)	(4)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	(1,047,108)	(7)	(436,353)	(4)
8300	**Other comprehensive income (loss)**	(1,040,596)	(7)	(436,346)	(4)
8500	**Total comprehensive income (loss)**	**$ 343,286**	**2**	**767,409**	**6**
	Profit, attributable to:				
8610	Owners of parent	$ 1,377,897	9	1,198,609	10
8620	Non-controlling interests	5,985	-	5,146	-
		$ 1,383,882	**9**	**1,203,755**	**10**
	Comprehensive income (loss) attributable to:				
8710	Owners of parent	$ 341,657	2	764,096	6
8720	Non-controlling interests	1,629	-	3,313	-
		$ 343,286	**2**	**767,409**	**6**
	Basic earnings per share (expressed in New Taiwan dollars) (note 6(q))				
9750	Basic earnings per share	**$ 7.25**		**6.31**	
9850	Diluted earnings per share	**$ 7.25**		**6.31**	

See accompanying notes to consolidated financial statements.

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

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent								
			Retained earnings						
	Common stock	Capital surplus	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign operation	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2020	$ 1,890,409	2,396,626	300,256	2,396,911	2,697,167	428,276	7,412,478	33,011	7,445,489
Appropriation and distribution of retained earnings:									
Cash dividends of ordinary share	-	-	-	(569,799)	(569,799)	-	(569,799)	-	(569,799)
Profit	-	-	-	1,198,609	1,198,609	-	1,198,609	5,146	1,203,755
Other comprehensive income	-	-	-	7	7	(434,520)	(434,513)	(1,833)	(436,346)
Total comprehensive income (loss)	-	-	-	1,198,616	1,198,616	(434,520)	764,096	3,313	767,409
Conversion of convertible bonds	8,971	8,886	-	-	-	-	17,857	-	17,857
Changes in non-controlling interests	-	-	-	-	-	-	-	15	15
Balance at December 31, 2020	1,899,380	2,405,512	300,256	3,025,728	3,325,984	(6,244)	7,624,632	36,339	7,660,971
Appropriation and distribution of retained earnings:									
Cash dividends of ordinary share	-	-	-	(569,814)	(569,814)	-	(569,814)	-	(569,814)
Profit	-	-	-	1,377,897	1,377,897	-	1,377,897	5,985	1,383,882
Other comprehensive income	-	-	-	6,485	6,485	(1,042,725)	(1,036,240)	(4,356)	(1,040,596)
Total comprehensive income (loss)	-	-	-	1,384,382	1,384,382	(1,042,725)	341,657	1,629	343,286
Cash dividends distributed to non-controlling interests by the subsidiaries	-	-	-	-	-	-	-	(4,762)	(4,762)
Balance at December 31, 2021	**$ 1,899,380**	**2,405,512**	**300,256**	**3,840,296**	**4,140,552**	**(1,048,969)**	**7,396,475**	**33,206**	**7,429,681**

See accompanying notes to consolidated financial statements.

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

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		2021	2020
Cash flows from (used in) operating activities:			
Profit before tax	$	1,436,028	1,238,677
Adjustments:			
Adjustments to reconcile profit:			
Depreciation expense		807,240	746,514
Amortization expense		16,892	15,004
Expected credit loss (reversal of expected credit loss)		43,369	(13,155)
Interest expense		45,247	38,682
Interest income		(525)	(1,473)
Loss on disposal of property, plant and equipment		1,301	16,356
Impairment loss on non-financial assets		16,997	17,435
Lease modification gain		(27)	(1,440)
Total adjustments to reconcile profit		930,494	817,923
Changes in operating assets and liabilities:			
Changes in operating assets:			
Financial assets measured at fair value through profit or loss		1,307	(7,122)
Notes receivable		661	(258)
Accounts receivable		(690,449)	(692,678)
Other receivables		(130,541)	(34,819)
Inventories		(1,510,082)	(364,228)
Other current assets		(15,745)	(51,786)
Total changes in operating assets		(2,344,849)	(1,150,891)
Changes in operating liabilities:			
Financial liabilities measured at fair value through profit or loss		(3,957)	4,989
Notes payable		-	(7)
Accounts payable		1,102,745	986,957
Other payables		62,502	111,220
Other current liabilities		33,452	17,369
Other non-current liabilities		1,184	1,369
Total changes in operating liabilities		1,195,926	1,121,897
Total changes in operating assets and liabilities		(1,148,923)	(28,994)
Total adjustments		(218,429)	788,929
Cash inflow generated from operations		1,217,599	2,027,606
Interest received		525	1,473
Interest paid		(42,117)	(42,689)
Income taxes paid		(50,209)	(20,839)
Net cash flows from operating activities		1,125,798	1,965,551
Cash flows from (used in) investing activities:			
Net cash flow from acquisition of subsidiaries (deduct cash acquired)		-	(163,942)
Acquisition of property, plant and equipment		(3,472,007)	(1,540,644)
Proceeds from disposal of property, plant and equipment		15,684	3,534
Decrease in refundable deposits		143	216
Acquisition of intangible assets		(19,510)	(5,431)
Decrease (increase) in other non-current financial assets		(3,895)	1,891
Increase in prepayments for equipment		(252,990)	(523,753)
Net cash flows used in investing activities		(3,732,575)	(2,228,129)
Cash flows from (used in) financing activities:			
Increase in short-term loans		1,376,973	394,084
Proceeds from long-term loans		4,394,530	2,169,945
Repayments of long-term loans		(2,304,625)	(910,291)
Payment of lease liabilities		(76,960)	(138,916)
Cash dividends paid		(569,814)	(569,799)
Change in non-controlling interests		(4,762)	-
Net cash flows from financing activities		2,815,342	945,023
Effect of exchange rate changes on cash and cash equivalents		(369,873)	(160,664)
Net increase (decrease) in cash and cash equivalents		(161,308)	521,781
Cash and cash equivalents at beginning of period		821,682	299,901
Cash and cash equivalents at end of period	**$**	**660,374**	**821,682**

See accompanying notes to consolidated financial statements.

(1) Company history

Apex International Co., Ltd. (the "Company") was established in the Cayman Islands on October 28, 2009. The main purpose of the establishment, which resulted from organizational restructuring, was to apply for emerging stock registration on the Taipei Exchange (TPEx) in the Republic of China. After restructuring, the Company became the holding company of Apex Circuit (Thailand) Co., Ltd. (APT), which is located in Thailand, and became a listed company on the TPEx in the Republic of China (R.O.C.) on October 18, 2011. The Company then changed its listing from the TPEx to the Taiwan Stock Exchange (TWSE) in the R.O.C. on September 8, 2015. APT mainly manufactures and sells electronic printed circuit boards. For the related information, please refer to note 14. The Company and its subsidiaries are hereinafter referred to as the Group.

(2) Approval date and procedures of the consolidated financial statements:

The consolidated financial statements were authorized for issuance by the Board of Directors on February 28, 2022.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2021:

- Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform—Phase 2"

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from April 1, 2021:

- Amendments to IFRS 16 "Covid-19-Related Rent Concessions beyond June 30, 2021"

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its 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 IFRS Standards 2018–2020

(Continued)

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- Amendments to IFRS 3 "Reference to the Conceptual Framework"

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

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	The key amendments to IAS 1 include: ● requiring companies to disclose their material accounting policies rather than their significant accounting policies; ● clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and ● clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.	January 1, 2023

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	The amendments narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.	January 1, 2023

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

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”

(4) Summary of significant accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" (hereinafter referred to the Regulations) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to as the IFRSs endorsed by the FSC).

(b) Basis of preparation

(i) The consolidated financial statements have been prepared on a historical cost basis except for the following material items in the consolidated statement of financial position:

1) Financial instruments measured at fair value through profit or loss are measured at fair value;

2) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in Note 4(o).

(ii) Functional and presentation currency

The functional currency of a Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional currency. All financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principle of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and its subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of parent and to non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) List of subsidiaries in the consolidated financial statements

The Company's subsidiaries were as follows:

			Percentage of ownership (%)	
Name of investor	**Name of subsidiary**	**Business activities**	**December 31, 2021**	**December 31, 2020**
The Company	Apex Circuit (Thailand) Co., Ltd. (APT)	PCB manufacturing and sales	99.58 %	99.58 %
The Company	Approach Excellence Trading Ltd. (incorporated in British Virgin Islands) (AET)	Supply chain integration	100.00 %	100.00 %
APT	Shye Feng Enterprise (Thailand) Co., Ltd. (APS)	PCB manufacturing and sales	99.99 %	99.99 %
APT	Apex IPO (Dong Guan) Ltd. (APC)	Supply chain integration	100.00 %	100.00 %
APS	Shye Feng (Singapore) Pte. Ltd. (APSS)	PCB sales development	100.00 %	100.00 %

Subsidiaries which are not included in the consolidated financial statements: None.

(d) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

(Continued)

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) an investment in equity securities designated as at fair value through other comprehensive income;

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations, are translated into presentation currency at the average rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Group disposes of only part of investment in an associate or joint venture that includes a foreign operation while retaining significant or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange difference arising from such items are considered to form part of a net investment in the foreign operation and are recognized in other comprehensive income, and presented in the translation reserve in equity.

(e) Assets and liabilities classified as current and non-current

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(Continued)

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non current.

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

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

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and checking deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(g) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL：

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

3) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, trades receivable, other receivables, guarantee deposit paid and other financial assets).

Loss allowance for bank balances is measured by 12-month ECL for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables is always measured at an amount equal to lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

(Continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group’s historical experience and informed credit assessment as well as forward-looking information.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering a financial asset in its entirely or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

4) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(Continued)

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instruments is any contract that evidences residual interest in the assets of an entity after deducting all of its liability. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in NTD that can be converted to ordinary share at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of a compound financial instrument is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured.

Interest related to a financial liability is recognized in profit or loss, non-operating gains and losses recorded under finance costs. On conversion at maturity, the financial liability is reclassified to equity, and no gain or loss is recognized.

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value, and net gains and losses including interest expense, are recognized in profit or loss.

(Continued)

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

5) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligation has been discharged or cancelled or expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when and only when, the Group currently has a legally enforceable right to set off the amounts, and it intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

(iii) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

The subsequent measurement of inventories is based on the lower of cost or net realizable value, item by item. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. If the market values rise in the subsequent period, then the cost of inventories should be adjusted to the market values, while the adjustment amount should not be over the previous reduction range, and such adjustment should be recorded as cost of goods sold in the current period.

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(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Land improvement	5 to 10 years
Buildings	1 to 20 years
Machinery and equipment	1 to 20 years
Transportation equipment	3 to 5 years
Office equipment	5 to 20 years
Leasehold improvement	1 to 6 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Lease－as a leasee

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

(Continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

— fixed payments; including substantive fixed payments

— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

— amounts expected to be payable under a residual value guarantee; and

— payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

— there is a change in future lease payments arising from the change in an index or rate; or

— there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

— there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

— there is a change of its assessment on whether it will exercise an extension or termination option; or

— there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of office equipment, vehicles and buildings that have a lease term of 12 months or less and leases of low-value assets, including office equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(Continued)

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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For sale-and-leaseback transactions, the Group applies the requirements for determining when a performance obligation is satisfied in IFRS15 to determine whether the transfer of an asset is accounted for as a sale of the asset. If the transfer of an asset satisfies the requirement of IFRS15 to be accounted for as a sale of the asset, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained. Accordingly, the Group recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. If the transfer of an asset does not satisfy the requirement of IFRS15 to be accounted for as a sale of the asset, the Group will continue to recognize the transferred asset and shall recognize the financial liability equal to the transfer proceeds.

(k) Business combination

The Company accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Company recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all the assets acquired and all of the liabilities assumed.

All the transaction costs incurred for the business combination are recognized immediately as the Group's expenses when incurred, except for the issuance of debt or equity instruments.

For each business combination, the Group measures any non-controlling interests in the acquiree at the non-controlling interests' proportionate share of the acquiree's identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the acquiree’s net assets in the event of liquidation.

(l) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Other intangible assets, including customer relationships, and operating procedure, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

(Continued)

The estimated useful lives for current and comparative periods are as follows:

1)	Customer relationships	10 years
2)	Operating procedure	5 years
3)	Software	5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(m) Impairment of non-derivative financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They ae allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Recognition of Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The Group recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(Continued)

The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

(iv) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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(p) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

Current taxes comprise the expected tax payable or receivable on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary difference arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which they can be utilized. Deferred tax payable are reviewed at each reporting date, and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserved, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes if any.

Deferred tax assets and liabilities may be offset against each other if the following criteria are met:

(i) The Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entity which intends to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(Continued)

(q) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. The basic earnings per share are calculated as the profit attributable to the ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. The diluted earnings per share are calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, such as convertible bonds and employee compensation.

(r) Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

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

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

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of the changes in the accounting estimates in the period.

Significant risks of adjustment in balances of assets and liabilities accounts in the subsequent fiscal year could arise from the following assumptions and estimations’ inherent uncertainties, where the effect of Covid-19 is appropriately reflected. The related information is presented as below:

(a) Subsequent measurements of inventories

As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Please refer to note 6(e) for further description of the subsequent measurements of inventories.

(b) Impairment of goodwill

The assessment of impairment of goodwill requires the Group to make subjective judgments to identify CGUs, allocate the goodwill to relevant CGUs, and estimate the recoverable amount of relevant CGUs. Refer to note 6(i) for further description of the impairment of goodwill.

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(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash	$ 1,384	6,319
Demand deposits	630,767	789,182
Checking deposits	19,916	17,629
Time deposits	8,307	8,552
Cash and cash equivalents in the consolidated statement of cash flows	$ **660,374**	**821,682**

Reserve account deposits that are not highly liquid and cannot be readily converted to a known amount of cash, or the values of which are subject to fluctuation, are listed under other financial assets－non-current as follows:

	December 31, 2021	December 31, 2020
Restricted bank deposit	$ **8,206**	**4,311**

Please refer to note 8 for more information on the collateral for loan.

Please refer to note 6(t) for the disclosure of interest rate risks and sensitivity analysis of the Groups' financial assets and liabilities.

(b) Financial assets and liabilities measured at fair value through profit or loss

(i) Financial assets measured at fair value－Current

	December 31, 2021	December 31, 2020
Financial assets held-for-trading:		
Derivative instruments not used for hedging		
Forward exchange contracts	$ **9,285**	**10,592**

(ii) Financial liabilities measured at fair value－Current

	December 31, 2021	December 31, 2020
Financial liabilities held-for-trading:		
Derivative instruments not used for hedging		
Forward exchange contracts	$ **4,322**	**8,279**

Please refer to note 6(s) for the amounts recognized in the comprehensive income statements that resulted from remeasurement at fair value.

The Group uses derivative financial instruments to hedge certain foreign exchange risk the Group is exposed to arising from its operating, financing, and investing activities. As these derivative financial instruments did not qualify for hedge accounting, the Group held the following derivative financial instruments as held-for-trading financial assets (liabilities) as of December 31, 2021 and 2020.

Forward exchange contracts:

	December 31, 2021				
	Amount (in thousands)		**Currency**	**Maturity dates**	**Fair value of assets (liabilities)**
Forward exchange purchased	USD	21,390	USD to THB	2022.1.4 ~2022.5.31	$ 9,285
Forward exchange purchased	USD	16,000	USD to NTD	2022.2.14	$ (786)
Forward exchange purchased	USD	17,500	USD to THB	2022.3.28 ~2022.6.30	(3,536)
					$ (4,322)

	December 31, 2020				
	Amount (in thousands)		**Currency**	**Maturity dates**	**Fair value of assets (liabilities)**
Forward exchange sold	USD	8,000	USD to THB	2021.1.12 ~2021.2.25	$ 10,592
Forward exchange purchased	USD	6,000	USD to THB	2021.1.4	$ (6,240)
Forward exchange purchased	USD	5,000	NTD to USD	2021.1.20	(2,039)
					$ (8,279)

Please refer to note 6(l) for financial assets measured at fair value through profit or loss components from issuing unsecured convertible bonds.

Please refer to note 8 for more information on the collateral for derivative instruments not used for hedging.

(c) Notes receivable and accounts receivable

	December 31, 2021	**December 31, 2020**
Notes receivable	$ -	661
Accounts receivable	4,378,017	3,690,646
Less: loss allowance	(47,187)	(6,896)
	$ 4,330,830	3,684,411

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The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on the regions that customers stand for, shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomics and relevant industry information.

The Group's analyses of the expected credit loss on its accounts receivable in the regions of Taiwan and Mainland China were as follows:

	December 31, 2021		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Not yet due	$ 358,738	0.60	2,147
Past due 1~30 days	77,344	2.38	1,844
Past due 31~60 days	33,891	8.97	3,040
Past due 61~90 days	3,734	16.34	610
Past due 91~120 days	66	37.88	25
Past due over 180 days	179	100.00	179
	$ 473,952		7,845

	December 31, 2020		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Not yet due	$ 474,579	-	-
Past due 1~30 days	110,751	-	-
Past due 31~60 days	48,870	-	-
Past due 61~90 days	17,002	-	-
Past due 121~180 days	721	42.30	305
Past due over 180 days	5	100.00	5
	$ 651,928		310

The Group's analyses of the expected credit loss on its accounts receivable in the regions of Japan and Korea were as follows:

	December 31, 2021		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Not yet due	$ 290,083	-	-
Past due 1~30 days	34,444	-	-
Past due 31~60 days	243	-	-
	$ 324,770		-

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	December 31, 2020		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Not yet due	$ 261,135	-	-
Past due 1~30 days	17,402	-	-
Past due 31~60 days	1,872	-	-
Past due 91~120 days	78	26.92	21
	$ 280,487		21

The Group's analyses of the expected credit loss on its accounts receivable in the region of India were as follows:

	December 31, 2021		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Past due over 180 days	$ 1,834	100.00	1,834

	December 31, 2020		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Past due over 180 days	$ 1,890	100.00	1,890

The Group's analyses of the expected credit loss on its notes receivable and accounts receivable in other Asian region were as follows:

	December 31, 2021		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Not yet due	$ 2,369,317	-	94
Past due 1~30 days	246,288	0.04	93
Past due 31~60 days	12,484	1.31	163
Past due 61~90 days	2,003	-	-
Past due over 180 days	169	100.00	169
	$ 2,630,261		519

The accounts receivable above does not contain all the amounts that the Group has for a certain client. As the uncertainty of receiving such accounts receivable, the Group has fully recognized loss allowance of the total amount. Therefore, it is not included into expected credit loss calculation, and the total amount is $34,664 thousand.

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	December 31, 2020		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Not yet due	$ 1,615,811	0.01	125
Past due 1~30 days	302,963	0.03	86
Past due 31~60 days	33,862	1.47	497
Past due 61~90 days	26,084	0.38	99
Past due 121~180 days	80	32.50	26
Past due over 180 days	237	100.00	237
	$ 1,979,037		1,070

The Group's analyses of the expected credit loss on its accounts receivable in the Western region (Europe and America) were as follows:

	December 31, 2021		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Not yet due	$ 774,831	0.10	760
Past due 1~30 days	105,758	0.51	536
Past due 31~60 days	18,333	1.37	251
Past due 61~90 days	10,721	3.42	367
Past due 91~120 days	2,169	10.88	236
Past due 121~180 days	724	24.17	175
	$ 912,536		2,325

	December 31, 2020		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Not yet due	$ 564,569	0.10	553
Past due 1~30 days	52,134	0.51	264
Past due 31~60 days	149,793	1.37	2,051
Past due 61~90 days	8,953	3.42	306
Past due 91~120 days	873	10.88	95
Past due 121~180 days	1,491	12.34	184
Past due over 180 days	152	100.00	152
	$ 777,965		3,605

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The movements in the allowance of accounts receivable were as follows:

	2021	2020
Balance at the beginning	$ 6,896	21,041
Acquisition through business combination	-	318
Impairment losses (reversal gain)	43,369	(13,155)
Foreign exchange losses	(3,078)	(1,308)
Balance at the ending	**$ 47,187**	**6,896**

(d) Other receivables

	December 31, 2021	December 31, 2020
Other receivables	**$ 201,583**	**71,042**

The Group does not have any past due other receivables as of December 31, 2021 and 2020.

For more information on credit risk, please refer to note 6(t).

(e) Inventories

	December 31, 2021		
	Cost	Allowance for loss	Net realizable value
Raw materials	$ 1,403,515	(48,592)	1,354,923
Work in process	559,119	(14,792)	544,327
Finished goods	1,135,171	(70,756)	1,064,415
Supplies and spare parts	649,631	(46,501)	603,130
Goods in transit	153,058	-	153,058
Merchandise inventory	18,109	-	18,109
Total	**$ 3,918,603**	**(180,641)**	**3,737,962**

	December 31, 2020		
	Cost	Allowance for loss	Net realizable value
Raw materials	$ 696,155	(41,558)	654,597
Work in process	341,756	(6,428)	335,328
Finished goods	689,798	(22,113)	667,685
Supplies and spare parts	465,241	(43,919)	421,322
Goods in transit	142,978	-	142,978
Merchandise inventory	5,970	-	5,970
Total	**$ 2,341,898**	**(114,018)**	**2,227,880**

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For the years ended December 31, 2021 and 2020, in addition to the normal cost of goods sold, the following loss and revenue were included in the Group's operating costs:

		2021	2020
Allowance for inventory valuation and obsolescence losses (reversal gain)	$	85,550	(22,454)
Revenue from sale of scrap		(465,592)	(296,231)
Loss on inventory obsolescence		59,469	34,512
Unamortized manufacturing expense		342,798	335,253
Physical count variance		-	7
	$	**22,225**	**51,087**

As of December 31, 2021 and 2020, the Group did not pledge its inventory as collateral.

(f) Business combination

On October 3, 2019, the Company's Board of Directors resolved to acquire shares of APS in order to diversify its production line. The acquisition would be completed in January 2020, with a purchase amount not exceeding 281,000 thousand Baht. The Group has obtained the control of APS by acquiring 99.99% shares of APS in January 2020.

Taking control of APS will enable the Group to diversify its products through access to APS' s capacity and operating procedures. Besides, the acquisition is expected to increase the Group's market of the PCB through access to the acquiree's existing customer relationship. The Group also expects to reduce costs through economies of scale.

From the acquisition date to December 31, 2020, operating revenue and net loss of APS are $582,335 thousand and $15,146 thousand, respectively.

The Group incurred acquisition-related costs of $3,228 thousand on legal fees and due diligence costs. These costs have been accounted as administrative expenses which are included in the statement of comprehensive income for the year ended December 31, 2019.

Consideration transferred, assets and liabilities acquired, and goodwill recognized are as follows:

(i) The fair value of APS on the acquisition date is $277,485 thousand and the price is paid in cash. The Group has paid $83,251 thousand in 2019 for this acquisition and the residual amount of $194,234 thousand was paid in 2020.

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(ii) Identifiable assets and liabilities acquired

The following table summarizes the acquisition-date fair value of identifiable assets and liabilities assumed.

Cash and cash equivalents	$ 30,292
Notes receivable	403
Accounts receivable (deduct allowance for uncollectible accounts $318 thousand)	106,473
Inventories	62,746
Other current assets	367
Property, plant and equipment (note 6(g))	151,402
Right-of-use asset (note 6(h))	286
Intangible assets (note 6(i))	46,797
Refundable deposits	242
Short-term loans	(132,192)
Notes payable	(7)
Accounts payable	(80,841)
Other payables	(9,926)
Payable for machinery and equipment	(4,255)
Current tax liabilities	(2,731)
Other current liabilities	(1,717)
Lease liabilities	(169)
Other non-current liabilities	(15,985)
Total identifiable net assets acquired	**$ 151,185**

(iii) Goodwill

Consideration transferred	$ 277,485
Non-controlling interest in the acquiree (proportionate share of the fair value of the identifiable net assets)	15
Less: Fair value of identifiable net assets	(151,185)
Goodwill	**$ 126,315**

The goodwill is attributable mainly to the skills and technical talent of company APS's work force and the synergies expected to be achieved from integrating the company into the Group's existing business. None of the goodwill recognized is expected to be deductible for tax purposes.

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(g) Property, plant and equipment

The cost, depreciation, and impairment losses of the property, plant and equipment of the Group in the years ended December 31, 2021 and 2020, were as follows:

		Land	Land improvement	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvement	Unfinished construction and equipment undergoing acceptance testing	Total
Cost:										
Balance at January 1, 2021	$	740,846	8,066	2,323,404	7,908,213	15,960	474,606	17,855	1,047,902	12,536,852
Additions		19,756	430	471,377	1,451,771	2,533	142,114	7,355	2,037,187	4,132,523
Disposals		-	-	(1,399)	(68,307)	-	(3,247)	-	-	(72,953)
Reclassification (notes 1, 2 and 3)		-	-	496,323	619,874	-	127	-	(607,297)	509,027
Translation effect		(95,871)	(1,054)	(289,799)	(877,364)	2,719	(66,483)	(2,376)	(206,489)	(1,536,717)
Balance at December 31, 2021	$	**664,731**	**7,442**	**2,999,906**	**9,034,187**	**21,212**	**547,117**	**22,834**	**2,271,303**	**15,568,732**
Balance at January 1, 2020	$	351,537	8,335	2,297,849	7,767,265	12,912	464,785	10,902	204,952	11,118,537
Acquisition through business combination		38,489	-	65,250	39,118	2,391	1,275	-	4,879	151,402
Additions		370,185	202	84,479	669,140	1,829	37,300	7,401	777,299	1,947,835
Disposals		-	-	(12,069)	(479,443)	-	(2,630)	-	-	(494,142)
Reclassification (notes 1, 2 and 3)		-	-	24,803	365,901	-	(3)	-	66,414	457,115
Translation effect		(19,365)	(471)	(136,908)	(453,768)	(1,172)	(26,121)	(448)	(5,642)	(643,895)
Balance at December 31, 2020	$	**740,846**	**8,066**	**2,323,404**	**7,908,213**	**15,960**	**474,606**	**17,855**	**1,047,902**	**12,536,852**
Accumulated depreciation and impairment losses:										
Balance at January 1, 2021	$	-	4,834	902,104	3,783,721	12,619	306,078	10,954	-	5,020,310
Depreciation		-	795	140,976	482,340	1,141	52,424	2,555	-	680,231
Impairment loss		-	-	-	16,997	-	-	-	-	16,997
Disposals		-	-	(512)	(52,410)	-	(3,046)	-	-	(55,968)
Reclassification (note 3)		-	-	-	140,466	-	-	-	-	140,466
Translation effect		-	(659)	(66,033)	(277,592)	3,216	(40,424)	(1,250)	-	(382,742)
Balance at December 31, 2021	$	**-**	**4,970**	**976,535**	**4,093,522**	**16,976**	**315,032**	**12,259**	**-**	**5,419,294**
Balance at January 1, 2020	$	-	4,231	826,368	3,921,969	10,384	278,836	8,908	-	5,050,696
Depreciation		-	836	129,173	501,421	3,118	44,990	2,417	-	681,955
Impairment loss		-	-	-	17,435	-	-	-	-	17,435
Disposals		-	-	(3,844)	(468,131)	-	(2,277)	-	-	(474,252)
Reclassification (note 3)		-	-	-	47,995	-	(2)	-	-	47,993
Translation effect		-	(233)	(49,593)	(236,968)	(883)	(15,469)	(371)	-	(303,517)
Balance at December 31, 2020	$	**-**	**4,834**	**902,104**	**3,783,721**	**12,619**	**306,078**	**10,954**	**-**	**5,020,310**
Carrying amount:										
Balance at December 31, 2021	$	**664,731**	**2,472**	**2,023,371**	**4,940,665**	**4,236**	**232,085**	**10,575**	**2,271,303**	**10,149,438**
Balance at December 31, 2020	$	**740,846**	**3,232**	**1,421,300**	**4,124,492**	**3,341**	**168,528**	**6,901**	**1,047,902**	**7,516,542**
Balance at January 1, 2020	$	**351,537**	**4,104**	**1,471,481**	**3,845,296**	**2,528**	**185,949**	**1,994**	**204,952**	**6,067,841**

Note 1: The cost of $277,861 thousand and $246,151 thousand, respectively, were transferred from prepayment for equipment for the years ended December 31, 2021 and 2020.

2. The cost of $2,003 thousand and $1,473 thousand were reclassified from equipment undergoing acceptance testing of property, plant and equipment to intangible assets for the years ended December 31, 2021 and 2020.

3. The cost of $233,169 thousand and $212,437 thousand, respectively, accumulated depreciation of $140,466 thousand and $47,993 thousand, respectively, were reclassified from right-of-use assets for the years ended December 31, 2021 and 2020.

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The Group tested the majority of the idle machinery for impairment and estimated the differences between the book value and the recoverable amount. The impairment loss recognized was as follows:

		2021	2020
Impairment loss	$	16,997	17,435

The Group used fair value less selling cost to calculate the recoverable amount as the basis to measure the impairment of the idle property, plant and equipment.

Please refer to note 6(s) for the amount of interest expenses capitalized.

Please refer to note 8 for more information on the collateral for loans.

(h) Right-of-use assets

The Group leases many assets including buildings, machinery and equipment, and transportation equipment. Information about leases for which the Group as a lessee is presented below:

		Buildings	Machinery and equipment	Transportation equipment	Office equipment	Total
Cost:						
Balance at January 1, 2021	$	101,810	298,022	41,670	1,418	442,920
Additions		38,089	30,841	7,284	-	76,214
Disposals (modification and early termination of contract)		(1,902)	-	-	-	(1,902)
Reclassification to property, plant and equipment		-	(233,169)	-	-	(233,169)
Translation effect		(13,101)	(27,935)	(5,673)	(182)	(46,891)
Balance at December 31, 2021	$	124,896	67,759	43,281	1,236	237,172
Balance at January 1, 2020	$	107,596	526,283	26,546	-	660,425
Acquisition through business combination		-	-	286	-	286
Additions		57,396	15,467	16,230	1,407	90,500
Disposals (modification and early termination of contract)		(57,674)	-	-	-	(57,674)
Reclassification to property, plant and equipment		-	(212,437)	-	-	(212,437)
Translation effect		(5,508)	(31,291)	(1,392)	11	(38,180)
Balance at December 31, 2020	$	101,810	298,022	41,670	1,418	442,920

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	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Total
Accumulated depreciation and impairment losses:					
Balance at January 1, 2021	$ 28,517	96,275	19,950	243	144,985
Depreciation	28,695	88,362	9,499	453	127,009
Disposals (modification and early termination of contract)	(736)	-	-	-	(736)
Reclassification to property, plant and equipment	-	(140,466)	-	-	(140,466)
Translation effect	(4,068)	(9,695)	(3,021)	(55)	(16,839)
Balance at December 31, 2021	**$ 52,408**	**34,476**	**26,428**	**641**	**113,953**
Balance at January 1, 2020	$ 27,261	121,793	10,386	-	159,440
Depreciation	24,726	29,516	10,076	241	64,559
Disposals (modification and early termination of contract)	(22,104)	-	-	-	(22,104)
Reclassification to property, plant and equipment	-	(47,993)	-	-	(47,993)
Translation effect	(1,366)	(7,041)	(512)	2	(8,917)
Balance at December 31, 2020	**$ 28,517**	**96,275**	**19,950**	**243**	**144,985**
Carrying amount:					
Balance at December 31, 2021	**$ 72,488**	**33,283**	**16,853**	**595**	**123,219**
Balance at December 31, 2020	**$ 73,293**	**201,747**	**21,720**	**1,175**	**297,935**
Balance at January 1, 2020	**$ 80,335**	**404,490**	**16,160**	**-**	**500,985**

(i) Intangible assets

The cost, amortization, and impairment losses for the intangible assets of the Group for the years ended December 31, 2021 and 2020, were as follows:

	Goodwill	Operating procedure	Customer relationship	Software	Total
Costs:					
Balance at January 1, 2021	$ 119,155	3,110	40,789	112,334	275,388
Addition	-	-	-	19,510	19,510
Reclassification from property, plant and equipment	-	-	-	2,003	2,003
Translation effect	(15,259)	(399)	(5,223)	(15,363)	(36,244)
Balance at December 31, 2021	**$ 103,896**	**2,711**	**35,566**	**118,484**	**260,657**
Balance at January 1, 2020	$ -	-	-	111,021	111,021
Acquisition through business combinations	126,315	3,298	43,240	259	173,112
Additions	-	-	-	5,431	5,431
Reclassification from property, plant and equipment	-	-	-	1,473	1,473
Translation effect	(7,160)	(188)	(2,451)	(5,850)	(15,649)
Balance at December 31, 2020	**$ 119,155**	**3,110**	**40,789**	**112,334**	**275,388**

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	Goodwill	Operating procedure	Customer relationship	Software	Total
Amortization and impairment loss:					
Balance at January 1, 2021	$ -	622	4,079	82,590	87,291
Amortization	-	571	3,746	12,575	16,892
Translation effect	-	(108)	(712)	(11,124)	(11,944)
Balance at December 31, 2021	**$ -**	**1,085**	**7,113**	**84,041**	**92,239**
Balance at January 1, 2020	$ -	-	-	76,097	76,097
Amortization	-	618	4,049	10,337	15,004
Translation effect	-	4	30	(3,844)	(3,810)
Balance at December 31, 2020	**$ -**	**622**	**4,079**	**82,590**	**87,291**
Carrying amount:					
Balance at December 31, 2021	**$ 103,896**	**1,626**	**28,453**	**34,443**	**168,418**
Balance at December 31, 2020	**$ 119,155**	**2,488**	**36,710**	**29,744**	**188,097**
Balance at January 1, 2020	**$ -**	**-**	**-**	**34,924**	**34,924**

The goodwill amounted to THB 125,176 thousand for the group arising from the acquisition of APS at January 1, 2020 is mainly attributed to utilizing the current capacity of APS, so that diversification of products is achieve for the Group. According to IFRS 36, impairment test on goodwill arise from business combination should at least be performed annually. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units, that are expected to benefit from the synergies of the combination. APS itself is a separate cash-generating unit that can generate independent cash inflows; therefore, goodwill is tested for impairment by comparing the recoverable amount of APS with its carrying amount to determine whether an impairment loss should be recognized.

On October 31, 2021, the external expert report regarding to asset impairment test issued by an expert engaged by the Group had been prepared based on the APS's financial forecast covering 2022 to 2026. The projection of operating revenue over the forecast period was made based on the geographical location and product types. Therefore, the consolidated financial statements mainly evaluate and illustrate whether the actual operating revenue and gross profit margin achieves the forecast operating revenue and gross profit margin for the year ended December 31, 2021. For the year ended December 31, 2021, the actual operating revenue was higher than projected; however, the gross profit margin was lower than the forecast due to the increase of the price of raw material at the end of 2020.

Based on the result of value-in-use calculation, the recoverable amount of APS of THB 498,307 thousand, which is higher in comparison to the book value. Therefore, no impairment is recognized.

The recoverable amount of APS had been determined based on a value in use calculation. The calculation uses pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated into the future using the estimated growth rate described below. The key assumptions used in the value in use calculation are as follows:

(i) Projections on the cash flows are based on historical experience, actual operational results, and corporate strategic plans for the following five years.

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(ii) The after-tax discount rate is based on the Group's weighted-average cost of capital. As of October 31, 2021, the adopted discount rate is 13.90%

The discount rate was a pre-tax measure based on the rate of 10-year government bonds issued by the Thailand government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systemic risk of the specific CGU.

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the lower of the nominal GDP rates for the countries in which the CGU operates and the long-term compound annual EBITDA growth rate estimated by management.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for the anticipated revenue growth. Revenue growth was projected taking into account the average growth levels past experience and the estimated sales volume, and price growth for the next five years.

(j) Short-term loans

		December 31, 2021	December 31, 2020
Secured loans	$	138,035	33,317
Unsecured loans		2,363,831	1,336,632
Total	**$**	**2,501,866**	**1,369,949**
Unused credit line	**$**	**1,628,791**	**3,916,525**
Interest rate (%)		**0.29~4.09**	**0.32~4.09**

Please refer to note 8 for more information on the collateral for loans.

(k) Long-term loans

		December 31, 2021	December 31, 2020
Secured loans	$	2,697,734	1,721,901
Unsecured loans		1,424,077	611,228
Less: deferred financing fee		(3,010)	(5,202)
Subtotal		4,118,801	2,327,927
Less: current portion		(1,082,462)	(297,010)
Total	**$**	**3,036,339**	**2,030,917**
Unused credit line	**$**	**3,080,336**	**4,408,821**
Interest rate (%)		**0.95~4.00**	**1.05~3.75**
Maturity date		**2022.8~2026.3**	**2022.8~2025.10**

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(i) Collateral for loans

Please refer to note 8 for more information on the collateral for loans.

(ii) Loan contract

1) APT entered into several agreements with several banks in Thailand, including Bangkok Bank, Bank of Ayudhya, E. Sun Commercial Bank, E. Sun Bank (China) and Mega International Commercial Bank. The main commitment clauses in the contract with Bangkok Bank, Bank of Ayudhya, E. Sun Commercial Bank, E. Sun Bank (China) and Mega International Commercial Bank are as follows:

a) The current ratio (current asset / current liabity less current portion) must exceed 80%~100%

b) The debt ratio (liability / equity) maintain below 180%~200% (inclusive)

c) Interest coverage ratio [(net income before tax + interest expense + depreciation + amortization) / interest expense] must exceed 300%.

d) The tangible equity (total equity - intangible asset) must exceed NTD $4.5~5.0 billion.

The ratios mentioned above shall be calculated based on the audited annual financial statements of APT.

As of December 31, 2021 and 2020, the Group did not breach the commitment clause mentioned above.

2) The Company entered into a joint loan agreement led by First Commercial Bank along with other nine banks in Taiwan on August 12, 2019, the main commitment clauses in the contract are as follows:

a) The current ratio (current asset / current liability less current portion) must exceed 100%.

b) The debt ratio (liability / tangible equity) cannot exceed 180%.

c) Interest coverage ratio [(net income before tax + interest expense + depreciation + amortization) / interest expense] must exceed 300%.

d) The tangible equity (total equity - intangible asset) must exceed NTD $4.0 billion.

The ratios mentioned above shall be calculated based on the audited annual consolidated financial statements, as well as the reviewed semiannual consolidated financial statements of the Group. Either, the Group or independent auditor should provide a declaration which states no breach of such commitment upon semiannual and annual review.

As of December 31, 2021 and 2020, the Group did not breach the commitment clauses mentioned above.

(Continued)

(l) Corporate bonds payable

	December 31, 2020 Third unsecured convertible bond
Total amount of convertible bonds	$ 600,000
Less: Discount on issuing convertible bonds	29,760
Underwriting expense	6,681
Discounted present value of bonds payable when issued	563,559
Amortization of discount on bonds payable	5,562
Reversal of discount on bonds payable conversion	30,879
Less: Accumulated converted amount	600,000
Ending balance of bonds payable	**$ -**

On April 13, 2018, the Financial Supervisory Commission approved the Company's application (Letter No.1070308994) to issue its third unsecured convertible bonds not exceeding $600,000 thousand. The issuance date of the convertible bonds was May 7, 2018, and the price of which was set on April 26, 2018. The convertible bonds issued by the Group totaled $600,000 thousand, with a par value of $100 thousand per share, without any interest rate, within a period of 3 years, at a conversion price of $21.50.

The Group issued its convertible bonds in accordance with IFRS 9, which requires the Company to recognize its liability and equity components of convertible bonds separately as follows:

	Third unsecured convertible bond
Value of the convertible bonds upon issuance	$ 570,240
Embedded derivative financial instruments (put option and call option)	2,220
Equity component (conversion option)	27,540
	$ 600,000

(i) The third unsecured convertible bonds

1) Coupon rate: 0%.

2) Issue period: 3 years (May 7, 2018, to May 7, 2021)

3) Repayment term:

The bonds are repayable in cash upon the maturity of the bonds except for those which were repurchased by the Company, sold back to the Company, or converted to common stock before maturity.

4) Conversion period:

Beginning from three months after the issue date (August 8, 2018) until the maturity date (May 7, 2021), bondholders may convert the bonds into common stock according to the conversion arrangement.

5) The Company's call option (right of redemption):

Beginning from three months after the issue date (August 8, 2018) until 40 days before maturity (March 28, 2021), if the stock closing price exceeds 30% of the conversion price for 30 consecutive working days, or the remaining amount of bonds payable which have not yet been converted into shares is lower than 10% of the total issue amount, the Company is entitled to send a "bond redemption notification" to bondholders and publish an announcement through the TPEx to exercise its call option.

6) Bondholders' put option:

Bondholders are entitled to exercise the put option starting from two years after the issuance date (May 7, 2020) to sell back their shares at an exercise price of 101.0025%, with an annual yield rate of 0.5% of the face value of the bonds. Upon receipt of a sell-back request, the Company shall pay the amount to bondholders by cheque or electronic transfer within 5 working days of the put date.

7) Conversion price:

The record date of convertible bonds was April 26, 2018, with the benchmark price calculated by either 1, 3, or 5-day arithmetic average of the closing prices of the Group’s common stock before the record date; and the conversion price (rounded to the nearest tenth NTD) calculated by multiplying the benchmark price by 102.8%, which is the conversion minimum rate. If the ex-dividend or ex-right occurs before the record date, its impact on the closing price should first be excluded in order to arrive at the closing price used to calculate the conversion price. However, if the ex-dividend or ex-right occurs between the record date and the issuance date, the conversion price will have to be adjusted by using the prescribed formula.

8) The third unsecured convertible bonds of the Group have already been transferred into common stock on June 30, 2020.

(ii) Financial assets measured at fair value through profit or loss were as follows:

	2020 Third unsecured convertible bond
Beginning balance	16
Valuation loss	(12)
Conversion	(4)
Ending balance	$ -

(iii) The balances of the equity component recorded as capital surplus－stock warrants were as follows:

	2020 Third unsecured convertible bond
Beginning balance	$ 839
Less: conversion	839
Ending balance	$ -

(m) Lease liabilities

The amounts of leased liability were as follows:

	December 31, 2021	December 31, 2020
Current	$ 40,965	71,422
Non-current	84,479	73,633
	$ 125,444	**145,055**

Please refer to note 6(t) for more information on maturity analysis.

The amounts recognized in profit or loss were as follows:

	2021	2020
Interest on lease liabilities	**$ 5,131**	**7,246**
Expenses relating to short-term leases	**$ 3,245**	**780**
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	**$ 714**	**1,102**

The amounts recognized in the statement of cash flows for the Group were as follows:

	2021	2020
Total cash outflow from operating activities	$ 9,090	9,128
Total cash outflow from investing activities	76,960	138,916
Total cash outflow for leases	**$ 86,050**	**148,044**

(i) Real estate leases

The Group leases buildings for its office space and warehouse. The leases of warehouse typically run for a period of 2 to 6 years, and of office for 1 to 5 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases of buildings contain extension options exercisable by the Group, the extension options held are exercisable only by the Group and not by the lessors. In which lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(ii) Other leases

The Group leases office equipment and vehicles with lease terms of 1 to 7 years. Some of these leases are considered as short-term leases or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(n) Employee benefits

(i) Defined benefit plans

The present value of the defined benefit obligations for the Group were as follows:

	December 31, 2021	December 31, 2020
Net defined benefit liability	$ **55,342**	**61,021**

1) Movements in present value of the defined benefit obligations

The movements in present value of the defined benefit obligations for the Group were as follows:

	2021	2020
Defined benefit obligation at January 1	$ 61,021	45,144
Current service costs and interest	12,010	11,616
Remeasurements of the net defined benefit liability		
—Actuarial gains and losses arising from changes in demographic assumptions	(167)	(2,005)
—Actuarial gains and losses arising from changes in financial assumptions	(6,607)	1,997
Past service cost and profit and loss due to settlement	-	(2,738)
Benefit paid	(2,986)	(3,920)
Exchange differences on translation of foreign plans	(7,929)	(3,328)
The effects of business combination	-	14,255
Defined benefit obligation at December 31	$ **55,342**	**61,021**

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2) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group were as follows:

	2021	2020
Current servicee costs	$ 8,227	6,820
Net interest on the net defined benefit liability	797	876
Past service cost and profit and loss due to settlement	-	(2,738)
	$ 9,024	4,958

3) Remeasurements of the net defined benefit liability recognized under other comprehensive income

The Group's remeasurements of the net defined benefit liability recognized in other comprehensive income as of 2021 and 2020 were as follows:

	2021	2020
Cumulative amount at January 1	$ (10,737)	(11,311)
Recognized losses during this period	(6,774)	(7)
Translation effect	803	581
Cumulative amount at December 31	$ (16,708)	(10,737)

4) Actuarial assumptions

Assumptions used on calculating the present value of the defined benefit obligation as of December 31, 2021 and 2020 were as follow:

	December 31, 2021	December 31, 2020
Discount rate	1.86%~2.36%	1.21%~1.48%
Future salary increases (employees paid monthly)	1.00%~3.00%	1.00%~2.50%
Future salary increases (employees paid daily)	2.00%~3.00%	2.00%~3.00%

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is $3,903 thousand.

The weighted average duration of the defined benefit plan is 9.25 years to 14.50 years.

5) Sensitivity analysis for actuarial assumption

When calculating the present value of the defined benefit obligations, the Group uses judgments and estimations to determine the actuarial assumptions, including discount rates and future salary changes, as of the financial statement date. Any changes in the actuarial assumptions may significantly impact the amount of the defined benefit obligations.

As of December 31, 2021 and 2020, the effect of changes in actuarial assumption on the present value of the defined benefit obligation was as follows:

	The effect of defined benefit obligation	
	Increase 1.00%	**Decrease 1.00%**
At December 31, 2021		
Discount rate (changes 1.00%)	(7,098)	8,496
Future salary adjustment rate (changes 1.00%)	8,438	(7,177)
At December 31, 2020		
Discount rate (changes 1.00%)	(7,309)	8,782
Future salary adjustment rate (changes 1.00%)	8,614	(7,308)

The above sensitivity analysis is analyzed based on the effect of changes in single assumption under the condition that other assumptions remain constant. In practice, many changes in assumptions may be linked together. The method used for sensitivity analysis and calculation of net pension liability is the same.

(ii) Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The Group's pension costs under the defined contribution method were $1,000 thousand and $939 thousand for 2021 and 2020, respectively. Payment was made to the Bureau of Labor Insurance.

(iii) Long-term employee benefit plan

The balance of the Group's long-term employee benefit plan amounted to $6,383 thousand and $6,294 thousand as of December 31, 2021 and 2020, respectively.

(o) Income taxes

Under the tax regulations of Thailand, the maximum statutory income tax rate applicable to APT and APS was 20% in 2021 and 2020. APEX II, a new factory for APT, was approved by the Board of Investment of Thailand to have an exemption period between May 12, 2014 and May 11, 2022; while APEX I received an extension and renewal on its exemption period between January 1, 2018 and December 31, 2021. AET's Taiwan Branch and the Company's Taiwan Branch are subject to a maximum income tax rate of 20% in accordance with the Income Tax Act, and the Income Basic Tax Act has been applied to the calculation of AET's Taiwan Branch and the Company's Taiwan Branch's basic income tax. APC is subject to a maximum income tax rate of 25% in accordance with the Corporate Income Tax Law of the People's Republic of China. APSS is subject to a maximum income tax rate of 17% in accordance with the Corporate Income Tax Law of Singapore.

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(i) Income tax expense

		2021	2020
Current tax expense			
Current period	$	55,254	38,243
Adjustment for prior periods		-	68
		55,254	38,311
Deferred tax benefit			
Origination and reversal of temporary differences	$	(3,108)	(3,389)
Income tax expense from continuing operations	**$**	**52,146**	**34,922**

Income tax recognized under other comprehensive income for 2021 and 2020 was as follows:

		2021	2020
Items that will not reclassified into profit and loss			
Remeasurements of defined benefit liability	**$**	**262**	**-**

Reconciliation of income tax and profit before tax for 2021 and 2020 is as follows:

		2021	2020
Profit before income tax	**$**	**1,436,028**	**1,238,677**
Income tax calculated by a statutory tax rate applied by subsidiaries	$	296,063	251,911
Adjustment in accordance with tax law		15,477	3,429
Tax-exempt income		(259,394)	(220,486)
Under provision in prior periods		-	68
Total	**$**	**52,146**	**34,922**

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

		December 31, 2021	December 31, 2020
Tax losses	**$**	**32,762**	**27,480**

The ROC Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

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The Group's estimated unused loss carry-forwards up to 2021, were as follows:

Year of loss	Unused amount	Year of expiry
The Company's Taiwan Branch		
2014	$ 10,032	2024
2015	21,859	2025
2016	20,213	2026
2017	21,401	2027
2018	20,441	2028
2019	20,510	2029
2020	22,946	2030
2021	26,410	2031
	$ 163,812	

2) Recognized deferred tax assets and liabilities

Deferred tax liabilities:

	Fair value gains	Difference between tax purpose and financial reporting purpose for finance leases	Others	Total
Balance at January 1, 2021	$ 298	55,453	-	55,751
Recognized in profit or loss	504	7,208	45	7,757
Effect in exchange rate	(64)	(7,466)	(2)	(7,532)
Balance at December 31, 2021	**$ 738**	**55,195**	**43**	**55,976**
Balance at January 1, 2020	$ 5	52,175	-	52,180
Recognized in profit or loss	291	6,191	-	6,482
Effect in exchange rate	2	(2,913)	-	(2,911)
Balance at December 31, 2020	**$ 298**	**55,453**	**-**	**55,751**

(Continued)

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Deferred tax assets:

		Defined benefit plans	Unrealized impairment losses	Difference between tax purpose and financial reporting purpose for useful life of fixed assets	Others	Total
Balance at January 1, 2021	$	8,641	2,669	11,218	2,632	25,160
Recognized in profit or loss		1,995	3,982	1,466	3,422	10,865
Recognized in other comprehensive income		(262)	-	-	-	(262)
Effect in exchange rate		(1,195)	(534)	(1,511)	(366)	(3,606)
Balance at December 31, 2021	**$**	**9,179**	**6,117**	**11,173**	**5,688**	**32,157**
Balance at January 1, 2020	$	7,285	2,107	5,768	949	16,109
Recognized in profit or loss		1,757	669	5,735	1,710	9,871
Effect in exchange rate		(401)	(107)	(285)	(27)	(820)
Balance at December 31, 2020	**$**	**8,641**	**2,669**	**11,218**	**2,632**	**25,160**

(iii) Examination and approval

The Company and AET are not required to pay income tax in the country in which it is incorporated, so there is no need to file an income tax return.

In Thailand and Singapore, where APT, APS and APSS operate, income taxes do not require approval by the tax authority. Income taxes paid in prior years have received income tax receipts up to 2020. The income tax return of AET and the Company's Taiwan Branch had been approved by the revenue department through 2019.The income tax return of APC had been approved by the revenue department through 2020.

(p) Share capital and other equity

As of December 31, 2021 and 2020, the total value of authorized common stock is $3,000,000 thousand. Par value of each share is $10 (dollars), and in total, there are 300,000 thousand authorized common shares.

Reconciliation of shares outstanding for the years ended December 31, 2021 and 2020, was as follows:

Unit: Thousand shares

	2021	**2020**
Balance at January 1	189,938	189,041
Conversion of convertible bonds	-	897
Balance at December 31	**189,938**	**189,938**

(i) Issuance of common stock

In the year ended December 31, 2020, the third convertible bondholders converted bonds into common stock, and of which 897 thousand shares were converted at par value, amounting to $8,971 thousand. Registration processes in relation to the bond conversion have been completed.

(Continued)

(ii) Capital surplus

The balances of capital surplus were as follows:

	December 31, 2021	December 31, 2020
Premium on capital stock	$ 2,378,112	2,378,112
Donation by shareholders	27,067	27,067
Gain or loss on entity's disposition of equity of the subsidiary	333	333
	$ 2,405,512	**2,405,512**

(iii) Retained earnings

According to the amendment of the Company's articles of association which was approved by the shareholders' meeting held on June 2, 2015, the annual net income after paying income tax and offsetting prior years' accumulated deficit (if any) will be distributed in accordance with the regulations for special reserve, and the remaining distribution of earnings should be based on the following percentages:

1) Employees' bonus of 2% maximum.

2) Remuneration to directors and supervisors of 2% maximum.

3) Shareholders' dividend should not be lower than 10%, and its distribution should be based on the proportion of shares held by each shareholder. Board of Director should consider the actual operating conditions, future capital expenditures or other operating related significant matter in proposing the distribution of the unappropriated retained earnings in the beginning of the year.

When employees' bonus is distributed by issuing stock, the employees of the Company's subsidiaries who meet certain criteria are eligible to receive a bonus. The Company is not obliged to pay any interest on an undistributed dividend or bonus.

(iv) Special reserve

In accordance with Chin Kuan Cheng Fa No. 1010012865 issued on April 6, 2012, the Company shall set aside a special reserve equal to the net balance of other deductions in shareholders' equity in the current period from net income in the current period and prior unappropriated retained earnings before earnings distribution. The special reserve set aside based on the deductions in shareholders' equity that resulted from prior periods cannot be distributed to shareholders. The Company can distribute the special reserve only up to the amount of the reversal of such deductions.

As of December 31, 2021 and 2020, the special reserve was $300,256 thousand.

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(v) Distribution of earnings

According to the Articles of Association, if the Company is profitable during the given accounting year, then the Company is allowed to set aside a maximum amount of 2% of its net profit as remuneration to employees, directors, and supervisors. However, when experiencing a cumulative loss, the Company shall first appropriate a reserve amount to offset the cumulative loss. The Company's estimated remuneration for employees, directors and supervisors for the years ended December 31, 2021 and 2020 was $0 thousand and $720 thousand, respectively. Should there be difference between the actual distribution amount that was resolved by shareholders' meeting and the estimated amount, it will be regarded as changes in accounting estimates and errors, and it will be adjusted in the Company's profit or loss for the given year.

On March 3, 2021, the employee remuneration, as well as remuneration to directors and supervisors of $0 thousand and $720 thousand, respectively, which were approved during the Company's Board of Directors meeting, were the same as those recognized in the 2020 financial statements. On July 2, 2021, the distribution of earnings were approved during the shareholders' meeting. The related information is available on the Market Observation Post System website.

On July 2, 2021 and On June 5, 2020, the shareholder's meetings resolved to appropriate the 2020 and 2019 earnings. These earnings were appropriated as follows:

		2020	2019
Dividends distributed to ordinary shareholders			
Cash	$	**569,814**	**569,799**

The related information about the earnings distribution that was resolved during the shareholder's meeting and board meeting is available on the Market Observation Post System website.

(q) Earnings per share

The calculation of basic and diluted earnings per share (EPS) was as follows:

Unit: Thousand shares

		2021	2020
Basic EPS:			
Net income	$	**1,377,897**	**1,198,609**
Weighted-average number of common shares outstanding		**189,938**	**189,819**
Basic EPS (New Taiwan Dollars)	$	**7.25**	**6.31**
Diluted EPS:			
Net income	$	1,377,897	1,198,609
Influence of dilutive expenses		-	76
Net income for calculating diluted EPS	$	**1,377,897**	**1,198,685**

(Continued)

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		2021	2020
Weighted-average number of common shares outstanding		189,938	189,819
Conversion of convertible bonds		-	119
Weighted-average number of common shares outstanding — diluted		**189,938**	**189,938**
Diluted EPS (New Taiwan Dollars)	**$**	**7.25**	**6.31**

(r) Revenues from contracts with customers

(i) Disaggregation of revenue

		2021	2020
Primary geographical markets:			
Singapore	$	3,049,293	2,159,955
Thailand		2,746,461	2,248,559
Vietnam		2,192,040	1,176,024
Korea		1,490,762	1,424,150
Samoa		1,537,104	1,033,734
Other		3,785,023	3,790,091
	$	**14,800,683**	**11,832,513**
Main product/service line			
Single-layer PCB sales	$	610,225	572,653
Double-layer PCB sales		4,811,756	2,287,823
Multi-layer PCB sales		9,322,546	9,038,365
Other		63,586	21,635
Less: sales return and allowance		(7,430)	(87,963)
	$	**14,800,683**	**11,832,513**

(ii) Remaining balances of contract

		December 31, 2021	December 31, 2020	January 1, 2020
Notes receivable	$	-	661	-
Accounts receivable		4,378,017	3,690,646	2,892,485
Less: loss allowance		(47,187)	(6,896)	(21,041)
Total	**$**	**4,330,830**	**3,684,411**	**2,871,444**

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(s) Non-operating income and expenses

(i) Interest income

The details of interest income are as follows:

	2021	2020
Interest income on bank deposits	**$ 525**	**1,473**

(ii) Other income

The details of other income are as follows:

	2021	2020
Income from cancellation of orders	$ 20,224	15,571
Others	15,013	20,457
	$ 35,237	**36,028**

(iii) Other gains and losses

The details of other gains and losses are as follows:

	2021	2020
Losses on disposal of property, plant and equipment	$ (1,301)	(16,356)
Foreign exchange gains (losses), net	(15,063)	85,370
Valuation gains (losses) on financial assets (liabilities), net	1,570	(7,118)
Impairment loss	(16,997)	(17,435)
Gain on lease modifications	27	1,440
Other	(131)	(154)
	$ (31,895)	**45,747**

(iv) Finance cost

The details of finance cost are as follows:

	2021	2020
Interest expense on loans from banks	$ 84,533	41,071
Interest expense on lease liabilities	5,131	7,246
Less: interest expense capitalized	(44,417)	(9,699)
Amortization of discount on bonds payable	-	64
	$ 45,247	**38,682**

(Continued)

(t) Financial instruments

(i) Credit risk

1) Risk exposure

The book value of financial assets represents the maximum risk exposure. The maximum risk exposure amounts were $5,218,089 thousand and $4,599,992 thousand as of December 31, 2021 and 2020, respectively.

2) Concentration of credit risk

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the statistical information on the Group's customer base, including the default risk of the industry and country in which customers operate. The Group's accounts receivable are obviously concentrated on three main customers, which accounted for 38% and 40% of the total amount of notes and accounts receivable as of December 31, 2021 and 2020, respectively. As of December 31, 2021 and 2020, the Group's accounts receivable concentrated on three main customers were $1,664,796 thousand and $1,455,501 thousand, respectively.

3) Credit risk of accounts receivable

Please refer to note 6(c) for information on credit risk of accounts receivable; and note 6(d) for details of other receivables. All of other receivables are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(g).

(ii) Liquidity risk

The following table shows the maturity of the financial liabilities including estimated interest:

	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	More than 2 years
December 31, 2021					
Non-derivative financial liabilities					
Short-term loans	$ 2,501,866	2,507,677	2,507,677	-	-
Long-term loans	4,118,801	4,318,904	1,169,251	789,860	2,359,793
Lease liabilities	125,444	133,532	44,238	33,716	55,578
Accounts payable	3,537,424	3,537,424	3,537,424	-	-
Other payables (including payables on equipment)	1,632,808	1,632,808	1,632,808	-	-
Long-term payable	232,619	232,619	-	218,098	14,521
Derivative financial liabilities					
Other forward contract－					
Inflow	-	(928,601)	(928,601)	-	-
Outflow	4,322	932,923	932,923	-	-
	$ 12,153,284	**12,367,286**	**8,895,720**	**1,041,674**	**2,429,892**

(Continued)

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	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	More than 2 years
December 31, 2020					
Non-derivative financial liabilities					
Secured bank loans (including FV adjustment)	$ 1,750,016	1,829,623	348,103	1,041,945	439,575
Unsecured bank loans	1,947,860	1,973,000	1,368,809	466,358	137,833
Lease liabilities	145,055	153,151	75,113	31,058	46,980
Accounts payable	2,434,679	2,434,679	2,434,679	-	-
Other payables (including payables on equipment)	1,004,161	1,004,161	1,004,161	-	-
Long-term payable	135,118	135,118	-	104,016	31,102
Derivative financial liabilities					
Other forward contract－					
Inflow	-	(303,015)	(303,015)	-	-
Outflow	8,279	311,294	311,294	-	-
	$ **7,425,168**	**7,538,011**	**5,239,144**	**1,643,377**	**655,490**

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

(iii) Currency risk

1) Currency risk exposure

The Group's significant exposure to foreign currency risk was as follows:

	December 31, 2021			December 31, 2020		
	Foreign currency	Exchange rate	Amount	Foreign currency	Exchange rate	Amount
Financial assets						
Monetary items						
USD	$ 143,590	27.59	3,961,867	129,502	28.43	3,681,969
Financial liabilities						
Monetary items						
USD	131,078	27.86	3,651,461	143,829	28.69	4,127,128

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables, loans and borrowings, and trade and other payables that are denominated in foreign currency.

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A 5% strengthening of the NTD and THB against the USD as at December 31, 2021 and 2020, would have increased (decreased) net profit before tax for the years ended December 31, 2021 and 2020, by $(16,000) thousand and $22,000 thousand, respectively. The analysis assumes that all other variables remain constant, and is performed on the same basis for 2020.

3) Exchange gains and losses on monetary items

Due to the numerous types of functional currency of the Group, the Group disclose its exchange gains and losses of monetary items aggregately. The Company's exchange gains (losses), including realized and unrealized, were $(15,063) thousand and $85,370 thousand for the years ended December 31, 2021 and 2020, respectively.

(iv) Interest rate risk

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to interest rate risk for derivative and non-derivative financial instruments on the reporting date.

For variable-rate instruments, the sensitivity analysis assumes the variable-rate liabilities are outstanding for the whole year ended at the reporting date. The Group internally reported the increases / decreases in interest rates and the exposure to changes in interest rates of 0.25% to the Group's key management so as to allow key management to assess the reasonableness of the changes in interest rates.

If the interest rate had increased / decreased by 0.25%, the Group's net income would have decreased / increased by $16,453 thousand and $9,258 thousand for the years ended December 31, 2021 and 2020, respectively, with all other variable factors remaining constant. This was mainly due to the Group's borrowing at variable rates.

(v) Fair value information

1) Categories and fair value of financial instruments

The Group's financial assets at fair value through profit or loss are measured at fair value on a recurring basis. The carrying amount and fair value of the Group’s financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2021				
		Fair value			
	Amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured of fair value through profit or loss					
Derivative financial assets－current	$ 9,285	-	9,285	-	9,285

(Continued)

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	December 31, 2021				
		Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	660,374	-	-	-	-
Accounts receivables	4,330,830	-	-	-	-
Other receivables	201,583	-	-	-	-
Refundable deposits	7,811	-	-	-	-
Other financial assets	8,206	-	-	-	-
Subtotal	5,208,804	-	-	-	-
Total	**$ 5,218,089**	**-**	**9,285**	**-**	**9,285**
Financial liabilities measured of fair value through profit or loss					
Derivative financial liabilities－current	$ 4,322	-	4,322	-	4,322
Financial liabilities measured at amortized cost					
Short-term loans	2,501,866	-	-	-	-
Long-term loans	4,118,801	-	-	-	-
Lease liabilities	125,444	-	-	-	-
Accounts payable	3,537,424	-	-	-	-
Other payables (including payables on equipment)	1,632,808	-	-	-	-
Long-term payable	232,619	-	-	-	-
Total	**$ 12,153,284**	**-**	**4,322**	**-**	**4,322**

	December 31, 2020				
		Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial assets measured of fair value through profit or loss					
Derivative financial assets－current	$ 10,592	-	10,592	-	10,592

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	December 31, 2020				
		Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	821,682	-	-	-	-
Notes receivables	661	-	-	-	-
Accounts receivables	3,683,750	-	-	-	-
Other receivables	71,042	-	-	-	-
Refundable deposits	7,954	-	-	-	-
Other financial assets	4,311	-	-	-	-
Subtotal	4,589,400	-	-	-	-
Total	**$ 4,599,992**	**-**	**10,592**	**-**	**10,592**
Financial liabilities measured of fair value through profit or loss					
Derivative financial liabilities－current	$ 8,279	-	8,279	-	8,279
Financial liabilities measured at amortized cost					
Secured bank loans	1,750,016	-	-	-	-
Unsecured bank loans	1,947,860	-	-	-	-
Lease liabilities	145,055	-	-	-	-
Accounts payable	2,434,679	-	-	-	-
Other payables (including payables on equipment)	1,004,161	-	-	-	-
Long-term payable	135,118	-	-	-	-
Subtotal	7,416,889	-	-	-	-
Total	**$ 7,425,168**	**-**	**8,279**	**-**	**8,279**

(Continued)

2) Valuation techniques and assumptions used in fair value determination

a) Non-derivative financial instruments

i) The carrying amounts of the following short-term financial instruments approximate their fair values because of their short maturities and payment request or payment amount of future cash flow will not be changed due to timing difference, and the book value shall be estimate by the fair value's basis. This method applys to: cash and cash in bank, notes and accounts receivable and payable, other receivables and payables, refundable deposits, other financial assets, short-term loans and payables for machinery and equipment.

ii) Fair value of long-term debt, lease liabilities, and long-term payable is estimated using the present value of future cash flows discounted by the interest rates the Group may obtain for similar loans and lease payable. However, long-term debt is recognized by its book value because most of it has floating rates. Lease liabilities are calculated based on the fixed rate agreed in the lease contract or incremental borrowing rate. Long-term payable is calculated based on the weighted-average cost of capital (WACC). There were no significant differences between book value and discounted present value. Thus, long-term payable is recognized by book value.

b) Derivative financial instruments

Forward exchange contracts were usually estimated by the current forward exchange rates of the transaction banks.

(u) Financial risk management

(i) Overview

The Group has exposure to the following risks arising from financial instruments:

1. Credit risk.

2. Liquidity risk.

3. Market risk.

This note presents information about the Group's exposure to each of the above risks, the objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Please see other related notes for quantitative information.

(ii) Risk management framework

The Group's management monitors risk exposure, risk control, and the managing process and ensures appropriate handling to balance the risk and control.

The Group minimizes the risk exposure through derivative financial instruments. The management of the finance department regulates the use of derivative and non-derivative financial instruments in accordance with the Group's policy in consideration of the risks arising from financial instruments such as credit risk, currency risk, and interest rate risk to which the Group is exposed. The Group has no transactions involving financial instruments (including derivative financial instruments) for the purpose of speculation.

The finance department reports the results of derivative financial instruments to the board of directors on a quarterly basis.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and bank deposits.

1) Receivables and other receivables

The finance department and business department have established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes financial statement analysis, external ratings, when available, and, in some cases, bank references. Purchase limits are established for each customer and need to be approved according to the Group's authorization limit. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

2) Investments

The credit risk exposure of the bank deposits and other financial instruments is measured and monitored by the Group's finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating and also subsidiaries were monitored by the Group, therefore there are no significant default risk and significant credit risk.

3) Guarantees

The Group's policy is to provide financial guarantees only to subsidiaries. For information on guarantees as of December 31, 2021 and 2020, please refer to note 13.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group’s management supervises the banking facilities and ensures compliance with the terms of loan agreements.

Loans and borrowings from the bank form an important source of liquidity for the Group. As of December 31, 2021 and 2020, the Group's unused credit line were amounted to $4,709,127 thousand and $8,325,346 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group buys and sells derivatives, and also incurs financial assets and financial liabilities, in order to manage market risks. All such transactions are carried out within the scope of the Group's internal control policy. Generally the Group seeks to apply hedge accounting in order to manage volatility in profit or loss.

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than New Taiwan dollar (TWD) which is the functional currency of the Company. The functional currency of subsidiaries are the Thai Baht (THB), Ren Min Bi (CNY) and Singapore dollar (SGD). The currencies used in these transactions are the THB, USD, CNY, SGD and TWD.

Interest is denominated in the currency used in the borrowings. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily the THB and the USD. This provides an economic hedge without derivatives being entered into, and therefore, hedge accounting is not applied in these circumstances.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

(Continued)

(v) Capital management

The Group manages capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Group and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is debt divided by equity. Debt is derived from the total liabilities on the balance sheet. Equity includes share capital, capital surplus, retained earnings and other equity.

For the year ended December 31, 2021, the Group's capital management strategy was consistent with the year ended at December 31, 2020. The Group has to maintain the debt-to-equity ratio at a certain level according to the criteria set by a lender. The Group's debt-to-equity ratio as at December 31, 2021 and 2020, was as follows:

	December 31, 2021	December 31, 2020
Net liabilities	$ 12,365,742	7,607,391
Total equity	$ 7,396,475	7,624,632
Debt-to-equity ratio	167.18 %	99.77 %

The debt-to-equity ratio as of December 31, 2021 and 2020 was within the limit set by the lender.

The quantitative data for APT, a subsidiary of the Company, used as a capital management tool in the relevant periods are summarized below:

Unit: thousands of THB

	December 31, 2021	December 31, 2020
Net liabilities	$ 13,677,756	6,472,870
Total equity	$ 9,523,298	9,085,963
Debt-to-equity ratio	143.62 %	71.24 %

APT's debt-to-equity ratio has been maintained within the scope of the loan contracts.

(w) Non-cash investing and financing activities

For the years ended December 31, 2021 and 2020, the Group's non-cash investing and financing activities were derived from the acquisition of machinery and equipment and right-of-use asset through finance leasing, as well as the conversion of convertible bonds into common stock. Please refer to notes 6(l), (m) and (p) for related information.

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Reconciliation of liabilities from financing activities were as follows:

	January 1, 2021	Obtained from acquisition	Cash flows	Non-cash changes: Acquisition or termination of contracts	Non-cash changes: Translation effect	Non-cash changes: Amortization of discount	Non-cash changes: Conversion	December 31, 2021
Long-term loans	$ 2,327,927	-	2,089,905	-	(299,031)	-	-	4,118,801
Short-term loans	1,369,949	-	1,376,973	-	(245,056)	-	-	2,501,866
Lease liabilities	145,055	-	(76,960)	75,021	(17,672)	-	-	125,444
Total liabilities from financing activities	**$ 3,842,931**	**-**	**3,389,918**	**75,021**	**(561,759)**	**-**	**-**	**6,746,111**

	January 1, 2020	Obtained from acquisition	Cash flows	Non-cash changes: Acquisition or termination of contracts	Non-cash changes: Translation effect	Non-cash changes: Amortization of discount	Non-cash changes: Conversion	December 31, 2020
Long-term loans	$ 1,101,544	-	1,259,654	-	(33,271)	-	-	2,327,927
Short-term loans	899,218	132,192	394,084	-	(55,545)	-	-	1,369,949
Lease liabilities	244,360	169	(138,916)	53,490	(14,048)	-	-	145,055
Corporate bonds payable	17,797	-	-	-	-	64	(17,861)	-
Total liabilities from financing activities	**$ 2,262,919**	**132,361**	**1,514,822**	**53,490**	**(102,864)**	**64**	**(17,861)**	**3,842,931**

(7) Related-party transactions:

(a) Parent Company and ultimate controlling party

Apex International Co., Ltd. is the ultimate controlling party of the Group.

(b) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
APS	The entity's chairman is the second immediate family of the chairman of the Company (note)
Wang Chin Shin	The second immediate family of the chairman of the Company
Wang Chang Tao	The second immediate family of the chairman of the Company
Wang Chong Hsien	The second immediate family of the chairman of the Company
Wang Shu Mu	Chairman of the Company

Note: The Group has acquired 99.99% shares of APS on January, 2020.

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(c) Significant transactions with related parties

(i) Acquisitions of share

The Group acquired 99.99% shares of APS with total amount of $277,485 thousand (THB 274,983 thousand) from related parties. The amounts that the Group paid to related party for the year ended December 31, 2020 were summarized as below:

	2020
Wang Chin Shin	$ 57,843
Wang Chang Tao	28,255
Wang Chong Hsien	83,163
Total	**$ 169,261**

(ii) Guarantee

For the years ended December 31, 2021 and 2020, chairman of the Company provided credit guarantees to the Group for short-term and long-term loans.

(d) Management personnel compensation

Key management personnel compensation comprised:

	2021	2020
Short-term employee benefits	$ 50,730	46,570
Post-employment benefits	112	773
Other long-term benefits	5	7
	$ 50,847	**47,350**

(8) Pledged assets:

Pledged assets	Object	December 31, 2021	December 31, 2020
Other financial assets－non-current:			
Restricted bank deposits	Long-term loans and derivative instruments not used for hedging	$ 8,206	4,311
Property, plant, and equipment:			
Land	Long-term and short-term loans	363	416
Buildings	Long-term and short-term loans	35,826	47,541
Machinery and equipment	Long-term, short-term loans and electricity guarantee	1,100,397	900,820
Total		**$ 1,144,792**	**953,088**

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(9) Significant commitments and contingencies:

(a) The Group did not recognize the following contract agreements in the financial statements:

	December 31, 2021	December 31, 2020
Acquiring property, plant and equipment	$ 1,165,428	1,615,496
Long-term commitments	42,990	82,078
Total	**$ 1,208,418**	**1,697,574**

(b) The Group had outstanding letters of credit as follows:

	December 31, 2021	December 31, 2020
Letters of credit	**$ 149,333**	**110,431**

(c) Guarantees provided by banks were as follows:

	December 31, 2021	December 31, 2020
Electricity guarantee	**$ 78,785**	**84,154**

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

(12) Other:

(a) A summary of personnel costs, depreciation, depletion and amortization is as follows:

Function / Account	2021			2020		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Personnel costs						
Salaries	1,822,921	346,367	2,169,288	1,576,552	314,610	1,891,162
Health insurance	-	1,723	1,723	-	1,555	1,555
Pension	5,625	4,399	10,024	694	5,203	5,897
Other personnel expense	146,554	126,849	273,403	146,863	55,007	201,870
Depreciation	706,804	100,436	807,240	656,426	90,088	746,514
Amortization	6,211	10,681	16,892	6,015	8,989	15,004

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(13) Other disclosures:

(a) Information on significant transactions:

The following were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the year ended December 31, 2021:

(i) Loans to other parties: None.

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (note 1)										
1	The Company	APT	2	22,189,425 (Note 2)	7,303,954	6,538,800	4,512,382	-	88.40 %	22,189,425 (Note 3)	Y	N	N
2	The Company	APS	2	22,189,425 (Note 2)	142,110	-	-	-	- %	22,189,425 (Note 3)	Y	N	N
3	APT	The Company	3	3,952,173 (Note 4)	1,027,128	996,797	498,420	-	13.48 %	3,952,173 (Note 5)	N	Y	N
4	APT	APS	2	3,952,173 (Note 4)	545,950	506,300	351,788	-	6.85 %	3,952,173 (Note 5)	N	N	N

Note 1: Relationships with Guarantors and Obligees

1. Companies with business relations.
2. Companies in which more than 50% of shares with voting rights are directly or indirectly owned by the Company.
3. Companies directly or in directly owning more than 50% of shares with voting rights of the Company.
4. Companies in which 90% of shares with voting rights are directly or indirectly owned the Company.
5. Companies under reciprocal inter-insurance for constructional contractual purpose.
6. Companies guaranteed by all contributed shareholders due to co-investing relationships.
7. Companies established to practice escrow and joint, as well as several guarantees for presale homes under the Consumer Protection Act.

Note 2: If it was approved by Board of Directors, the guarantee limit shall not be applied when the Company directly or indirectly owns more than 90% of the investee's equity. However, the guarantee amount is still limited to 300% of the Company's latest financial statements.

Note 3: The overall guarantee amount provided to others shall not exceed 300% of the net worth of the Company's latest financial statements.

Note 4: The guarantee limit for the guarantee provided to any individual company shall not exceed 50% of Apex Circuit (Thailand)'s net worth.

Note 5: Total amount of the guarantee provided by Apex Circuit (Thailand) is limited to 50% of its net worth.

(iii) Securities held as of December 31, 2021 (excluding investment in subsidiaries, associates and joint ventures): None.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTD300 million or 20% of the capital stock: None.

(v) Acquisition of individual real estate with amount exceeding the lower of NTD300 million or 20% of the capital stock: None.

(vi) Disposal of individual real estate with amount exceeding the lower of NTD300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NTD100 million or 20% of the capital stock:

Company name	Counterparty	Nature of relationship (note 2)	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Remarks
			Purchase /Sale	Amount	Percentage of total purchases (sales) (%)	Credit terms (days)	Unit price	Payment terms	Ending balance of notes and accounts receivable (payable)	Percentage of total notes and accounts receivable (payable) (%)	
Approach Excellence Trading Co., Ltd.	Apex Circuit (Thailand) Co., Ltd.	3	Sales	122,273	95.51 %	Note 1	-	-	23,338	92.80 %	Note 3

Note 1: There were no significant differences between the terms of transactions with related parties and those carried out with other normal clients.

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

Note 3: Related-party transactions have been eliminated in the preparation of the consolidated financial statements.

(viii) Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of the capital stock: None.

(ix) Information regarding trading in derivative financial instruments: Please refer to note 6(b)

(x) Business relationships and significant intercompany transactions: There were no significant transactions.

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(b) Information on investees:

The following is the information on investees for the years ended December 31, 2021:

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount December 31, 2021	Original investment amount December 31, 2020	Balance as of December 31, 2021 Shares (thousands)	Balance as of December 31, 2021 Percentage of ownership	Balance as of December 31, 2021 Carrying value (Notes 1 and 2)	Net income (losses) of investee (Note 1)	Share of profits/losses of investee (Notes 1 and 2)	Note
The Company	APT	Thailand	PCB (printed circuit board) manufacturing and sales	3,311,762	3,311,762	143,194	99.58 %	7,871,138	1,425,709	1,419,721	
The Company	AET	British Virgin Islands	Supply chain integration	10,000	10,000	1,000	100.00 %	6,198	(419)	(21)	
APT	APS	Thailand	PCB (printed circuit board) manufacturing and sales	277,485	277,485	32	99.99 %	185,972	(33,537)	(33,534) (Note 3)	
APS	APSS	Singapore	PCB sales development	8,195	8,195	402	100.00 %	4,382	1,732	(670)	

Note 1: Long-term investment and investment gains and losses have been recognized by the equity method based on the financial statements of the investee companies audited by the Group's auditors.

Note 2: The long-term investment and investment gains or losses have been eliminated in the preparation of the consolidated financial statements.

Note 3: The amount of amortization of premium on investment recognized in this period has been included in share of profits/ losses of investee.

(c) Information on investment in China:

(i) The names of investees in China, the main businesses and products, and other information:

Unit: in thousands of dollars

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2021 (Note 4)	Investment flows Outflow (Note 4)	Investment flows Inflow (Note 4)	Accumulated outflow of investment from Taiwan as of December 31, 2021 (Note 4)	Net income (losses) of the investee (Note 2)	Percentage of ownership	Investment income (losses) (Notes 2 and 3)	Book value (Notes 2 and 3)	Accumulated remittance of earnings in current period
APC	Supply Chain integration	8,488 (RMB2,000)	2	-	-	-	-	(16,646) (RMB3,831)	99.58 %	(19,486) (RMB4,485)	(17,543) (RMB3,974)	-

Note 1: Investment methods are divided into the following three kinds

(1) Direct investment in China.

(2) Direct investment in Thailand (APT) prior to investing in China.

(3) Other methods.

Note 2: Long-term investment and investment gains and losses have been recognized by using the equity method based on the financial statements of the investee companies audited by auditors.

Note 3: Long-term investment and investment gains or losses have been eliminated in the preparation of the consolidated financial statements.

Note 4: The Company is not a Taiwan local company, so no investment amount is shown.

Note 5: The book value at end of year are calculated by using the exchange rate on December 31, 2021 (BS exchange rate RMB:TWD=1:4.4144).The net income (loss) of the investee company and investment gains (losses) recognized by the parent company are calculated by the average exchange rate (IS exchange rate RMB:TWD=1:4.3448).

(ii) Limitation on investment in China: None.

(iii) Significant transactions in China: None.

(d) Major shareholders:

Unit: share

Shareholding Shareholder's Name	Shares	Percentage
Lu Yan Xian	18,000,000	9.47 %
Jin Da He Co., Ltd.	10,700,000	5.63 %
JHIH SYUAN ASSET MANAGEMENT Co., Ltd.	10,000,000	5.26 %

Note: (1) The main shareholder information of this table is calculated by Depositor & Clearing Corporation (TDCC) using information that shareholder acquired more than 5% of common share and preferred share have been completed non-physical delivered. There might be a difference between share capital on the financial report and the actual share that have completed non-physical delivered due to different basis of accounting.

(2) Percentage of ownership is chopped to the second decimal place.

(14) Segment information:

(a) General information

The Group has a reportable segment, Thailand, which manufactures and sells PCBs. The Group's reportable segment is a regional business unit. Because each regional business unit requires different technology and marketing strategies, they need to be managed separately. The Group did not allocate income tax expense to reportable segments. Each reportable segment's profit or loss included depreciation expenses, amortization expenses, and all other material non-cash items. The amount reported should be consistent with the report used by the chief operating decision maker. The accounting policies of the operating segments are the same as described in Note (4) significant accounting policies. The Group's operating segments' profits and losses are measured based on the income before income tax, and used as the basis for assessing the segments' performance. Reconciliation and elimination are mainly about elimination between operating segments.

"Others" operating segments of the Group include one company engaging in sales of materials for PCBs and one holding company, both of which have not exceeded the quantitative thresholds to disclose for the years ended December 31, 2021 and 2020.

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	December 31, 2021			
	Thailand	**Others**	**Adjustments and eliminations**	**Consolidated**
Revenue:				
Revenue from external customers	$ 14,798,936	-	1,747	14,800,683
Revenue from transactions with other operating segments	16,745	285,076	(301,821)	-
Total revenue	$ **14,815,681**	**285,076**	**(300,074)**	**14,800,683**
Interest expense	$ **41,818**	**3,429**	**-**	**45,247**
Depreciation and amortization	$ **820,067**	**4,065**	**-**	**824,132**
Segment's profit or loss	$ **1,509,085**	**(57,192)**	**(15,865)**	**1,436,028**
Segment's assets	$ **19,534,260**	**177,986**	**83,177**	**19,795,423**

	December 31, 2020			
	Thailand	**Others**	**Adjustments and eliminations**	**Consolidated**
Revenue:				
Revenue from external customers	$ 11,832,488	-	25	11,832,513
Revenue from transactions with other operating segments	5,075	148,684	(153,759)	-
Total revenue	$ **11,837,563**	**148,684**	**(153,734)**	**11,832,513**
Interest expense	$ **26,911**	**11,771**	**-**	**38,682**
Depreciation and amortization	$ **757,065**	**4,453**	**-**	**761,518**
Segment's profit or loss	$ **1,284,375**	**(30,321)**	**(15,377)**	**1,238,677**
Segment's assets	$ **14,967,811**	**125,158**	**175,393**	**15,268,362**

(b) Product and service information

The Group operates in a single industry: manufacturing and selling printed circuit boards. Hence, the disclosure of business segment information is not required.

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(c) Geographic financial information

Export sales revenue by country is based on the billing location of the customer, and non-current assets by location are based on where the assets are located. The information is as follows:

Export sales

Region	2021	2020
Singapore	$ 3,049,293	2,159,955
Thailand	2,746,461	2,248,559
Vietnam	2,192,040	1,176,024
Korea	1,490,762	1,424,150
Samoa	1,537,104	1,033,734
Others	3,785,023	3,790,091
Total	**$ 14,800,683**	**11,832,513**

Non-current assets:

Region	December 31, 2021	December 31, 2020
Taiwan	$ 6,218	3,569
China	1,486	2,294
Singapore	559	895
Thailand	10,673,010	8,298,375
Total	**$ 10,681,273**	**8,305,133**

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets, and prepayment for equipment, not including financial instruments, deferred tax assets, pension fund assets, and rights arising from an insurance contract (non-current).

(d) Information on major customers

Revenue on major customers for more than 10% of the Group's total revenue are as follows:

	2021	2020
A customer from Thailand segment	**$ 4,682,684**	**2,442,213**
B customer from Thailand segment	**$ 1,537,104**	**1,161,106**